

THE ACADEMIC MAGNET FOUNDATION BYLAWS

ARTICLE I

Name and Offices

Section 1.1 NAME. The name of this Corporation shall be THE ACADEMIC MAGNET FOUNDATION

Section 1.2 CORPORATE OFFICES. The principal office of this Corporation shall be located within Charleston County, South Carolina. The Corporation may establish other offices, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

Section 1.3 PURPOSE. The purpose for which this Corporation was formed is to safeguard the mission of Academic Magnet High School (AMHS) with readily available financial backing and human capital to ensure that its students are prepared to thrive in an increasingly competitive global community.

ARTICLE II

Board of Directors

Section 2.1 GENERAL POWERS. The business and affairs of the Corporation shall be conducted under the direction of, and the control and disposal of the Corporation's properties and funds shall be vested in, its Board of Directors, except as otherwise provided in the South Carolina Nonprofit Corporation Act, the Corporation's articles of incorporation or these bylaws.

Section 2.2 NUMBER, ELECTION, TENURE AND QUALIFICATIONS. There shall be not less than seven (7) Directors of the Corporation and no more than fifteen (15) Directors. At least five (5) Directors shall be parent or guardian to one or more students currently enrolled at the Academic Magnet High School. The Principal of the Academic Magnet High School shall be an ex officio Director. The number of Directors shall be set from time to time by vote of the Directors. The Directors shall be divided into two (2) groups as nearly equal in number as possible, and shall be known as Class I and Class II. Initially, the Directors of Class I shall serve for a term of one (1) year, and those of Class II for a term of two (2) years, commencing on the date of election and each Director shall hold office until his or her successor is elected and qualified, or until his or her death, resignation or removal. At each subsequent annual organizational meeting of Directors, the successors of those Directors whose term then expires shall be elected to serve for a term of two (2) years and until their successors are elected and qualified, or until their death, resignation or removal. A Director may serve no

more than three (2) two-year terms, after which the individual must step down and wait one year before he or she is once again eligible to be elected to the Board of Directors.

Section 2.3 BOARD MEMBER ATTENDANCE. If a Director is absent from three (3) consecutive meetings, unless excused, his or her office shall become vacant for the remainder of the term. The minutes should note any excused absence(s). At the discretion of the Board Chair, imposition of this rule may be waived due to extenuating circumstances.

Section 2.4 NOMINATION OF DIRECTORS. Recommendations for Director nominees may be submitted by any interested party to the Nominating Committee. The Nominating Committee shall, after giving due consideration to all such recommendations and such other persons as it may wish to consider, present its slate of Director-nominees to the Board.

Section 2.5 VACANCIES. Any Director may resign at any time by giving written notice to the Board Chair or the secretary of the Corporation. Such resignation shall take effect at the time specified therein, and if not specified therein, it shall take effect upon receipt and the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Board of Directors for any reason may be filled by the affirmative vote of a majority of the remaining Directors even if less than a quorum. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor and until his or her successor is elected and qualified, or until his or her death, resignation or removal.

Section 2.6 REGULAR MEETINGS. A Regular Annual Meeting of the Board of Directors shall be held in January of each year, for the purpose of electing officers and for the transaction of such other business as may come before the Board. This Annual Meeting will also include a report from the Board Chair on the activities of the Corporation during the preceding year, and at this time the Board may receive suggestions for future activities and program priorities. There shall be no less than four (4) Regular Meetings of the Board of Directors in each calendar year, including the annual organizational meeting. All Regular Meetings of the Board of Directors, including the Annual Meeting, will include public notification of the meeting time and place, as well as the agenda for the meeting, and shall be open to all who wish to attend.

Section 2.7 SPECIAL MEETINGS. The Board Chair may call a special meeting of the Board of Directors whenever he or she deems it necessary, and shall call a special meeting whenever requested to do so in writing by three (3) or more Directors. The Board Chair shall fix the place and time for holding any special meeting of the Board of Directors. Notice of each special meeting stating the purpose, place, day and hour of the meeting shall be given to each Director at his

or her last known business or home address at least seven (7) days prior thereto by the mailing of written notice, or at least two (2) days prior thereto by personal delivery of written notice or by telephonic or telegraphic notice, or other electronic means of notice (and the method of notice need not be the same to each Director). If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage thereon prepaid. If sent by facsimile machine, or other electronic means, such notice shall be deemed to be given when the facsimile machine or other electronic means prints or acknowledges that the transmission was successfully executed.

Section 2.8 WAIVER OF NOTICE. Any Director may waive notice of any meeting before, at, or after such meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any regular meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 2.9 PRESUMPTION OF ASSENT. A Director 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 or her dissent shall be entered in the minutes of the meeting, or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting or if dissent is not noted when the minutes are circulated or approved, the dissenting Director(s) may direct its inclusion. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 2.10 QUORUM AND VOTING. A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Each Director shall be entitled to one (1) vote and the vote of a majority of the Directors present in person at a meeting at which a quorum is present shall be the act of the Board of Directors unless a greater number is specifically required by these bylaws, by the Corporation's articles of incorporation or by State Law. If less than a quorum is present at a meeting, a majority of the Directors present may adjourn the meeting until a quorum shall be present. A Director may not vote or act by proxy at any meeting of Directors.

Section 2.11 COMPENSATION. Directors shall not receive compensation for their services as such, although the reasonable expenses of Directors for attendance at Board meetings may be paid or reimbursed by the Corporation. Directors shall not be disqualified from receiving reasonable compensation for services rendered to or for the benefit of the Corporation in any other capacity.

Section 2.12 MEETINGS BY TELEPHONE OR TELECONFERENCE. Members of the Board of Directors or any committee may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 2.13 ACTION WITHOUT A MEETING. Any action required or permitted to be taken at a meeting of the Directors or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken or to be taken, is signed by all of the Directors or committee members entitled to vote upon such action at a meeting. Such consent (which may be signed in counterparts) shall have the same force and effect as a unanimous vote of the Directors or committee members.

Section 2.14 BOARD CHAIR. At its annual organizational meeting the Board of Directors shall elect, from among those who are or are to be Directors of the Corporation, a Board Chair who shall, when present, preside at all regular and special meetings of the Board of Directors, shall present at the annual general meeting a report on the activities of the Corporation during the preceding year, and shall generally perform all other duties incident to the office, required by the bylaws or from time to time assigned to him or her by the Board of Directors.

Section 2.15 VICE CHAIR OF THE BOARD. If one or more shall be elected by the Board of Directors from among those who are, or are to be, Directors of the Corporation, the Vice Chair (s) of the Board shall assist the Board Chair, as requested, in the performance of his or her duties and shall have such other functions as these bylaws may provide or as the Board of Directors or Board Chair may assign from time to time. In addition to the foregoing, the Vice Chair shall possess the powers and perform the duties incumbent upon the Board Chair during his or her absence or disability. In the event there is more than one Vice Chair, the Board of Directors shall designate one to possess the powers and perform the duties incumbent upon the Board Chair during his or her absence or disability.

Section 2.16 SECRETARY. At its annual organizational meeting the Board of Directors shall elect a Secretary who shall attend the meetings of the Directors, and shall record the proceedings of the Corporation and of the Board of Directors and will ensure that proceedings are recorded of all committees of the Board at their respective meetings. He or she shall provide for notification of the Directors of the Corporation of their respective meetings in accordance with these bylaws of the Corporation, shall be the custodian of the corporate records and seal, shall make certifications of Board actions, bylaws and all organizational documents, and shall perform such other duties as may be required by these bylaws or as

may be assigned by the Board of Directors or the Board Chair.

Section 2.17 TREASURER. At its annual organizational meeting the Board of Directors shall elect a Treasurer who shall be the financial officer of the Corporation and shall receive and deposit in a bank or banks to be approved by the Board of Directors all the monies of the Corporation and keep an accurate account thereof. He or she shall make disbursements subject to such regulations as may be determined from time to time by the Board of Directors, and shall make reports of the finances of the Corporation annually and whenever requested by the Board of Directors. He or she shall perform such other duties as may be required by these bylaws or as may be assigned by the Board of Directors. At the end of his or her term of office, the Treasurer shall deliver to his or her successor all books, monies, and other property of the Corporation then in his or her possession. The Board of Directors may require the Treasurer to give such security as it may direct for the faithful performance of his or her duties.

ARTICLE III

Committees of the Board

Section 3.1 DESIGNATION OF COMMITTEES. The Board of Directors may designate one or more standing or special committees to direct the business of the Corporation. Each such committee may exercise the authority granted to it by the Board's enabling resolution.

Section 3.2 LIMITATION ON COMMITTEE POWERS. No committee shall have the authority of the Board of Directors to amend, alter or repeal these bylaws; to elect, appoint or remove any member of any such committee or any officer or Director of the Corporation (except as provided specifically below in this Section 3.2 and Subsections); to amend the articles of incorporation of the Corporation; to restate the Corporation's articles of incorporation; to adopt a plan of merger or adopt a plan of consolidation with another Corporation; to authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; to authorize the voluntary dissolution of the Corporation or to revoke proceedings therefore; to adopt a plan for the distribution of the assets of the Corporation; to amend, alter or repeal any resolution of the Board of Directors; or as otherwise may be prohibited by law. Rules governing procedures for meetings of any committee of the Board shall be as established by the Board of Directors, or in the absence thereof, by the committee itself. If no rules are established, then the rules that govern the Directors shall govern each committee. All committees are to report promptly to the Board and only take such action(s) as is specifically designated in the bylaws or in the resolution chartering the committee. Each committee shall consist of such persons as the Board may designate, who need not be members of the Board of Directors. The Board may

designate one or more persons as alternate members of any committee, and such alternates may replace any absent or disqualified member of the committee at any meeting of the committee. In the absence or disqualification of a member of the committee, and the alternate or alternates, if any, designated for such committee member, the member or members of the committee present at any meeting and entitled to vote, whether or not they constitute a quorum, may unanimously appoint another person to act at the meeting in the place of any such absent or disqualified member of the committee. Members of a committee shall serve until the next Annual Meeting of the Board, until their successors are appointed, or until they resign with appropriate notice.

Subsection 3.2.1 NOMINATING COMMITTEE. At least sixty days prior to the first Annual Meeting of the Board of Directors, a four-person Nominating Committee shall be appointed as follows: One member of the Nominating Committee shall be appointed by the Provisional Chairperson designated in the Organization's application for 501(c)(3) status; one member of the Nominating Committee shall be appointed by the Chairperson of Partners in Education (PIE) affiliated with AMHS; one member of the Nominating Committee shall be appointed by the Chairperson of School Improvement Council affiliated with AMHS; and one member of the Nominating Committee shall be appointed by the Principal of AMHS. Additional Nominating Committee members may be added upon the discretion of the chair of the committee.

Section 3.3 COMMITTEE CHAIR. The Board of Directors shall appoint all committee chairs for the ensuing year at or within a reasonable time after the annual organizational meeting of the Board of Directors. Committee chairs shall be members of the Corporation's Board of Directors. If the Board of Directors charters a new committee by resolution at a meeting other than the annual organizational meeting of the Board of Directors, the Board of Directors shall similarly appoint its chair at the time the committee is chartered or within a reasonable time after the establishment of the committee.

Section 3.4 COMMITTEE MEETINGS. Meetings of the committees of the Board of Directors may be called by the respective chairs thereof or by any two (2) members of the committee. At all meetings of any committee, a majority of the members of the committee shall constitute a quorum for the transaction of business, and the act of a majority of the members of the committee present at any meeting thereof at which there is a quorum, shall be the act of the committee, except as may be otherwise specifically provided for by these bylaws.

Section 3.5 EXECUTIVE COMMITTEE. Each year, at its annual organizational meeting, the Directors shall elect from among those who are, or are to be, Directors of the Corporation upon election, an executive committee consisting of at least four (4) but not more than six (6) Directors.

3.5.1 Composition. The executive committee so elected shall include the Board Chair, all Vice Chairs of the Board, and other appointed members. The executive committee shall include at least three directors who are parents or guardians to one or more students currently enrolled at the Academic Magnet High School. The Board of Directors shall vote by simple majority at a Regular Meeting to fill any vacancies in the executive committee.

3.5.2 Powers and Functions. During the intervals between meetings of the Board of Directors, the executive committee shall, subject to Section 5.2 hereof, possess and may exercise all the powers and functions of the Board of Directors in the management and direction of the affairs of the organization in all cases in which specific direction shall not have been given by the Board of Directors.

3.5.3 Report to Board Required. All actions of the executive committee shall be reported to the Board of Directors at its meeting next succeeding such action. Regular minutes of the proceedings of the executive committee shall be kept. A majority of the members of the executive committee in office at the time shall be necessary to constitute a quorum and in every case an affirmative vote of a majority of the members of the committee present at a meeting shall be necessary for the taking of any action.

3.3.4 Rules of Procedure. The executive committee shall fix and establish its own rules of procedure and shall meet as provided by such rules, and shall also meet at the call of its chair or of any other two members of the committee.

Section 3.7 AUDIT COMMITTEE. The Board of Directors shall designate, at or within a reasonable time after the Annual Meeting of the Board of Directors, an Audit Committee whose powers include:

3.7.1 Recommend Independent Auditor. The Audit Committee may recommend that an audit be conducted, and will then solicit proposals in order to select a firm to be employed as the organization's independent auditor. The committee will review and approve the independent auditor's compensation and the term of its engagement and the independence of such auditor. The committee will review and approve the discharge of any such firm, and make its findings available to any other interested parties.

3.7.2 Review Independent Audit. The Audit Committee may review, in consultation with the independent auditor, the result of each independent audit of the organization, the report of the auditor, and the Board Treasurer's responses to recommendations made by the independent auditor in connection with the audit.

3.7.3 Review Annual Financial Statements. The Audit Committee shall review, in consultation with the independent auditor (if any) the organization's annual financial statements; any certification, report, opinion, or review rendered by the independent auditor in connection with those financial statements; and, any concerns that arose in connection with the preparation of those financial statements; the committee shall review and report to the Board with respect to the financial portions of the organization's annual report.

3.7.4 Review Financial Statements. The Audit Committee may review, before or after publication, the organization's monthly financial statements.

3.7.5 Plan External Audits. The Audit Committee may consider the scope and plan of forthcoming external audits.

3.7.6 Evaluate Internal Accounting Controls. The Audit Committee shall consider, in consultation with the any independent auditor, the adequacy of the organization's internal accounting controls.

3.7.7 Evaluate Auditing and Accounting Principles and Practices. The Audit Committee may consider, when presented by the independent auditor or otherwise, material questions of choice with respect to the choice of appropriate auditing and accounting principles and practices to be used in the preparation of the organization's financial statements.

3.7.8 Compliance with Conflict of Interest and Code of Ethics. The Audit Committee shall review the expense accounts and perquisites of officers and the Corporation's compliance with its conflict of interest policy and code of ethical conduct.

3.7.9 Consider Other Financial Matters. The Audit Committee may inquire into any financial matters in addition to those set forth in Sections 3.7.1 through 3.7.8.

3.7.10 Perform Other Assignments. The Audit Committee may perform such other functions as may be assigned to it by law, the organization's bylaws, or by the Board of Directors.

ARTICLE IV

Indemnification

Except to the extent expressly prohibited by the law of South Carolina, the Corporation shall indemnify any person, made or threatened to be made a party to or called as a witness in or asked to provide information in connection with any pending or threatened action, proceeding, hearing or investigation, or any appeal

therein (other than an action or proceeding by or in the right of the Corporation to procure a judgment in its favor), whether civil or criminal, including an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture trust, employee benefit plan or other enterprise, which any Director or officer of the Corporation served in any capacity at the request of the Corporation, by reason of the fact that he or she is or was, or he or she is the executor, administrator, heir or successor of a person who is or was, a Director or officer of the Corporation, or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such Director or officer acted in good faith, for a purpose which he reasonably believed to be in, or, in the case of service for any corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his or her conduct was unlawful. Except to the extent expressly prohibited by the law of South Carolina, the Corporation shall indemnify any person made, or threatened to be made, a party to an action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was the executor, administrator, heir or successor of a person who is or was, a Director or officer of the Corporation, or is or was serving at the request of the Corporation as a Director or officer of any corporation of any type or kind, domestic or foreign, of any partnership, joint venture, trust, employee benefit plan or other enterprise, against amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with the defense or settlement of such action, or in connection with an appeal therein, if such Director or officer acted, in good faith, for a purpose which he reasonably believed to be in, or, in the case of service for any corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interests of the Corporation, except that no indemnification under this paragraph shall be made in respect to (1) a threatened action, or a pending action which is settled or otherwise disposed of, or (2) any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation, unless and only to the extent that the court in which the action was brought, or if no action was brought, any court of competent jurisdiction, determines upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expenses as the court deems proper. The termination of any civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such Director or officer did not act, in good faith, for a purpose which he or she reasonably believed to be in, or, in the case of service for any other Corporation or any

partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interests of the Corporation or that he or she had reasonable cause to believe that his or her conduct was unlawful.

No indemnification shall be made under this bylaw if a judgment or other final adjudication adverse to such person establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled, and provided further that no such indemnification shall be required with respect to any settlement or other non-adjudicated disposition of any threatened or pending action or proceeding unless the Corporation has given its consent to such settlement or other disposition. No elimination of this bylaw, and no amendment of this bylaw adversely affecting the right of any person to indemnification or advancement of expenses hereunder shall be effective until the sixtieth day following notice to such person of such action, and no elimination of or amendment to this bylaw shall deprive any person of his rights hereunder arising out of alleged or actual occurrences, acts or failures to act prior to such sixtieth day. The provisions of this paragraph shall supersede anything to the contrary in these bylaws. The Corporation shall not, except by elimination or amendment of this bylaw in a manner consistent with the preceding paragraph, take any corporate action or enter into any agreement which prohibits, or otherwise limits the rights of any person to, indemnification in accordance with the provisions of this bylaw. The indemnification of any person provided by this bylaw shall continue after such person has ceased to be a Director or officer of the Corporation and shall inure to the benefit of such person's heirs, executors, administrators and legal representatives.

The Corporation is authorized to enter into agreements with any of its Directors, officers or employees extending rights to indemnification and advancement of expenses to such person to the fullest extent permitted by applicable law, or to provide such indemnification and advancement of expenses pursuant to a resolution of Directors, but the failure to enter into any such agreement or to adopt any such resolutions shall not affect or limit the rights of such person pursuant to this bylaw. It is hereby expressly recognized that all Directors and officers of the Corporation, by serving as such after the adoption hereof, are acting in reliance on this bylaw and that the Corporation is estopped to contend otherwise. Additionally, it is hereby expressly recognized that all persons who are Directors or officers of the Corporation and also serve as Directors, officers or employees of Corporations which are subsidiaries or affiliates of the Corporation are conclusively presumed to serve or to have served as such at the request of the Corporation and, unless prohibited by law, are entitled to indemnification under this bylaw. If any expenses or other amounts are paid by way of indemnification, otherwise than by court order or action by the Directors, the Corporation shall, not later than the next annual organizational meeting of the

Board, unless such meeting is held within three months from the date of such payment and, in any event, within fifteen months from the date of such payment, mail to its Directors of record at the time entitled to vote for the election of Directors a statement specifying the action taken, such statement shall be included in the records of the Corporation open to public inspection.

For purposes of this bylaw, the term "Corporation" shall include any legal successor to the Corporation, including any Corporation or other entity that acquires all or substantially all of the assets of the Corporation in one or more transactions. In case any provision in this bylaw shall be determined at any time to be unenforceable in any respect, the other provisions shall not in any way be affected or impaired thereby, and the affected provision shall be given the fullest possible enforcement in the circumstances, it being the intention of the Corporation to afford indemnification and advancement of expenses to its Directors and officers, acting in such capacities or in the other capacities specified in this bylaw, to the fullest extent permitted by law.

ARTICLE V

Conflict of Interest

Section 5.1 CONFLICT DEFINED. A conflict of interest may exist when the interests or activities of any Director, officer or staff member may be seen as competing with the interests or activities of this Corporation, or the Director, officer or staff member derives a financial or other material gain as a result of a direct or indirect relationship.

Section 5.2 DISCLOSURE REQUIRED. Any possible conflict of interest shall be disclosed to the Board of Directors by the person concerned, if that person is a Director, or to the Board Chair, or to such person or persons as he or she may designate, if the person is a member of the staff.

5.2.1 Abstinance from Vote. When any conflict of interest is relevant to a matter requiring action by the Board of Directors, the interested person shall call it to the attention of the Board of Directors or its appropriate committee and such person shall not vote on the matter; provided however, any Director disclosing a possible conflict of interest may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof.

Section 5.3 ABSENCE FROM DISCUSSION. Unless requested to remain present during the meeting, the person having the conflict shall retire from the room in which the Board or its committee is meeting and shall not participate in the final deliberation or decision regarding the matter under consideration. However, that person shall provide the Board or committee with any and all

relevant information.

Section 5.4 MINUTES. The minutes of the meeting of the Board or committee shall reflect that the conflict of interest was disclosed and that the interested person was not present during the final discussion or vote and did not vote. When there is doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board of Directors or its committee, excluding the person concerning whose situation the doubt has arisen.

Section 5.5 ANNUAL REVIEW. A copy of this conflict of interest bylaw shall be furnished each Director, officer and senior staff member who is presently serving the Corporation, or who may hereafter become associated with the Corporation. This policy shall be reviewed annually for the information and guidance of Directors, officers and staff members. Any new Directors, officers or staff members shall be advised of this policy upon undertaking the duties of such office.

ARTICLE VI

Miscellaneous

Section 6.1 BOOKS AND MINUTES. The Corporation shall keep correct and complete books and records of account and financial statements and shall also keep minutes of the proceedings of its Board of Directors and committees. All books and records of the Corporation may be inspected by any Director or his or her accredited agent or attorney, for any proper purpose at any reasonable time.

Section 6.2 FISCAL YEAR AND AUDIT. The fiscal year of the Corporation shall be January 1 through December 31 inclusive. After the close of each fiscal year of the Corporation, financial transactions of the Corporation for the preceding fiscal year may be audited by certified public accountants, as directed by the Board of Directors.

Section 6.3 CONVEYANCES AND ENCUMBRANCES. Property of the Corporation may be assigned, conveyed or encumbered by such officers of the Corporation as may be authorized to do so by the Board of Directors, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the Corporation shall be authorized only in the manner prescribed by the applicable law.

Section 6.4 DESIGNATED CONTRIBUTIONS. The officers of the Corporation may accept on its behalf, in accordance with policies and procedures set by the

Board of Directors, any designated contribution, grant, bequest or devise consistent with its general tax-exempt purposes, as set forth in the Corporation's articles of incorporation. As so limited, donor designated contributions will be accepted for special funds, purposes or uses. Further, the Corporation shall retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used consistent with the restrictions contained in the grant and the Corporation's tax-exempt purposes.

Section 6.6 LOANS TO DIRECTORS AND OFFICERS PROHIBITED. No loans or advances, other than customary travel advances, shall be made by the Corporation to any of its Directors or officers.

Section 6.6 NO PRIVATE INUREMENT. The Corporation is not organized for profit and is to be operated exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501 (c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, and in the promotion of social welfare in accordance with the purposes stated in the organization's articles of incorporation. The net earnings of the organization shall be devoted exclusively to charitable and educational purposes and shall not inure to the benefit of any private individual. No Director or person from whom the organization may receive any property or funds shall receive or shall be entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the organization be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Directors; provided, however, that (a) reasonable compensation may be paid to any Director while acting as an agent, contractor, or employee of the Corporation for services rendered in affecting one or more of the purposes of the organization; and (b) any Director may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the organization.

Section 6.7 REFERENCES TO INTERNAL REVENUE CODE. All references in these bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and shall include the corresponding provisions of any subsequent federal tax laws.

Section 6.8 AMENDMENTS. These bylaws may be amended, repealed or modified, and new bylaws adopted, by the affirmative vote of a majority of the Board of Directors. Any notice of a meeting at which these bylaws are to be amended, repealed, or modified shall include notice of such proposed action.

Section 6.9 PRIVATE INUREMENT. Notwithstanding any other provision of the

articles of incorporation or these bylaws, the Corporation shall not engage in any activities which are not permitted (1) by a nonprofit Corporation exempt from federal corporate tax under Section 501(c)(3) of the Internal Revenue Code, or (2) by a nonprofit Corporation's contributions to which are to be deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 6.10 DISSOLUTION. On dissolution of the Corporation, all of its net assets shall be paid over or transferred to one or more exempt organizations of the kind described in Internal Revenue Code Section 501(c)(3). The organization to receive such property shall be designated by the Board of Directors. Any assets not so disposed of shall be disposed of by the County Court in and for the County of Charleston exclusively for one or more exempt purposes within the meaning of Internal Revenue Code Section 501(c)(3), or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

Section 6.11 SEVERABILITY. The invalidity of any provision of these bylaws shall not affect the other provisions hereof, and in such event these bylaws shall be construed in all respects as if such invalid provisions were omitted.