



BYLAWS

Clan Donnachaidh of the South, Inc.

BYLAWS

CLAN DONNACHAIDH OF THE SOUTH, INC. (DBA CLAN DONNACHAIDH USA)

A NONPROFIT CORPORATION QUALIFIED AS A CHARITABLE CORPORATION

(Incorporated under the Laws of Georgia)

ARTICLE I OFFICES

Section 1.1 REGISTERED OFFICE AND AGENT. The registered office of the Corporation shall be located at such address as the Board of Directors may determine from time to time. Initially the registered office shall be in Cobb County, Georgia. The Registered Agent at such address shall be appointed by the Board of Directors from time to time.

Section 1.2 PRINCIPAL OFFICE. The principal office of the Corporation shall be located at such address as the Board of Directors may determine from time to time. Initially the principal office shall be in, Cobb County, Georgia.

Section 1.3 OTHER OFFICES. The Corporation may also have offices at such other places as the Board of Directors may from time to time appoint, or as the business of the Corporation may require, both within and without the State of Georgia.

ARTICLE II PURPOSES AND GOVERNING INSTRUMENTS

Section 2.1 NONPROFIT CORPORATION. The Corporation shall be organized and operated as a non-profit corporation under the provision of the Georgia Nonprofit Corporation Code.

Section 2.2 CHARITABLE AND EDUCATIONAL PURPOSE. The purpose of the Corporation as set forth in the Articles of Incorporation are exclusively charitable and educational within the meaning of Section 501 (c)(10) of the Internal Revenue Code. The corporation is organized for the pleasure and recreation of the members and for charitable, literary, educational and fraternal purposes, substantially all of the activities of which are for such purposes and no part of the net earnings of which inures to the benefit of any private member. The objectives of Clan Donnachaidh Society of the South shall be to preserve and promote the customs, traditions and heritage of Clan Donnachaidh; to promote a spirit of kinship amongst members of Clan Donnachaidh throughout the world; to inspire among our members and their descendents the pride and spirit of their ancestors and to support the Clan Donnachaidh Museum located at Bruar Falls, Blair Atholl, Perthshire, Scotland.

Section 2.3 GOVERNING INSTRUMENTS. The Corporation shall be governed by its Articles of Incorporation, these Bylaws and Roberts Rules of Order Newly Revised (latest edition, and from time to time hereafter published), except as otherwise herein provided or in conflict therewith. The current latest edition is the 9th edition, however, it is the intent of this provision that as subsequent editions are published, they shall automatically be substituted as the then current edition. If there should be any conflict between the provision of the Articles of Incorporation and the provisions of these Bylaws or Roberts Rules, then the provisions of the Articles of Incorporation will in all cases control.

ARTICLE III

MEMBERS

Section 3.1 MEMBERSHIP. Membership in the society shall be open to Clansmen and Clanswomen who are lineal descendents of Scots bearing the names of Robertson and Duncan and the names of the accepted Septs of the Clan as recognized by the Home Branch of the Society in Bruar, Scotland, which include: Collier, Colyear, Donachie, Duncanson, Dunnachie, Inches, MacConachie, MacDonachie, Macinroy, MacIver, Maclagan, MacRoberts, MacRobie, Roy, Skene, Stark, Tonnochy or variations in the spelling of these and others who claim to be of the Clan. Ladies bearing the name, either by Parentage or Marriage, and all lineal descendents in the female line, whether males or females and Husbands of Lady Members may become Members also. Legally adopted children of any of the above may also become Members. Each applicant shall furnish lineal proof that is acceptable to the Board of Directors.

There shall be the following classes of membership:

- a) Family (annual) to include the member, his or her spouse (as non-voting auxiliary members) , and all dependent children (also as non voting auxiliary members).
- b) Honorary Life -a Clansperson who may be so honored by unanimous vote of the Board of Directors.
- b) Friend -one who may be appointed by the Board of Directors in recognition of service to the clan, but who is not otherwise eligible for membership.

The annual dues of all classes of membership shall be set from time to time by the Board of Directors. Such dues which are annual shall be payable as of January 1 each year.

Section 3.2 ANNUAL MEETING. The annual meeting of the members of the Corporation, for the election of directors to succeed those whose terms expire and the transaction of such other business as may properly come before the meeting, shall be held once each year at such time and place as the Board of Directors may designate. If the annual meeting of the members is not held as herein prescribed, the election of directors may be held at any meeting thereafter called pursuant to these bylaws.

Section 3.3 SPECIAL MEETINGS. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Regional Commissioner, Assistant Regional Commissioner or by a majority of the Board of Directors, to be held at such time and place as stated in the Call of the Meeting, either within or without the State of Georgia. Business transacted at all special meetings shall be confined to the objects stated in the call.

Section 3.4 VOTING. The voting at all meetings of members may be viva voice, but any qualified voter may demand a secret ballot vote whereupon such vote shall be taken by ballot.

Section 3.5 PROXIES. At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. Each member shall have one vote. Proxy votes must bear the signature of the member as well as their membership number and must indicate their intentions.

Section 3.6 NOTICES. Notice of all meetings of members shall be given to each member by seven (7) days service of the same by newsletter, telegram, facsimile, e-mail, by letter, or personally; provided, however, that no notice need be given to any member who attends any meeting or to any member who signs written waiver of notice to any meeting, whether before or after said meeting is held.

Section 3.7 QUORUM. A quorum at any annual or special meeting of members shall consist of at least fifteen (15) of the members in good standing. A majority of those present and voting of the quorum shall be necessary to approve any action.

Section 3.8 RECORD DATE. The secretary of the Corporation shall determine the Members entitled to vote by review of the membership and financial records of the Corporation as of thirty (30) days prior to the date fixed for the meeting. The secretary shall prepare a list of the names of the Members entitled to vote and make the list available to the Board of Directors and Members at least ten (10) days prior to the date fixed for such meeting.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1 AUTHORITY AND RESPONSIBILITY. The governing body of the Corporation shall be the Board of Directors. The management of all the affairs, property and business of the Corporation shall be vested in the Board of Directors. In addition to the powers and authorities by these bylaws expressly conferred upon it, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are allowed by law.

Section 4.2 APPOINTMENT AND ELECTIONS. The appointment and election of Directors shall be to serve for terms as follows:

- a) The initial Board of Directors is appointed in the Articles of Incorporation. One-third of such directors shall serve for terms of three years, one-third shall serve for terms of two years, and one-third shall serve for a term of one year as determined by the Board;
- b) At each annual meeting of members of the corporation, the members shall elect by majority vote, the necessary number for terms of three years.
- c) The Board of Directors shall consist of the Senior Officers of the Society plus five (5) who will be elected from the general membership of the Society. No member shall serve more than two consecutive three year terms. After a lapse of one year, former Directors may again be nominated.
- d) The Directors shall hold office until their successors are elected and qualify.

Section 4.3 NUMBER. The number of directors may at any time be increased or decreased by a vote of the members in good standing entitled to vote, at any regular or special meeting, if the notice of such special meeting contains a statement of the proposed increase or decrease, and in the case of any such increase, the members at any annual or special meeting shall have the power to elect such additional directors to hold office until their terms expire and until their successors are elected and qualify; provided that there shall never be less than the minimum number required by law, and provided further, the terms shall be staggered so that approximately one third are elected each year.

Section 4.4 REMOVAL. Any director elected by the Members may be removed with or without cause at any special or annual meeting of the Members by the affirmative vote of a majority of the Members present at the meeting.

Section 4.5 VACANCIES. All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, shall be filled by the remaining Directors at any special or regular Directors meeting. A director thus elected to fill any vacancy shall hold office for the unexpired term of his predecessor, and until his successor is elected and qualifies.

Section 4.6 COMPENSATION. No director of the corporation shall receive, directly or indirectly, any salary, compensation of emoluments therefrom as such director, unless authorized by the majority vote of all of the disinterested directors, as reasonable compensation for services rendered in his or her official capacity commensurate with the compensation paid by comparable organization for comparable services.

Section 4.7 NOMINATION OF DIRECTORS. Candidates for election to the Board of Directors by Members may be nominated by a committee appointed by the Board of Directors or by Members.

- a) The Nominating Committee appointed by the Board of Directors shall be composed of the Chairman of the Board of Directors, and such members as the Regional Commissioner shall appoint. The Nominating Committee shall publish to the Members a slate of qualified candidates not less than the number required to fill the director's position to be elected, no later than thirty (30) days before the election of directors.
- b) The Nominating Committee shall seek to nominate candidates so that the Board shall at all times have members with one or more of the following skills: accounting, law, business management, parliamentary experience, sales, newsletter publication and web site maintenance.
- c) Candidates may be nominated by a petition signed by three (3) Members, which petition shall state the name of the candidate and biographical information, including the candidate's qualification and why they wish to serve and the candidate consent to be placed in nomination. This petition shall not exceed one 8-1/2" x 11" page in length and be submitted to the Board of Directors at least ten (10) days before the election of directors.

Section 4.8 REGULAR MEETINGS. The annual meeting of the Board of Directors shall be held without notice immediately following the adjournment of each annual membership meeting or at such other place or places, within or without the State of Georgia, as the Board of Directors may from time to time designate. Other regular meetings of the Board of Directors shall be held at least quarterly.

Section 4.9 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the Regional Commissioner, or in his absence, by the Secretary or by a majority of the Board of Directors, to be held at a time and place determined by a majority of the Board of Directors, within or without the State of Georgia.

Section 4.10 ACTION BY DIRECTORS WITHOUT A MEETING. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing that sets forth the action so taken is signed by all members of the Board of Directors. Such consent shall have the same force and effect as unanimous vote at a meeting duly called. The signed consent shall be placed in the minute book.

Section 4.11 TELECONFERENCE MEETINGS. Directors may participate in and hold meetings by means of conference telecommunications or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting.

Section 4.12 ADJOURNMENTS. A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting that was adjourned.

Section 4.13 NOTICE AND WAIVER. Notice of all special meetings of the Board of Directors shall be given to each director by at least two (2) days service of the same by telephone, by telegram, by facsimile, by e-mail, by letter, or personally; provided that no notice need be given to any director who attends any regular or special meeting or to any director who signs written waiver of notice to any regular or special meeting, whether before or after said meeting is held.

Section 4.14 QUORUM. A quorum at all meetings of the Board of Directors shall consist of five (5) members of the whole Board. An affirmative vote of the greater of a majority or three directors shall be required to pass any motion or resolution.

Section 4.15 DUTIES. The directors shall elect the officers of the Corporation, such election to be held at the directors meeting following each annual membership meeting. The directors shall approve all contracts, determine what shall be apportioned to principal and income pursuant to generally accepted accounting principles, approve all distributions of income pursuant to these Bylaws, and such other actions as may be required by law.

Section 4.16 COMMITTEES. Each member of any committee established pursuant to these Bylaws shall hold office until the next annual meeting of the Board of Directors and until his successor member of the committee is appointed or until his death, resignation or removal in the manner hereinafter provided or until he shall cease to be a Director. The Board of Directors may designate one or more directors as alternate members of any such committee who, in the order specified by the Board of Directors, may act in the place and stead of any absent member or member at any meeting of such committee.

Section 4.17 MEETING OF THE COMMITTEES. Any committee may provide for the holding of regular meetings, with or without notice, and may fix the times and places (within or without the State of Georgia) at which such meetings shall be held. Special meetings of such committees may be called by or at the direction of any two or more of their respective members and notice of each such special meeting, specifying the time and place thereof, shall be given to each respective member. Such notice need not be given to any member who shall attend such meeting in person or who shall waive notice thereof. No notice or waiver thereof of any meeting of such committee need state the purpose or purposes thereof.

Section 4.18 COMMITTEE MINUTES. Each committee shall keep a record of its proceedings and shall report such proceedings, except personnel matters, to the Board of Directors at the meeting thereof held next after such proceedings have been taken and all such proceedings shall be subject to revision or alteration by the Board of Directors except to the extent that action shall have been taken pursuant to or in reliance upon such committee proceedings prior to any such revision or alteration.

Section 4.19 COMMITTEE QUORUMS AND RULES. At each meeting of any committee the presence of a majority of its members then in office shall be necessary and sufficient to constitute a quorum for the transaction of business. A majority of the members present at the time and place of any meeting may adjourn the meeting from time to time until a quorum shall be present and the meeting may be held as adjourned without further notice or waiver. A vote of the majority of the members present and voting at the time of the vote, if a quorum is present at that time, shall be the act of the committee. Subject to the foregoing and other provisions of these Bylaws and except as otherwise determined by the Board of Directors, each committee may fix its own rules for the conduct of its business.

ARTICLE V

CORPORATION OFFICERS

Section 5.1 NUMBER OF OFFICERS. The officers of this Corporation shall be Regional Commissioner (Serving as President and Chairman of the Board), Assistant Regional Commissioner(s) (Serving as Vice-Presidents), Secretary, Treasurer, Historian, and State Commissioners from each State that joins Clan Donnachaidh of the South (presently Alabama, Georgia, Louisiana, Mississippi, North Carolina, Kentucky, South Carolina and Tennessee), each of whom must be members in good standing of the parent Society in Scotland and such other officers as the Board of Directors may from time to time determine are necessary. Officers and commissioners shall be appointed by the Board of Directors at the General Annual Meeting. Each State is entitled to one state commissioner. Additionally each state is entitled to one assistant state commissioner on the basis of one (1) for each 50 members. Elections shall be held each year at the General Annual Meeting. Vacancies of any office, directorship or commissionership shall be filled by the Board of Directors or shall remain vacant until the next General Annual Meeting as determined by the Board of Directors.

Section 5.2 TERMS OF OFFICE, QUALIFICATIONS. The officers shall be appointed for a term of three (3) years (except as provided during the first two years after incorporation) and shall hold office until their successors are duly appointed and qualified, or until their earlier resignation, death, or removal, or the termination of their office. Any officer may be removed by three-quarters (3/4) vote of the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby. It shall be necessary for a person to be a director of the Corporation to be eligible to be an officer of the Corporation.

Section 5.3 POWERS AND DUTIES SPECIFIC TO SENIOR OFFICERS.

- a) **REGIONAL COMMISSIONER.** The Regional Commissioner shall preside at all directors meetings and shall have general supervision over the affairs of the Corporation and over the other officers; shall sign all written contracts of the Corporation, appoint all committee chairmen and members and shall perform all such other duties as are incident to this office. Each Regional Commissioner must have served at least one term as a State Commissioner prior to selection by the board of directors.
- b) **ASSISTANT REGIONAL COMMISSIONER(S).** The Assistant Regional Commissioner(s), in the order of their seniority, may exercise the functions of the Regional Commissioner during the absence or disability of the Regional Commissioner. Each Assistant Regional Commissioner shall have such powers and discharge such duties as may be assigned to him from time to time by the Board of Directors. The Assistant Regional Commissioner must have served at least one term as a State of Assistant State Commissioner prior to selection by the board of directors.
- c) **SECRETARY.** The Secretary shall issue notices of all Directors and membership meetings and shall attend and keep the minutes of the same, and shall supply a copy of the minutes to each member, who shall be responsible for keeping a complete set of minutes to be given to his or her successor. The Secretary shall have charge of all corporate books, records and papers; shall be custodian of the Corporate seal; shall attest and impress with the Corporate seal all documents of the Corporation which require same; and shall perform all such other duties as are incident to the office of Secretary.
- d) **TREASURER.** The Treasurer shall have custody of all money and securities of the Corporation, shall keep regular books of account and shall submit them, together with all vouchers, receipts and other papers to the Directors for their examination and approval, as often as they may require; shall sign all checks and other necessary financial documents on behalf of the corporation; and shall perform all other such duties as are incident to the office of Treasurer.
- e) **DIRECTOR OF PUBLICATIONS.** The Director of Publications has the responsibility to create and present all official published works of the Society which include, but are not limited to: The DONNACHAIDH Dispatch (the Society Newsletter), Proxy Forms, Notices of Meetings, Brochures, and Flyers. The Director of Publications is required to work closely with the Society Secretary to ensure that publications and notices are sent to all active members.
- f) **HISTORIAN.** The Historian shall keep a history of the Branch, including but not limited to the officers of the Branch, significant events, Highland Games attendance and relations with the Home Branch in Scotland. The Historian shall update the history at least annually and publish and distribute copies to each Member.
- g) **STATE COMMISSIONER(S).** The State Commissioner shall organize and represent the society at all meetings and functions agreed upon by the board of directors. Additionally it is the responsibility of the State Commissioner to organize the membership, foster increased membership and camaraderie, and advance the prominence and stature of the society within their state. The State Commissioner may be selected from any member in good standing who has demonstrated an eagerness to foster and promote the ,best interests of the society, but preference shall be given to members who are serving. or who have served, as Assistant State Commissioners.

Section 5.4 POWERS AND DUTIES SPECIFIC TO NON-DIRECTOR OFFICERS

- a) **ASSISTANT STATE COMMISSIONER(S).** The Assistant State Commissioner(s), in the order of their seniority, may exercise the functions of the State Commissioner during the absence or disability of the State Commissioner. Each Assistant State Commissioner shall have such powers and discharge such duties as may be assigned to him from time to time by the Board of Directors.

Section 5.5 POWERS AND DUTIES FOR ALL OFFICERS

- b) **DOCUMENTS.** For the execution of all warranty deeds, security deeds, quit claim deeds, deeds of easements, contracts, agreements, notes, mortgages, bills of sale and other documents necessary for the purchase or sale of any real or personal property of the Corporation the following execution is necessary: Any two officers' signatures, but only upon resolution of the Board of Directors authorizing the transaction.
- c) **FUNDS AND LOANS.** The funds of the Society shall be deposited in an appropriate depository institution that is insured by the FDIC or FSLIC, or otherwise invested as shall from time to time be determined by the Board of Directors. The funds of the Society, from whatever source, except special donations and legacies, shall be used in defraying all necessary expenses and outlays due by the Society. Donations and Legacies may be given or bequeathed for a special purpose or object and may bear the donor's name, but unless stated to used for a special purpose or object, Donations and Legacies shall be used for the general purposes of the Society. The Regional Commissioner together with any other Senior Officer, as the occasion may arise, and when directed by the proper act of the Board of Directors, may borrow money from any individual, trust, partnership, corporation, insurance company or banking institution, and may execute on behalf of the Corporation such notes or other documents as may be necessary or proper to evidence any such loan and to secure the payment thereof, and may renew such evidence of indebtedness and security therefore from time to time, and to pledge and assign to such lender any property of the Corporation to secure any such indebtedness, and to substitute other properties in lieu of that so pledged or assigned or conveyed to secure any such indebtedness, and to do such other act or acts as may be necessary to secure properly the person or institution from whom such money is borrowed.
- d) **ACCEPTING DEEDS.** The Regional Commissioner is further authorized to accept warranty deeds, quit claim deeds, deeds of easements, security deeds or mortgages on behalf of the Corporation and in furtherance of any or all the objects of the business of the Corporation.
- e) **ACCEPTING GIFTS.** The Regional Commissioner may accept on behalf of the Corporation any contribution, gifts, bequests or devises for the general purpose or for any special purpose of the Corporation.

Section 5.6 ADVISORS. The Board of Directors may request other members of the corporation to serve as advisory members and, at the expense of the corporation, may hire professional counsel on investment, legal matters, or auditing.

Section 5.7 DISABILITY OF OFFICER. In the case of absence or inability to act of any officer of the Corporation and of any person herein authorized to act in his place, the Board of Directors may, from time to time, delegate their powers or duties of such officer to any other officer, director or other person whom it may select.

Section 5.8 VACANCIES. Vacancies in any office arising from any cause may be filled by the directors at any regular or special meeting.

Section 5.9 REMOVAL OF OFFICERS AND STAFF. Any officer or staff elected or appointed to office may be removed by the Board of Directors whenever in their judgment the best interests of the Corporation will be served.

Section 5.10 LIABILITY OF OFFICERS AND DIRECTORS. Officers and Directors shall not be liable for any losses which may be incurred from the investments of assets of the fund, except to the extent such losses are caused by bad faith or gross negligence. No Officer or Director shall be personally liable as long as such person acts in good faith and with ordinary prudence. No Officer or Director shall engage in transactions in which such person has a direct or indirect financial interest, and shall refrain from any conflict of interest with respect to fund investments and disbursements.

ARTICLE VI **SEAL**

Section 6.1 SEAL. The seal of the Corporation shall be in such form as the Board of Directors may from time to time determine. In the event it is inconvenient to use such a seal to any time, the signature of the company followed by a generic impression or stamp seal without the Corporation's name, or simply the word "Seal" enclosed in quotation marks, parentheses or scroll, shall be deemed the seal of the Corporation. The seal shall be in custody of the Secretary and affixed by him in such papers as may be directed by law, by these bylaws or by the Board of Directors.

ARTICLE VII **INDEMNIFICATION, INSURANCE AND DEFENSE**

Section 7.1 BASIS FOR INDEMNIFICATION.

(a) Under the circumstances prescribed in Section 7.2, the Corporation shall indemnify and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as an officer, director, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

(b) Under the circumstances prescribed in Section 7.2, the Corporation shall indemnify and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 7.2 RIGHT TO INDEMNIFICATION. To the extent that a Director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.1, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. Except as provided in the preceding sentence and except as may be ordered by a court, any indemnification under Section

7.1 shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 7.1. Such a determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) by independent legal counsel employed by the Corporation, in a written opinion, if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, or (3) by the affirmative vote of a majority of members.

Section 7.3 EXPENSES. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors generally or as to a specific case or as to a specific person or persons (designated by name, title or class of persons), upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article.

Section 7.4 NON-EXCLUSIVITY. The provisions for indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights, in respect of indemnification or otherwise, to which those seeking indemnification may be entitled under any bylaw, agreement, either specifically or in general terms, resolution, or approved by the affirmative vote of a majority of members taken at a meeting the notice of which specified that such bylaw, resolution or agreement would be placed before the members, both as to action by a director, officer, employee or agent in his or her official capacity and as to action in another capacity while holding such office or position, except that no such other rights, in respect to indemnification or otherwise, may be provided or granted with respect to the liability of any director, officer, employee or agent for (a) any appropriation, in violation of his duties, of any business opportunity of the Corporation; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) liabilities of a director imposed by the Georgia Corporation Code; or (d) any transaction from which the director, officer, employee, or agent derived an improper personal benefit.

Section 7.5 INSURANCE.

(a) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article.

(b) If any expenses or other amounts are paid by way of indemnification, otherwise than by court order or action by the members or by an insurance carrier pursuant to insurance maintained by the Corporation, the Corporation shall, not later than the next annual meeting of members unless such meeting is held within 3 months from the date of such payment, and, in any event, within 15 months from the date of such payment, send by first class mail (or if the Corporation shall have at the time more than 500 members entitled to vote, by such other means as may be authorized by the Georgia Corporation Code for notices of meetings of members) to its members of record at the time entitled to vote for the election of directors, a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation.

Section 7.6 RIGHT TO PARTICIPATE IN DEFENSE. As a condition to any such right of indemnification, or to receive advancement of expenses, the Corporation may require that it be permitted to participate in the defense of any such action or proceeding through legal counsel designated by the Corporation and at the expense of the Corporation.

Section 7.7 CONTINUATION OF RIGHT OF INDEMNIFICATION. The rights to indemnification and advancement of expenses provided in this Article shall continue notwithstanding that a person who would otherwise have been entitled to indemnification or advancement of expenses hereunder shall have ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such persons.

ARTICLE VIII
AMENDMENT

These bylaws may be amended only by a vote of an absolute majority of the entire Board of Directors of the Corporation, or by a simple majority of the Members present at a regular meeting, only after giving notice in the call of the meeting [at least five (5) days in advance thereof for a Board meeting and at least thirty (30) days in advance thereof for a meeting of Members] of the proposed amendment and that it will be on the agenda for the meeting.

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