

AMENDED AND RESTATED BYLAWS
OF
DOWNTOWN WASHINGTON on the WATERFRONT

ARTICLE I

REGISTERED OFFICE AND AGENT

Section 1.1 Principal Office. The principal office of the corporation shall be located at such place as the Board of Directors may fix from time to time.

Section 1.2 Other Offices. The corporation may have offices at such other places, either within or without the State of North Carolina, as the directors may from time to time determine.

Section 1.3 Registered Agent. The registered office of the corporation required by North Carolina law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

ARTICLE II

DIRECTORS

Section 2.1 General Powers: The activities and affairs of the corporation shall be managed and directed by the Board of Directors or other committees as the Board may establish pursuant to these Bylaws.

Section 2.2 Number, Term and Qualifications. The number of directors constituting the Board of Directors of the corporation shall be not less than five (5) nor may more than nine (9) as from time to time be fixed or changed within said minimum and maximum by the Board of Directors. One member shall be a merchant appointed by the Historic Downtown Merchants Association.

Directors shall be elected for a one (1) year term, and may be re-elected.

In addition to the Directors, the Past President, Executive Director, Tourism Director and City Manager shall serve as ex officio, non-voting members of the Board of Directors.

Section 2.3 Election of Directors. Except as provided in Section 2.4 of this Article, Directors shall be elected, annually at any meeting of the directors and advisory Council at which a quorum is present. A quorum of the Advisory Council shall select one (1) member to serve as an At-Large member of the Board of Directors.

Nominations to the Board of Directors shall be made by a nominating committee appointed by the Board. The committee shall deliver to the President its report and slate of Directors and Officers. A ballot shall be prepared indicating nominees.

Section 2.4 Vacancies. If a vacancy occurs in the Directors, including without limitation, a vacancy resulting from an increase in the number of Directors, the Board of Directors may fill the vacancy. If the directors in office do not constitute a quorum of the Board, the directors may fill the vacancy by the affirmative vote of a majority of the remaining directors, or by the sole remaining director, as the case may be.

Section 2.5 Resignation. Any director may resign at any time by giving written notice of such resignation to the Secretary of the Board of Directors.

Section 2.6 Removal. Any Director may be removed from office at any time, with or without cause, by the affirmative vote of two-thirds of the full membership of the Board of Directors, at any regular meeting or any special meeting called for that purpose. Any director proposed to be removed shall be entitled to at least seven (7) days written notice given personally or by U.S. mail of the meeting at which such removal is to be voted upon and shall be entitled to appear before and be heard at such meeting. Notwithstanding any other provision of this Section, any director absent for more than two (2) consecutive board meetings (without notification to, and approval by, the President or Executive Director) shall be considered for removal /retention by the Board of Directors.

Section 2.7 General Powers.

(a) Management of business: All corporate powers shall be and are hereby rested on and shall be exercised by the Board of Directors.

(b) Contracts and services: The Board of Directors may authorize any officer or officers, employee or employees, agent or agents, to enter into any contract or execute and deliver any instruments on behalf of the corporation, and such authority may be general or confined to specific instances. Unless authorized by the Board of Directors or by the bylaws, no director, officer, employee or agent shall have any power or authority to bind the corporation by any contract or obligation, or to pledge its credit, or render it liable financially or programmatically for any purpose or in any amount. The Executive Director, shall be allowed an exemption up to (\$500) five hundred dollars, upon specific action of the Board of Directors.

(c) The directors and officers of the corporation may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the corporation, and may freely make contracts, enter transactions, or otherwise act for and on behalf of the corporation, notwithstanding that they may also be acting as individuals, or as directors of trusts, or as agents for other persons or corporations, or may be interested in

the matter as stockholders or otherwise; provided, however, that any contract, transaction or act on behalf of the corporation in a matter in which the directors or officers are personally interested as stockholders, trustees, or otherwise:

- (i) shall be at arms length and not involve the use and application of its funds for private benefit, and
- (ii) shall be approved in accordance with the director conflict of interest provisions of the North Carolina Nonprofit Corporation Act in Section 55A-8-31 or any comparable provisions of any future such Act.

In no event, however, shall any person or other entity dealing with the directors or officers be obligated to inquire into the authority of the directors and officers to enter into and consummate any contracts, transactions or other action.

Section 2.8 Compensation. Directors shall not receive any compensation for their services as such, but by resolution of the Board of Directors provision may be made for the payment of their expenses, including expenses of attendance at meetings.

ARTICLE III

MEETINGS OF DIRECTORS

Section 3.1 Place of Meetings. All meetings of the Board of Directors shall be held at the principal office of the corporation, or at such other place, either within or without the State of North Carolina, as may be fixed in the notice of the meeting or agreed upon by a majority of the directors.

Section 3.2 Annual Meeting. The Board of Directors may provide, by resolution, the time and place, for the holding of regular meetings. Any regular meeting of the Board of Directors may be designated as the annual meeting of the Board of Directors. The first order of business for such annual meeting shall be the election of directors, and any new directors elected who are not then serving on the board may, if present at the meeting, proceed to participate in its deliberations.

Section 3.3 Special Meetings. Special meetings of the directors may be called at any time by the Board of Directors, the President, the/a Vice-President, or the Secretary, and must be called by any of said officers upon the written request of a majority of directors.

Section 3.4 Notice of Meetings. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors, at least three (3) days before the meeting, shall give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the directors to a later time without further notice. Notice shall be given to both Directors and Advisory Council members.

Notwithstanding the foregoing provisions of this Section, notice for any meeting of directors shall be made as may be required otherwise by the North Carolina Nonprofit Corporation Act, including without limitation, meetings of directors where any of the following matters are to be approved: (a) amendment to the corporation's Articles of Incorporation or Bylaws, (b) plan of merger or dissolution, or (c) a sale of assets other than in the regular course of the corporation's activities.

Section 3.5 Closed Sessions. An Executive Committee made up of the President, Vice President(s), Secretary, and Treasurer may be convened, in a closed session, to deal with personnel matters and other matters deemed by the Board of Directors as requiring confidentiality. The Executive Committee will report to the entire board its proceeding at each regular meeting of the Board of Directors

Section 3.6 Waiver of Notice. Any director may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the director entitled to the notice, and delivered to the corporation for inclusion in the minutes or filing with the corporate records. The attendance by a director at, or the participation of a director in, a meeting shall constitute a waiver of any required notice of such meeting, unless the director, at the beginning of the meeting (or promptly upon the director's arrival thereat), objects to holding the meeting or to transacting any business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 3.7 Quorum. Except where otherwise provided herein, 50% plus one (1) of the Board of Directors in office shall constitute a quorum for the transaction of business at any meeting of the board. In the absence of a quorum at the opening of any meeting the meeting may be adjourned from time to time by the vote of a majority of directors present voting on the motion to adjourn, but no other business may be transacted until and unless a quorum is present.

Section 3.8 Voting. Each director shall be entitled to one vote on each matter submitted to a vote at a meeting of the board of directors. No voting by proxy shall be allowed. A majority vote of the directors present at any meeting at which a quorum is present shall be required for any decision or action of the Board of Directors, in the absence of some different requirement of law or the charter or Bylaws of this corporation. Upon request of any director, the vote upon any question before the meeting shall be by ballot.

Section 3.9 Action without Meeting. Any action which may be taken at a meeting of the directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors and filed with the secretary as part of the corporate records. The Advisory Council shall be notified of any such action.

Section 3.10 Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors or at a meeting of any committee 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:

(a) such director objects at the beginning of the meeting (or promptly upon the director's arrival there) to holding the meeting or to transacting any business at the meeting, or

(b) such director's contrary vote is recorded or such director's dissent or abstention from the action taken otherwise is entered in the minutes of the meeting, or

(c) such director files written notice of dissent or abstention to such action with the person presiding at the meeting before the adjournment thereof or forwards such notice by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right of dissent or abstention is not available to a director who voted in favor of the action taken.

ARTICLE IV

OFFICERS

Section 4.1 Number of Officers. The officers of the corporation shall consist of a President of the Board of Directors, four (4) vice-presidents, who each shall serve as a chairman of one of the standing committees, a secretary, a treasurer, and such other officers as the Board of Directors may from time to time elect. The President shall designate one of the vice-presidents to serve as President in his or her absence. Any two (2) or more offices may be held by the same person, except the offices of president and secretary. The president, all vice-presidents, treasurer, and secretary must be members of the Board of Directors.

Section 4.2 Election of Officers and Term. The officers of the corporation shall be elected by the Board of Directors at the annual meeting or at any other meeting of the board held for that purpose. Each officer shall hold office for one (1) year and until his or her successor is elected and qualified, or until his or her earlier resignation, removal, incapacity, or death

Section 4.3 Removal of Officers. Any officer may be removed from office by the affirmative vote of two-thirds of all the directors, at any regular meeting or any special meeting called for that purpose. Any officer proposed to be removed shall be entitled to at least five (5) days notice in writing by mail of the meeting of the Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

Section 4.4 Vacancies in Offices. Any vacancy in office may be filled by the Board of Directors. An officer elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 4.5 President of the Board of Directors. The President of the Board of Directors shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the corporation in accordance with these Bylaws. He or she shall, when present, preside as president at all meetings of the directors. He or she shall sign, with any other officer, any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent; and, in general, he or she shall perform all duties incident to the office of president of the Board of Directors and such other duties as may be prescribed by the Board of Directors from time to time.

Section 4.6 Vice-Presidents of the Board of Directors. The vice-presidents of the Board of Directors shall each serve as chair of a standing committee. One vice-president, if so designated by the president, shall, in the absence or disability of the president, perform the duties and exercise the powers of that office. In addition, he or she shall perform such other duties and have such other powers as the Board of Directors shall prescribe. Each Vice- President shall appoint a Committee Alternate from those active on his/her committee who shall, in the absence or disability of that Vice-President, perform the duties and exercise the powers of that office and shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Section 4.7 Secretary of the Board of Directors. The secretary shall keep accurate records of the acts and proceedings of all meetings of directors. He or she shall give all notices required by law and these Bylaws. He or she shall have general charge of the corporate books and records and of the corporate seal, and shall affix the corporate seal to any lawfully executed instrument requiring. He or she shall sign such instruments as may require his or her signature, and, in general, shall perform all duties incident to the office of secretary and such other duties as may be assigned to him or her from time to time by the president or by the Board of Directors.

Section 4.8 Treasurer of the Board of Directors. The treasurer shall have custody of all funds, property, and securities of the corporation, subject to such regulations as may be imposed by the Board of Directors. He or she may be required to give bond for the faithful performance of his or her duties, in such sum and with such sureties as the Board of Directors may require. When necessary or proper he or she may endorse on behalf of the corporation for collection checks, notes, and other obligations, and shall deposit the same to the credit of the corporation at such bank or banks or depository as the Board of Directors may designate.

Except as may be otherwise provided by the Board of Directors, the Treasurer shall sign all receipts and vouchers and, together with such other officer or officers, if any, as shall be designated by the Board of Directors, he or she shall sign all checks of the corporation and all bills of exchange and promissory notes issued by the corporation. He or she shall make or cause to be made such payments as may be necessary or proper to be made

on behalf of the corporation. He or she shall cause to be entered regularly on the books of the corporation a full and accurate account of all monies and obligations received and paid or incurred for or on account of the corporation and all assets of the corporation, and shall exhibit such books at all reasonable times to any director on application at the offices of the corporation. He or she shall cause to be made a year end financial report as soon as reasonably possible after the close of the fiscal year, and shall furnish a copy thereof, prior to the annual meeting, to each of the directors and to such other persons as the board may direct. He or she shall, in general, perform the entire duties incident to the office of treasurer, subject to the control of the Board of Directors, and such other duties as it may be assigned.

Section 4.9 Assistant Secretary and Assistant Treasurer. The Board of Directors may elect or appoint an assistant secretary or assistant treasurer, and in such case, in the absence or disability of the secretary or the treasurer, such assistants respectively shall perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them from time to time by the secretary or the treasurer, respectively, or by the Board of Directors.

Section 4.10 Agents and Employees. The Board of Directors may appoint, employ and discharge such other agents and employees as it deems necessary, or may delegate the employment and discharge of such persons to the president or any other officer or employee of the corporation. The employees of the corporation may include the following:

1. Employee Staff Positions. The employee staff position in charge of the office of the corporation shall be an Executive Director. The board may also designate a position of Administrative Assistant to provide administrative support to the Executive Director, as well as any other position deemed necessary for the operation of the organization.
2. Executive Director. The Executive Director shall be selected by the Board of Directors and shall be in charge of the office of the corporation, shall be responsible for the day to day operations of such office, and shall carry out the programs and policies of the corporation as established by the Board of Directors. The Executive Director shall attend all directors' meetings and may be an officer of the corporation simultaneously.
3. Administrative Assistant. The administrative assistant shall work for and report to the executive director. The basic responsibilities of the office include the duties of receptionist, secretarial assistance, record keeping and bookkeeping, correspondence, and other assignments as directed. Although this position reports to the executive director, cooperation with and assistance to the officers and directors of the corporation in carrying out their corporate responsibilities, is expected.

Section 4.11 Compensation. The salaries and other compensation of agents and employees of the corporation shall be fixed by the board of directors or pursuant to their authorization from time to time. The fact that any agent or employee is also a director shall not prevent the payment of reasonable compensation for services rendered to the corporation.

ARTICLE V

ADVISORY COUNCIL

Section 5.1 Advisory Council. There shall be an Advisory Council of up to 28 members. The advisory positions set forth in this Section are non-voting. The advisory positions, appointed and elected, or volunteer advisor is not a "director" under Section 55A-8-01(b) of the North Carolina Nonprofit Corporation Act (or any other provisions of the North Carolina Nonprofit Corporation Act referring to "directors") or under any other applicable law. As such, the Advisory Council, as advisors to the Board of Directors shall serve as advisors only to the Board of Directors, shall not be considered in the number or quorum of directors, and shall have only such duties, rights and responsibilities as may be determined from time to time by the Board of Directors of the corporation.

A. Not more than eleven (11) Members of the Advisory Board may be appointed by the following organizations or local governments; provided, however, that such organization or unit of local government shall notify the corporation of its appointment to the Board of Directors by written notice to the Secretary of the corporation, including a description of his/her commitment and interests in participation as well as biographical and professional information:

- (i) Person appointed by, and affiliated with, the Historic Downtown Merchants' Association;
- (ii) Person appointed by, and affiliated with, Washington Area Historic Foundation, Inc.;
- (iii) Person appointed by, and affiliated with, the Economic Development Commission of Washington and Beaufort County;
- (iv) Person appointed by, and affiliated with, the Beaufort County Chamber of Commerce;
- (v) Person appointed by, and affiliated with the Beaufort County Committee of 100;
- (vi) Person appointed by, and affiliated with, the Turnage Theatre Foundation;
- (vii) Person appointed by, and affiliated with, the Beaufort County Arts Council;
- (viii) Person appointed by, and affiliated with, the N.C. Estuarium;
- (ix) Person appointed by, and affiliated with, the Tourism Authority of Washington;

- (x) Person who are members of the Washington City Council and appointed by the Washington City Council;
- (xi) Person who are members of the Beaufort County Board of County Commissioners and appointed by the Beaufort County Board of County Commissioners.

B. The Board of Directors shall recruit up to seventeen (17) Members of the Advisory Council from the community, making reasonable efforts to locate qualified and willing persons to serve from the following identified segments of the economy, areas of professional expertise, and the community. Recruits and Applicants for the Advisory Board from the community shall complete an application that includes a description of his/her commitment and interest in participation as well as biographical and professional information:

- (i) Persons from the financial community;
- (ii) Persons from the hospitality (hotel and restaurant) business;
- (iii) Person from the real estate business;
- (iv) Persons from the urban planning and design community;
- (v) Attorneys;
- (vi) Downtown property owners;
- (vii) Representatives of Neighborhoods, Professional and Community Associations, Religious, Cultural, Educational, and Philanthropic Groups, and from the general public.
- (viii) Downtown Business owner

Section 5.2 The Advisory Council provides liaison, input, and policy support and is made up of: leaders of major community groups, institutions, and entities, and other influential individuals who can bring credibility to the Main Street organization.

The purpose of the Advisory Council is to give a respected and involved place at the table to individuals and groups without burdening them with responsibilities for day-to-day operations or making the reaching of quorum difficult for board of directors' votes.

The Advisory Council is prime territory for recruiting future board members and volunteers, as well as providing outreach for partners in projects, for fundraising, and for community outreach.

The Advisory Council shall be notified of all Board of Directors Meetings and shall have its own regularly scheduled meetings.

The Executive Director will provide training and regular updates to the Advisory Council and they are expected to assist in developing funding, volunteers, and projects for the Main Street Organization.

Any member of the Advisory council may be removed at any time, with or without cause, by the affirmative vote of two-thirds of the Board of Directors, at any regular meeting or any special meeting called for that purpose. Anyone proposed to be removed shall be entitled to at least seven (7) days notice in writing by mail of the meeting of the Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

ARTICLE VI

COMMITTEES

Section 6.1 Committees of the Board. The Board of Directors, by resolution of a majority of directors in office, may such other committees as the Board shall deem advisable, each of which, to the extent authorized by the North Carolina Nonprofit Corporation Act and provided in such resolution, shall have and may exercise authority of the Board of Directors in the management of the corporation. Each committee member serves at the pleasure of the Board of Directors. Unless specifically provided otherwise in these Bylaws, the provisions of these Bylaws governing meetings, action without meeting, notice, and waiver of notice, and quorum and voting requirements of the Board of Directors apply to any committees of the Board of Directors established pursuant to this Section. The designation of any committee of the Board of Directors and the delegation thereto of the Board's authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon him or her by law.

Section 6.2 Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Such committee shall have such duties and responsibilities as may be set forth in the resolution designating the committee.

Section 6.3 Removal or Discharge. Any committee or any member thereof may be discharged or removed by action of a majority of the Board of Directors. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any member thereof of any responsibility or liability imposed upon it or him or her by law.

Section 6.4 Committee Meetings. The chairman of the committee will call committee meetings and will report on committee proceedings at each regular meeting of the Board of Directors.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Seal. The seal impressed on the margin hereof is hereby adopted as the corporate seal of the corporation.

Section 7.2 Examination of Books and Records. The books and records of the corporation shall, at all reasonable times, be subject to examination by any director or by any committee appointed for the purpose at any meeting of the directors.

Section 7.3 Checks and Drafts. All checks, drafts and other orders for the payment of money 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 of Directors.

Section 7.4 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Directors shall direct.

Section 7.5 Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or specific in nature and scope. Notwithstanding the foregoing, no loan, guaranty, or other form of security shall be made or provided by the corporation to or for the benefit of any of its directors, officers, employees, or members, if any.

Section 7.6 Contracts. Consistent with the purpose of the corporation as set forth in the corporation's Articles of Incorporation, the Board of Directors may authorize any officer or officers or any agent or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. The Board of Directors may enter into employment contracts on such terms and conditions as the Board deems necessary or desirable.

Section 7.7 Fiscal Year. The fiscal year of the corporation shall be fixed by the Board of Directors.

ARTICLE VIII

AMENDMENTS

Except as may be otherwise provided by the North Carolina Nonprofit Corporation Act, these Bylaws may be amended or repealed and new bylaws may be adopted by the Board of Directors. The corporation shall provide at least seven (7) days written notice

of any meeting of directors at which an amendment to the Bylaws is to be voted upon, and such notice shall state that the purpose or one of the purposes, of the meeting is to consider a proposed amendment to the Bylaws and shall contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. Any amendment to the Bylaws shall be approved by a majority of the directors in office at the time that such amendment is adopted.

ARTICLE IX

INDEMNIFICATION

The corporation shall indemnify, to the fullest extent permitted by law and this Article, any person who is or was a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (and any appeal therein), whether civil, criminal, administrative, arbitrative, or investigative and whether or not brought by or on behalf of the corporation, by reason of the fact that such person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise or as a trustee or administrator under an employee benefit plan, or arising out of such party's activities in any of the foregoing capacities, against all liability and litigation expense, including reasonable attorneys' fees; PROVIDED, however, that the corporation shall not indemnify any such person against liability or expense incurred on account of such person's activities which were at the time taken known or believed by such person to be clearly in conflict with the best interests of the corporation or if such person received an improper personal benefit from such activities. The corporation likewise shall indemnify any such person for all reasonable costs and expenses (including attorneys' fees) incurred by such person in connection with the enforcement of such person's right to indemnification granted herein.

The corporation shall pay all expenses incurred by any claimant hereunder in defending a civil or criminal action, suit, or proceeding as set forth above in advance of the final disposition of such action, suit, or proceeding upon receipt of and undertaking by or on behalf of such claimant to repay such amount unless it ultimately shall be determined, that such claimant is entitled to be indemnified by the corporation against such expenses.

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this Bylaw, including without limitation,

(a) a determination by a majority vote of disinterested directors

(i) that the activities giving rise to the liability or expense for which indemnification is requested were not, at the time taken, known or believed by the person requesting indemnification to be clearly in conflict with the best interests of the corporation and

(ii) that the person requesting indemnification did not receive an improper personal benefit from the activities giving rise to the liability or expense for which indemnification is requested, and (b) to the extent needed, giving notice to the members of the corporation.

Any person who at any time after the adoption of this Bylaw serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

Amended and Adopted by the Board of Directors this 26th day of September, 2007.

BY _____ (SEAL)
Catherine Glover, President

WITNESS: _____ (SEAL)
Carol Atwater, Secretary