

CAROLINE ECONOMIC DEVELOPMENT CORPORATION

BYLAWS

ARTICLE I

The Corporation

SECTION 1. Name. The name of this Corporation shall be Caroline Economic Development Corporation (hereinafter, the “Corporation”).

SECTION 2. Principal Office. (a) The principal office of the Corporation shall be:

Button Factory Building
317 Carter Avenue
Suite 107
Denton, Maryland 21629

(b) The Corporation may also have an office or offices in such other place(s) as the business of the Corporation may require and the Board of Directors may from time to time appoint.

SECTION 3. Purpose. The purpose for which the Corporation is formed is to advance the economic development and prosperity of Caroline County by promoting and encouraging trade and commerce. To this end, the Corporation shall:

(a) Take action to preserve a favorable climate for existing industrial, commercial, and professional businesses and encourage economic development in Caroline County.

(b) Provide a business entity to facilitate and promote the business community and the economic well being of the citizens of Caroline County.

(c) Maintain close liaison with government agencies and representatives at municipal, county, State and federal levels to achieve the goals of the Corporation.

(d) Provide information to the public and the business community regarding the Corporation and its activities.

(e) Work closely with other business entities and associations as well as non-profit entities and community groups to achieve the goals of the Corporation.

(f) Protect, promote and facilitate economic growth and employment opportunity in Caroline County.

(g) Promote and facilitate small business access to capital resources.

SECTION 4. The Corporation will render service equally to all parties with an economic development interest in Caroline County regardless of their membership status in the Corporation.

ARTICLE II

Members

SECTION 1. Membership. (a) There shall be one classification of membership, namely "Participating Members". All Participating Members shall have full voting rights and be eligible to serve on Board of Directors as provided for herein.

(b) An individual, business, corporation, association, governmental agency or political entity may be a Participating Member. All Participating Members must reside in, be located in and/or do business within Caroline County.

(c) Each Participating Member shall contribute not less than \$250.00 annually to the Corporation. The annual contribution may be changed or waived at the discretion of the Board of Directors.

(d) The Board of Directors may, from time to time and in the best interests of the Corporation, appoint Participating Members whose annual contribution may be waived by the Board.

(e) The County Commissioners of Caroline County may appoint up to six (6) Participating Members whose annual contribution shall be waived.

(f) The Caroline County Association of Municipalities may appoint up to four (4) Participating Members whose annual contribution shall be waived.

ARTICLE III

Meetings

SECTION 1. Semi-Annual Meetings. The semi-annual meetings of the Participating Members of the Corporation shall be held sometime in the Fall and Spring on a day duly designated by the Board of Directors. One of the purposes of the Fall meeting will be for electing Directors to succeed those whose terms shall have expired as of the date of such meeting and for the transaction of such other corporate business as

may properly come before the meeting. The Board of Directors will set the agenda for the Fall and Spring semi-annual meetings in advance.

SECTION 2. Special Meetings. Special meetings of the Participating Members may be called at any time for any purpose or purposes by the President/Chairman of the Board, or successor, and shall be called forthwith by the President/Chairman of the Board, or successor, upon the request, in writing, of one-third of the Board of Directors or one-third of all Participating Members of the Corporation. Such requests shall be in writing and state the purpose for such meeting. Notice shall be given of special meetings in accordance with these Bylaws and the business transacted at all special meetings of Participating Members shall be confined to the purpose or purposes stated in the notice of said meeting.

SECTION 3. Place of Meetings. All meetings of the Participating Members shall be held at the principal office of the Corporation or elsewhere as designated by the Board of Directors.

SECTION 4. Notice of Meetings. Written notice of each meeting of the Participating Members shall be mailed, postage prepaid, by the Secretary or designate, to each Participating Member of record entitled to vote thereat to the appropriate post office address, as it appears upon the books of the Corporation, at least five (5) days before the meeting. Each such notice shall state the place, day and hour, at which, the meeting is to be held, and in the case of any special meeting shall state briefly the purpose or purposes thereof.

SECTION 5. Quorum. The presence in person or by proxy of a majority of the Participating Members of the Corporation shall constitute a quorum at all meetings of the Participating Members except as otherwise provided by law, by the Articles of Incorporation or by these Bylaws. If less than a quorum shall be in attendance at the time for which the meeting shall have been called, the meeting may be adjourned from time to time by a majority vote of the Participating Members present or represented without any notice other than by announcement at the meeting until a quorum shall attend.

SECTION 6. Voting. At all meetings of Participating Members, every Participating Member entitled to vote shall have one (1) vote. Such vote may be either in person or by proxy appointed by an instrument in writing subscribed by such Participating Members of his duly authorized attorney, bearing a date not more than three (3) months prior to said meeting, unless said instrument provides for a longer period. Such proxy shall be dated, but need not be sealed, witnessed, or acknowledged. All elections shall be as provided by law, in the Articles of Incorporation or by these Bylaws.

SECTION 7. Actions by Board of Directors Constitutes Action by Membership. If the Board of Directors by number constitutes a majority of Participating Members of the Corporation, then the action by the Board of Directors shall be deemed to be that of the membership. Otherwise, the actions of the Board of Directors shall be ratified at a semi-annual meeting of the Participating Members.

ARTICLE IV

Board of Directors

SECTION 1. General Powers. The property and business of the Corporation shall be managed and controlled under the direction of the Board of Directors who shall hold office and exercise such powers as are provided in the Articles of Incorporation and these Bylaws.

All officers, agents and employees of the Corporation shall be appointed and hold office at the discretion of the Board of Directors, who shall have the authority for all final action on such matters, unless otherwise provided in these Bylaws.

SECTION 2. Number and Composition. (a) The number of directors shall be nine (9) or such other number, but not less than three (3), as may be designated from time to time by resolution of a majority of the entire Board of Directors.

(b) The President, Vice President, Secretary, and Treasurer of the Corporation shall serve on the Board of Directors.

(c) The immediate Past President shall serve as an ex-officio member of the Board of Directors.

(d) At large Directors shall be elected from among the Corporation's membership.

(e) At least two (2) directors shall represent the Caroline County Association of Municipalities.

(f) Directors must be Participating Members in good standing and are subject to confirmation by the County Commissioners of Caroline County, who reserve the right to appoint fifty-one percent (51%) of the Board of Directors.

SECTION 3. Term of Office. The Directors of the Board shall serve for a period of three (3) years subsequent to their election or until their successors are duly qualified. In an effort to maintain a degree of continuity, the terms for the Directors will be staggered by electing approximately one-third of the initial Directors to a one (1) year term, one-third to a two (2) year term, and one-third to a three (3) year term. Initial Directors are eligible for subsequent three (3) year terms. Each Director eligible for membership to the Board of Directors shall be eligible for re-election.

SECTION 4. Nomination and Election of Directors. (a) Prior to the Fall Meeting of the Participating Members of the Corporation, the President shall appoint a Nominating Committee, which shall decide upon a slate of directors and shall present such slate to the Secretary for incorporation within the records of the Corporation. The

Nominating Committee shall thereafter present the slate of director nominees to the County Commissioners of Caroline County. Upon confirmation of the slate of nominees by the County Commissioners of Caroline County, the Nominating Committee shall thereafter present the slate of nominees to the Participating Members of the Corporation for election at the Fall Meeting.

(b) If the slate of nominees elected by the Participating Members at the Fall Meeting differs from the slate of nominees previously confirmed by the County Commissioners of Caroline County, the entire slate of Directors elected at the Fall Meeting shall again be subject to confirmation by the County Commissioners of Caroline County. In the event that the Corporation and the County Commissioners of Caroline County reach an impasse regarding membership on the Corporation's Board of Directors, the County Commissioners of Caroline County reserve the right to nominate and cause the election of fifty-one percent (51%) of the Board of Directors.

SECTION 5. Filling of Vacancies. In the case of any vacancy in the Board of Directors, through death, resignation, disqualification, removal or other cause, the remaining directors, by affirmative vote of the majority thereof, may elect a successor to hold office for the remaining portion of the term of the director whose place shall be vacant. In the event of the number of directors being increased as provided in these Bylaws, the additional directors so provided for shall be elected by majority of the entire Board of Directors already in office and shall hold office until the next Fall Meeting of Participating Members or until their terms shall otherwise expire as provided herein.

SECTION 6. Place of Meeting. The Board of Directors may hold their meetings and have one or more offices, and keep the books of Corporation, either within or outside the State of Maryland, at such place or places as they may from time to time determine by resolution or by written consent of all the directors. The Board of Directors may hold their meetings by conference telephone or other similar electronic communications equipment in accordance with the provisions of the Maryland Corporation Law.

SECTION 7. Regular Meetings. The Board of Directors shall meet at least quarterly on such dates as may be established by the Board of Directors. Notice of the time and place of each such meeting shall be mailed to each member of the Board of Directors not less than seven (7) days prior thereto, unless the Board establishes regular meetings on fixed dates, in which event notice of such schedule shall be sufficient. Any business may be transacted at any regular meeting of the Board.

SECTION 8. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President of the Corporation. The Secretary shall give notice of each such special meeting at least two (2) days in advance of said meeting, either by mail or other telephonic, telegraphic or electronic communication.

SECTION 9. Quorum. A majority of the whole number of directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors. If at any meeting less than a quorum shall be present, then a majority of those present may adjourn the meeting from time to time. The act of a majority of the directors

present at any meeting of which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or by the Articles of Incorporation or by these Bylaws.

SECTION 10. Required Vote. An affirmative vote of the majority of those present shall be necessary for the passage of any resolution or action of the Board of Directors.

SECTION 11. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees; each committee to consist of two or more of the directors of the Corporation, which to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors, and may authorize the seal of the Corporation to be affixed to all papers, which may require it. Such committee or committees shall have such names as may be determined from time to time by resolution adopted by the Board of Directors.

ARTICLE V

Officers

SECTION 1. Election Tenure and Compensation. The officers of the Corporation shall be a President, Vice President, Treasurer, and Secretary, who shall be members of the Board of Directors. The officers shall be elected annually by the Board of Directors and shall serve a term of one (1) year. The compensation or salary paid all officers of the Corporation, if any, shall be fixed by resolution adopted by the Board of Directors and shall be subject to annual review.

SECTION 2. Powers and Duties of the President. (a) The President shall be the Chief Executive Officer of the Corporation and shall serve as chairman of the Board of Directors. The President shall have general charge and control over all of the Corporation's business affairs and activities, shall preside at all meetings of Participating Members and shall make an annual report to the Board of Directors.

(b) The President may sign and execute all authorized bonds, contracts or other obligations in the name of the Corporation and shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation. The President shall be an ex-officio member of all the standing committees, and shall do and perform such other duties as may from time to time be assigned by the Board of Directors.

SECTION 3. Powers and Duties of the Vice President. The Vice President, in the absence of the President, may sign and execute all authorized bonds, contracts or other obligations in the name of the Corporation. The Vice President shall have such other powers and shall perform such other duties as may be designated by the Board of Directors or by the President and shall actively assist the President in the running of the Corporation whenever requested to do so. In the case of the absence or disability of the

President, the Vice President shall perform the duties of that office, and taking of any action by such Vice President in place of the President shall be conclusive evidence of the absence or disability of the President.

SECTION 4. Secretary. The Secretary shall give and cause to be sent notice of all regular and special meetings and shall keep a permanent record of all minutes of such meetings. The Secretary shall be responsible for the supervision of the maintenance of the corporate records to see that they are properly maintained.

SECTION 5. Treasurer. The Treasurer shall have responsibility for the custody of all the funds and securities of the corporation, and the keeping of a full and accurate account of receipts and disbursements in books belonging to the corporation. All moneys and other valuables shall be deposited in the name and to the credit of the Corporation in such depository or depositories as may be designated by the Board of Directors. The Treasurer should maintain the required tax deposits and returns of the Corporation.

The Treasurer shall have the responsibility of the disbursement of the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President and the Board of Directors, whenever either of them so requires, an account of all the transactions as Treasurer and of the financial condition of the Corporation. In addition thereto, the Treasurer shall give at minimum, a quarterly report to the Board of Directors on the Corporation's financial position. The Treasurer will also submit an annual fiscal year report within a reasonable length of time after the end of the fiscal year. A professional accounting firm shall prepare this report.

The Treasurer shall perform all duties generally incident to the Office of the Treasurer, subject of the control of the Board of Directors and the President.

ARTICLE VI

Executive Director

SECTION 1. Executive Director. (a) The Board of Directors may appoint, subject to confirmation by the County Commissioners of Caroline County, an Executive Director, who shall not be a member of the Board of Directors, to whom may be delegated such duties and responsibilities as the Board of Directors may from time to time determine. The Executive Director may be charged with the responsibilities for the daily operation of the Corporation and any other activities as the Board of Directors may assign, without limitation, except as imposed by law, the Articles of Incorporation or these Bylaws.

(b) There shall be a written employment agreement approved by the Board of Directors, which shall set forth the terms and conditions of the employment of the Executive Director, which said employment shall always be in accordance with the requirements and provisions of the Articles of Incorporation and these Bylaws.

ARTICLE VII

Corporate Seal

SECTION 1. Seal. In the event that the President shall direct the Secretary to obtain a corporate seal, the corporate seal shall be circular in form and shall have inscribed thereon, the name of the Corporation, the year of its organization and the word "Maryland." Duplicate copies of the corporate seal may be provided for use in the different offices of the Corporation, but each copy thereof shall be in custody of the Secretary of the Corporation or a designee nominated by the Secretary.

ARTICLE VIII

Budget, Disbursements, Bank Accounts and Loans

SECTION 1. Budget. Annually the Board of Directors of the Corporation shall adopt a fiscal year budget, which shall serve as operating guideline of the Corporation.

SUBJECT 2. Disbursements. No disbursements of the Corporation's funds shall be made unless the same shall have been authorized by the Board of Directors, provided, however, that items included within an approved budget may be paid as due without further authorization. All disbursements shall be made by means approved by the Treasurer, subject to approval by the Board of Directors.

Upon approval of this budget, the Board of Directors shall authorize the Executive Director, to pay as due without further authorization any items that are included within the approved budget. All disbursements shall be made by means approved by the Treasurer, subject to approval by the Board of Directors.

Upon approval of this budget, the Executive Director shall be authorized to incur expenses for budgeted items provided funds are available therefore. However, in the event, that it is necessary to deviate from the budget, either as to a line item or a total budget figure, the President shall have the authority to approve the incurring of an expense or an expenditure by the Executive Director, in excess of a budget line item or total amount, in an amount not exceeding ten percent (10%) of any line item or total budget amount provided the same shall subsequently be presented to the Board of Directors for their ratification at the next regular meeting of the Board of Directors.

SECTION 3. Bank Accounts. Such officers or agents of the Corporation from time to time as designated by the Board of Directors shall have authority to deposit any funds of the Corporation in such banks or trust companies as shall from time to time be designated by the Board of Directors, and such officers and agents as from time to time shall be authorized by the Board of Directors may withdraw any or all of the funds of the Corporation so deposited in any such bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account in the name or on behalf of this Corporation, and made or signed by such officers or agents, and each

bank or trust company with which funds of the Corporation are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board of Directors until written notice of the revocation of the authority of such officers or agents by the Board of Directors shall have been received by such bank or trust company. There shall from time to time be certified to the banks or trust companies, in which funds of the Corporation are deposited, the signature of the officers or agents of the Corporation authorized to draw against the same. In the event that the Board of Directors shall fail to designate the persons by whom checks, drafts and other instruments or orders for the payment of money shall be signed, as hereinabove provided in this section, all of such checks, drafts and other instruments or orders for the payment of money shall be signed by the President or a Vice President and countersigned by the Secretary or Treasurer of the Corporation.

SECTION 4. Loans. Such officers or agents of this Corporation as from time to time, shall be designated by the Board of Directors shall have authority to effect loans, advances or other forms of credit at any time or times for the Corporation from banks, trust companies, institutions, corporations, firms or persons as the Board of Directors shall from time to time designate, and as security for the repayment of such loans, advances, or other forms of credit to assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interests of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills and accounts receivable and other commercial paper and evidences of debt at any time held by the Corporation; and for such loans, advances or other forms of credit to make. Execute and deliver one or more notes, acceptances or written obligation of the Corporation on such items, and with provisions as to security or sale or disposition thereof as such officers or agents shall deem proper, and also sell to, or discount or rediscount with, such banks, trust companies, institutions, corporations, firms or persons any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the Corporation, and to that end to endorse, transfer and deliver the same. There shall from time to time be certified to each bank, trust company, institution, corporation, firm or person so designated the signatures of the officers or agents so authorized, and each such bank, trust company, institution, corporation, firm or person is authorized to rely upon such certification until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

ARTICLE IX

Indemnification and Reimbursement

SECTION 1. Indemnification and Reimbursement. (a) To the extent permitted by law, the Corporation shall provide for the indemnification and reimbursement of any member, officer or director, agent or employee, made a party to any action, suit or proceeding by reason of the fact that he, or a person whose legal representative or

successor he is, or was a director, officer or employee of the Corporation or any subsidiary thereof, or served at the Corporation's request as a director or officer of another corporation, for expenses including fees and such amount of any judgment, money, decree, fine, penalty or settlement for which he may become liable, as the Board of Directors deems reasonable actually therein, except in relation to the defense of reasonable settlement of any such action, suit or proceeding or any appeal therein, except in relation to matters as to which he, or such person whose legal representative successor he is finally adjudged in such action, suit or proceeding to be liable for gross negligence or intentional misconduct in the performance of his duties.

(b) The provisions of indemnification shall be in addition to any other right or remedy which such person may have. The Corporation shall have the right to intervene in and defend all such actions, suits or proceedings against any such person.

SECTION 2. Liability Insurance. The Board of Directors shall procure Officers and Directors Liability Insurance, insuring the Corporation's officers, directors and appropriate committee chairs and members, in such amounts and at such rates as determined appropriate by the Board of Directors.

ARTICLE X

Miscellaneous Provisions

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall end on last day of June of each year.

SECTION 2. Notices. It is sufficient to send such notice by regular U.S. Mail, postage prepaid to the last known address of the director, officer or member. Notice shall be deemed given on the day mailed. Whenever, under the provisions of these Bylaws, notice is required to be given to any director, officer, or member, it shall not be constituted to mean personal notice, but such notice shall be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid seal wrapper, addressed to each member, officer or director at such address as appears on the books of the Corporation, or in default of any other address, to such director, officer or member at the general post office in the City of Denton, Maryland, and such notice shall be deemed to be given at the time the same shall be thus mailed. Any Participating Member, director or officer may waive any notice required to be given under these Bylaws. In addition to the requirements herein, notice may, in the alternative be given by facsimile, telephone or electronic mail, which shall be duly verified by the individual giving said notice.

SECTION 3. Non-Discrimination Clause. The Caroline Economic Development Corporation shall not discriminate based on (i) political or religious opinion or affiliation, marital status, race, color, creed, or national origin, or (ii) sex or age except when sex or age constitutes a bona fide occupational qualification, or (iii) the physical or mental handicap of a qualified handicapped individual.

ARTICLE XI

Adoption of Initial Bylaws and Amendments

SECTION 1. Adoption of the Initial Bylaws. Adoption of the original Bylaws will occur subsequent to written acceptance of the Bylaws by the County Commissioners of Caroline County and a two-thirds vote of the Board of Directors at a meeting where the Bylaws were sent to all Participating Members at least five (5) days prior to the meeting.

SECTION 2. Amendment of Bylaws. Subject to approval by the County Commissioners of Caroline County, the Board of Directors shall have the power and authority to amend, alter, or repeal these Bylaws or any provision thereof, and may from time to time make additional Bylaws. The amending of the Bylaws or the making of additional Bylaws shall require the two-thirds vote of the Board of Directors at a meeting where the notice of the change and/or amendment was sent to all Participating Members at least five (5) days prior to the meeting.

ARTICLE XII

Approval of Bylaws

By signing below, the appropriate representatives of the County Commissioners of Caroline County and the Board of Directors accept these Bylaws as the foundation for operation of the Caroline Economic Development Corporation. The effective date of these Bylaws will be the signature date below.

County Commissioners of Caroline County

Date

Caroline Economic Development Corporation

Date