

BYLAWS
OF
APPALACHIAN HERITAGE CRAFTERS, Inc.

ARTICLE I

NAME, SEAL PURPOSES AND POWERS

- 1.1 **NAME.** The name of this organization is Appalachian Heritage Crafters, Inc. (“The Corporation”).
- 1.2 **SEAL.** The seal of the corporation shall be circular in form and shall bear on its outer edge the words “Appalachian Heritage Crafters, Inc.” and in the center, the word “SEAL”. The seal shall be kept in the custody of the Secretary.
- 1.3 **PURPOSES.** The Corporation shall have such purposes as are set forth in the Articles of Incorporation, as presently in effect or hereafter amended. The specific purpose of the corporation is to preserve and promote the Appalachian heritage of quality, handmade crafts. This goal is achieved through training programs, educational programs in schools and senior centers, programs providing outreach to youth and homebound seniors, and programs enabling local crafter members to create, market, and sell handmade Appalachian crafts.
- 1.4 **POWERS.** The Corporation shall have such powers as are now or may hereafter be granted by Chapter 55A of the North Carolina General Statutes or its successors, known as the Non-Profit Corporation Act of the State of North Carolina, and as provided in the Articles of Incorporation.

ARTICLE II

OFFICES

- 2.1 **OFFICES.** The Corporation shall have and maintain in the State of North Carolina, a registered office and a registered agent, who shall be the currently elected President, whose office shall be identical with such registered office.
- 2.2 **PRINCIPAL OFFICE.** The principal office of the Corporation is located at 2016 Hwy 64 W, Murphy, North Carolina 28906.

ARTICLE III

MEMBERSHIP

- 3.1 **QUALIFICATIONS.** There shall be two classes of members: Voting and Non-Voting members.
- 3.1.1 All members (Voting and Non-Voting) must reside within 75 miles of Murphy, North Carolina. All members (Voting and Non-Voting) will pay annual dues and abide by all membership requirements. Any Founding or Lifetime member, as designated on or before January 2003, shall be exempt from paying annual dues, but will only be counted as Voting Membership if they fulfill Voting Membership requirements.
- 3.1.2 Voting Members will fulfill at least three (3) of the following conditions:
- 3.1.2.1 Work in the AHC store as cashier or bagger on a regular basis.
 - 3.1.2.2 Perform work for AHC (other than as cashier or bagger) on a regular basis.
 - 3.1.2.3 Be an active participant in an AHC committee.
 - 3.1.2.4 Attend most AHC membership meetings.
- 3.1.3 Members who choose to become Non-voting Members will have no voting rights but will have all other rights of a Voting Member. Non-voting Members and Founding Members, who are not currently participating in the Corporation, shall not be counted towards making up a quorum at a membership meeting. Current participation shall be defined as at least two of the following: attending most membership meetings; having crafts for sale in the corporation’s store; or actively serving on one or more AHC committees.
- 3.1.4 Honorary Members shall have no voting rights and are those persons who have heretofore rendered or may hereafter render substantial services or assistance beneficial to the Corporation and who are designated a

Honorary Member by a majority vote of the Board of Directors at a regularly called and held meeting of the Board of Directors.

- 3.2 **MEMBERSHIP CLASSES; ANNUAL DUES.** Membership shall be on an annual basis with classes and dues to be established and reviewed annually by the corporation's Board of Directors (the "Board").
- 3.3 **REMOVAL/PROBATION OF MEMBERS:** Members may be removed from membership or placed on probation by a majority vote of all the Board of Directors if the member in question does not fulfill the requirements of membership.
- 3.4 **ANNUAL MEETINGS.** There shall be an annual meeting of members in the month of November of each year for the purpose of reviewing the activities of the corporation and electing members of the Board of Directors and officers. The date, time and place of the annual meeting of members shall be determined by action of the Board.
- 3.5 **OTHER MEETINGS.** There may be other meetings of members as may be determined from time to time by the Board, by call of the President or upon the petition, in writing and presented to the President by ten (10) Voting Members.
- 3.6 **MEETINGS OF MEMBERS.** The President shall chair meetings of members and general parliamentary rules, as modified by procedures adopted from time to time by the members, shall be used in conducting the business of such meetings. Thirty percent of the Voting Membership, present either in person or by written proxy, shall constitute a quorum for the conduct of business. An act taken by a majority vote of Voting Members present in person or by written proxy shall be binding on the total membership.
- 3.7 **NOTICE OF MEETINGS.** Notice of the annual meeting shall be provided in writing at least thirty calendar (30) days before the date fixed for the annual meeting. Notice of all other meetings of the members shall be in writing and shall be made at least ten (10) calendar days before the date fixed for the meeting.

ARTICLE IV

BOARD OF DIRECTORS

- 4.1 **GENERAL POWERS.** The business and affairs of the Corporation shall be managed under the direction of a Board of Directors ("the Board"), and the powers of the Board shall include in particular, and without limitation:
- 4.1.1 To amend or restate the Corporation's Articles of Incorporation;
 - 4.1.2 To sell, lease, exchange, pledge or mortgage any part of the assets of the Corporation, or any contract, option or other agreement with respect thereto;
 - 4.1.3 To supervise the officers and any employees of the Corporation in the duties prescribed in these By-Laws, and in such other special duties as the Board deems from time to time appropriate and in the best interests of the Corporation.
- 4.2 **QUALIFICATIONS AND COMPOSITION.** The Board shall be composed of members, designated as Directors, who are interested in and committed to the furtherance of the purposes of the Corporation as set forth in its Articles of Incorporation and these By-Laws and who shall assume the responsibility of and dedicate their efforts and energies toward fulfilling the mission of the Corporation. The number of Directors shall be between 3-15 persons elected by the members as set forth in Section 4.3. The number of Director positions for the ensuing year's election shall be determined by majority vote of the Board of Directors.
- 4.3 **ELECTION:** Directors described in Section 4.2 shall be elected by the members at the annual meeting of members each year as hereafter provided. Members may submit nominations to the Board Development Committee at least one (1) month before the annual meeting.
- 4.4 **TERM OF OFFICE:** The terms of office shall be for two years, beginning on January 1 of the ensuing year, and there shall be staggered terms. All Directors shall be eligible for reelection for two additional terms.
- 4.5 **RESIGNATIONS AND REMOVAL.** Any Director may resign from the Board at any time by giving written notice to the President or the Secretary of the Corporation. Directors may be removed from office for failure to attend three consecutive meetings by vote of two-thirds of the other Directors present at a duly constituted meeting of the Board of Directors.
- 4.6 **VACANCIES.** If a Board of Director position shall become vacant, a successor shall be nominated and elected by the Board of Directors by a simple majority vote to fill the position until the next scheduled election.

- 4.7 **COMPENSATION.** Directors shall not receive any compensation for their services as Directors. This shall not be construed to preclude a director from being reimbursed for reasonable expenses incurred in carrying out his or her duties as a director of the Corporation. No paid employee shall serve on the Board.
- 4.8 **INDEPENDENT AUDIT.** The Board shall select a firm of certified public accountants to be employed to audit the books and records of the Corporation when it is deemed necessary. When chosen, the firm shall submit reports of audit findings to the Finance Committee in a timely manner.
- 4.9 **BOND.** All Directors, officers and such employees as may from time to time be designated by the Board shall give bond, with corporate surety, for the faithful performance of their respective duties for the Corporation. The form and amount of the bond shall be determined from time to time by the Board and the cost of the bond shall be paid by the Corporation.
- 4.10 **Board Chairperson.** Board meetings shall be presided over by a Chairperson who is not an officer of the Corporation and who is elected annually by majority vote of the Board of Directors at their first meeting of the year.

ARTICLE V

MEETINGS OF THE BOARD OF DIRECTORS

- 5.1 **MEETINGS.** The Board shall hold no fewer than four (4) regular meetings a year and an annual meeting of the membership. The meetings of the Board shall be held at a place as may be designated by the Chairperson.
- 5.1.1 Written notice of each regular meeting of the Board, giving date, time, and place thereof, shall be sent by U. S. Mail or e-mail or otherwise by the Secretary to each director at least seven (7) calendar days before the date for a regular meeting.
- 5.1.2 Special meetings of the Board may be called by the Chairperson, President, or by the written request of three (3) Directors. In such event, written notice, together with a statement of the purpose of the meeting, shall be sent by U. S. Mail or e-mail or otherwise by the Secretary to each director at least at least seven (7) calendar days prior to the meeting. No business other than that stated in the notice of the meeting may be transacted at a special meeting.
- 5.1.3 Emergency meetings may be called by the Chairperson, President, or by the written request of three (3) Directors, provided written notice sent by U. S. Mail or e-mail or otherwise by the Secretary to each Director at least twenty-four (24) hours before the meeting.
- 5.2 **QUORUM.** A majority of the Directors shall constitute a quorum. An act taken by vote of a majority of Directors present at the time of vote, if a quorum is then present, shall be the act of the Board. A majority of the Directors present, whether or not a quorum, may adjourn any meeting.
- 5.3 **VOTE.** At all meetings of the Board, each director shall have one vote. Proxies shall not be used. No vote shall be taken by electronic means, but votes may be taken by conference call, provided all members of the Board of Directors are able to participate in the discussion of the matter being voted on. Unless otherwise provided in these By-Laws, adoption of all actions shall be by majority vote of those present at a meeting, provided a quorum is present.
- 5.4 **CONDUCT OF THE MEETING.** General parliamentary rules, as modified by procedures adopted from time to time by the Board, shall be used in conducting the business of the Board in session.
- 5.5 **DIRECTORS' ADVERSE INTEREST.** Any corporate transaction in which a Director has an adverse interest must be approved in good faith by a majority {but not less than two (2)} of the disinterested Directors present even though less than a quorum, irrespective of the participation of the adversely interested Director in the approval; provided, however, that no such transaction may be approved if it would constitute self-dealing prohibited under Section 4941 of the Internal Revenue Code of 1986, or the corresponding provisions of any later federal tax laws, or if it would violate any provision of Chapter 42A of the Internal Revenue Code of 1986, or the corresponding provisions of any later federal tax laws.

ARTICLE VI

OFFICERS

- 6.1 TITLES, NUMBER AND COMBINATION OF OFFICERS. The Corporation shall have the following officers who shall be members in good standing, who shall hold Board positions and who shall be required to be Directors:
- 6.1.1 The President;
 - 6.1.2 The Vice President;
 - 6.1.3 Secretary; and
 - 6.1.4 Treasurer.
- 6.2 ELECTION. The members shall elect officers for the terms provided for in Section 6.3 of these By-Laws at the annual meeting of members each year.
- 6.3 TERMS OF OFFICERS: The officers shall serve the term of one year and may be reelected for an additional two one-year terms. The terms of officers shall begin upon January 1 of the following year.
- 6.4 VACANCIES. If an officer's position shall become vacant, a successor shall be nominated and elected by a simple majority vote of the Board to fill the unexpired term.
- 6.5 RESIGNATIONS AND REMOVAL. Any officer may resign at any time by giving written notice to the President or the Secretary. The Board may remove any officer from his or her position.
- 6.5.1 Officers may be removed from office for failure to attend three consecutive Board meetings by vote of a majority of the other Board members present. Board Members may be removed for cause by a majority vote of the Board present at a duly constituted meeting of the Board of Directors.
 - 6.5.2 A petition signed by two-thirds (2/3) of all Voting Members also shall be sufficient to call a meeting of the Board of Directors to remove an officer as noted in such petition.
- 6.6 COMPENSATION. Officers shall not receive any compensation for their services as officers. This shall not be construed to preclude an officer from being reimbursed for reasonable expenses incurred in carrying out his or her duties as an officer of the corporation.
- 6.7 DUTIES OF PRESIDENT. The President shall preside at each meeting of members and direct the course of business at same. The President shall: (i) discharge all the ordinary duties of the office; (ii) call special meetings of the Board as needed or upon written request of three other Directors; (iii) perform such other duties as may be prescribed by the Board or as required by law. The President shall serve as chair of the Executive Committee and shall be an ex officio member of all standing and special committees.
- 6.8 DUTIES OF VICE PRESIDENT. The Vice President shall serve on the Executive Committee of the Board and in the absence or disability of the President, shall preside at meetings of the members.
- 6.9 DUTIES OF SECRETARY. The Secretary shall: (i) keep full and true minutes of all meetings of the Board and of the membership; (ii) furnish each director, as soon as practicable after each Board meeting, with a copy of the minutes for approval at the next meeting; (iii) give Directors notice of meetings according to Section 5.1 above; and (iv) give members notice of meetings according to Section 3.7 above. The Secretary shall have custody of the seal of the Corporation and shall have authority to affix it to such documents as require execution under seal and to attest it as such.
- 6.10 DUTIES OF TREASURER. The Treasurer shall serve as Chairperson of the Finance Committee and shall be responsible for keeping all financial records of the Corporation. The Treasurer shall be responsible for an accounting system to be maintained in such a manner as to give a true and accurate accounting of the financial transactions of the Corporation including the fiscal operations and management of the Corporation and further including the Corporation's activities involving development, fund raising and endowment activity. The Treasurer shall be responsible for the deposit of the funds of the Corporation in banking institutions approved as depositories of such funds by the Board and shall be responsible for disbursement of said funds only in accordance with the directions and policies fixed from time to time by the Board. The Treasurer shall perform such other functions as ordinarily pertain to the position of Treasurer, or as may be delegated by the President or as may be prescribed by these By-Laws, the Board or by law.

ARTICLE VII

COMMITTEES

- 7.1 **STANDING AND SPECIAL COMMITTEES.** The Committees of the Board shall be “Standing” or “Special”.
- 7.1.1 Standing committees of the Board shall be: Executive Committee, Board Development, Membership, Marketing, Finance, Community Outreach, Store, and such other standing committees as the Board may authorize. Standing committees shall be chaired by Directors. The Board Chairperson shall appoint chairs of all standing committees and such chairs shall recruit committee members from the general membership.
- 7.1.2 Special committees may be established by the Board for special tasks as circumstances warrant. The Board Chairperson shall appoint chairs of all special committees and such chairs shall recruit committee members. A special committee shall limit its activities to the accomplishment of the task for which it was established, and it shall have only those powers which are expressly conferred upon it by the Board. When the task is completed, the special committee shall be automatically dissolved and its members discharged; provided that the Board may dissolve a special committee at any time. Special committee chairs shall be Directors although persons who are members of the Corporation but not Directors may serve as members of special committees.
- 7.2 **MINUTES AND REPORTS.** Committees shall keep minutes of their meetings and shall furnish reports of their activities to the Board.
- 7.3 **QUORUM.** A majority of the members of each committee shall constitute a quorum unless otherwise provided in these By-Laws or approved by the Board.
- 7.4 **MANNER OF ACTION.**
- 7.4.1 Formal Recommendation by committee: The act of a majority of a committee present at any meeting at which a quorum is present shall be the act of a committee.
- 7.4.2 Formal Recommendation by committee without a meeting: Any action which may be taken at a meeting of a committee may be taken without a meeting if a consent in writing shall be signed by each member of the committee.
- 7.5 **RESIGNATIONS AND REMOVAL.** Any committee member may resign at any time by giving written notice to the President or the Secretary. Committee members may be removed from office for failure to attend three consecutive meetings by the committee Chair. Committee members may be removed for cause by a majority vote at a duly constituted meeting of the Board.
- 7.6 **VACANCIES.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.
- 7.7 **PROCEDURE.** Each committee may recommend to the Board its own rules or procedures which shall not be inconsistent with the terms of its creation, these By-Laws, or other policies and procedures agreed to by the Board.
- 7.8 **THE EXECUTIVE COMMITTEE.**
- 7.8.1 The Executive Committee shall consist of the Board Chairperson, President, Vice President, the immediate past President, the Secretary, and the Treasurer. The Chairperson of the Board shall serve as chair of the Executive Committee. A majority of the members of the Executive Committee shall constitute a quorum.
- 7.8.2 Meetings of the Executive Committee may be called with 48 hours written notice.
- 7.8.3 The Executive Committee may meet to transact routine business or address emergency issues when a called meeting of the Board cannot be scheduled. All actions of the Executive Committee shall be consistent with prior policies and expressed wishes of the Board. Written minutes of the Executive Committee meeting shall be kept and submitted to the Board for approval. Executive Committee meetings are open to all members of the Corporation, except when discussing personnel matters or the acquisition or disposal of property.

7.9 THE FINANCE COMMITTEE.

- 7.9.1 The Finance Committee shall consist of the Treasurer as committee chair, office manager, and at least one other person from the Board and/or the membership. In the event that the Corporation elects to hire and pay a bookkeeper, that person will not be a member of the Finance Committee, but will serve as staff to the Finance Committee.
- 7.9.2 The Finance Committee shall develop and recommend financial policies for the Corporation and shall advise the Board concerning the disbursement of funds.
- 7.9.3 The Committee shall advise the Board concerning the custody of the investment and reinvestment of all funds of the Corporation.
- 7.9.4 The Committee shall be responsible for financial matters pertaining to the property of the Corporation.
- 7.9.5 The Committee in conjunction with the other Board committee chairs shall coordinate the development of the annual budget of the Corporation and present the same for consideration by the Board at its regular meeting in November of each year.

7.10 BOARD DEVELOPMENT COMMITTEE.

- 7.10.1 The Board Development Committee shall consist of a chair and at least two other persons from the Board and/or the membership.
- 7.10.2 The Committee shall be responsible for nominating candidates for the Board and for nominating officers. It shall periodically review and evaluate the performance and effectiveness of Directors and officers.
- 7.10.3 The Committee shall mail or e-mail a slate of directors and officers to the members at least thirty (30) calendar days prior to the annual meeting.
- 7.10.4 The Committee shall also be responsible for security insurance and legal counsel for the Corporation, providing and performing other responsibilities as assigned by the Chairperson or the BoD.

7.11 COMMUNITY OUTREACH COMMITTEE:

- 7.11.1 The Committee shall consist of a Chair who shall be a member of the Board of Directors and at least two other persons from the Board and/or the membership.
- 7.11.2 The Community Outreach Committee shall be responsible for conducting projects and programs in the community at large, which further the mission of the organization. They may include, education, outreach programs for the elderly and homebound, or school-related arts and craft classes.

7.12 MEMBERSHIP COMMITTEE:

- 7.12.1 The Committee shall consist of a Chair who shall be a member of the Board of Directors and at least two other persons from the Board and/or the membership.
- 7.12.2 The Committee shall be responsible for collecting membership dues, providing membership applications and information, keeping membership records, providing hospitality at meetings, providing Sunshine functions (sending cards, etc). This committee shall also be responsible for recruiting new members with the help of all other members.

7.13 STORE COMMITTEE

- 7.13.1 The Committee will consist of a chair that shall be a member of the Board of Directors and at least two other persons from the Board or the membership.
- 7.13.2 The Committee shall be responsible for overseeing the operations of the store as set forth in the store policies and procedures and is responsible for the supervision of all paid and unpaid store staff.

7.14 MARKETING COMMITTEE

- 7.14.1 The Committee shall consist of a chair that is a member of the Board of Directors and at least two other persons from the Board or the membership.
- 7.14.2 The Committee is responsible for developing and implementing an overall marketing plan and be

authorized to promote and advertise the Corporation as per the guidelines in the policies and procedures of the Corporation.

ARTICLE VIII

GENERAL PROVISIONS

- 8.1 **INDEMNIFICATION OF DIRECTORS AND OFFICERS.** The Corporation shall indemnify each Director and Officer of the Corporation against liability and expenses in any proceeding arising out of their status as such or their activities in any of the foregoing capacities, to the full extent allowed by law and provided the Director or Officer was acting within the scope, course and conduct of her or his duties. The Corporation shall purchase and maintain, upon terms and conditions and with policy limits as may be determined in the sole discretion of the Board, insurance against liability asserted against or incurred by a Director or Officer in that capacity, whether or not the Corporation would have power to indemnify the director or officer against the same liability under applicable law.
- 8.2 **VOTING OF INVESTMENTS.** The Board may authorize any Officer of the Corporation to vote by mail ballot, consent action, in person or by proxy, and to exercise all the rights of and power incident to ownership of any stock, partnership interest, joint venture interest, membership interest or any other investment held or owned by the Corporation.
- 8.3 **MINUTES AND RECORDS.** The Corporation shall keep correct and complete minutes and records of account and shall also keep minutes of the proceedings of the Board. Copies of the minutes of the Board shall be regularly distributed to each Director.
- 8.4 **CORPORATE BOOKS AND FISCAL YEAR.** For accounting purposes, the corporate books shall be kept on a calendar year basis.
- 8.5 **WAIVER OF NOTICE.** Whenever any notice is required to be given under the provisions of the Non-Profit Corporation Act of the State of North Carolina or under the provisions of the Corporation's Articles of Incorporation or these By-Laws, a waiver thereof in writing signed by the persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.
- 8.6 **HEADINGS.** Headings used herein are only for convenience of reference and shall not affect the substance or interpretation of these By-Laws.

ARTICLE IX

AMENDMENTS TO BY-LAWS

- 9.1 **AMENDMENTS.** Amendments of and additions to these By-Laws may be made by the members entitled to vote thereon by at least two-thirds of the votes of all Voting Members present, provided that notice is given as required in Paragraph 9.2 below.
- 9.2 **NOTICE:** Notice of the proposed amendment or addition to the By-Laws shall be given in writing to the members at least fifteen (15) calendar days before the date of any duly constituted meeting.

CERTIFICATION OF THE SECRETARY

The undersigned hereby certifies that the foregoing seven (7) pages constitute the By-Laws of Appalachian Heritage Crafters, Inc. as of March 12, 2009.

Rebecca Duffy,
Secretary

CORPORATE SEAL:

Adopted March 12, 2009

