

BY-LAWS OF
NORTH CAROLINA ANNUAL CONFERENCE
BOARD OF INSTITUTIONS, INC.

June, 2010

ARTICLE I.
PURPOSES

The North Carolina Annual Conference, Southeastern Jurisdiction, of The United Methodist Church (“Annual Conference”) is affiliated by faith with the following institutions: The Asbury Homes, Inc.; Methodist Home for Children, Inc.; United Methodist Retirement Homes, Inc., Cypress Glen Retirement Community, and any other related corporations which may be formed in the future; North Carolina United Methodist Camp and Retreat Ministries, Inc.; Louisburg College, Inc.; Methodist University, Inc.; North Carolina Wesleyan College, Inc.; and United Methodist Foundation, Inc. (the “institutions”). The integrity of the moral, spiritual and religious imperatives which form the basis for this connectional relationship between the institutions and the Annual Conference shall continue to be the responsibility of the appropriate boards and commissions of the Annual Conference as it may deem appropriate.

The purposes of this corporation shall be to provide a designated body of the Annual Conference with the responsibility to insure the legal integrity of the relationships between the institutions (and any similar institutions which may hereafter be formed) and the Annual Conference and to serve, consistent with the provisions of The Book of Discipline of The United Methodist Church, in an advisory and liaison role between the institutions and the Annual Conference with respect to the business and financial affairs of the institutions which might affect the Annual Conference. The corporation has the further responsibility to support and nurture the shared Christian mission and heritage of the institutions and the Annual Conference and its Churches and Districts.

ARTICLE II.
POWERS OF TRUSTEES

The Board of Trustees shall have the following powers, consistent with the rules of the Annual Conference and the governing instruments of the individual institutions affiliated with said Conference:

1. Upon the recommendation of the board of the individual affiliated institution and upon consultation with the appropriate Conference board or agency, to nominate and elect a percentage of the members of the board of trustees of each of the institutions affiliated with the Annual Conference as set forth by the governing instruments of the individual institution.

The Board of Trustees shall assure that these appointments are highly qualified, possess the necessary expertise and are willing to spend the necessary time to serve in a fiduciary capacity with said institutions to insure that the institutions adhere to principles of sound legal and financial responsibilities.

2. To review the annual financial statements of the affiliated institutions, to interpret those statements and to advise and report at least annually and as needed to the appropriate board of the Annual Conference concerning the financial status of each institution.

3. To review the policies of liability insurance purchased by or for the affiliated institutions in order to determine the sufficiency of their coverage and to report its conclusions to the appropriate Conference board.

4. To review materials adopted or used by the affiliated institutions which reflect on the institutions' respective legal relationships with the Conference and/or The United Methodist Church and to report any concerns about said materials to the Conference.

5. To perform such other duties as the Annual Conference may delegate to it consistent with the corporation's purposes and The Book of Discipline of the United Methodist Church.

ARTICLE III. BOARD OF TRUSTEES

Section 1. General powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Trustees.

Section 2. Number and qualifications. The number of Trustees constituting the Board of Trustees shall be not fewer than fifteen voting members nor more than nineteen voting members, as may be fixed or changed from time to time, within the minimum and maximum, by the Board of Trustees with the approval of the Annual Conference. At least eight of the voting members of the Board of Trustees shall be laypersons who are members of local United Methodist churches within the Annual Conference, and at least seven of the voting members shall be clergy members of said Conference. Of the voting members, there shall be at least one more lay person than clergy persons serving on the Board of Trustees. In electing these members, some consideration shall be given to geographical representation. No more than one Trustee of any affiliated institution named in Article I shall serve at the same time as a member of the Board of Trustees. If any member of the Board of Trustees is subsequently elected to the board of one of the affiliated institutions named in Article I, which election shall violate this Section, then said Trustee shall immediately resign from the Board of Trustees. All members of the Board of Trustees shall be at least twenty-one years of age.

The Trustees shall be divided into four classes, as nearly equal in number as may be. The first Trustees elected by the Annual Conference shall serve for terms of one, two, three and four years, respectively, and thereafter the successors in each class of Trustees shall be elected to serve for terms of four years. No Trustee may serve for more than two consecutive four-year terms without being off the Board of Trustees for at least a period of four years. In the event of any increase or decrease in the number of Trustees, the additional or eliminated Trusteeships shall be so classified or chosen that all classes of directors shall remain or become as nearly equal in number as may be.

Section 3. Election. The Board of Trustees shall be nominated by the Committee on Nominations of the Annual Conference and elected by said Conference in accordance with the rules of said Conference and The Book of Discipline of the United Methodist Church. The initial Board of Trustees shall serve until June 30, 1993.

Section 4. Term of Trustees. The term of office of each successive class shall expire on June 30 of each year. Each initial Trustee shall hold office until such Trustee's death, resignation, or removal or until June 30, 1993. The terms of all other Trustees shall be for the number of years set forth in Article III, Section 2 or until such Trustee's death, resignation, or removal. A decrease in the number of Trustees does not shorten an incumbent Trustee's term. Despite the expiration of a Trustee's term, such Trustee shall continue to serve until a successor shall be elected and qualifies or until there is a decrease in the number of Trustees.

Section 5. Vacancies. Upon a vacancy arising for any reason other than expiration of term, the bishop and district superintendents shall nominate and elect vacancies among the voting members as they occur, subject to subsequent confirmation by the Annual Conference. If these newly elected members are not confirmed by the Annual Conference, their positions may be filled through election by the Conference after nomination from the floor or nomination by the Conference Committee on Nominations. All Trustees shall serve until their successors are elected.

Section 6. Non-voting Trustees Serving Ex Officio. The non-voting members of the Board of Trustees serving ex officio shall include the resident bishop of the Annual Conference or his designee; the chief executive of each of the institutions affiliated with the Annual Conference; and the Chancellor of the Annual Conference, if the Chancellor is not currently a voting member of the Board of Trustees elected by the Annual Conference pursuant to Section 3 of this Article III.

Section 7. Chairman of Board. There shall be a Chairman of the Board of Trustees elected by the Trustees from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Trustees and perform such other duties as may be directed by the Board.

ARTICLE IV. OFFICERS OF THE BOARD

The officers of the Board of Trustees shall be the Chairperson, Vice Chairperson and Secretary. The Chairperson, Vice Chairperson and Secretary shall serve for a term of one year and until their successors are elected and qualified. Unless a vacancy occurs at another time, elections of the Chairperson, Vice Chairperson and Secretary shall be held at the annual meetings of the Board. A vacancy in any office may be filled at any time.

ARTICLE V. MEETINGS OF TRUSTEES

Section 1. Regular meetings. There shall be at least two regular meetings of the Board of Trustees annually, which shall be held on such date and place as may be designated by the

Board, the Chairperson, or the Secretary. The fall meeting shall be the annual meeting of the Board of Trustees.

Section 2. Special meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairperson of the Board or by the Secretary; and it shall be the duty of the Chairperson or the Secretary to call special meetings on the request of five Trustees, setting forth the objects of the meeting.

Section 3. Notice of meetings. Written notice of all meetings of the Board of Trustees shall be sent by the Secretary to each Trustee by U.S. mail, electronic or other means at least ten days before the date of the meeting. In the case of special meetings, the notice shall state the purposes of the meeting. Any duly convened regular or special meeting may be adjourned by the directors to a later time without further notice.

Section 4. Waiver of notice. Any Trustee may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed or provided in electronic form by the Trustee entitled to the notice, and delivered to the corporation for inclusion in the minutes or filing with the corporate records. A Trustee's attendance at or participation in a meeting waives any required notice of such meeting unless the Trustee at the beginning of the meeting, or promptly upon arrival, objects to holding the meeting or to transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 5. Quorum. Unless the articles of incorporation or these by-laws provide otherwise, a majority of the number of Trustees fixed by or pursuant to these by-laws shall constitute a quorum for the transaction of business.

Section 6. Manner of acting. Except as otherwise provided in the articles of incorporation or these bylaws, including Section 8 of this Article V, the affirmative vote of a majority of the Board of Trustees present at a meeting at which a quorum is present shall be the act of the Board.

Section 7. Action without meeting. Action required or permitted to be taken at a meeting of the Board of Trustees may be taken without a formal meeting if the action is taken by all members of the Board. Meetings may be conducted by mail, telegram, cable, telephone, electronic mail, facsimile, video conference or in any other way the Trustees decide. Participation in such meeting shall be deemed presence in person at that meeting. Written consent to action may be taken without a meeting by the Board thereof by obtaining written consents from all members of the Board who are entitled to vote on the matter, and said consents are either signed by said voting members or provided in electronic form and delivered by electronic means.

Section 8. Committees of the Board. The Board of Trustees shall create an Executive Committee and may create other committees of the Board and appoint members of the Board of Trustees to serve on them. The creation of a committee of the Board and appointment of members to it must be approved by a majority of the number of Trustees in office when the action is taken. Each committee of the board must have two or more members and, to the extent authorized by law and specified by the Board of Trustees, shall have and may exercise all of the

authority of the Board of Trustees in the management of the corporation not inconsistent with the provisions of Chapter 55A of the General Statutes of North Carolina. The Executive Committee shall have not less than five and no more than nine Trustees and shall include the Chairperson, Vice Chairperson, and Secretary of the Board of Trustees. Each committee member serves at the pleasure of the Board of Trustees. The provisions in these by-laws governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Trustees apply to committees of the board established under this section.

ARTICLE VI. INDEMNIFICATION

Each Trustee shall be indemnified against all expense, including attorneys' fees and any judgment, actually and necessarily incurred by such Trustee in connection with the defense of any action, suit, or proceeding to which he or she has been made a party by reason of being or having been such Trustee except in relation to matters as to which such Trustee shall be adjudicated in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty.

ARTICLE VII. REVIEW AND AMENDMENT OF BY-LAWS

Section 1. These by-laws may be changed or amended at any meeting of the Trustees by a two-thirds vote of those present, provided notice of the substance of the proposed amendment is sent to all Trustees at least ten days before the meeting. Such changes or amendments to these by-laws shall be subject to approval by the Annual Conference.

Section 2. Prior to each annual meeting of the Board of Trustees, the Executive Committee shall review these by-laws and suggest any necessary changes thereto.