

**BY-LAWS**  
**OF**  
**CHARLESTON DEFENSE CONTRACTORS ASSOCIATION**

**Article 1.**  
**General**

1.1. Applicability. These By-Laws provide for the governance of the Charleston Defense Contractors Association (“Association”), in accordance with the South Carolina Nonprofit Corporation Act of 1994 (“Act”) and the Articles of Incorporation filed with the South Carolina Secretary of State (“Articles”).

1.2. Name. The name of the corporation is Charleston Defense Contractors Association (the “Association”).

1.3. Principal Office. The principal office of the Association shall be located in the State of South Carolina. The Association may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

1.4. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Articles or the Act, as they may be amended, unless the context indicates otherwise.

1.5 Purpose; Objectives.

The purpose of the Association is to address issues and opportunities facing the Charleston metropolitan area and other surrounding regions (the “Community”) with regard to the defense industry. To promote the aforementioned purpose of the Association, the Association shall have the following objectives:

(a) To develop or improve the Community’s ability to develop, attract, retain, and more effectively execute defense industry business development opportunities;

(b) To act as a liaison between local, state, and federal governmental agencies, elected officials, legislatures, and special groups and committees and the defense industry;

(c) To perform as an advocacy group for the Community and the defense industry in the Community; and

(d) To foster increased and improved interaction among defense contractors and between defense contractors and the Community for the accomplishment of better services to defense customers.

**Article 2.**  
**Association: Membership, Meetings, Quorum, Voting, Proxies**

2.1. Membership. There shall be two (2) types of Members in the Association: Corporate

Members and Affiliate Members. Corporate Members shall be voting Members in the Association and shall be entitled to one (1) vote per Member. Affiliate Members shall be non-voting Members in the Association, but shall have all other rights and obligations of Members in the Association. Members of the Association shall have knowledge of and interest in the Charleston defense community and an interest and concern for the development, advancement and recognition of Charleston defense organizations and the local defense contractor community. The Association may establish conditions and criteria for the admission of Members as it deems necessary from time to time. In the event a Member is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, manager, partner, or trustee designated by the entity shall be eligible to represent such entity or entities in the affairs of the Association.

2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors of the Association.

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.

2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Members representing at least twenty-five percent (25%) of the total voting Members in the Association.

2.5. Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Association, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or the Member's proxy shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member or proxy specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. Any meeting of the Association may be adjourned from time to time for periods not exceeding ten (10) days by vote of Members holding at least fifty-one percent (51%) of the votes represented at such meeting, regardless of whether a quorum is present. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been

transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

2.8. Voting. Corporate Members shall be entitled to one (1) vote per Member. Affiliate Members are not entitled to a vote.

2.9. Proxies. At all meetings of Members, each voting Member may vote in person (if a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then through any officer, director, manager, partner, or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of South Carolina law. All proxies shall be in writing specifying the Member for which it is given, signed by the Member or its duly authorized attorney-in-fact, dated and filed with the Secretary of the Association prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon termination of any Membership for which it was given, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.10. Quorum. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Members representing twenty percent (20%) of the total votes in the Association shall constitute a quorum at all meetings of the Association. Except when a higher vote is required under these By-laws, the vote of at least fifty-one percent (51%) of the Members present and eligible to vote shall constitute a decision of the Association.

2.11. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.12. Action Without a Meeting.

(a) Action by Written Consent. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by Members holding at least eighty percent (80%) of the total vote in the Association. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of South Carolina. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting.

(b) Action by Written Ballot. In the discretion of the Board, any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter.

(i) A written ballot shall: (1) set forth each proposed action; and (2) provide an opportunity to vote for or against each proposed action.

(ii) Approval by written ballot pursuant hereto shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(iii) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iii) specify the time by which a ballot must be received by the Association in order to be counted.

(iv) A written ballot may not be revoked. The Association shall maintain such ballots in its file for a period of at least three (3) years.

### **Article 3. Board of Directors: Number, Powers, Meetings**

#### 3.1. General Powers.

Except as otherwise provided by law or in the Articles, the property, affairs and business of the Association shall be managed by or under the direction of the Board of Directors.

#### 3.2. Number, Term of Office and Qualifications.

The number of Directors of the Corporation shall be not less than seven (7) nor more than fifteen (15), as the Members shall determine from time to time. With the exception of the initial directors, who were appointed by the Incorporator, the Directors shall be elected, by a plurality vote for each, at the annual meeting of Members, and from a slate of candidate individuals employed by corporate members in good membership standing at the time of the elections. Except as provided by law, each Director shall continue in office until the annual meeting of Members held next after his election and until his successor shall have been elected and shall qualify, or until his earlier death, resignation or removal in the manner provided herein.

#### 3.3. Resignation.

Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary. Unless otherwise specified therein, such resignation shall take effect on receipt thereof by any such officer.

#### 3.4. Removal of Directors by Members.

Any Director may be removed at any time, either with or without cause, by the affirmative vote of a majority of the Members then entitled to vote. Any vacancy on the Board of Directors resulting from any such removal may be filled in the manner provided in Section 3.5 of this Article III.

#### 3.5. Vacancies.

If any vacancy shall occur on the Board of Directors by reason of death, resignation, removal or otherwise, such vacancy may be filled by the affirmative vote of a majority of the Directors present in person or represented by proxy and entitled to vote at a meeting of the Board of Directors, at which a quorum is

present. Any Director so elected to fill such a vacancy shall serve the remaining term of the Director whom he replaces.

3.6. Annual and Regular Meetings.

As soon as practicable after the annual meeting of Members in each year, an annual meeting of the Board of Directors shall be held for the appointment of officers and for the transaction of such other business as may properly come before the meeting. No notice shall be required for any such meeting if held immediately after the adjournment and at the site of the meeting of Members. If not so held, notice shall be given in the same manner as required for special meetings of the Board of Directors. Additional regular meetings of the Board of Directors may be held without notice at such times and places (within or without the State of South Carolina) as the Board may from time to time determine by resolution duly adopted at any meeting of the Board.

3.7. Special Meetings.

A special meeting of the Board of Directors may be called at any time by the President and shall be called by the President or the Secretary on the written request of at least one-half of the Directors then in office, and shall be held at such time and place (within or without the State of South Carolina) as may be fixed by the President or such Directors in such request, as the case may be, provided that the time so fixed shall permit the giving of notice as provided in Section 3.8 of this Article III.

3.8. Notice of Special Meetings.

Notice of the time and place of each special meeting of the Board of Directors shall be sent to each Director by mail, telex or cable, addressed to him at his address as it appears on the records of the Association, or telephoned or delivered to him personally, at least two days before the day on which the meeting is to be held, and the method used for notice of such special meeting need not be the same for each Director being notified. Unless otherwise provided by law, the Articles or these Bylaws, such notice need not state the purposes of the meeting.

3.9. Chairman and Secretary.

Each meeting of the Board of Directors shall be presided over by the President or, in his absence or disability, by such person as may be designated from time to time by the Board of Directors. The Secretary, or in his absence or disability, an Assistant Secretary, or in his absence or disability, such other person selected by the Board of Directors, shall act as secretary of each meeting of the Board of Directors.

3.10. Quorum.

At all meetings of the Board of Directors, the presence in person or by conference telephone of a majority of the total number of Directors constituting the entire Board, shall be necessary and sufficient to constitute a quorum for the transaction of any business by the Board of Directors at such meeting, except as otherwise provided by law, by the Articles or by these Bylaws. At any meeting of the Board of Directors, no action shall be taken (except adjournment, in the manner provided below) until after a quorum has been established, except as otherwise provided by law, the Articles or these Bylaws. Except as otherwise provided by law, the Articles or these Bylaws, the act of a majority of Directors who are present at a meeting at which a quorum previously has been established (or at any adjournment of such meeting) provided that a quorum previously shall have been established at such adjourned meeting shall be the act of the Board of Directors,

regardless of whether or not a quorum is present at the time such action is taken. In determining the number of directors who are present at the time any such action is taken, any Director who is in attendance at such meeting but who, for just cause, is disqualified to vote on such matter, shall not be considered as being present at the time of such action for the purpose of establishing the number of votes required to take action on any matter submitted to the Board of Directors, but shall be considered as being present for purposes of determining the existence of a quorum.

In the event a quorum cannot be established at the beginning of a meeting, a majority of the Directors present at the meeting, may adjourn the meeting from time to time until a quorum be present. Only such notice of such' adjournment need be given as the Board of Directors may from time to time prescribe.

### 3.11. Regulations.

The Board of Directors may adopt such rules and regulations for the conduct of its meetings and for the management of the property, affairs and business of the Association as it may deem proper and not inconsistent with law, the Articles and these Bylaws.

### 3.12. Compensation.

Directors shall not receive compensation for their services. The Association may reimburse Directors for expenses incurred in the furtherance of their duties, as shall be determined by the Board of Directors from time to time.

### 3.13. Participation in Meeting by Conference Telephone.

Any and all members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

### 3.14. Written Consent in Lieu of Meeting.

Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent or consents thereto shall be signed by all members of the Board then in office.

### 3.15. Waiver of Notice by Directors.

Whenever any notice is required to be given by law, the Articles or these Bylaws to a member of the Board of Directors, a written waiver thereof signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need be specified in any written waiver of notice unless so required by law, the Articles or these Bylaws. A director's attendance at or participation in a meeting waives any required notice to him of the meeting unless the director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

#### **Article 4. Officers**

4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer. The Board of Directors shall appoint each officer from among the members of the Board of Directors. The Board may appoint such other officers, including additional Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person.

4.2. Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the Members, to serve until their successors are elected.

4.3. Removal and Vacancies. The Board of Directors may remove any officer, either with or without cause, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The Secretary shall keep the minutes of all meetings of the Association and Board of Directors and have charge of such books and papers as the Board of Directors may direct.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

4.7. Compensation. Officers shall not receive compensation for their services. The Association may reimburse Officers for expenses incurred in the furtherance of their duties, as shall be determined by the Board of Directors from time to time.

#### **Article 5. Indemnification of Directors and Officers**

The Association shall indemnify any Director or Officer of the Association to the fullest extent permitted by law.

#### **Article 6. Committees**

6.1 Appointment; Operation.

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

6.2 Executive Committee.

The Executive Committee will be appointed by the Board of Directors. It shall consist of the President, Secretary and three (3) other members of the Board. The Chairman of the Executive Committee shall at all times be the President. During the intervals between meetings of the Board, the Executive Committee shall have and may exercise all of the authority of the Board.

**Article 7.**  
**Miscellaneous**

7.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

7.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles or these By-Laws.

7.3. Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles and these By-Laws, the provisions of South Carolina law, the Articles of Incorporation and the By-Laws (in that order) shall prevail.

7.4. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

7.5. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

7.6. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board, and a financial statement shall be prepared and presented to the Members at the annual meeting. However, after having received the Board's financial statement review at the annual meeting, the Members may, by a vote of a majority of the voting Members of the Association, require that the accounts of the Association be audited by an independent accountant.

7.7. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any Member, or the duly appointed representative of the foregoing, at any reasonable time and for a purpose reasonably related to its membership: the By-Laws and Articles, any amendments to the foregoing, the rules of the Association, books of account, the minutes of meetings of the Members, the Board and committees, and the Association's corporate books and records. The Board shall provide for such inspection to take place at the office of the Association or at such other place as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

7.8. Notices. Except as otherwise provided in these By-Laws, all notices, demands, bills, statements, and other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary; or

(b) if to the Association or the Board of Directors, at the principal office of the Association, or at such other address as shall be designated by notice in writing to the Members pursuant to this section.

7.9. Amendment.

These By-laws may be amended, altered or repealed by the Members of the Association by a two-thirds (2/3) vote of the Members, provided that the notice of any meeting at which it is proposed that these By-laws be amended, altered or repealed specifically set forth the proposed action and be given at least thirty (30) days prior to any such meeting.

#### **Article 8. Prohibition**

No part of the net earnings of the Association shall inure to the benefit of or be distributable to its Members, directors, officers, or other persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article I hereof. The Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Bylaws, the Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law).

#### **Article 9. Dissolution**

Upon dissolution of the Association consistent with law, the remaining assets of the Association shall be distributed to some other nonprofit exempt organization as in the judgment of the Board of Directors most similarly serves the same purposes as the Association.

[Signatures on next page]

**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Charleston Defense Contractors Association, a South Carolina nonprofit corporation;

That the foregoing By-Laws constitute the current By-Laws of said Association, all Amendments having been duly approved by 2/3<sup>rds</sup> vote of the membership as required by these By-Laws, the last of which was on the \_\_\_\_ day of \_\_\_\_\_, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Secretary [SEAL]