

**BYLAWS
OF
LAKESHORE FOUNDATION
An Alabama Nonprofit Corporation**

ARTICLE I

DEFINITIONS, PURPOSES, AND POWERS

Section 1.1 DEFINITIONS. The terms set forth below shall have the following meanings unless otherwise required by the context in which they may be used:

Articles of Incorporation. The term "Articles of Incorporation" shall mean the Articles of Incorporation of the Corporation and any amendments thereto.

Board. The term "Board" shall mean the Board of Directors of the Corporation.

Board Committee. The term "Board Committee" shall mean a body whose members are appointed by the Chairman or the Board and which may be authorized to exercise a designated portion of the authority of the Board when the Board is not in session.

Bylaws. The term "Bylaws" shall mean the Bylaws of the Corporation except where reference is specifically made to the bylaws of another entity or unit.

Chairman. The term "Chairman" shall mean the Chairman of the Board as set forth in Article V.

Corporation. The term "Corporation" shall mean Lakeshore Foundation, an Alabama nonprofit corporation.

Director. The term "Director" shall refer to one or more members of the Board of Directors of the Corporation as provided in Article III.

Majority. The term "Majority" shall mean fifty-one percent (51%) or more of the applicable total number.

Member. The term "Member" shall in all cases refer to persons serving as regular members of a body with authority to vote and be counted in determining the existence of a quorum.

Officer. The term "Officer" shall mean one or more of the positions as provided in Articles V and VI.

State. The term "State" shall mean the State of incorporation of the Corporation unless otherwise specifically indicated.

Section 1.2. STATEMENT OF PURPOSE. The Corporation has been formed for the purposes as set forth in the Articles of Incorporation.

Section 1.3. POWERS. Except as limited by the Articles of Incorporation or these Bylaws, the Corporation shall have and exercise such powers in the furtherance of its purposes as are now or may hereafter be granted by the laws of the State of Alabama.

ARTICLE II

OFFICES

The Corporation shall have and continuously maintain in the City of Homewood, Jefferson County, Alabama, a registered office and a registered agent (whose office shall be identical with such registered office) and may have such other offices within or without the State as the Board may from time to time determine.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1. GENERAL POWERS. All of the business and affairs of the Corporation shall be managed by the Board in a manner consistent with these Bylaws and other applicable law. The Board shall make appropriate delegations of authority to the Officers and, to the extent permitted by law, by appropriate resolution, the Board may authorize one or more Board Committees to act on its behalf when it is not in session.

Section 3.2. NUMBER, QUALIFICATION, ELECTION AND TENURE. The total number constituting the members of the Board shall be established by the Board from time to time. Each of the members of the Board shall have one vote. Annually, at a meeting of the Board held within 90 days before the close of the Corporation's fiscal year, the Board shall elect the class of Directors then becoming vacant for terms commencing with the beginning of the fiscal year following such election and, except as provided herein, continuing for four years thereafter or until their respective successors shall have been elected and qualified.

Section 3.3. STAGGERED TERMS. Members of the Board shall be divided into four classes substantially equal in number with terms expiring at intervals of one year.

Section 3.4. REGULAR MEETINGS. The Board shall have regular meetings, the frequency of which is consistent with the needs of the Corporation and, unless the Board shall provide otherwise by resolution, regular meetings of the Board shall be held at least

four (4) times per year. The Board may prescribe by resolution the time and place for the holding of regular meetings and may provide that the adoption of such resolution shall constitute notice of such regular meetings. If the Board does not prescribe the time and place for the holding of regular meetings, such regular meetings shall be held at the time and place specified by the Chairman in the notice of such regular meetings.

Section 3.5. SPECIAL MEETINGS. Special meetings of the Board may be called by or at the direction of the Chairman, the Vice Chairman or the written request of a majority of the members of the Board, such meetings to be held at such time and place as shall be designated in the notice thereof

Section 3.6. NOTICE. Except as otherwise provided herein, notice of the time, day and place of all meetings shall be given to all members of the Board in person or by telephone, mail, e-mail, or facsimile. If the notice is sent by mail, it must be deposited in the United States first class mail or with a private mail carrier for overnight delivery, postage prepaid and addressed to the director at his or her address as it appears on the records of the Corporation, at least five (5) days before the day of the meeting. If the notice is sent by any other method or is delivered in person, the notice must be sent or delivered to all members of the Board at least seventy-two (72) hours before the date of the meeting. A waiver of notice in writing signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be equivalent to the giving of notice. For special meetings, the notice of meeting shall further specify the purpose or purposes for which the meeting is being called. The attendance of a member of the Board at any meeting shall constitute a waiver of notice of such meeting, except where a member of the Board attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board, need be specified in the waiver of notice of such meeting.

Section 3.7. QUORUM. At least one-third (1/3) of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, unless otherwise specifically provided by law, the Articles of Incorporation, or these Bylaws. Members of the Board may participate in any meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating at the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting. If less than one-third (1/3) of the members of the Board are present at such meeting, fifty-one percent (51%) of the members present may adjourn the meeting from time to time without further notice until a quorum shall be present.

Section 3.8. MANNER OF ACTING.

3.8-1. **Formal Action by Board.** The act of the majority of the members of the Board present at a meeting at which a quorum is present shall be the act of the Board, Unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

3.8-2. **Informal Action by Board.** No action of the Board shall be valid unless taken at a meeting at which a quorum is present, except that any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing (setting forth the action so taken) shall be signed by all members of the Board.

Section 3.9. RESIGNATION AND REMOVAL. Any member of the Board may resign from the Board at time by giving written notice to the Chairman, Vice Chairman, or the Secretary, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any member of the Board may be removed from office at any time by an affirmative vote of three-fourths (3/4) of the members of the Board of the Corporation.

Section 3.10. VACANCIES. Any vacancy occurring in the membership of the Board and any membership thereon to be filled by reason of an increase in the number of members of the Board shall be filled by the Board by majority vote though such remaining members of the Board may be less than a quorum. A member of the Board appointed to fill a vacancy shall be appointed for the unexpired term of such member's predecessor in office, and a member of the Board appointed to fill a newly created seat shall serve the term designated for the seat by the Board.

Section 3.11. COMPENSATION. Members of the Board, as such, shall not receive any stated salaries for their services, but by resolution of the Board a reasonable amount may be allowed as reimbursement of expenses incurred in attending to their authorized duties; provided, however, that, subject to the provisions herein concerning duality of interests, nothing herein contained shall be construed to preclude any member of the Board from serving the Corporation in any other capacity and receiving compensation therefore.

Section 3.12. PROCEDURE. The Board may adopt its own rules of procedure which shall not be inconsistent with the Articles of Incorporation, these Bylaws, and applicable law. In the absence of the Board adopting its own special rules of procedure as provided for herein, Robert's Rules of Order shall serve as the rules of procedure to be followed.

ARTICLE IV

BOARD COMMITTEES

Section 4.1. STANDING BOARD COMMITTEES. Except as provided herein to the contrary, the Corporation shall have the following standing Board Committees: Executive Committee, Finance Committee, Compensation Committee, Governance Committee, Planning Committee and Fund Development Committee.

Section 4.2. EXECUTIVE COMMITTEE.

- 4.2-1. **Composition and Election.** The Board, by resolution adopted by a majority of the members of the Board, may create an Executive Committee. The number of members of the Executive Committee shall be at least (5) five. The membership of the Executive Committee shall consist of the Chairman, the Vice Chairman, the Treasurer, the Secretary and such other Board members as appointed by the Chairman and approved by the Board. The Chairman shall be the chairman of such Board Committee.
- 4.2-2. **Authority and Function.** When the Board is not in session, the Executive Committee shall have and exercise all of the authority of the Board in the management of the Corporation, except as such authority is limited by law or by resolution creating or otherwise controlling the Executive Committee.

Section 4.3. FINANCE COMMITTEE.

- 4.3-1. **Members.** The Finance Committee shall consist of not fewer than five (5) Directors appointed by the Chairman and approved by the Board. If the Treasurer of the Corporation is a member of the Board, such person will be designated Chairperson of the committee and occupy one of the five positions.
- 4.3-2. **Duties.** The Finance Committee shall be charged with the responsibility to:
- A. Review the financial feasibility of projects, acts and undertakings of the Corporation referred to it by the Board and the President and Chief Executive Officer and make recommendations to the Board.
 - B. Review the financial statements of the Corporation and provide reports and recommendations to the Board concerning the general fiscal affairs of the Corporation.
 - C. Review and make recommendations to the Board concerning the Corporation's annual operating and capital budgets and review the long-term capital expenditures and requirements for financing.
 - D. Make recommendations to the Board concerning the selection of an independent auditor to be commissioned to perform an annual financial audit of the Corporation, and approve any non-audit service provided by the firm if such service represents at least 20% of the total amount paid to the accounting firm.
 - E. Receive, review and evaluate the financial statements and conclusions of the auditors and, based thereon, make recommendations to the Board concerning the financial operation of the Corporation. As a part of the

review with the auditors, the Committee will meet with the auditors without staff present.

- F. Review the annual income tax return (Form 990) filed with the U.S. Internal Revenue Service.
- G. Oversee the management of the Corporation's investments including investment policies, investment managers and other matters associated with investments.
- H. Review long-term financing arrangements and make recommendations to the Board.

Section 4.4. COMPENSATION COMMITTEE.

- 4.4-1. **Members.** The Compensation Committee shall consist of at least five (5) Directors appointed by the Chairman and approved by the Board.
- 4.4-2. **Duties.** The Compensation Committee shall be charged with the responsibility to: (1) review at least annually the compensation of the President and Chief Executive Officer of the Corporation and to make recommendations to the Board with respect to any changes in such compensation that the Committee deems appropriate; (2) review annually the proposed salary budget of employees and the Corporation's comprehensive benefits programs for inclusion in the budget; and (3) review and approve additions and changes to the pay and position classification plan.

Section 4.5. GOVERNANCE COMMITTEE.

- 4.5-1. **Members.** The Governance Committee shall consist of at least five (5) Directors appointed by the Chairman and approved by the Board.
- 4.5-2. **Duties.** The Governance Committee shall be charged with identifying, evaluating, and making recommendations regarding the overall health of the Board, including its organization, structure, and procedures. The Committee shall annually review and make recommendations regarding term renewals of Board members, as well as the appointment of new Directors. The Committee shall act to fill any vacancies on the Board. The Committee will review, consider, and make recommendations to the Board regarding modifications to the bylaws. The Committee will review proposed Committee assignments for the Board of Directors. Among other activities which the Committee may undertake are review of Board orientation and education programs, review of ethics and conflict of interest requirements, and review of the annual income tax return (Form 990) filed with the U.S. Internal Revenue Service.

Section 4.6. PLANNING COMMITTEE.

4.6-1 **Members.** The Planning Committee shall consist of at least five (5) Directors appointed by the Chairman and approved by the Board.

4.6-2 **Duties.** The Planning Committee shall be charged with the responsibility of identifying, evaluating and making recommendations to the Board concerning long range and strategic plans and needs which may affect the mission, resources, staff and assets of the Foundation, including any future development of the campus or other properties which may be owned or operated by the Foundation.

Section 4.7. FUND DEVELOPMENT COMMITTEE.

4.7-1. **Members.** The Fund Development Committee shall consist of at least five (5) Directors appointed by the Chairman and approved by the Board.

4.7-2 **Duties.** The Fund Development Committee shall be charged with the responsibility of providing strategic guidance to the Foundation's fund development program, which consists of philanthropy and sponsorship initiatives. The Committee will review the annual fundraising goal for the fiscal year; conduct the annual board leadership campaigns; and develop and recommend organizational fund development policies as needed.

Section 4.8. ADDITIONAL OR COMBINATION OF BOARD COMMITTEES.

A. Additional Board Committees.

1. **Composition and Election.** The Board, by resolution adopted by a majority of its members, may create one or more additional Board Committees consisting of at least three members. The Chairman shall appoint the members who are to serve as the members of the Committee, one of whom shall be designated as chairman of the Committee and the Board shall approve such members.

2. **Powers and Functions.** The resolution creating an additional Board Committee shall designate the authority of the Board, which such Board Committee shall have and exercise when the Board is not in session and the functions such Board Committee shall discharge.

B. Combination of Board Committees. If the Board determines that any one or more of the Board Committees should not exist, the Board shall assign the functions of such Board Committee to a new or existing Board Committee or to the Board as a whole.

Section 4.9. QUALIFICATION AND TENURE. Each such Board Committee shall consist of three or more persons, appointed by the Chairman and approved by the

Board. The designation of one or more of such Board Committees and the delegation thereto by resolution of authority shall not operate to relieve the Board, or any individual member of the Board, of any responsibility imposed by law upon it or such member. Each member of a Board Committee shall hold office until the next Annual Meeting following the election and until such member's successor as a member of a Board Committee is elected, unless such member shall sooner cease to be a member of the Committee or shall resign or be removed from the Board.

Section 4.10. MEETINGS. Meetings of a Board Committee may be called by, or at the direction of, the Chairman, the Vice Chairman, the chairman of the Board Committee or a majority of the members of the Board Committee then in office, to be held at such time and place as shall be designated in the notice of the meeting.

Section 4.11. NOTICE. Notice of the time, day and place of all meetings shall be given to all members of a Board Committee in person or by telephone, mail, e-mail, or facsimile, by or at the direction of the Chairman or the persons who called the meeting. If the notice is sent by mail, it must be deposited in the United States first class mail or with a private mail carrier for overnight delivery, postage prepaid and addressed to the member at his or her address as it appears on the records of the Corporation, at least five (5) days before the day of the meeting. If the notice is sent by any other method or is delivered in person, the notice must be sent or delivered to the member at least seventy-two (72) hours before the date of the meeting. A waiver of notice in writing signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be equivalent to the giving of notice. The attendance of a member of a Board Committee at any meeting shall constitute a waiver of notice of such meeting, except where a member of a Board Committee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any meeting of the Board Committee, need be specified in the waiver of notice of such meeting.

Section 4.12. QUORUM. One-third of the members of a Board Committee present in person, but no less than three members thereof, shall constitute a quorum for the transaction of business at any meeting of the Board Committee, unless otherwise specifically provided by the Articles of Incorporation or these Bylaws. Members of the Board Committee may participate in any meeting of the Board Committee by means of a conference telephone or similar communications equipment by means of which all persons participating at the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting. If less than one-third (1/3) of the members of the Board Committee are present at such meeting, a majority of the members of the Board Committee present may adjourn the meeting from time to time without further notice until a quorum shall be present.

Section 4.13. MANNER OF ACTING.

4.13-1. **Formal Action By a Board Committee.** The act of a majority of the members of a Board Committee present at a meeting at which a quorum is

present shall be the act of the Board Committee, unless the act of a greater number is required by law, the Articles of Incorporation, these Bylaws or by resolution of the Board.

4.13-2. **Informal Action by a Board Committee.** No action of a Board Committee shall be valid unless taken at a meeting at which a quorum is present, except that any action which may be taken at a meeting of a Board Committee may be taken without a meeting if a consent in writing (setting forth the action so taken) shall be signed by all members of the Board Committee.

Section 4.14. RESIGNATION AND REMOVAL. Any member of a Board Committee may resign therefrom at any time by giving written notice to the Chairman of the Committee, the Chairman, the Vice Chairman, or the Secretary, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any member of a Board Committee may be removed from office at any time by the Board in its sole discretion without assigning any cause pursuant to a resolution adopted by a majority of the members of the Board.

Section 4.15. VACANCIES. Any vacancy occurring in the membership of a Board Committee and any membership thereon to be filled by reason of any increase in the number of the Board Committee shall be filled by an individual appointed by the Chairman.

Section 4.16. COMPENSATION. Members of a Board Committee, as such, shall not receive any stated salaries for their services, but by resolution of the Board a reasonable amount may be allowed as reimbursement of expenses incurred in attending to their authorized duties; provided, however, that, subject to the provisions herein concerning duality of interests, nothing herein contained shall be construed to preclude any member of a Board Committee from serving the Corporation in any other capacity and receiving compensation therefore.

Section 4.17. PROCEDURE. The Chairman of each Board Committee may appoint a Vice Chairman for such Board Committee. A Board Committee may adopt its own rules of procedure which shall not be inconsistent with the Articles of Incorporation, these Bylaws, or applicable law. In the absence of a Board Committee adopting its own special rules of procedure as provided for herein, Robert's Rules of Order shall serve as the rules of procedure such committee shall follow.

ARTICLE V

OFFICERS

Section 5.1. OFFICERS. In addition to the President and Chief Executive Officer and other administrative officers referred to in Article VI, the Officers of the Corporation shall be a Chairman, a Vice Chairman, a Secretary and a Treasurer. The Executive

Committee shall submit a slate of nominees for the offices of the Corporation to be reviewed by the Board. The Board shall be responsible for the nomination and election of such Officers. The Corporation may at the discretion of the Board, provide for different categories of Officers and may have additional Officers, including, without limitation, one or more additional Vice Chairmen, Assistant Secretaries, and/or Assistant Treasurers. Any two or more offices may be held by the same person, except for the offices of Chairman, President and Chief Executive Officer, and Secretary. The duties of certain offices are set forth herein. When the incumbent of an office is unable to perform the duties thereof or when there is no incumbent of an office (both such situations referred to hereafter as the "absence" of the Officer), the duties of the office shall, unless otherwise provided by the Board or these Bylaws, be performed by the next Officer set forth in the following sequence: Chairman, Vice Chairman, Secretary, Treasurer.

Section 5.2. APPOINTMENT AND TENURE. All Officers shall be elected, or in the case of the President and other administrative officers referred to in Article VI appointed, each year by the Board at its Annual Meeting for terms of one year, or until their successors have been duly elected and qualified, or until their death, resignation or removal.

Section 5.3. RESIGNATION AND REMOVAL. Any Officer may resign at any time by giving written notice to the Chairman, the Vice Chairman, or the Secretary, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Officer may be removed by the Board whenever in its judgment the best interests of the Corporation would be served thereby.

Section 5.4. VACANCIES. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

Section 5.5. CHAIRMAN. The Chairman shall preside at all meetings of the Board and shall exercise and perform such other powers and duties as may from time to time be assigned to him/her by the Board or these Bylaws or as are incident to the office of Chairman.

Section 5.6. VICE CHAIRMAN. The Vice Chairman shall perform such duties as may be assigned to him by the Board or the Chairman. In the absence of the Chairman, the Vice Chairman shall perform the duties of the Chairman.

Section 5.7. TREASURER. The Treasurer shall, subject to the direction of the Chairman, have charge and custody and be responsible for all funds and securities of the Corporation; to deposit the same in any bank or banks as the Board may designate; shall keep regular, full, and accurate accounts of all receipts and disbursements; and in general perform all the duties as from time to time may be assigned to the Treasurer by the Chairman, the Board, or these Bylaws. In fulfillment of the duties of the Treasurer, the Treasurer shall be familiar with the fiscal affairs of the Corporation and keep the Board informed thereof.

Section 5.8. SECRETARY. The Secretary shall, subject to the direction of the Chairman, cause to be kept a record of the meetings of the Board and all Board Committees

in one or more books provided for that purpose; assure that all notices are given in accordance with the provisions of these Bylaws and as required by law; be custodian of the seal of the Corporation; countersign, when required, all authorized deeds, mortgages, bonds, contracts, leases or other instruments; and in general perform all duties incident of the office of the Secretary and such other duties as from time to time may be assigned to the Secretary by the Chairman, the Board, or these Bylaws.

Section 5.9. EXECUTION OF INSTRUMENTS. The Chairman and the President and Chief Executive Officer are authorized, in their discretion, and to the extent permitted herein and by law, to do and perform any and all corporate and official acts in carrying on the Corporation's business, including, but not limited to, the authority to make, execute, acknowledge and deliver all deeds, mortgages, releases, bills of sale, assignments, transfers, leases, powers of attorney or of substitution, proxies to vote stock, or any other instrument in writing that may be necessary in the purchase, sale, lease, assignment, transfer, management or handling in any way of property of any description held or controlled by the Corporation, in any capacity. The enumeration herein of particular powers shall not restrict in any way the general powers and authority of said officers. The Board may authorize any other officer or officers or agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be delegated by the person so authorized; but unless so authorized by the Board or these ByLaws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 5.10. COMPENSATION. Except for the President and Chief Executive Officer and the other administrative officers referred to in Article VI, Officers, as such, shall not receive any stated salaries for their services, but by resolution of the Board a reasonable amount may be allowed as reimbursement of expenses incurred in attending to their authorized duties; provided, however, that subject to the provisions herein concerning duality of interests, nothing herein contained shall be construed to preclude any Officer from serving the Corporation in any other capacity and receiving compensation therefor.

Section 5.11. BONDS OF OFFICERS. The Board may secure the fidelity of any or all such Officers by bond or otherwise, in such sums and with such surety or sureties, conditions, penalties or securities as shall be required by the Board. The premium or premiums for such bond or bonds shall be paid out of the corporate funds of the Corporation.

Section 5.12. DELEGATION. The Board may delegate temporarily the powers and duties of any Officer, in case of such Officer's absence or for any other reason, to any other Officer and may authorize the delegation by any Officer of any of such Officer's powers and duties to any agent or employee subject to the general supervision of such Officer.

ARTICLE VI

CORPORATE ADMINISTRATION

Section 6.1. PRESIDENT AND CHIEF EXECUTIVE OFFICER. The Board of the Corporation shall appoint a President and Chief Executive Officer ("President and CEO") of the Corporation. The President shall be the chief executive officer of the Corporation, and subject to the control of the Board, shall determine the Corporation's basic policies, have general supervision of its business and affairs and be responsible for all internal operations of the Corporation. The President shall report to the Board, and shall be responsible for personnel, and shall designate and assign the duties of the officers under his supervision, at the direction or with the approval of the Board.

The President shall have the authority to execute bonds, mortgages and other contracts and instruments requiring a seal, under the seal of the Corporation. He shall, under the supervision of the Board, be responsible for all investments of the Corporation and shall have the full authority to do any and all things delegated to him by the Board or by any committee of the Board having authority.

Section 6.2. ADDITIONAL ADMINISTRATIVE OFFICERS. The Corporation, through the President and CEO, subject to approval by the Board, may from time to time create such additional administrative offices and appoint such additional administrative officers as shall be needed or helpful in carrying out the objectives of the Corporation.

ARTICLE VII

MISCELLANEOUS

Section 7.1. CONTRACTS. The Board may authorize any Officer or agent of the Corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 7.2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the CEO.

Section 7.3. DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in one or more such banks, trust companies or other depositories as the Board may from time to time designate, upon such terms and conditions as shall be fixed by the Board. The Board may from time to time authorize the opening and keeping, with any such depository as it may designate, of general and special bank accounts and may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these Bylaws, as it may deem necessary.

Section 7.4. GIFTS. The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for and consistent with the general purposes, or for and consistent with any specific purpose, of the Corporation.

Section 7.5. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of account and shall also keep records of the actions of the Corporation, which records shall be open to inspection by the members of the Board at any reasonable time.

Section 7.6. FISCAL YEAR: ACCOUNTING ELECTION. The fiscal year of and method of accounting for the Corporation shall be as the Board shall at any time determine.

Section 7.7. SEAL. The Board shall provide a corporate seal for use by the Corporation.

Section 7.8. ANNUAL REPORT. The CEO and Treasurer shall verify and cause an annual report to be submitted to the Board no later than 120 days after the close of each fiscal year of the Corporation, which shall include the Organization Chart for the Corporation's current fiscal year and a listing of those persons serving as: (i) members of the Board and Board Committees, and (ii) Officers of the Board and Administrative Officers; and financial information for the fiscal year. The financial portion of such Annual Report must conform to accounting standards promulgated by the American Institute of Certified Public Accountants and shall include, without limitation, the following elements:

- 7.8-1. **Assets and Liabilities.** The assets and liabilities, including the trust funds, of the Corporation, as of the end of the fiscal year immediately preceding the date of the report.
- 7.8-2. **Changes In Assets and Liabilities.** The principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the date of the report.
- 7.8-3. **Revenue and Receipts.** The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report.
- 7.8-4. **Expenses and Disbursements.** The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report.

Section 7.9. NOTICE; EFFECTIVE DATE. Any notice required or permitted to be given pursuant to the provisions of the Articles of Incorporation, these Bylaws, or applicable law, shall be in writing, shall be sufficient and effective as of the date personally delivered or, if sent by mail, on the date deposited with the United States Postal Service, prepaid and addressed to the intended receiver at such receiver's last known address as shown in the records of the Corporation.

Section 7.10. LOANS TO MEMBERS OF THE BOARD AND OFFICERS PROHIBITED. No loan shall be made by the Corporation to any member of the Board or to any Officers. The members of the Board who vote for or assent to the making of a loan to a member of the Board or Officer, and any member of the Board or Officer participating in the making of such loan, shall be jointly and severally liable to the Corporation for immediate repayment of the amount of such loan.

Section 7.11. EXCULPATION OF MEMBERS OF THE BOARD AND OFFICERS AND OTHERS. Pursuant to Alabama Code Section 10-11-1, *et seq.*, all non-compensated Directors, trustees, members of governing bodies and Officers of the Corporation shall be immune from suit and not subject to civil liability arising from the conduct of the affairs of the Corporation except when the act or omission of such person which gives rise to a cause of action amounts to willful or wanton misconduct or fraud, or gross negligence.

Section 7.12. INDEMNIFICATION OF MEMBERS OF THE BOARD, OFFICER AND OTHERS. The Corporation shall indemnify any member of the Board or Officer, or former member of the Board or Officer, against expenses and costs (including reasonable attorneys) and expert fees, and including amounts paid or agreed to be paid in connection with reasonable settlements made before final adjudication with the approval of the Board) actually and reasonably incurred by him or her in connection with any claim asserted against such person, by action in court or otherwise, by reason of such person being or having been such member of the Board or Officer, except in relation to matters as to which such person shall have been adjudged liable for negligence or misconduct in the performance of his or her duty with respect to the matter in which indemnity is sought, and to the extent permitted by the provisions of the Alabama Nonprofit Corporation Act. By order of the Board, the Corporation may, under comparable terms and limitations, indemnify employees and agents of the Corporation with respect to activities within the scope of their services as members of Board Committees, Officers or other officials of the Corporation.

Section 7.13. INSURANCE. Nothing herein provided shall limit or otherwise affect the power of the Corporation to purchase and maintain insurance on behalf of any person who is or was an Officer, member of the Board, employee or agent of the Corporation or is or was serving at the request of the Corporation, against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such, whether or not the Corporation would have the power or would be required to indemnify him/her against such liability under the provisions of these Bylaws or any applicable law. To the extent such insurance operates to protect any person against liability, the Corporation's obligation to indemnify shall be deemed satisfied.

Section 7.14. REVOCABILITY OF AUTHORIZATIONS. No authorization, assignment, referral or delegation of authority by the Board to any committee, Officer, agent or other official of the Corporation, or to any employee of the Corporation, shall preclude the Board from exercising the authority required to meet its responsibility for the conduct of the Corporation. The Board shall retain the right to rescind any such authorization, assignment, referral or delegation in its sole discretion.

Section 7.15. DUALITY OF INTERESTS. Any contract or other transaction between the Corporation and one or more of the members of the Board or Officers, or between the Corporation and any other corporation, firm, association or other entity in which one or more of the members of the Board or Officers are members of the board, trustees, or officers or have a significant financial or influential interest, shall be declared void by the Board unless all of the following conditions are met:

- 7.15-1. The relevant and material facts as to such member of the Board's or Officer's interest in such contract or transaction and as to any common directorship, officership, or financial or influential interest were disclosed in good faith in advance by such member of the Board or Officer to the Board, and such facts are reflected in the minutes of the Board meeting; and
- 7.15-2. The relevant and material facts, if any, known to such interested member of the Board or Officer with respect to such contract or transaction which might reasonably be construed to be adverse to the Corporation's interest were disclosed in good faith in advance by such member of the Board or Officer to the Board, and such facts are reflected in the minutes of the Board Meeting; and
- 7.15-3. Such interested member of the Board or Officer has, as determined by the judgment of the Board: (i) made the disclosures and fully responded to questions concerning the matters referred to in (a) and (b) above; (ii) fully met the burden of proof that the contract or transaction is fair and reasonable to the Corporation at the time such contract or transaction is authorized; and (iii) not otherwise significantly influenced the action of the Board with respect to the contract or transaction; and all such determinations by the Board are reflected in the minutes of the Board Meeting; and
- 7.15-4. The Board authorized such contract transaction by a vote of at least two-thirds (2/3) of the members present at a Meeting at which a quorum was present, and such interested member of the Board or Officer was not counted in determining the presence of a quorum or in determining the two-thirds (2/3) vote; and
- 7.15-5. Such interested member of the Board or Officer was not present at such time as the vote was taken.

Section 7.16. EMPLOYEES OF THE CORPORATION. The Board may employ such personnel as it deems necessary or desirable for the efficient operation of the Corporation.

Section 7.17. RULES. The Board may adopt, amend or repeal rules (not inconsistent with these Bylaws) for the management of the internal affairs of the Corporation and the governance of its Officers, agents, Board Committees, and employees.

Section 7.18. VOTING OF SHARES OWNED BY THE CORPORATION. Unless otherwise ordered by the Board, the Chairman, the President, the Vice Chairman, the Secretary, and the Treasurer, or any of them, shall have full power and authority on behalf of the Corporation to attend, to vote and to grant proxies to be used at any meeting of shareholders of any corporation or otherwise exercise rights of any entity in which the Corporation may hold stock or otherwise be a member. The Board may confer like powers upon any other person or persons.

Section 7.19. VOTE BY PRESIDING OFFICER. The person acting as presiding officer at any meeting held pursuant to these Bylaws shall, if a voting member thereof, be entitled to vote on the same basis as if not acting as presiding officer.

Section 7.20. GENDER AND NUMBER. Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural thereof.

Section 7.21. ARTICLES AND OTHER HEADINGS. The Article and other headings contained in these Bylaws are for reference purposes only and shall not affect the meaning or interpretation of these Bylaws.

ARTICLE VIII

AMENDMENTS TO ARTICLES AND BYLAWS

Section 8.1. ARTICLES OF INCORPORATION. The power to make, alter, amend, repeal, or adopt the Articles of Incorporation of the Corporation shall be vested in the Board.

Section 8.2. BYLAWS. The power to make, alter, amend, repeal, or adopt the Bylaws of the Corporation shall be vested in the Board. The Bylaws shall be reviewed by the Board at least annually to determine whether amendments thereto are necessary.

REVISED AND REVIEWED

Cathy Sloss Jones
Board of Directors, Chair

October 6, 2014
Date

HISTORY OF BYLAWS

The initial Bylaws of Lakeshore Foundation were first adopted on May 29, 1984. Amendments made subsequent to May 29, 1984, should be listed below:

<u>REVISIONS</u>	<u>DATE OF ADOPTION</u>	<u>SECTIONS AMENDED</u>
5/1/95	6/8/96	4.6
1/5/98	2/21/98	4.6, 4.7
8/5/02	8/5/02	Entire Bylaws
10/19/04	10/19/04	4.1, 4.5
1/12/09	1/12/09	4.6, 4.6.1, 4.6.2
10/6/14	10/6/14	3.2, 3.6, 4.1, 4.3, 4.4, 4.5, 4.6, 4.7, 4.11, 4.12, 5.1, 7.10