

**BYLAWS
OF
CHARLESTON EDUCATIONAL EXCELLENCE FINANCING CORPORATION**

Article I: Name, Form of Organization, and Purposes

Section 1.1 Name. The name of the corporation is **CHARLESTON EDUCATIONAL EXCELLENCE FINANCING CORPORATION**.

Section 1.2 Nonprofit and Tax-exempt Status. The corporation is organized as a nonprofit corporation under the South Carolina Nonprofit Corporation Act and as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, as amended. The corporation is a public benefit corporation and shall have perpetual duration and succession.

Section 1.3 No Members. The corporation shall have no members.

Section 1.4 Purposes. The corporation is organized, and at all times shall be operated, exclusively for educational and charitable purposes (within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code,” with any reference to a provision of the “Code” herein also deemed to include a reference to the corresponding provision of any future federal tax code)) in order to assist the Charleston County School District, a South Carolina political subdivision (the “School District”) in providing educational services, and the corporation shall have no power to engage in activities not in furtherance of such purpose. To the extent consistent with the preceding sentence, the specific purposes of the corporation shall be to (1) acquire, construct, finance, pledge, improve, maintain, operate, manage, lease and dispose of school buildings and other public education facilities for the use and benefit of the School District and (2) encourage and promote public education through cooperative arrangements with governmental entities and organizations exempt under Section 501(c)(3) of the Code that provide public education in Charleston County, South Carolina. The corporation is not a corporation organized for profit. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, trustees, employees, agents or other private shareholders or persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for goods and services rendered and to make distributions in furtherance of its charitable and educational purposes. Net earnings of the corporation shall accrue and be payable at least annually to the School District; provided, however, that the School District may contribute the same to the corporation for any purpose. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from federal

income tax under Section 501(c)(3) of the Code; (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code; (c) by a corporation organized under the South Carolina Nonprofit Corporation Act; or (d) by any instrumentality of the School District or the State of South Carolina or any other political subdivision thereof exercising any essential governmental function with the income thereof accruing to a state or any political subdivision thereof within the meaning of Section 115 of the Code. It is anticipated that the corporation will be operated so as not to constitute a private foundation within the meaning of Section 509(a) of the Code; provided, however, that for any period of time during which the corporation is a "private foundation" within the meaning of Section 509(a) of the Code, notwithstanding any other provision of these articles of incorporation, the following mandatory provisions shall apply: (a) the corporation will distribute its income for each tax year at a time and in a manner so as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) the corporation will not engage in any act of self-dealing as defined in Section 4941 of the Code; (c) the corporation will not retain any excess business holdings as defined in Section 4943(c); (d) the corporation will not make any investments in a manner so as to subject it to tax under Section 4944 of the Code; and (e) the corporation will not make any taxable expenditures as defined in Section 4945(d) of the Code.

Section 1.5 Articles of Incorporation. These bylaws and any act of the Board of Directors or any officer or employee shall be subject to the articles of incorporation of the corporation. In the event that any provision of these bylaws conflicts with a provision of the corporation's articles of incorporation, the provisions of the articles of incorporation shall be controlling.

Article II: Offices

Section 2.1 Principal and Other Offices. The principal office of the corporation shall be located at the address of the President of the corporation, from time to time. The corporation may change its principal office to another location within the State of South Carolina by filing a Notice of Change of Principal Office with the South Carolina Secretary of State. The corporation shall maintain at its principal office a copy of the corporate records specified in Section 7.5 of Article VII. The corporation may have offices at such other places within the State of South Carolina as the Board of Directors from time to time may determine, or as the affairs of the corporation may require.

Section 2.2 Registered Office and Agent. The registered office of the corporation required by law to be maintained in the State of South Carolina may, but need not, be identical with the principal office. The corporation shall maintain a registered agent whose office is identical with the registered office. The corporation may change its registered office or registered agent from time to time in the manner required by law.

Article III: Board of Directors

Section 3.1 General Powers and Authority of the Board. All corporate powers shall be exercised by or under the authority of, and the affairs of the corporation managed under the direction of, the Board of Directors.

Section 3.2 Composition, Number, Term, and Qualifications.

(a) The number of directors of the corporation shall be not less than three (3) nor more than eleven (11).

(b) The number of directors who shall constitute the initial board of directors (within the foregoing limits) and the individuals who shall serve as the members of the initial board of directors shall be determined and appointed by resolution of the Board of Trustees of the School District.

(c) Within the limits specified above in paragraph (a), the number of directors may be revised from time to time by the Board of Trustees of the School District by written determination delivered to the corporation. The directors (other than the members of the initial board of directors) shall be appointed by the Board of Trustees of the School District by written determination delivered to the corporation.

(d) Notwithstanding any other provision of these bylaws, no person who is then an employee of the School District or a member of the Board of Trustees of the School District shall serve as a director of the corporation.

(e) Each director shall serve a term of three years (and until a successor is appointed and qualified) or until such director's earlier death, resignation, incapacity to serve, or removal.

(f) A director may be reappointed for successive terms.

Section 3.3 Resignation of Directors. A director may resign by delivering written notice to the chairperson of the Board of Directors. A resignation is effective when the notice is received unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Trustees of the School District may fill the pending vacancy before the effective date if the appointment provides that the successor does not take office until the effective date.

Section 3.4 Removal of Directors. The Board of Trustees of the School District shall have the power to remove a director (including any member of the initial board of directors) with or without cause and appoint a replacement for such removed director at any time by giving written notice to the director and to the chairperson of the Board of Directors.

Section 3.5 Vacancies. If a vacancy occurs on the Board of Directors, the Board of Trustees of the School District shall appoint a director to fill such vacancy. A director elected to fill a vacancy shall hold office (a) until the later of the end of the unexpired term that such director is filling or the date on which such director's successor is appointed and qualifies or (b) until such director's earlier death, resignation, incapacity or removal.

Section 3.6 Chairperson and Vice Chairperson. At its annual meeting (including its initial organizational meeting) (and thereafter as necessary to fill any vacancy in such position), the Board of Directors shall elect a director to serve as chairperson and another director to serve as vice-chairperson. The chairperson and vice-chairperson shall serve until the succeeding annual meeting or until his/her earlier death, incapacity, resignation (as a director or as chairperson or vice-chairperson) or removal (as a director or as chairperson or vice-chairperson). The chairperson of the Board of Directors shall preside at all meetings of the Board of Directors and perform such other duties as may be prescribed from time to time by the board. The vice chairperson of the Board of Directors, in the absence of the chairperson, or in the event of the death, inability or refusal to act of the chairperson, shall preside at all meetings of the board. The Board of Directors may remove the chairperson or vice-chairperson from his/her position as such with or without cause. The election (or removal) of the chairperson and the vice-chairperson must be approved by a majority of all of the directors in office when such election (or removal) is made.

Section 3.7 No Compensation. No member of the Board of Directors shall receive compensation for his/her services as such.

Section 3.8 Director conflict of interest.

(a) A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair to the corporation at the time it was entered into or is approved as provided in subsection (b).

(b) A transaction in which a director of the corporation has a conflict of interest may be:

(1) authorized, approved, or ratified by the vote of the board of directors or a committee of the board if:

(i) the material facts of the transaction and the director's interest are disclosed or known to the board or committee of the board; and

(ii) the directors approving the transaction in good faith reasonably believe that the transaction is fair to the corporation; or

(2) approved before or after it is consummated by obtaining approval of

the:

- (i) Attorney General; or
 - (ii) the circuit court for Charleston County in an action in which the Attorney General is joined as a party.
- (c) For purposes of this section, a director of the corporation has an indirect interest in a transaction if:
- (1) another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction; or
 - (2) another entity of which the director is a director, officer, or trustee is a party to the transaction.
- (d) For purposes of subsection (b), a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board or on the committee who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection (b)(1) if the transaction is otherwise approved as provided in subsection (b).

Article IV: Meetings of Directors

Section 4.1 Place of Meetings. All meetings of the Board of Directors shall be held at such place in Charleston County, South Carolina as the Board of Directors may determine.

Section 4.2 Annual Meeting. The annual meeting of the Board of Directors, for the purpose of appointing officers, approving a budget for the year, and transacting other business, shall be held in January of each year on such date and time as the Board of Directors may determine.

Section 4.3 Regular Meetings. Additional regular meetings of the Board of Directors shall be held at such times as the Board of Directors may determine.

Section 4.4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the chairperson or one-third of the directors then in office.

Section 4.5 Notice of Meetings. Regular meetings of the Board of Directors (including the annual meeting) must be preceded by at least two (2) days notice to each director of

the date, time and place, but not the purpose, of the meeting. Special meetings of the Board of Directors must be preceded by at least two (2) days' notice to each director of the date, time, place and purpose of the meeting. Notice required by the foregoing provisions may be oral or written and may be communicated in person; by telephone, facsimile transmission or other form of wire or wireless communication; or by mail or private carrier. Oral notice is effective when communicated, if communicated in a comprehensible manner.

Written notice, if in a comprehensible form, is effective at the earliest of the following: (a) when received; (b) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with first-class postage affixed; (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or (d) fifteen (15) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with other than first class, registered or certified postage affixed. Written notice is correctly addressed to a director if addressed to the director's address shown in the corporation's current list of directors.

The initial meeting for organizational purposes of the newly appointed Board of Directors shall likewise require the same two (2) days notice as regular and special meetings. Further, at the initial organizational meeting the Board of Directors may consider and vote on any item without the notice requirement including, but not limited to, approval of such matters as financing the installment purchase bonds.

Section 4.6 Waiver of Notice. A director may at any time waive any notice required by law or these bylaws. Except as hereinafter provided in this section, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with law or these bylaws objects to lack of notice and does not thereafter vote for or assent to the objected to action.

Section 4.7 Quorum. A quorum of the Board of Directors consists of a majority of the directors in office immediately before a meeting begins; provided, that in no event shall a quorum consist of fewer than two (2) directors.

Section 4.8 Manner of Acting. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors, unless the vote of a greater number of directors is required by law or these bylaws.

Section 4.9 Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (a) such director objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; (b) such director's dissent or abstention from the action taken is entered in the minutes of the meeting; (c) such director votes against the action and the vote is entered in the minutes of the meeting; or (d) such director delivers written notice of dissent or abstention to the presiding officer of the meeting before adjournment or to 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 4.10 Meeting Via Communications Equipment. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4.11 Action Without Meeting. Action required or permitted by law or these bylaws to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all of the duly elected and qualified directors of the corporation. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes 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.

Article V: Officers

Section 5.1 Number. The officers of the corporation shall consist of a president, vice-president, secretary, treasurer, and such other officers as are appointed by the Board of Directors from time to time. The same person may simultaneously hold more than one office in the corporation, and directors may also serve as officers. Notwithstanding any other provision of these bylaws, no person who is then an employee of the School District or a member of the Board of Trustees of the School District shall serve as an officer of the corporation.

Section 5.2 Appointment and Term. The officers of the corporation shall be appointed by the Board of Directors at its annual meeting. The Nominating Committee shall present a slate of nominees for appointment. Nominations may also be made from the floor. Each officer shall hold office for a period of one (1) year, or until such officer's earlier death, resignation, or removal. A vacancy occurring in a position of officer of the corporation may be filled at any time by the Board of Directors. The term of an officer elected to fill a vacancy shall expire at the end of the unexpired term that such officer is filling.

Section 5.3 Resignation and Removal. An officer may resign at any time by delivering notice to the corporation. A resignation is effective when the notice is effective unless the notice specifies a future effective date. If a resignation is made effective at a future date and the Board of Directors accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date. The Board of Directors may remove any officer at any time with or without cause.

Section 5.4 Contract Rights of Officers. The appointment of an officer does not itself create contract rights. An officer's removal does not affect the officer's contract rights, if any, with the corporation. An officer's resignation does not affect the corporation's contract rights, if any, with the officer.

Section 5.5 President. The president shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the corporation in accordance with these bylaws. The president may sign, with the secretary or any other proper officer of the corporation so authorized by the Board of Directors, any deeds, leases, mortgages, bonds, contracts, or other instruments which lawfully may be executed on behalf of the corporation, except where the signing and execution thereof expressly shall be delegated by the Board of Directors to some other officer or agent of the corporation, or where required by law to be otherwise signed and executed. The president shall, in general, perform all duties incident to the office of president and such other duties as may be prescribed from time to time by the Board of Directors.

Section 5.6 Vice President. In the absence of the president, or in the event of the death, inability or refusal to act of the president, the vice president, unless otherwise determined by the Board of Directors, shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such other duties as may be assigned from time to time by the president or the Board of Directors.

Section 5.7 Secretary. The secretary shall: (a) cause to be prepared minutes of all meetings of the Board of Directors; (b) authenticate records of the corporation when requested to do so; (c) give all notices required by law and by these bylaws; (d) have general charge of the corporate books and records and of the corporate seal, and affix the corporate seal to any lawfully executed instrument requiring it; (e) sign such instruments as may require such signature; (f) cause such corporate reports as may be required by state law to be prepared and filed in a timely manner; and (g) in general, 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 the Board of Directors.

Section 5.8 Treasurer. The treasurer shall: (a) have custody of all funds and securities belonging to the corporation and receive, deposit, or disburse the same under the direction of the Board of Directors; (b) keep full and accurate accounts of the finances of the corporation in books especially provided for that purpose; (c) cause such returns, reports, and/or schedules as may be required by the Internal Revenue Service and the state taxing authorities to be prepared and filed in a timely manner; (d) cause a true balance sheet (statement of the assets, liabilities and fund balance) of the corporation as of the close of each fiscal year and true statements of activity (support and revenue, expenses, and changes in fund balance), functional expenses, and cash flows for such fiscal year, all in reasonable detail, to be prepared and submitted to the Board of Directors; and (e) in general, perform all duties incident to the office of treasurer and such other duties as may

be assigned from time to time by the president or the Board of Directors.

Section 5.9 No Compensation. The officers of the corporation described in the foregoing sections shall not be compensated for their services as such.

Section 5.10 Executive Director. The Board of Directors may appoint an executive director, who shall be the chief operating officer of the corporation and, subject to the control of the Board of Directors, have overall responsibility for the routine management of the affairs of the corporation. The executive director shall report to the Board of Directors and shall work closely with the president of the corporation. Duties of the executive director shall include: (a) representing the corporation in the community; (b) overseeing the projects of the corporation; (c) supervising the administrative functions of the corporation; and (d) in general, performing such other duties as may be assigned from time to time by the president or the Board of Directors. The Board of Directors may approve reasonable compensation and benefits for the executive director. The executive director may not be elected to serve on the Board of Directors but may simultaneously hold one or more of the offices of the corporation. Notwithstanding any other provision of these bylaws, no person who is then an employee of the School District or a member of the Board of Trustees of the School District shall serve as the executive director of the corporation.

Article VI: Committees

Section 6.1 Board Committees in General. The Board of Directors may create one or more committees of the board, in addition to the Executive Committee established by these bylaws. Committees of the board shall be composed solely of individuals currently serving as duly elected and qualified directors of the corporation. Each committee of the board shall have two or more directors, who shall be appointed by and serve at the pleasure of the board. The creation of a committee of the board and appointment of members to it must be approved by a majority of all the directors in office when the action is taken. The provisions of Article IV of these bylaws, which govern meetings of the Board of Directors, shall apply to committees of the board and their members as well, except that no committee of the board shall be required to have an annual meeting or scheduled regular meetings. To the extent specified or authorized by the Board of Directors or in these bylaws, each committee of the board may exercise the authority of the board. A committee of the board may not, however: (a) authorize distributions; (b) approve or recommend dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets; (c) elect, appoint, or remove directors or fill vacancies on the board or on any committee of the board; (d) adopt, amend, or repeal the articles of incorporation or any bylaws; or (e) authorize the borrowing of money or issuance of debt by the corporation.

Section 6.2 Executive Committee. The Executive Committee, which is a committee of the board, shall consist of the chairperson and vice-chairperson of the board (ex-officio) and one other director appointed by the chairperson, to serve in such capacity until the next annual meeting of the Board of Directors; provided that the appointment of such additional director must be approved by a majority of all the directors in office when such

action is taken and that such director may be removed from the Executive Committee at any time with or without cause by a majority of all the directors in office when such action is taken. The chairperson of the board shall serve as the chairperson of the Executive Committee and shall preside at all of its meetings. Except to the extent prohibited or limited by Section 6.1 above or by resolution of the Board of Directors, the Executive Committee may exercise the authority of the Board of Directors at such times as the board is not in session.

Section 6.3 Nonboard Committees in General. The Board of Directors may create one or more non-board committees, in addition to the Nominating Committee, and delegate nonboard functions to such committees. Nonboard committees may include both directors and individuals who are not directors of the corporation. Nonboard committees may not exercise the authority of the board.

Section 6.4 Nominating Committee. The Nominating Committee shall consist of at least two (2) members of the board and may include up to two persons who are not current members of the board. Retiring and former directors of the corporation shall be encouraged to consider serving on this committee. No current officer may be a member of this committee. The committee members shall be appointed by the Board of Directors on an annual basis, to serve until the next annual meeting of the board. A vacancy on this committee may be filled by the Board of Directors at any time. Members of the Nominating Committee may be appointed to successive terms. The committee shall present a slate of nominees for appointment as officers of the corporation.

Article VII: General Provisions

Section 7.1 Corporate Seal. The corporation may have a corporate seal in such form as the Board of Directors may from time to time determine.

Section 7.2 Amendments. These bylaws may be amended or repealed and new bylaws may be adopted by the Board of Directors. The corporation shall provide at least seven (7) days' written notice of any meeting of directors at which an amendment is to be approved, unless notice is waived pursuant to Section 4.6 above. 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 amendment or state the general nature of the amendment. Any amendment must be approved by a majority of the directors in office at the time the amendment is adopted.

Section 7.3 Fiscal Year. The fiscal year of the corporation shall begin on July 1 and end on June 30 of the following calendar year.

Section 7.4 Financial Reports. The books of the corporation shall be closed as of the end of each fiscal year and financial statements shall be prepared and submitted to the Board of Directors. At the discretion of the Board of Directors, the corporation may engage an independent certified public accountant to audit or review the financial statements.

Section 7.5 Corporate Minutes and Records. The corporation shall keep as permanent records minutes of all meetings of its Board of Directors, a record of all actions taken by the directors without a meeting, and a record of all actions taken by the Executive Committee and any other committees of the Board of Directors. The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. The corporation shall keep a copy of the following records at its principal office: (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; and (c) a list of the names and business or home addresses of its current directors and officers. The minutes and records described above shall be made available for inspection by current directors of the corporation during normal business hours. In addition, to the extent required by applicable law, the corporation shall make available for inspection during regular business hours, by any individual, copies of: (i) any application filed with and any letter or other document issued by the Internal Revenue Service with respect to the tax-exempt status of the corporation; and (ii) the annual returns filed with the Internal Revenue Service for the three most recent years (to the extent the corporation is required to file such returns), provided that the names and addresses of contributors to the corporation may be kept confidential.

Section 7.6 Investments. The corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a director or trustee is or may hereafter be permitted by law to make or any similar restriction; provided, that no action shall be taken by or on behalf of the corporation if such action is a forbidden activity or would result in the denial of tax exempt status under Section 501(c)(3) of the Code.

Section 7.7 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 Board of Directors, *provided* that any check, draft or other order for the payment of an amount in excess of Five Thousand Dollars (\$5,000.00) shall require two (2) authorized signatures; *provided further* that the Board of Directors may provide by resolution for exceptions to the two-signature requirement for specified checks or drafts or categories of checks or drafts (for example, the payment of recurring obligations such as debt service).

Section 7.8 No Loans to or Guaranties For Directors. The corporation may not lend money to or guarantee the obligation of a director or officer of the corporation, but the fact that a loan or guaranty is made in violation of this section does not affect the borrower's liability on the loan.

Section 7.9 Indemnification.

(a) Intention. The corporation shall indemnify its directors and officers as provided herein. Such provisions shall be interpreted to provide for indemnification of the directors and officers to the extent permitted by the South Carolina Nonprofit Corporation Act.

(b) Definitions.

(i) “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, partner, trustee, employee, or agent of another foreign or domestic business or a nonprofit corporation, partnership, joint venture, trust or other enterprise.

(ii) “Expenses” include counsel fees.

(iii) “Liability” means the obligation to pay a judgment, settlement, penalty, fine, or reasonable expenses actually incurred with respect to a proceeding.

(iv) “Official capacity” means (A) when used with respect to a director, the office of director in the corporation, and (B) when used with respect to an officer, the office in the corporation held by the officer. “Official capacity” does not include service for any other foreign or domestic business or nonprofit corporation or any partnership, joint venture, trust or other enterprise.

(v) “Party” includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

(vi) “Proceeding” means a threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative and whether formal or informal.

(c) Indemnification of Directors.

(i) Except as provided in subsection (iii), the corporation shall indemnify an individual made a party to a proceeding because the individual is or was a director against liability incurred in the proceeding if the individual (A) conducted himself in good faith; and (B) reasonably believed (I) in the case of conduct in his official capacity with the corporation, that his conduct was in the corporation’s best interest; and (II) in all other cases, that his conduct was at least not opposed to the corporation’s best interests; and (C) in the case of a criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

(ii) The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in subsection (c)(i).

(iii) The corporation shall not indemnify a director under this Section 7.9: (A) in connection with a proceeding by or in the right of a corporation in which the director was adjudged liable to corporation; or (B) in connection with any other proceeding charging improper personal benefit to the director, whether or not involving action in his official capacity, in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.

(iv) Indemnification permitted under this Section 7.9 in connection with a proceeding by or in the right of corporation is limited to reasonable expenses incurred in connection with the proceeding.

(d) Determination and Authorization of Indemnification.

(i) The corporation shall not indemnify a director under this Section 7.9 unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in Section 7.9(c)(i).

(ii) The determination must be made (A) by the board of directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding; (B) if a quorum cannot be obtained under item (A), by a majority vote of a committee duly designated by the board of directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding; (C) by special legal counsel (I) selected by the board of directors or its committee in the manner prescribed in items (A) or (B) above; or (II) if a quorum of the board cannot be obtained under item (A) and a committee cannot be designated under item (B), selected by a majority vote of the full board (in which selection directors who are parties may participate). Directors who are at the time parties to the proceeding may not vote on the determination.

(iii) Authorization of indemnification and evaluation as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses must be made by those entitled under subsection (ii)(C) to select counsel.

(iv) A director may not be indemnified until 20 days after the effective date of written notice to the Attorney General of the State of South Carolina of the proposed indemnification.

(e) Indemnification of Officers. An officer of the corporation is entitled to indemnification to the same extent as a director.

(f) Insurance. The corporation may purchase and maintain insurance on

behalf of an individual who is or was a director, officer, employee or agent of the corporation, or who, while a director, officer, employee or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, or other enterprise, against liability asserted against or incurred by him/her in that capacity or arising from his/her status as a director, officer, employee or agent, whether or not the corporation would have the power to indemnify the person against the same liability under the foregoing provisions of this section or the provisions of the South Carolina Nonprofit Corporation Act.

Adopted _____, 2004

We the undersigned, agree to the above outlined By-Laws.

Chris Fraser, Director

Alicia Gregory, Director

Bonnie Lester, Director

Steven Steinert, Director

Wilton Stewart, Director