

CHARLESTON RESEARCH INSTITUTE
BY-LAWS
(Revised 10/12/2010)

ARTICLE I: NAME

The name of this organization is Charleston Research Institute (hereinafter "the Corporation").

ARTICLE II: PLACE OF BUSINESS

Section 1. Principal Place of Business

The principal place of business of the Corporation shall be 109 Bee Street, Charleston, SC 29401

Section 2. Other Places of Business

The Corporation may also have other places of business as the purposes of the Corporation may require, and the Board of Directors may from time to time designate.

ARTICLE III: PURPOSE

The sole purpose of the Corporation is to advance the research mission of the Department of Veterans Affairs, and specifically the Ralph H. Johnson VA Medical Center, Charleston, South Carolina (Charleston VAMC) through the support of research-related activities. The Corporation may be used to further any educational purposes related to research including the attendance at scientific meetings.

ARTICLE IV: BOARD OF DIRECTORS

Section 1. General Powers

The property and business of the Corporation shall be managed under the direction of the Board of Directors of the Corporation, who shall exercise all powers permitted under the State of South Carolina Nonprofit Corporation Code.

The Board of Directors may, from time to time, appoint or employ such persons in such capacities as the Board may consider necessary to assist in the proper conduct of the activities and management of the Corporation. The terms and conditions of any such appointment shall be at the discretion of the Board.

Section 2. Number and Term of Office

(a) The number of Directors shall be a minimum of five (5) or such other number as may be designated from time to time by resolution of a majority of the entire Board of Directors, but shall never be less than five (5). The Board shall include the persons holding the positions of Medical Center Director, Chief of Staff, and Associate Chief of Staff for Research of the Charleston VAMC (hereinafter the VA statutory Directors). Each such director shall serve until he or she no longer holds the above-described position and shall be automatically replaced by the new person holding such position.

(b) At least two (2) of the remaining Directors of the Corporation (hereinafter the non-VA statutory Directors) shall be persons who are not officers or employees of the Federal Government and who have backgrounds, or business, legal, financial, medical or scientific expertise of benefit to the operations of the corporation. These non-VA statutory Directors may not be affiliated with or employed by any entity that is a source of funding for research by the Department of Veterans Affairs, unless that source of funding is a governmental entity or an entity, the income of which is exempt from taxation under section 501(c)(3) of the Internal -Revenue Service Code of 1986.

Officers, Board members, or full time employees of an affiliated institution may not constitute a majority of the Directors. The remaining positions shall be non-statutory Directors. They may remain vacant at the discretion of the Board of Directors. Non-statutory and non-VA statutory Directors shall routinely have two-year terms with one renewable term. Expirations will be staggered in alternate years. Past directors may rotate back onto the board provided they sit out one term.

Section 3. Nomination and Election of Directors

(a) Candidates for positions as non-statutory and non-VA statutory Directors may be identified, contacted, and nominated by any other Director or by the Executive Director, by asking the Executive Director to include such nomination in the "Notice of Annual Meeting" distributed to all members at least ten (10) days before such meeting. The persons making such nominations shall attend this meeting to discuss the qualifications and willingness to serve of their candidates. The vacancy will be filled by majority vote of the members present at the meeting.

(b) The newly elected Directors will take office at the next regular or special meeting of the Board of Directors.

Section 4. Filling of Vacancies

In the case of any vacancy on 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 unexpired portion of the term of the Director whose place shall be vacant, and until the election of a successor, or until he or she shall be removed, prior thereto. However, in the event of a vacancy through the death, resignation, disqualification, removal or other cause or a director who was a Director due to his or her position as Medical Center Director, Chief of Staff; or Associate Chief of Staff for Research and Development such person's successor in such position shall become a Director upon assuming said position. No person serving in an "acting" (temporary) position as Medical Center Director, Chief of Staff or Associate Chief of Staff for Research and Development for a term of less than 60 days shall serve as a Director of the Corporation.

Section 5. Place of Meetings

The Board of Directors may hold their meeting and have one or more offices, and keep the books of the Corporation, either within or outside South Carolina, at such place or places as they may from time to time determine by resolution or by written consent of all the Directors.

Section 6. Regular Meetings

The Board of Directors will hold at least two (2) meetings per year. Regular meetings of the Board of Directors may be held with reasonable notice of the time and place as shall from time to time be determined by the Chairman of the Board or by the Executive Director provided that notice of fixing or changing the time or place for the holding of regular meetings of the Board shall be mailed or telephoned to each Director at least three (3) days before the first meeting held pursuant thereto. Any business may be transacted at any regular meeting of the Board.

At each meeting, minutes shall be kept by the Executive Director or designee.

Section 7. Special Meetings

Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board and/or Executive Director. The Executive Director shall give notice of each special meeting of Directors by mailing the same at least five (5) days prior to the meeting or by telephoning the same at least three (3) days before the meeting, to each Director, but such notice may be waived by any Director. Unless otherwise indicated in the notice thereof, any and all business may be transacted at any special meetings. At any meeting at which every Director shall be present, even though without notice any business may be transacted and any Director may waive notice of the time, place and objectives of any special meeting. At each meeting, minutes shall be kept by the Executive Director or designee.

Section 8. Action in Lieu of Meeting

Any action to be taken at a meeting of the Directors, or any action that may be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors and any further requirements of law pertaining to such consents have been complied with.

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, but, if at any meeting less than a quorum shall be present, a majority of those present may adjourn the meeting from time to time, and the act of a majority of the Directors present at any meeting at 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 by-laws.

Section 10. Required Vote

An affirmative vote of a majority of those present at all meetings of the Board of Directors shall be necessary for the passage of any resolution.

Section 11. Compensation for Directors

A Director shall not receive any stated salary for his or her service as such, but each Director shall be entitled to receive from the Corporation, as allowed by law or regulation, reimbursement of the expenses incurred by him in attending any regular or special meeting of the Board, and, by resolution of the Board of Directors, a fixed sum may also be allowed for attendance at each regular or special Meeting of the Board and such reimbursement and compensation shall be payable whether or not a

meeting is adjourned because of the absence of a quorum. Statutory members cannot receive compensation.

Section 12. Committees

The Board of Directors may, by resolution passed by a majority of the Board members present, 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. Such committee shall have such names and duties as may be determined from time to time by resolution adopted by the Board of Directors.

ARTICLE V: CHAIRMAN OF BOARD OF DIRECTORS

Section 1. Election

A Chairman of the Board of Directors shall be elected by a majority vote of the Directors at the first annual meeting of the Board following the annual incorporation anniversary.

Section 2. Powers and Duties

The Chairman of the Board shall preside at all meetings of the Board of Directors unless the Board of Directors shall by a majority vote of a quorum thereof elect a chairman other than the Chairman of the Board to preside at meetings of the Board of Directors. The Chairman shall be an *ex-officio* member of all standing committees.

The Chairman of the Board shall cause the necessary notice to be given of meetings of the Board of Directors.

ARTICLE VI: OFFICERS

Section 1.

The officers of the Corporation shall be chosen by the Board of Directors and shall include an Executive Director and a Secretary/Treasurer. The Executive Director shall be appointed by the Board of Directors with the concurrence of the Medical Center Director. The Board of Directors shall appoint the Secretary/Treasurer and may appoint one or more Assistant Secretaries. The Executive Director may not also serve as Secretary of the Corporation.

Section 2.

The Officers of the Corporation shall be chosen by the Board of Directors at its first meeting following the annual incorporation anniversary. Each officer shall be elected or appointed for a term of office running until the next annual meeting of the Board of Directors, or such other term as provided by resolution of the Board of Directors or the appointment to office. Each officer shall serve for the term of office for which he is elected or appointed and until his successor has been elected or appointed and has qualified, or his earlier resignation, removal from office or death. Any officer or agent may be removed by a majority vote of all the Board of Directors whenever, in its judgment, the best interests of the Corporation shall be served thereby. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 3.

The Board of Directors may appoint such additional officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. An Executive Committee of the Board will be constituted of the Chairman, Hospital Director, and Executive Director. This committee will have the power to offer guidance in the interpretation of existing policies and by-laws. Any new policy or proposed change in the by-laws shall require a meeting of the full Board of Directors before it may be enacted.

Section 4.

The salary of the Executive Director and of all other officers and agents of the Corporation shall be fixed by the Board of Directors.

EXECUTIVE DIRECTOR

Section 5.

The Executive Director shall be the Chief Executive Officer and Chief Financial Officer of the Corporation and shall have general and active management of the business of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 6.

The Executive Director shall join in the execution in the corporate name of all authorized deeds, mortgages, bonds, contracts or other instruments except in cases in which the signing or execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

SECRETARY/TREASURER

Section 7.

The Secretary/Treasurer shall attend all meetings of the Board of Directors and record all of the proceedings of the meetings of the Corporation and of the Board of Directors.

Section 8.

The Secretary/Treasurer as Treasurer shall join in the execution in the Corporation name of all authorized deeds, mortgages, bonds, contracts or other instruments requiring a seal, under the seal of the Corporation, except in cases in which the signing or execution thereof shall be expressly delegated by the Board of Directors or to some other officer or agent of the Corporation.

Section 9.

The Secretary/Treasurer or his designee agent shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys or other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

Section 10.

The Secretary/Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors and shall render to the Executive Director and Board of Directors at its regular meetings or when the Executive Board of Directors so requires, an accounting of all the transactions and of the financial condition of the Corporation.

Section 11.

The Secretary/Treasurer shall have such additional duties and responsibilities as delegated by the Board of Directors. Further, the Secretary shall keep in safe custody the seal of the Corporation and when authorized by the Board of Directors, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by his or her signatures Secretary.

ARTICLE VII: BANK ACCOUNTS AND LOANS

Section 1. Bank Accounts.

Such agents of the Corporation as from time to time shall be 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 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 bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name on behalf of this Corporation, and made or signed by such 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 such 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 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 signatures of the agents of the Corporation so authorized to draw against the same. In the event that the Board of Directors shall fail to designate the persons by whom hereinabove provided in this Section, all such checks, drafts and other instruments or orders for the payment of money shall be signed by the Executive Director and countersigned by the Secretary.

Section 2. Loans.

Such agents of this Corporation as from time to time shall be designated by the Board of Directors shall have the authority to effect loans, advances or other forms of credit at any time or times for the Corporation from such 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 obligations of the Corporation on such terms, and with such provisions as to the security or sale or disposition thereof as such agents shall deem proper; and also to 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 agents so authorized; and each bank or 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 agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

Section 3.

No loans shall be made to the officers, directors, or employees of the Corporation. The foregoing shall not, however, be interpreted to prohibit the advancement of Corporation funds to provide temporary "bridge funding" to officers, directors, or employees whose approved research programs are unfunded for brief periods of time: with the understanding that any funds so advanced to an officer, director, or employee shall be reimbursed to the Corporation when the investigator's program receives the anticipated research funding. Advancement of Corporation funds for the aforesaid purposes may be approved by the Executive Director for periods not exceeding 90 days. Continued funding beyond 90 days shall require the approval of a majority of the Board of Directors.

ARTICLE VIII: MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year

The board will establish the fiscal year. The fiscal year of the Corporation shall end on the last day of September.

Section 2. Notices

Whenever, under the provisions of these By-laws, notice is required to be given to any Director, it shall not be construed to mean personal notice, but unless otherwise specified in the Charter or these By-laws, the notice shall be given in writing, by hand delivery or by depositing the same in a post office letter box, postage prepaid, addressed to each Member, or Director at such address as appears in the records of the Corporation, and such notice shall be deemed to be given at the time the same shall be thus delivered or mailed. Any Member or Director may waive any notice required to be given under these By-laws.

Section 3.

No policy of the Corporation shall be knowingly carried out at variance to Federal, State or Local authority, or to regulations of the home institution of the Directors of this Corporation, or to the common ethical principles of academic medicine.

Section 4.

No part of the property of the Corporation and no part of its net earnings shall inure to the benefit of any Director, Officer, or any private individual, except that reasonable compensation may be paid for services rendered to or for the Corporation effecting its purpose.

Section 5.

The Corporation shall spend funds in accordance with The Under Secretary for Health's prescribed policies and procedures to guide the spending of funds consistent with Federal and State laws and regulations, executive orders, circulars, and directives that apply generally to the receipt and expenditure of funds by nonprofit organizations exempt from taxation under section 501c (3) of the Internal Revenue Code.

Section 6.

The records of the Corporation shall be available to the Secretary and Inspector General of the Department of Veterans Affairs and the Comptroller General of the United States.

Section 7. 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 at anytime, the signature of the Secretary of the Corporation followed by the word "Seal" enclosed in parentheses or scroll shall be deemed the seal of the corporation. The seal shall be in the custody of the Secretary/Treasurer and affixed by the Secretary or Assistant Secretary on appropriate papers.

Section 8.

The Corporation shall submit to the Secretary of the Department of Veterans Affairs an annual report providing a detailed statement of its operations, activities, and accomplishments during that year. The Corporation shall obtain a report of independent auditors concerning the receipts and expenditures of funds by the Corporation during that year and shall include that report in the Corporation's report to the Secretary.

Section 9.

Each member of the Board of Directors, and each employee of the Corporation, and each employee of the Department of Veterans Affairs who is involved in the functions of the Corporation during any year shall sign a statement certifying that he or she is aware of; and has complied with, Federal laws and regulations with respect to conflict of interest in the performance of official function.

Section 10.

The Corporation is intended to be a research corporation under Title 38 of the United States Code, Sections 4161, et. seq.

Section 11.

The Corporation is required to carry adequate insurance to indemnify any and all persons who may serve as a Director or Officer of the corporation.

ARTICLE IX: DISSOLUTION

Upon the dissolution of the Corporation, the Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, transfer and convey all of the assets of the Corporation to the Ralph H. Johnson Veterans Affairs Medical Center SC or to some other tax exempt entity whose purposes are similar to the stated purpose of the Corporation.

ARTICLE X: AMENDMENTS

The Board of Directors shall have the power and authority to amend, alter or repeal these By-laws or any provision thereof and may from time to time make additional By-laws by majority vote.