

**BYLAWS OF**  
**THE NORTH CAROLINA SCHOOL BOARDS ACTION CENTER**  
**A NORTH CAROLINA TAX-EXEMPT NONSTOCK CORPORATION**

**Article 1: Purpose.**

1.1. Purpose. The purpose of North Carolina School Boards Action Center ("NCSBAC" or "Corporation") is to carry out the social welfare objectives of the North Carolina School Boards Association ("NCSBA") within the meaning of section 501(c)(4) of the Internal Revenue Code of 1986, as amended.

1.2. Limitation. The Corporation shall not engage in any activity or intervene in any election to support or oppose any political party or candidate for public office, including, but not limited to, contributions, endorsements or advertising. Any educational advocacy by the Corporation to the legislative, judicial, or executive branches of government or to the general public shall adhere to the positions approved by the North Carolina School Boards Association Delegate Assembly and/or the North Carolina School Boards Association Board of Directors.

**Article 2: Offices**

2.1. Principal Office. The Corporation may have a principal office, either within or outside the State of North Carolina, as the Board of Directors may determine or as the affairs of the Corporation may require.

2.2. Other Offices. The Corporation must maintain in the State of North Carolina a registered office, and a registered agent whose office is identical with the registered office. The registered office may be, but need not be identical with the principal office in the State of North Carolina, and the address of the registered office may be changed from time to time by the Board of Directors.

**Article 3: Members**

3.1. Members. The Corporation shall have no members.

**Article 4: Board of Directors**

4.1. General Powers. The control and management of the affairs of the Corporation and the distribution of its funds shall be vested in its Board of Directors. Directors need not be residents of the State of North Carolina.

4.2. Number and Qualifications. The Board of Directors of the Corporation shall be composed of no fewer than three (3) and no more than nine (9) Directors. All Directors must be members of school boards that are members of the NCSBA and that participate in the financial support of the Corporation. The majority of the Directors must be individuals who are not members of the Board of Directors of the NCSBA.

4.3. Ex Officio Directors. The Executive Director of the NCSBA shall serve as an ex officio nonvoting member of the Board of Directors. The ex officio director shall be entitled to attend and receive notice of all regular and special meetings of the Board of Directors.

4.4. Initial Directors. The initial number of voting directors shall be nine (9). The initial directors shall be designated by the incorporator of the Corporation. Five of the initial directors shall serve a two-year term and four shall serve a one-year term, as designated by the incorporator.

4.5. Subsequent Directors. Each year, the Board of Directors shall appoint three of its members to serve on a nominating committee. Only one of the members of the nominating committee may be a member of the NCSBA Board of Directors, and that member shall serve as the chair of the committee. The nominating committee must recommend to the Board of Directors candidates to serve as directors to replace the directors whose terms expire that year. The Board of Directors may accept or reject a recommended candidate. If the Board of Directors rejects a candidate recommended by the nominating committee, the committee must recommend another candidate, who may be accepted or rejected by the Board of Directors.

4.6. Tenure. After the initial directors serve their initial terms as provided in Section 4.4, each director shall hold office for a term of two years. An individual may serve two terms of two years, whether consecutive or separated, but is not eligible to serve additional terms other than an initial one-year term. A director whose term has expired continues to serve until his or her successor is elected and appointed. If not sooner removed in accordance with these bylaws, all directors shall serve until the next annual meeting following the end of their term, or until their successors are elected and assume their duties.

4.7. Vacancies. Any vacancy on the Board of Directors shall be filled by the remaining members of the Board of Directors. Any director elected to fill such a vacancy shall serve until the next annual meeting or until his or her successor is elected and assumes his or her duties.

4.8. Duties of the Board of Directors. The Board of Directors is specifically charged with the following duties:

- 4.8.1. To authorize and review an annual audit of the Corporation by a third party auditor.
- 4.8.2. To approve the annual budget of the Corporation.
- 4.8.3. To review, not less than annually, all service agreements and contracts between the Corporation, third parties, and/or the NCSBA and make recommendations as to any necessary changes. Such review may be in the form of an annual report submitted to the Board of Directors regarding the status on fulfillment of contract requirements and recommendations.

4.9. Annual Meetings. All meetings of the directors shall be held at such time and location as to coincide in the most cost and time effective manner with NCSBA events or by remote communication. If feasible, the regular annual meeting shall be held at the NCSBA annual conference, or if that date and time is unfeasible, not later than 30 days thereafter.

4.10. Special Meetings. Special meetings of the Board of Directors shall be held at the Corporation's principal office, by remote communication, or at such other place within or outside of the State of North Carolina whenever called by the president or a majority of the board. Notice of all meetings of the Board of Directors shall be as provided in Article 9 of these bylaws.

4.11. Quorum. A quorum for the transaction of business at any meeting of the directors shall consist of a majority of the Board of Directors then in office.

4.12. Remote Communication. Any director may participate in a regular or special meeting of the Board of Directors by remote communication, which may be by conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation by remote communication constitutes presence in person at the meeting.

4.13. Informal Action by Directors. Any action required by law to be taken at a meeting of directors, or any action that may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting out the action so taken, is signed by all of the directors.

4.14. Compensation. Directors as such shall not receive any stated salaries for their services, but, by resolution of the Board of Directors, expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the board.

4.15. Proxies. Directors may not vote by proxy.

4.16. Resignation. Any director may resign at any time by giving written notice to the Board of Directors of the Corporation. Unless otherwise specified in such written notice, a resignation shall take effect upon delivery thereof to the Board of Directors. It shall not be necessary for a resignation to be accepted before it becomes effective.

4.17. Removal. Except as otherwise provided by law or the Articles of Incorporation, at a meeting of directors called expressly for that purpose, any director may be removed, with or without cause, by a vote of two-thirds of the disinterested directors in attendance.

A director who was selected because the individual was a member of a school board that is a member of the NCSBA is not eligible to continue to serve as a director of the Corporation if the individual ceases to be on that school board. A director who was selected because the individual was a member of the Board of Directors of the NCSBA is not eligible to continue to serve as a director of the Corporation if the individual ceases to be on the Board of

Directors of the NCSBA. A director is not eligible to continue to serve as a director of the Corporation if the school board to which the member belongs does not participate in the financial support of the Corporation. A director that is not eligible to continue to serve shall resign or be subject to removal. If a director is ineligible to continue to serve, the remaining directors may remove the ineligible director by a vote of the majority at a meeting at which the issue is addressed.

A director who misses two successive meetings of the Board of Directors may be removed as a director by a vote of the majority of the remaining members of the Board of Directors.

#### **Article 5: Officers**

5.1. Election, Appointment. The Board of Directors shall elect or appoint the officers of the Corporation, other than ex officio officers, from among the members of the Board of Directors. Such election or appointment shall regularly take place at the annual meeting of the directors, provided, however, that elections of officers may be held at any other meeting of the Board of Directors upon proper notice. The officers of the Corporation shall consist of a president, a secretary, and a treasurer. Unless otherwise specified by resolution of the Board of Directors, the individual who serves as Treasurer shall also serve as Secretary. The Board of Directors may appoint other officers as necessary to perform any duties prescribed by the Board of Directors. Every officer, other than an ex officio officer, shall serve at the pleasure of the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

5.2. Removal. All officers who do not serve ex officio and all agents shall be subject to removal at any time by vote of a majority of all the directors present at any regular or special meeting of the Board of Directors.

#### 5.3. Duties.

5.3.1. President. The president shall, when present, preside at all meetings of the directors, shall have general charge of the activities of the Corporation, and shall see that all resolutions of the board are carried into effect. The president may be elected for up to two consecutive one-year terms. The president shall also be a member of the Board of Directors of the NCSBA.

5.3.2. Secretary. The secretary shall attend all sessions of the board and all meetings of the members, and shall record the minutes of all proceedings. He or she shall give or cause to be given notice of all meetings of the Board of Directors, and shall take care of all correspondence under the supervision of the president, and shall perform other duties as may be prescribed by the Board of Directors or the president. An assistant secretary, if appointed, shall, in the event of the secretary's absence or inability to act, perform the duties and functions of the secretary.

5.3.3. Treasurer. The Executive Director of the NCSBA shall serve ex officio as the treasurer of the Corporation. The treasurer shall have custody of the Corporation's funds, shall keep full and accurate accounts of receipts and disbursements, and shall deposit all moneys in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The treasurer shall disburse the funds of the Corporation, demand proper vouchers for such disbursements, and render to the president and directors, whenever they may require, an accounting of all transactions. The treasurer shall, in the absence or disability of the president perform the duties and exercise the powers of the president, and shall perform such other duties as the Board of Directors shall prescribe.

5.3.4. Other Services. The Board of Directors may engage the services of such other agents or independent contractors as may be deemed necessary or advisable for the objects and purposes of the Corporation.

#### **Article 6: Committees**

6.1. Creation and Appointment. The president shall, with the approval of the Board of Directors, appoint such standing or special committees of such size as the president or Board of Directors may deem necessary to properly carry on the activities and effect the objects and purposes of the Corporation. Such committees shall perform such duties as the president or the Board of Directors may direct.

#### **Article 7: Contracts, Checks, Deposits, and Funds**

7.1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

7.2. Checks. All checks for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such resolution by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

7.3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the appropriate officer or agent of the Corporation may select.

7.4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for any general or special purpose of the Corporation.

## **Article 8: Amendments**

8.1. Amendments. The Board of Directors shall have the power to make, amend, and repeal the bylaws of the Corporation by vote of two-thirds (2/3rds) of all the directors present at any regular or special meeting of the board, provided that written notice of intention to make, amend, or repeal the bylaws in whole or in part shall have been given at the last preceding meeting or in the notice of the meeting, or without any such notice by unanimous consent of all the directors.

## **Article 9: Notices of Meetings**

9.1. Delivery of Notice. Notice of special meetings of the Board of Directors shall be given to each director, orally or in writing at least 24 hours before the time fixed for the meeting, and the notice shall advise the director as to the time, place, and general purpose of the meeting, and shall be delivered personally or by telephone, electronic transmission, or mailed, postage prepaid, to each director at his or her last post-office address as it appears on the books of the Corporation. No notice need be given of regular meetings of the Board of Directors unless specifically required in these Bylaws.

9.2. Waiver of Notice. Whenever all directors meet, the meetings shall be valid for all purposes without call or notice, or waiver of call and notice. No call or notice of any meeting of directors shall be necessary if waiver of call and notice is signed by all of the directors, whichever the case may be.

## **Article 10: Indemnification and Insurance**

10.1. Indemnification. No person who is serving or who has served as a director or officer of the Corporation shall have personal liability for any monetary damages arising out of any action, whether by or in the right of the Corporation or otherwise, for breach of any duty as director or officer unless the damages arise from acts or omissions that the director or officer at the time of the breach knew or believed were clearly in conflict with the best interests of the Corporation, any liability arising under N.C. Gen Stat. § 55A-8-32 or § 55A-8-33, or any transaction from which the director or officer derived an improper personal financial benefit (noting that payment for services is not an improper benefit). Such immunity shall include, but not be limited to, that specified by N.C. Gen Stat. §§ 1-539.10, 55A-2-02(b)(4), and 55A-8-60, or any successor provisions of law. No amendment or repeal of this Article, nor the adoption of any other amendment to these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to the amendment, repeal, or adoption.

10.2. Provision of Insurance. By action of the Board of Directors, notwithstanding any interest of the directors in the action, the Corporation may purchase and maintain insurance, in such scope and amounts as the Board of Directors deems appropriate, on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the Corporation, or who, while a director, officer, employee, fiduciary, or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee fiduciary, or agent of any other foreign or domestic Corporation or of any partnership, joint venture, trust, profit or nonprofit unincorporated association, limited liability company, employee benefit plan, or other enterprise against any liability asserted against, or incurred by, him or her in that capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article or applicable law. Any such insurance may be procured from any insurance company designated by the Board of Directors of the Corporation, whether such insurance company is formed under the laws of the State of North Carolina or any other jurisdiction of the United States or elsewhere, including any insurance company in which the Corporation has an equity interest or any other interest, through stock ownership or otherwise.

#### **Article 11: General Provisions**

11.1. Fiscal Year. The fiscal year of the Corporation shall end on June 30 of each calendar year.

11.2. Seal. The official seal, if any, of the Corporation shall have inscribed thereon the name of the Corporation and shall be in such form and contain such other words and/or figures as the Board of Directors shall determine. The official seal may be used by printing, engraving, lithographing, stamping, or otherwise making, placing, or affixing or causing to be printed, engraved, lithographed, stamped, or otherwise made, placed, or affixed upon any paper or document, by any process whatsoever, an impression, facsimile, or other reproduction of said official seal.

11.3. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the members of its Board of Directors.

11.4. Conflicts. In the event of any irreconcilable conflict between these Bylaws and either the Corporation's Articles of Incorporation or applicable law, the latter shall control.

11.5. Definitions. Except as otherwise specifically provided in these Bylaws, all terms used in these bylaws shall have the same definition as in Chapter 55A, the North Carolina Nonprofit Corporation Act.

