

NORTH CAROLINA PROFESSIONAL LOBBYIST ASSOCIATION

BY-LAWS

ARTICLE I

NAME AND DESCRIPTION

The name of the Association is NORTH CAROLINA PROFESSIONAL LOBBYIST ASSOCIATION, herein referred to as the "Association". This organization is a voluntary, non-profit incorporated association composed of professional lobbyists in North Carolina who are associating themselves for the purpose of encouraging and promoting the ethical conduct of lobbyists, seeking to enhance the public confidence in government, and protecting the well-being and interests of professional lobbyists in North Carolina. The Association is an independent, autonomous organization.

ARTICLE II

LOCATION

The location of the principal office of the Association shall be in the City of Raleigh, County of Wake, State of North Carolina.

The registered office of the Association, required by law to be maintained in the State of North Carolina, may be, but need not be, identical with the principal office.

ARTICLE III

PURPOSES

The purposes for which the Association is organized are:

- (1) to serve its members by providing information and services pertaining to ethics, lobbyist issues and such other activities deemed proper and appropriate and jointly decided by the governing Board of the Association and the Executive Director.
- (2) to foster and develop communication, public relations and promotional needs of the profession through communication functions, projects, programs and activities.
- (3) to promote the general well being, protect the interests and study issues and positions of professional lobbyists registered with the North Carolina Secretary of State.
- (4) to operate as an association of persons having a common business interest within the meaning of Section 501(c)(6) of the Internal Revenue Code.

Use of Funds. In making disbursements to effectuate purposes of the Association, as delineated above, the Board of Directors shall have the authority to make disbursements in such proportions and amounts as the Board of Directors, in its discretion, determines advisable, provided that all such distributions are consistent with all applicable tax laws and regulations. The Association is not formed for financial or pecuniary gain; and no part of the assets, income or profits of the Association shall be distributable to, or inure to, the benefit of its directors or officers or any other

private person, except as reimbursement for expenses or reasonable compensation for services rendered to the Association.

Administration of Funds. In order fully to effectuate the provisions of this Section, the Association shall adopt such procedures, and shall otherwise adhere to such administrative requirements as may from time to time be necessary, in order fully to comply with all applicable tax laws and regulations.

Termination of Association. The Board of Directors shall have the authority to terminate the Association at any time that, by a unanimous vote, it deems such termination appropriate or advisable. In such event, after paying, or making provisions for the payment of, all liabilities of the Association then outstanding and unpaid, the Board of Directors shall distribute the assets of the Association to one or more nonprofit organizations approved by the Board that are exempt as organizations described in Section 501(c)(6) of the Internal Revenue Code of 1986 or corresponding sections of any prior or future law, or to the federal, state or local government for exclusive public purpose.

ARTICLE IV

POLICY OF ASSOCIATION ON MATTERS OF LEGISLATION

It shall be proper for the Association to take an organizational stand on any proposed legislation in any United States administrative unit, in the North Carolina General Assembly or any North Carolina administrative unit, either pro or con, where or when it is deemed advisable and for the best interest of this Association by a two-thirds (2/3) majority of the Board of Directors of the Association.

However, any legislative or regulatory positions in behalf of the Association is subject to the provisions:

- a) All legislative or regulatory positions should be approved by a two-thirds (2/3) majority of the Board of Directors in some manner to insure that all of the Board has an opportunity to vote.
- b) Voting of the Board may be by meeting, letter, telegram, telephone, video conferencing or any other manner to insure the participation of the board member.
- c) If the two-third (2/3) majority support is not received, the Association shall take no official position, but the individual directors and members shall be fully authorized to express their company and individual views in any legislative or regulatory hearing.
- d) The Board of Directors shall establish general policy on either legislative or regulatory matters and thereafter the executive committee may approve particular proposals within the guidelines established by the Board and the Executive Director is authorized to present those views before any legislative or regulatory body.

ARTICLE V

INDEMNIFICATION

Any officer or director or former officer or director or any person who may have served at the request of the Association as an officer or director, whether for profit or not shall be indemnified by

the Association against expenses actually and necessarily incurred by such person or persons in connection with the defense of any action, suit or proceeding in which such person or persons is made a part by reason of being or having been such director or officer, except in relation to matters as to which such person shall be adjudged in such action, suit or proceeding to have acted in bad faith or have been liable or guilty by reason of willful misconduct in the performance of duty, but with the exception of such statutory limitations, the Association does hereby indemnify any such person for any expense incurred in the defense of any action, suit or proceeding with regard to negligence or breach of duty or any other matter arising out of the performance of their duty in behalf of the Association.

ARTICLE VI

INSURANCE

INSURANCE. The Board of Directors shall maintain adequate Officers and Directors Liability insurance coverage as is available for reasonable cost, in the discretion of the Board.

ARTICLE VII

MEMBERSHIP AND DUES

Regular Members. Any lobbyist registered and in good standing with the North Carolina Secretary of State whose application for membership is approved by the Board of Directors shall become a member upon payment of dues as fixed by the Board of Directors and agreeing to abide by the North Carolina Professional Lobbyist Association's Code of Conduct. In order to vote in Association matters or serve as an officer or director a member must be a current member with dues paid up to date.

Associate Members. All individual, business entities or organizations interested directly or indirectly in the welfare of the profession of lobbying may become associate members of the Association upon payment of dues and qualifications as fixed by the Board of Directors. Associate members shall not have the right to vote, hold office or attend meetings limited to members only, but shall have all other rights and privileges consistent with membership.

The Board shall establish dues commencing October 1 for each member and such dues shall become due and owing upon notification of such dues to the membership. Further, the Board may request assessments of additional voluntary dues by the membership. (Amended at the Board of Directors Meeting held February 23, 2000.)

ARTICLE VIII

BOARD OF DIRECTORS

GENERAL POWERS. The business and affairs of this Association shall be managed by its Board of Directors.

NUMBER, TERMS AND QUALIFICATIONS. The number of Directors constituting the Board of Directors shall initially consist of nineteen (19) persons and effective October 1, 2000 shall serve two year staggered terms, as from time to time determined by a majority of the votes of the Board of Directors, and Directors may be eligible for re-election. The number of Directors may be increased or decreased to a number not less than three (3) or more than thirty (30) as set forth in the Articles

of Incorporation. (Amended at the Board of Directors Meeting held February 23, 2000.)

In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board may exercise all such powers of the Association and do all such lawful acts and things as are not by statute or by the Charter of the Association or by these By-Laws directed or required to be exercised or done by the members.

Directors must be lobbyists registered to lobby with the North Carolina Secretary of State and be current in payment of dues to the Association, and in good standing as members of the Association.

REMOVAL. Any director may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby or if such person so removed is violating the Standard of Conduct described in Article XI.

SUSPENSION OR EXPULSION OF MEMBER. In the event a member violates the NCPLA Code of Conduct, the Board of Directors shall have the authority to suspend or expel that member. Upon receipt of a complaint that a member has violated the NCPLA Code of Conduct, the Standards and Conduct Committee shall notify the member in writing that a complaint has been received. In that notice the member shall be informed of the substance of the complaint. The member will have 30 days to respond in writing to the notice; such response shall be sent to the Chair of the Standards and Conduct Committee at the address provided in the notice. The Standards and Conduct Committee shall meet to consider the complaint, the response of the member, and such other information the Committee deems relevant to the matter and shall make a recommendation to the Board of Directors. Such meeting of the Committee shall occur within 30 days of the receipt of the response, or if no response is received, within 60 days of the date the notice was sent to the member. The member accused of violating the NCPLA Code of Conduct shall have the right to attend the meeting of the Board of Directors held to consider the recommendation of the Standards and Conduct Committee but shall not have the right to attend the meeting of the Standards and Conduct Committee.

VACANCIES. The Board may accept the resignation of a member of the Board and may fill any vacancy on the Board for an unexpired term.

CHAIRMAN OF THE BOARD. The president of the North Carolina Professional Lobbyist Association shall be ex-officio Chairman of the Board of Directors. The Chairman shall preside at all meetings of the Board of Directors.

COMPENSATION. The Board of Directors shall receive no compensation or no allowance for expenses in attending regular or special meetings of the Board unless expressly authorized by resolution of the Board.

EXECUTIVE COMMITTEE. The Board of Directors shall be authorized to designate an executive committee, composed of at least four (4) directors, who shall be authorized to exercise all of the authority contained in a resolution of the Board of Directors, from time to time, but the designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors of responsibility imposed upon them by law.

NOMINATING COMMITTEE. The Chairperson shall appoint a Nominating Committee of not less than three (3) members at least 30 days before the annual meeting of the Board of Directors and the Nominating Committee shall endeavor to make the slate of nominees for the Board of

Directors and for the officers of the Corporation that it proposes as representative as possible of the full membership of the Association and shall make its report to the Board of Directors at its annual meeting. Additional nominations to the Board may be made from the Board by any member of the Board of Directors at the time of the election of Directors at the annual meeting, after obtaining approval by the proposed Nominee for Director. (adopted May 21, 1998 and amended by unanimous consent in connection with the Board of Directors meeting held January 26, 1999)

OTHER COMMITTEES. The Chairperson may appoint a membership committee, activities committee, ethics and standards committee, education committee and such other committees as are needed, in addition to the executive committee.

ARTICLE IX

MEETING OF DIRECTORS

ANNUAL MEETING. An annual meeting of the Board of Directors shall be held after at least ten (10) days notice (unless waived) during the month of September, in each year at a convenient place in the State of North Carolina, or at such other time, or place as shall be determined by the Board of Directors.

SPECIAL MEETING. Special meetings of Directors may be called by or at the request of the Chairman of the Board, or any three (3) other members of the Board for which written notice of at least ten (10) days will be provided. At any special meeting, notice shall specify the particular purpose for which the meeting is called and no other topic may be considered without unanimous consent of all directors. All special meetings shall be at a place within 125 miles of the City of Raleigh unless otherwise agreed.

QUORUM. A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

MANNER OF ACTING. Except as otherwise provided in these by-laws, the act of the majority of the Directors present at a meeting at which a quorum is present and for which proper notice was given shall be the act of the Board of Directors.

INFORMAL ACTION BY DIRECTORS. Actions taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the Directors and filed with the minutes after the action so taken. Board action by conference telephone or similar communication device, which allows all persons participating in the meeting to hear each other as described in NCGS § 55A-8-21 is permitted by these by-laws.

EMPLOYEES. The Board of Directors are authorized to employ a paid Executive Director and such other employees as may be necessary from time to time and may authorize expenditures for compensation and general expenses.

OPERATING FUNDS. The Board of Directors shall draw on the treasury of the Association for all necessary operating funds. The Board of Directors shall authorize certain officers of the Association to sign checks, drafts and orders for the payment of money for and on behalf of the Association, and the money and funds of the Association shall be deposited in such banks or depositories as may be designated by the Board of Directors.

ARTICLE X

OFFICERS

OFFICERS OF THE ASSOCIATION. The officers of the Association shall consist of a President, Executive Director, Secretary, Treasurer, and such Vice Presidents, Assistant Secretaries and Assistant Treasurers and other officials as the Board of Directors may from time to time elect. The office of Secretary/Treasurer may be combined but no one person may hold the offices of both the President and Secretary. No officer may act in more than one capacity where action of two or more officers is required. Officers other than President, Secretary and Treasurer may be vacant unless filled by the Board.

ELECTION AND TERM. The officers of the Association shall be elected by the Board of Directors at each annual meeting of the Board. Officers so elected shall hold office for a term of one year and thereafter until their successors are elected and qualified. Vacancies may be filled at any authorized meeting of the Board. (Amended at the Board of Directors Meeting held February 23, 2000.)

COMPENSATION OF OFFICERS. Only the Executive Director shall receive compensation unless specifically authorized by resolution of the Board of Directors.

REMOVAL. Any officer or agent, elected or appointed by the Board of Directors, may be removed by the Board, whenever in its judgment the best interests of the Association will be served thereby; but such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

BONDS. The Board of Directors may by resolution require any officer, agent or employee of the Association to give bond to the Association, with sufficient sureties, conditioned on 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 Board of Directors.

PRESIDENT. The President shall be the principal executive officer of the Association, and subject to the control of the Board of Directors, shall in general supervise and control all of the business affairs of the Association. He/she shall sign with the Secretary, and Assistant Secretary, or any other proper officer of the Association thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

EXECUTIVE DIRECTOR. The Executive Director shall carry out the duties prescribed by the Board of Directors and the President may delegate such of the executive responsibilities of the Association as shall be authorized by the Board of Directors.

VICE PRESIDENT. In the absence of the President, or in the event of his/her death, inability or refusal to act, the Vice-Presidents in the order of their length of service as Vice-Presidents, unless otherwise determined by the Board of Directors, shall perform the duties of President, and when so acting shall have all the powers of and be subject to all the restrictions of the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or the Board of Directors.

SECRETARY. The Secretary shall: a) keep the minutes of the meetings of the Board of Directors; b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; c) be custodian of the Association records and of the seal of the Association, and see that the seal of the Associations is affixed to all documents, the execution of which on behalf of the Association 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 each 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 by the President or the Board of Directors.

TREASURER. The Treasurer shall have supervision over the funds, securities, receipts and disbursements of the Association, and shall, in general, perform all duties and have all authority incident to the office of Treasurer, and shall perform such other duties and have such other authority as from time to time may be assigned or granted by the Board of Directors. The Treasurer may be required to give bond for the faithful performance of his duties in such form and amount as the Board of Directors may determine.

DUTIES OF OFFICERS MAY BE DELEGATED. The Board may delegate the powers or duties of any officer to any other officer by approval of a majority of the entire Board of Directors.

ARTICLE XI

GENERAL PROVISIONS

ORDER OF BUSINESS. The order of business at a meeting of the Directors and membership may be changed by consent or vote. The standing order of business is as follows:

- Call of Roll
- Reading of Minutes
- Report of Secretary
- Report of Treasurer
- Report of Committees
- Unfinished Business
- New Business

SEAL. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.

WAIVER OF NOTICE. Whenever any notice is required to be given to any Director by law, the Articles of Incorporation of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

CODE OF CONDUCT. The Directors shall adopt a NCPLA Code of Conduct that shall apply to all members of the Association.

STANDARDS OF CONDUCT. A board member or an officer of the Association shall discharge his or her duties as follows: (a) In good faith; (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) In a manner he or she reasonably believes to be in the best interest of the Association.

RELIANCE ON THIRD PARTIES. In discharging his or her duties, a board member or officer is entitled to rely on information, opinions, reports or statements, including financial statements another financial data, if prepared or presented by:

- (a) One or more officers or employees of the Association whom the board member or officer reasonably believes to be reliable and competent in the matter presented;
- (b) Legal counsel, public accountants, or other persons as to matters the board member or officer reasonably believes are within the person's professional or expert competence; or
- (c) A committee of the Board of Directors of which the board member or officer is not a member, as to matters within its jurisdiction, if the board member or officer reasonably believes the committee merits confidence.

ARTICLE XII

FISCAL YEAR

FISCAL YEAR. The fiscal year of the Association shall be the calendar year, January 1 to December 31, each year.

ARTICLES XIII

AMENDMENTS

AMENDMENTS. Except as otherwise provided herein, these by-laws may be amended or repealed and new by-laws may be adopted by the affirmative vote of two-thirds of the Directors then holding office at any regular or special meeting of the Board of Directors; provided, however, (unless waived by unanimous consent) that at least thirty days prior written notice is given to each Board member of the proposed amendment, such notice to include a copy of such proposed amendment.