

BYLAWS
OF
NORTHERN PIEDMONT COMMUNITY FOUNDATION

ARTICLE I

Directors

1. General Powers. The business and affairs of the Corporation shall be managed by the Board of Directors (the "Board"), which shall have all voting power including power to amend these bylaws.

2. Number and Qualification of Directors. (a) The Board shall have two initial members.

(b) Each Director shall be a United States citizen residing in or near the Northern Piedmont Community and selected for knowledge of the educational, cultural, civic, moral, public and other charitable needs of the Northern Piedmont Community.

(c) Directors shall serve without compensation but shall be reimbursed for reasonable expenses incurred for the Corporation.

(d) Persons who are (i) salaried officers or employees of any trustee administering any portion of the Corporation's funds or (ii) disqualified persons within the meaning of Section 4946 of the Internal Revenue Code shall not comprise a majority of the Directors serving at any given time.

3. Terms of Directors. Each Director shall serve for a term of three (3) years. Each Director shall continue in office until his successor has been selected and qualified except that no Director may serve more than three (3) consecutive three-year terms.

4. Additional Directors. Whenever the Board determines additional Directors are needed, the Board may, by a vote of a majority of the Directors then serving, elect not more than nineteen (19) additional Directors. Each additional Director shall have the same powers as the original Directors and shall serve for a term of three (3) years or, in the Board's discretion, for a shorter period as established by the Board.

5. Director's Meetings. The annual meeting of the Board shall be held on the 3rd Thursday of each May in order to elect officers and transact such other business as may come before the meeting. Regular meetings of the Board may be held at such time and place as the Board may determine by resolution. Special meetings of the Board may be called at any time by the Chairman, the Secretary, or any two Directors.

6. Notice of Meetings. No notice of the annual meeting or any regular meeting of the Board shall be required. Notice of each special meeting shall be mailed to each Director's residence or usual place of business at least five (5) days before the date of the meeting or delivered in person or by facsimile or e-mail at least two (2) days before the date of the meeting. Neither the business to be transacted at, nor the purpose

of, any meeting of the Board need be specified in the notice or waiver of notice of the meeting.

7. Quorum and Manner of Acting. (a) A majority of the Directors in office immediately before the meeting begins shall constitute a quorum for the transaction of business at a meeting. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board, unless otherwise specifically set forth in these bylaws. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time until a quorum is available. The Directors shall act only as a Board and individual Directors shall have no power as such.

(b) The Board may permit any or all Directors to participate in a meeting by, or conduct the meeting through the use of, any means of communication by which all Directors simultaneously may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

8. Actions Without Meeting. Any action that may be taken at a meeting of the Board may be taken without a meeting if one or more written consents, setting forth the actions so to be taken, shall be signed by all of the Directors before or after the action is to become effective. The Directors' consent shall have the same effect as a unanimous vote at a meeting.

9. Resignation and Vacancy. Any Director who fails without excuse acceptable to the Board to attend three consecutive regular meetings of the Board shall be deemed to have submitted a resignation., which the Board, in its discretion, may accept or decline to accept. Vacancies by death, resignation, refusal to serve or otherwise shall be filled for the unexpired term in the same manner as the original appointment or election.

10. Community Appeals. The Board shall take all appropriate actions to make the Corporation known to the people of the Northern Piedmont Community and to seek gifts to the Corporation from a wide segment of the population.

11. Fiduciary Capacity. Directors shall serve in a fiduciary capacity and shall not exercise their powers in any manner that would disqualify the Corporation from federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code or disqualify any gift as a deductible charitable contribution in computing any federal income or transfer tax of the donor or the donor's estate.

ARTICLE II

Officers and Agents

1. General. The officers of the Corporation shall consist of a Chairman, a President, a Secretary, and a Treasurer and, if deemed advisable by the Board, one or more Vice Chairmen, Vice Presidents, Assistant Secretaries and Assistant Treasurers. Any person may hold any two or more offices simultaneously except the

offices of President and Secretary. The officers shall manage the affairs of the Corporation under the direction of, and with authority granted by, the Board of Directors.

2. Election, Term, and Qualifications. The Board shall elect officers annually, each to hold office until that officer's successor has been chosen and qualified or until the officer's death, resignation or removal. The Chairman shall be chosen from among the Directors, but no other officer need be a Director.

3. Chairman. The Chairman shall preside at meetings of the Board, represent the Corporation to the Northern Piedmont Community and the public, generally coordinate the activities and policies of the Corporation, and perform such other duties as the Board may prescribe from time to time.

4. President. The President shall be the chief executive officer of the Corporation and shall have general supervisory power over the affairs of the Corporation and its committees. The President shall supervise the other officers, agents and employees of the Corporation, implement the policies of the Board, and be responsible for the administration of the Corporation in all its day-to-day activities, subject to the authority of the Board and its committees.

5. Secretary. The Secretary shall keep the minutes of the Board of Directors and its committees, maintain the records of the Corporation, give any required notices of meetings, certify the actions of the Board when necessary, and have such other powers and duties as the Board may prescribe from time to time.

6. Treasurer. Except as the Board or its committees may provide, the Treasurer shall supervise, and be responsible for, all funds of the Corporation and shall see that true and accurate accountings of the financial transactions of the Corporation are made and that reports of those transactions are presented promptly to the Executive Committee and the Board.

7. Vice Chairmen, Vice Presidents and Other Assistant Officers. Vice chairmen, vice presidents and other assistant officers shall have such powers and duties as the Board may prescribe from time to time. They may exercise the authority of the officers whom they assist in the absence of those officers. If any assisted office becomes vacant, the assistant officer having the greatest period of service in office shall assume the powers and duties of the vacant office.

8. Agents. Such agents as the Board may deem necessary may be elected, appointed or chosen in the manner prescribed by the Board. The authority and duties of each agent shall be those prescribed in the resolution adopted by the Board establishing the need for the agent.

9. Removal of Officers and Agents. Any officer or agent may be removed with or without cause whenever the Board in its absolute discretion shall consider that the removal will serve the best interest of the Corporation. Any agent appointed otherwise than by the Board may be removed with or without cause at any time by any officer having authority to appoint that agent whenever that officer, in the exercise of absolute discretion, shall consider that the agent's removal will serve the

best interests of the Corporation. Election or appointment of an officer or agent shall not of itself create contract rights.

10. Liability for Officers' and Agents' Conduct. Neither the Board nor any individual Director shall be liable for acts, neglects or defaults of an officer or agent selected with reasonable care nor for errors in judgment, acts on advice of counsel, or mistakes of law or fact if done or made in good faith.

ARTICLE III

Committees

1. Executive Committee. The Board of Directors may appoint an Executive Committee, consisting of the Chairman and three or more other Directors, which may, to the extent consistent with law, exercise the authority of the Board between meetings of the Board. The Executive Committee may establish its own rules for holding and conducting meetings not inconsistent with law, the Articles of Incorporation or these bylaws.

2. Other Committees. The Board may create such other committees as it may deem appropriate and appoint to membership any persons, whether they be Directors or not, and may fix and prescribe their rights, duties, power, authority, and terms of office. The Board or one or more officers of the Corporation may establish advisory groups to provide advice or administrative assistance to the Board, the officers, or both in dealing with general corporate issues or specific projects or

earmarked funds. Those groups shall be subject to the operating procedures described in paragraph 3 of this Article but shall not be considered committees of the Board for any purpose.

3. Operating Procedures. The provisions of these bylaws that govern meetings, action without meeting, notice and waiver of notice, and quorum and voting requirements of the Board of Directors shall apply to all committees of the Board and their members as well. Each committee may establish its own additional rules of procedure not inconsistent with these bylaws.

4. Authority. No committee may (1) fill vacancies on the Board or on any of its committees, (2) amend the Articles of Incorporation, (3) amend, adopt, or repeal bylaws, (4) approve a plan of merger or consolidation, (5) approve the sale, lease or exchange, or the mortgage, pledge or other disposition, of all or substantially all of the property and assets of the Corporation, or (6) approve the dissolution of the Corporation or revoke a voluntary dissolution.

ARTICLE IV

Donors' Gifts and Directions

1. Donors' Gifts. Donors may make gifts to or for the use of the Corporation by naming or otherwise identifying the Corporation. By doing so, each donor accepts and agrees to all terms of the Corporation's Articles of Incorporation and these bylaws and provides that the fund so created shall be subject to the provisions for

presumption of donors' intent, for variance from donors' directions and for amendment and termination, and to all other terms of the Corporation's Articles of Incorporation and these bylaws as amended from time to time.

2. Restrictions. Any donor may give directions at the time of the gift as to (i) the field of charitable purposes or particular charitable organizations or purposes to be supported, (ii) the manner of distribution, including amounts, times, conditions, and characterizations of payments, (iii) geographical limits or uses of the gift, including use in or for areas outside the Northern Piedmont Community, (iv) a name as a memorial or otherwise for a fund given or addition to a fund previously held, or anonymity for the gift, and (v) reasonable limits on, or additions to, investment or administrative powers of the Corporation as to that gift. All such directions shall be followed except as provided in this Article IV.

3. Separate Investment. No gift need be separately invested or held unless the donor so directs or unless separate investment or holding is necessary (i) to follow any other direction by the donor as to purpose, investment or administration, (ii) to prevent tax disqualification or (iii) to satisfy other legal requirements. Directions for naming a fund as a memorial or otherwise may be satisfied by keeping under that name accounts that reflect the interest of the fund in each common investment.

4. Partial-Interest Trust Gifts. If a gift is made to a trustee in trust to make periodic payments to any individuals or for non-charitable purposes, followed by payments to or for the use of the Corporation, or vice versa, only the payments to or for

the use of the Corporation shall be treated as Corporation funds subject to the Corporation's Articles of Incorporation and these bylaws and only when the Corporation becomes entitled to use them. The Corporation may take any actions that it deems necessary from time to time to protect its rights to receive such payments. To the extent that the Corporation is administering such gifts, however, it may commingle the gift funds with its other funds for investment purposes so long as it keeps separate records for each gift so that it can allocate investment income among the various accounts.

5. Donors' Presumed Intent. Donors shall be presumed to intend that their gifts to the Corporation (i) be used only in accordance with the terms of the gift instrument, if any, and the provisions of the Corporation's Articles of Incorporation and these bylaws, (ii) produce alone (in the case of a restricted fund) or in the aggregate (in the case of unrestricted funds) a reasonable return of net income or appreciation with due regard to safety of principal in furtherance of the Corporation's exempt purposes (unless the assets are held directly for the active conduct of the corporation's exempt activities) and (iii) be used only for the Corporation's charitable purposes in a manner that will not disqualify any gift as a deductible charitable contribution in computing any federal income or transfer tax of the donor or the donor's estate and will not render the Corporation ineligible for federal income tax exemption under Section 501(c)(3) of the Code; and no gift shall be applied otherwise. If a donor's direction would, if followed, violate that presumed intent or if counsel advises the Board that there is a

substantial risk of such a violation, the Board shall not follow the direction but instead shall vary it so far as necessary to avoid a violation. If the donor has made compliance with the direction an express condition of the gift, the Board shall not accept the gift unless an appropriate judicial or administrative body first determines that the condition and direction need not be followed. Reasonable legal fees and expenses for such advice and proceedings shall be proper expenses of administering that gift.

6. Changed Conditions or Circumstances. Whenever the Board decides, by affirmative vote of a majority of the Directors in office, that literal compliance with a donor's direction as to purpose or as to manner of distribution or use is unnecessary, impractical or impossible because of changed conditions or circumstances or that the direction is inconsistent with the Corporation's primary purpose of serving the charitable needs of the Northern Piedmont Community effectively, it may vary from the direction and apply all or part of the principal or income of the fund to other charitable purposes that it determines, in its absolute discretion, will serve those needs more effectively. Whenever the Board determines, by majority vote, that changed circumstances or conditions have rendered, or experience has proved, a donor's direction as to investment or administration to be impractical or unreasonably onerous and to impede serving those charitable needs effectively, the Board may vary from that direction to the extent it deems necessary.

ARTICLE V

Distributions and Disbursements

1. Annual Distributions. The Corporation shall make annual distributions for charitable purposes, including administrative expenses and amounts paid to acquire an asset used (or held for use) directly in carrying out one or more of such purposes, in such amounts as the Board may deem prudent from year to year; but the annual distribution for any year for which the Corporation is classified as a private foundation for federal income tax exemption purposes shall not be less than its adjusted net income (as defined in Section 4942(f) of the Code).

2. Determination and Distribution. The Board shall, not later than the close of the Corporation's first taxable year after the taxable year for which the adjusted net income is computed, determine all distributions, including distributions for administrative expenses incurred by the Board, to be made from net income and principal of each fund pursuant to the Articles of Incorporation, these bylaws and any applicable directions of the donor and shall make, or in the case of any fund not held by the Corporation shall direct the trustee to make, payments to such organizations or persons, in such amounts, at such times and with such accompanying restrictions, if any, as the Board determines are necessary to assure the fund's use for the charitable purposes and in the manner intended. All determinations shall be by affirmative vote of a majority of the Board, unless otherwise expressly provided in the Articles of Incorporation, these bylaws or by direction of the donor as a condition of the gift.

3. Distributions of Principal. Determinations may be made to distribute capital from funds given without directions as to principal or income as well as pursuant to directions expressly permitting use of principal, but the Board shall inform the trustee holding the funds as far in advance as the Board deems practicable so as to permit the trustee to adjust its investment policies accordingly, and may, upon advice from the trustee as to how the desired distribution and any necessary liquidation of investments can most economically be accomplished, adjust its directions for distribution so far as it deems practicable accordingly.

4. Investigation. The Board shall gather and analyze facts and conduct investigation and research as from time to time are necessary in order to determine the most effective agencies and means for meeting the needs of the Northern Piedmont Community through distribution of funds given for charitable purposes, and may direct disbursements for such fact gathering and analysis, investigation and research from funds given for such purposes or from funds given without direction as to purpose. Disbursements for other proper administrative expenses incurred by the Board, including salaries for such professional and other assistance as it from time to time deems necessary, shall be paid so far as possible, first from any funds directed by the donor for such purpose, and any balance out of income of the Corporation's funds.

5. Distributees. The Board may, in furtherance of the Corporation's charitable purposes, when needs therefor have been determined, and with appropriate provisions to assure use solely for such purposes, direct distributions to such persons,

organizations, governments or governmental agencies as in the opinion of the Board can best carry out such purposes or help create new qualified charitable organizations to carry out such purposes.

ARTICLE VI

Audits and Reports

1. Audits and Financial Reports. An independent auditor appointed or approved by the Board shall at such time as the Board may determine but at least annually, prepare for the Corporation as a whole a consolidated financial statement, including a statement of combined capital assets and liabilities, and a statement of income, expenses, and distributions, and a list of projects and/or organizations to or for which funds were distributed or used for charitable purposes, and such other additional reports or information as may be ordered from time to time by the Board. The auditor shall also prepare such financial data as may be necessary for returns or reports that any state or federal government requires the Corporation to file. The auditor's charges and expenses shall be proper expenses of administration.

2. Trustees' Accounts. The accounts of each Trustee for a fund in which the Corporation has a interest shall, without revealing the identity of any donor who directed anonymity at the time of gift, be audited in accordance with accepted auditing practices by an independent auditor appointed or approved by the Board, at such times as the Board may determine but at least annually.

ARTICLE VII

Dissolution and Termination

1. Dissolution of the Corporation. The Board may, by affirmative vote of two thirds of the then serving Directors, dissolve the Corporation and direct that all funds remaining (after payment of, or provision for, all liabilities) be disposed of in such manner as the Board shall select.

2. Disposition Upon Dissolution. In the event of a dissolution of the Corporation or any fund, the property then held shall (after payment of, or provision for, all liabilities) be disposed of exclusively for charitable, scientific, literary or educational purposes in such manner as the Board may determine, including distribution to one or more organizations ("Qualified Organizations") then described in Sections 170(c)(2), 501(c)(3), 2055(a) and 2522(a) of the Internal Revenue Code or the corresponding provisions of any future federal tax law. Any property not so disposed of shall be disposed of by the Circuit Court of Fauquier County or any successor court having primary jurisdiction of record with regard to wills and estates of residents of Fauquier County, exclusively for the charitable, scientific, literary or educational purposes or to the Qualified Organizations that the court selects.

ARTICLE VIII

Miscellaneous Provisions

1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

2. Voting of Stock Held. Unless otherwise provided by vote of the Board of Directors, the President or the Secretary from time to time may appoint one or more attorneys or agents of the Corporation to cast the votes that the Corporation may be entitled to cast as a stockholder or otherwise in any other corporation, any of whose stock or securities may be held by this Corporation, at meetings of the holders of the stock or other securities of the other corporation, or to consent in writing to any action by the other corporation. The appointing officer shall instruct the person or persons so appointed as to the manner of casting votes or giving consent, and may execute or cause to be executed on behalf of this Corporation such written proxies, consents, waivers or other instruments as the officer may deem necessary or proper. In lieu of an appointment, the President or the Secretary personally may attend any meeting of the holders of stock or other securities of the other corporation and there vote or exercise any and all powers of this Corporation as the holder of stock or other securities of that other corporation.

ARTICLE VIII currently reads:

1. Fiscal Year. The Fiscal Year of the Corporation shall be the calendar year.

Change ARTICLE VIII to read:

1. Fiscal Year. The Fiscal Year of the Corporation shall be July 1 – June 30.