

**LUMBER RIVER DEVELOPMENT CORPORATION
BY-LAWS**

ARTICLE I. OFFICES

SECTION 1. PRINCIPAL OFFICE. The principal office of the Corporation shall be at 30 CJ Walker Road, Pembroke, North Carolina.

SECTION 2. REGISTERED OFFICE. The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

SECTION 3. OTHER OFFICES. The corporation may have offices at such other places within the State of North Carolina as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

ARTICLE II. MEMBERSHIP

The membership of the Corporation shall be composed of the member local governmental units of the Lumber River Council of Governments in the counties of Bladen, Hoke, Richmond, Robeson and Scotland Counties. Further, should the Corporation undertake a project within any other county, membership shall include local governmental units of that county. The membership shall be governed by the Board of Directors, hereinafter referred to as the "Board".

ARTICLE III. BOARD OF DIRECTORS

SECTION 1. The Board of Directors shall be composed of the Chairman of the Lumber River Council of Governments, the five (5) county commissioner representatives of Lumber River Council of Governments and five (5) of the municipal representatives, no two of whom shall be from the same county, as elected by and from the municipal representatives on the Board of Directors of the Lumber River Council of Governments. If the Chairman is a county commissioner, the other four (4) commissioners shall serve. If the Chairman is a municipal representative, there shall be only four (4) municipal representative members from counties other than the Chairman.

SECTION 2. The Board shall be appointed in July of each year for a one-year term beginning immediately. Board members may be reappointed in succeeding years to serve at the pleasure of the Lumber River Council of Governments. Board members shall serve without pay.

SECTION 3. The Chairman of the Lumber River Council of Governments, as elected from time to time, shall serve as Chairman of the Board. His duties are:

- (a) Preside at all regular and special meetings of the Board.
- (b) See that all orders and resolutions of the Board are carried out and provide general supervision to all officers.
- (c) Appoint committees as may be directed by the Board.
- (d) Represent the Board at various public meeting at which the Corporation affairs may be discussed and considered or delegate such responsibility.
- (e) Serve as ex officio member of all committees except the nominating committee.

SECTION 4. Should a Board member have three (3) consecutive absences from regular board meetings, or fifty percent (50%) of those held during any calendar year, the Chairman will notify the Lumber River

Council of Governments and request a replacement appointee to the Board.

SECTION 5. The Board shall determine and establish policy and take such actions on those matters before it which will best carry out the purposes and responsibilities of the Corporation. In addition to the foregoing, the duties of the Board are:

- (a) Adopt and approve the annual program of work.
- (b) Adopt and approve an annual budget.
- (c) Authorize and approve all grants, contracts and funds to be applied for by the Corporation.
- (d) Approve all professional staff positions, salaries and pay classification plans.
- (e) Approve all clerical positions as needed and as recommended by the Chief Executive Officer.
- (f) Establish such committees as are deemed necessary to carry out the objectives of the Corporation.

ARTICLE IV. OFFICERS

SECTION 1. The officers of the Corporation shall consist of a Chairman and a Secretary/Treasurer.

SECTION 2. The Board may, from time to time, elect and appoint such Assistant Secretaries and Assistant Treasurers and other officers as it may elect.

SECTION 3. Officers shall be elected and appointed at the June meeting each year by the Board membership and will assume office as of the July meeting.

SECTION 4. Officers shall be elected for a term of one (1) year to expire with the June meeting or until otherwise terminated by the Board. Officers may succeed themselves in any office but may not serve more than (2) terms in the same office. No more than one (1) officer shall come from any one (1) county.

SECTION 5. Vacancies in the offices may be filled by the Board at any regular or special meeting for the remainder of that term.

SECTION 6. The Secretary shall be responsible for all permanent records of the Board, its minutes, contracts and other documents and for official notifications and correspondence as may be required.

SECTION 7. The Treasurer shall perform all the duties usually performed by a Treasurer and as such he or she shall collect, receive and hold monies of the Board, endorse and collect any negotiable instruments and deposit all such monies in the name of the Corporation in such depositories as shall be selected by the Board. He or she shall prepare, or cause to be prepared, a true statement of the Corporation's assets and liabilities as of the close of each year, all in reasonable detail. He or she shall submit such statements for audit to the Chairman prior to the annual meeting.

ARTICLE V. CHIEF EXECUTIVE OFFICER

The Executive Director of the Lumber River Council of Governments shall be the Chief Executive Officer of the Corporation. His duties and responsibilities are:

- (a) To be the chief executive officer, subject to the rules and regulations of the Board.
- (b) To act for and in the name of the Corporation and to appoint and remove all subordinate employees of the Corporation, subject to the approval of the Board.

- (c) To direct and supervise the administration of all Corporation programs and employees, subject to the general direction and control of the Board.
- (d) Execute all conveyances, bonds, notes contracts and agreements authorized by the Board together with the Secretary, if by law required.
- (e) To attend all meetings of the Board.
- (f) To faithfully execute all policies, programs and orders of the Board.
- (g) To prepare and submit the annual budget and work plan for the Corporation to the Board in June of each year.
- (h) To complete a report on the finances, activities and programs of the Corporation to the Board on an annual basis.
- (i) To make any other reports to the Board as directed by the Board.

ARTICLE VI. MEETINGS OF THE BOARD OF DIRECTORS

SECTION 1. Regular and Special Meetings. The Board shall meet monthly and otherwise upon the call of the Chairman or any four (4) of the members of the Board. Special meetings of the Board may be called by or at the request of the Chairman or any four (4) members. Special meetings shall be announced by written notice served upon each Board member by mail at least five (5) days prior to said meeting.

SECTION 2. Notice of Meetings. Regular meetings of the Board of Directors may be held without notice. Any Board member may waive notice of any meeting. The attendance by a Board member at a meeting shall constitute a waiver of notice of such meeting.

SECTION 3. Quorum. A majority of the number of Board members fixed by these By-Laws, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

SECTION 4. Manner of Action. Except as otherwise provided by these By-Laws, the act of the majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board of Directors. The Board members may act without meeting as provided by law.

SECTION 5. Presumption of Assent. A Board member of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment of the meeting. Such right to dissent shall not apply to a Board member who voted in favor of such action.

SECTION 6. Informal Action by Board. Action taken by a majority of the Board members without a meeting is nevertheless Board action if written consent to the action is signed by all of the Board members and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

SECTION 7. Conduct of Business. At the regular meetings of the Board, the following shall be the order of business:

- (a) Establish quorum.
- (b) Reading and approval of minutes.

- (c) Report of Treasurer.
- (d) Report of Committees.
- (e) Report of Chief Executive Officer.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

ARTICLE VII. BUDGET AND DISBURSEMENTS

SECTION 1. The fiscal year for the corporation will be from July 1 to June 30 unless otherwise approved by the Board.

SECTION 2. The Board shall adopt an annual budget in June of each year.

SECTION 3. The annual budget shall be prepared in accordance with the requirements of the N.C. Budget and Fiscal Control Act.

SECTION 4. All disbursements of funds, except nominal petty cash items, shall be made by check and countersigned by the following persons: the Chairman and the Fiscal Director of the Lumber River Council of Governments.

SECTION 5. Expenditures must be disbursed in accordance with adopted budgets, special terms and conditions of grants and contracts, and other fiscal management policies and procedures established by the Board and the N.C. Local Government and Fiscal Control Act.

SECTION 6. Annually, a single audit shall be made by an independent Certified Public Accountant of all the funds of the Corporation.

ARTICLE VIII. GENERAL PROVISIONS

SECTION 1. Seal. The corporate seal of the Corporation shall consist of two concentric circles between which is the name of the Corporation and in the center of which is inscribed "SEAL" and such seal is hereby adopted as the seal of the Corporation.

SECTION 2. Waiver of Notice. Whenever any notice is required to be given to any Board member by law, by the Charter or by these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after such time stated therein, shall be equivalent to the giving of such notice.

SECTION 3. Indemnification. Any person who, at any time, serves or has served as a Board member, officer, employee or agent of the Corporation, or in such capacity at the request of the Corporation for any other corporation, partnership, joint venture, trust or trust enterprise, shall have a right to be indemnified by the Corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement, of which he may have become liable in any such action, suit or proceeding. The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to

authorize the Corporation to pay the indemnification required by this By-Law, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the members of the Corporation.

Any person who, at any time after the adoption of these By-Laws, serves or has served in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to be doing or have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such rights shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of these By-Laws.

ARTICLE IX. 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 a majority of the Board members then holding office at any regular or special meeting of the Board of Directors.

The Board of Directors shall have no power to adopt a By-Law: (1) prescribing quorum or voting requirements for action by the Board members different from those prescribed by law or (2) classifying and staggering the election of Board members.

Each member of the Board shall be given at least ten (10) days' written notice of any proposed amendment prior to voting thereon.

Approved and adopted on this the *12th day of August 12, 1999.*

Chairman

Chief Executive Officer

*Revised
November 21, 2002*

Article II Membership
Article III Board of Directors
Article VI Meetings of the Board of Directors
 Regular and Special Meetings