

NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.

BYLAWS

ARTICLE I: PRINCIPAL OFFICE AND REGISTERED AGENT

- A. **Principal Office.** The principal office of the North Carolina Community Colleges Foundation, a non-profit corporation incorporated under the laws of the state of North Carolina (hereinafter the "Foundation"), shall be in the state of North Carolina.
- B. **Other Offices.** The Foundation may have such other office or offices at such suitable places or places within or without the state of North Carolina as may be designated from time to time by the Board of Directors of the Foundation.
- C. **Registered Agent.** The Foundation shall continuously maintain a registered office in the state of North Carolina. The Board of Directors of the Foundation shall appoint and continuously maintain a registered agent in the state of North Carolina, having a business office identical with the registered office. The registered agent shall be a resident of the state of North Carolina or a corporation, whether for profit or not for profit.

ARTICLE II: PURPOSES

The purposes of the Foundation, subject to the limitation of Article VII herein, are to support the mission of the community college system and to foster and promote the growth, progress, and general welfare of the community college system; to support programs, services and activities of the community college system which promote its mission; to support and promote excellence in administration and instruction throughout the community college system; to foster quality in programs and to encourage research to support long-range planning in the system; to provide an alternative vehicle for contributions of funds to support programs, services, and activities that are not being funded adequately through traditional resources; to broaden the base of the community college system's support; to lend support and prestige to fund raising efforts of the institutions within the system; and to communicate to the public the community college system's mission and responsiveness to local needs.

ARTICLE III: BOARD OF DIRECTORS

- A. **General Authority.** There shall be a Board of Directors of the Foundation, which shall manage, supervise and control the business, property and affairs of the Foundation. The Board of Directors shall be vested with the power possessed by the Foundation itself, including the powers to determine the policies of the Foundation and prosecute its purposes; to appoint and remunerate agents and employees; and to manage and disburse the funds of the Foundation. The Board of Directors shall also have the power to adopt such rules for the conduct of its business, responsibility and authority as shall be deemed advisable, insofar as

such delegation of authority is not inconsistent with or repugnant to the Articles of Incorporation or these Bylaws of the Foundation (in their present form as they may be amended) or to any applicable law. The Incorporators of the Foundation shall be the initial Board of Directors.

B. **Specific Authority.** Without limiting the generality of the foregoing, the Board of Directors of the Foundation shall be responsible for:

- (1) Appointing members to the Board of Directors
- (2) Developing and reviewing the Foundation's programs, fiscal policies, and other activities.
- (3) Designating and appointing, by resolution adopted by a majority of Directors then in office, an Executive Committee comprised of the Chairman of the Board of Directors of the Foundation, the State President of the North Carolina Community College System, one director who is a member of the State Board of Community Colleges, and two other members of the Board of Directors. The Executive Committee shall have and may exercise all powers and authority of the Board of Directors when said Board is not in session, subject only to such restrictions or limitations as the Board of Directors may from time to time specify. Notwithstanding the foregoing provision, the Executive Committee shall not have authority to do the following: 1) alter, amend or appeal the Corporation Charter or Bylaws; 2) to appoint directors; 3) to authorize the sale, lease, exchange or mortgage all, or substantially all, of the property and assets of the Foundation; 4) to authorize the voluntary dissolution of the Foundation or to revoke proceedings therefore; 5) to adopt a plan for the distribution of the Foundation's assets; and 6) to amend, alter or repeal any resolution of the Board of Directors, which by its terms provides that it shall not be amended, altered or any repealed by such committee. The designation and appointment of the Executive Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director of any responsibility imposed by law.
- (4) Designating and appointing, by resolution adopted by a majority of Directors then in office, any other committee or committees for such purpose or purposes as the Board may from time to time deem proper. One of those committees shall at all times be a standing audit committee with at least three members who are not also serving as officers of the foundation or as members of any other committee related to finance.

C. **Membership.** The Board of Directors of the Foundation shall be composed of no less than twelve or more than forty-eight persons as follows:

- (1) The Chairman or his/her designee and one other member of the North Carolina State Board of Community Colleges.

- (2) The State President of the North Carolina Community College System.
- (3) One representative each of the North Carolina Association of Community College Trustees; of The North Carolina Association of Community College Presidents; of The North Carolina Council of Officers For Resource Development and of The North Carolina Economic Developers Association to be designated by the respective organization president.
- (4) Outstanding men and women who have demonstrated leadership in business, civic and philanthropic roles in their communities.

D. Term of Office.

- (1) Each at-large member of the Board of Directors of the Foundation shall serve for a term of four years. The terms shall be staggered so that approximately one-third of such terms expire each year. There shall be a limitation of three succeeding four-year terms. Members may be reappointed following a one-year absence from the Board of Directors.
- (2) The Chairman and one other member of the North Carolina State Board of Community Colleges and the State President of the North Carolina Community College System are members of the Board of Directors during the terms of office as Chairman, State Board member and State President.
- (3) The representatives of the trustees, presidents, resource development officers and economic developers will serve one-year terms, with the possibility of renewal at the discretion of the presidents of the organizations they represent.
- (4) To facilitate appointment of approximately one-third of the Board of Directors of the Foundation each year, initial appointments shall be made for one-year, two-year and three-year terms, commencing in 1986.
- (5) The Chairman of the Board of Directors of the Foundation shall be responsible for determining the number of directors, in conformance with the foregoing subsections (1) and (2), to be filled each year.

E. Vacancies. Any vacancy on the Board of Directors, as occurs by reason of conclusion of term, resignation, death, incapacity, or the like of a member thereof, shall be filled by appointment by the Board of Directors, and any such person shall serve the unexpired term.

F. Resignation and Removal.

- (1) Any director may resign at any time by giving written notice to the Chairman of the Board of Directors of the Foundation. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the Chairman of the Board.

- (2) Any director may be removed by action of a majority of the Board of Directors of the Foundation. Failure to be present for three consecutive meetings of the Board may constitute good cause for removal of a director from the board.
- G. Meetings. At least one meeting of the Board of Directors of the Foundation shall be held each calendar year-at such time, day and place as shall be designated by the Chairman of the Board of the Foundation in the notice of the meeting, for the purpose of transacting such business as may come before the meeting. In any year in which the Board holds more than one meeting, the Chairman of the Board of the Foundation will designate which meeting constitutes the “annual meeting.”
- H. Special Meetings. Special meetings of the Board of Directors may be called at the direction of the Chairman of the Board of Directors of the Foundation or by three of the directors, to be held at such time, day and place as shall be designated in the notice of the meeting.
- I. Notice: Notice of the time, day and place of any meeting of the Board of Directors shall be given at least ten days previous thereto by notice sent by mail, fax, email or other written electronic communication medium to each director at his or her address as shown by the records of the Foundation. If mailed, such notice shall be deemed to be delivered when deposited in the United State mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by fax, email or electronic communication medium, such notice shall be deemed delivered when the sender receives confirmation of delivery. The purpose or purposes for which a special meeting is called shall be stated in the notice thereof. Any director may waive notice of a meeting. The attendance of a director at any meeting shall constitute a waiver or notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- J. Quorum. Those directors present shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.
- K. Manner of Acting. The act of a majority of directors in person at a meeting of the Board of Directors or in writing without a meeting (including any by mail ballot) shall be the act of the Board of Directors. In the absence of a quorum, any action taken shall be recommendatory only but may become valid if subsequently confirmed by a majority vote, in conformance with the quorum requirements hereunder, of the Board of Directors.
- L. Compensation. No director shall be entitled to, or shall receive any compensation for attending meetings of the Board of Directors, or for any services rendered to the Foundation. However, the Board of Directors may elect to reimburse the expenses of a Director, but not to pay the director any wages, salary or other compensation for services rendered as a director, and provided said expenses are incurred in providing services to the Foundation which are customarily performed without reimbursement of expenses. Nothing herein contained shall be construed

to preclude any director from serving the Foundation in any other capacity and receiving compensation therefore.

- M. Execution of Instruments. The name of the Foundation may be used to designate the directors collectively, and all instruments may be affected by them in such name upon the signature of any director or other person that the director may designate for that purpose, except as otherwise provided herein.
- N. Annual audit. The directors shall cause an annual audit of the financial affairs of the Foundation to be undertaken by a certified public accountant.

ARTICLE IV: OFFICERS

- A. The officers of the Foundation shall consist of a Chairman, a Vice Chairman, a Secretary, and a Treasurer, and may include such other officers as may be elected by the Board of Directors with such powers and duties, consistent with these Bylaws, as the Board may determine. One person may not hold more than one office.
- B. Election of Officers.
 - (1) The officers of the Foundation (See Article IV, C, hereof) shall be elected by the members of the Board of Directors of the Foundation. Such election shall take place at the annual meeting of the Foundation. In a case where more than one person shall be nominated for the office, votes shall be cast by secret ballot. In the case of a tie ballot, the then-Chairman of the Board of the Foundation shall declare the election of the position(s) void and additional nominations shall be called for before another vote is taken. If more than two candidates are nominated and there is a tie between two of these candidates having the most votes, then the candidates with the least number of votes shall withdraw and the election shall be conducted again.
 - (2) Nominations of candidates for officers of the Foundation shall be made by members of the Board of Directors in annual meeting assemble or, if a majority of the voting director so determine, by a Nominating Committee. If such a Committee is formed, once the consent of each candidate is obtained, the Nominating Committee shall report the names of the nominee to the Board of Directors at the meeting. The then-Chairman of the Board of the Foundation shall give opportunity for nominations to be made from the floor, following which all nominations shall be closed, and the election shall proceed.
- C. The State President of the North Carolina Community College System shall be the Secretary of the Foundation.

- D. **Term of Office.** The officers of the Foundation shall be installed at the annual meeting at which he or she is elected and shall hold office for two years, until the next succeeding annual meeting or until his or her successor shall become qualified and duly elected.
- E. **Resignation and Removal.** An officer may resign at any time by giving written notice to the Chairman of the Board of the Foundation. Such resignation shall take effect at the time specified therein or, if no time is specified, at the time of acceptance thereof as determined by the Chairman. An officer may be removed by the Board of Directors at any regular or special meeting of the Board at which a quorum is present.
- F. **Vacancies.** In case of resignation of any officer of the Foundation or, if for any other reason including conclusion of term, ineligibility or removal, an officer is unable to complete his or her term on the Board of Directors, the Board shall appoint a successor to complete the unexpired term. In case an officer relinquishes the office without resignation for the Board of Directors, the Board shall elect a new officer.
- G. **Chairman.** The Chairman of the Board of the Foundation shall have all powers and shall perform all duties commonly incident to and vested in the office of chairman of the board or directors of trustees of a corporation and resident of a corporation, including but not limited to being the chief executive officer of the Foundation, and having general knowledge of and responsibility for supervision of the affairs of the Foundation. Notwithstanding the foregoing, the Chairman of the Board shall have the following specific powers and duties;
- (1) Shall prepare the agenda for all meetings of the Board of Directors.
 - (2) Shall be an ex officio member without vote of all committees of the Foundation.
 - (3) May endorse for collection on behalf of the Foundation checks, notes and other obligations.
 - (4) Shall sign, in the name of and on behalf of the Foundation, any contracts or agreements the Board of Directors may authorize.
 - (5) Shall perform such other duties as the Board of Directors may from time to time designate.
- H. **Vice Chairman.** In the event of the absence, inability or death of the Chairman, the Vice Chairman shall have all the powers and perform all the duties of the Chairman. The Vice Chairman shall perform such other duties as from time to time may be designated by the Chairman or by the Board of Directors.

- I. Secretary. The Secretary of the Foundation shall have all the powers and shall perform all duties commonly incident to and vested in the office of secretary of a corporation, including the following duties and responsibilities.
- (1) Shall attend all meetings of the Board of Directors and of such committees as may be duly appointed, and be responsible for keeping true minutes of the proceedings of all such meetings, preserving them in books of the Foundation and distributing them.
 - (2) Shall assure that all notices are given in accordance with these Bylaws.
 - (3) Shall have charge of such books, documents and papers as the Board of Directors may determine and shall have custody of the corporate seal.
 - (4) May sign with the Chairman, in the name and on behalf of the Foundation, any contracts or agreements which the Board of Directors authorize and, when so authorized or ordered, may affix the seal of the Foundation.
 - (5) Shall also perform such other duties as the Board of Directors may from time to time designate.
- J. Treasurer. The Treasurer of the Foundation shall have all powers and shall perform all duties commonly incident to and vested in the office of treasurer of a corporation, including the following duties and responsibilities:
- (1) Shall be responsible for, subject to the direction of the Board of Directors, developing and reviewing the fiscal policies of the Foundation.
 - (2) Shall assure that all monies of the Foundation are deposited in a bank or banks or trust company or trust companies approved by the Board of Directors, showing all receipts and expenditures for the current year.
 - (3) Shall render a report of the finances of the Foundation at the annual meeting of the Foundation or whenever requested by the Board of Directors, showing all receipts and expenditures for the current year.
 - (4) Shall have the custody of all funds, securities, and other property of the Foundation, subject to such rules as may be imposed by the Board of Directors.
 - (5) May endorse for collection on behalf of the Foundation checks, notes and other obligations, and shall deposit the same to the credit of the Foundation at such bank or banks or depository or depositories as the Board of Directors may approve.
 - (6) Shall sign all receipts and vouchers, together with such other officer or officers, if any, as shall be designated by the Board of Directors.

- (7) Shall enter regularly on the books of the Foundation, to be kept by him or her for the purpose, a full and accurate account of all monies and obligations received and paid or incurred by him or her or an account of the Foundation, and shall be responsible to see that annual financial statements are prepared, and shall exhibit such books at all reasonable times to any director on application at the office of the Foundation.
- K. Bonding. Any or all officers of the Foundation shall be required to have bond for the faithful performance of his or her duties, in such sum and with such sureties as the Board of Directors may require and obtain.

ARTICLE V: FISCAL YEAR

The fiscal year of the Foundation shall coincide with the fiscal year of the North Carolina Community College System (July 1 – June 30) unless otherwise ordered by the Board of Directors.

ARTICLE VI. SEAL

The Board of Directors of the Foundation may provide a corporate seal which shall be in such form as determined by the Board of Directors.

ARTICLE VII: INDEMNIFICATION

- A. The Foundation indemnifies each member of its Board of Directors, as described in Article III hereof, and each of its officers, as described in Article IV hereof, for the defense of civil or criminal actions or proceedings as hereinafter provided and, notwithstanding any provision in these Bylaws, in a manner and to the extent permitted by applicable law.
- B. The Foundation indemnification of each of its Directors and Officers, as aforesaid, from and against any all judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred or imposed as a result of such action and proceeding, or any appeal therein, imposed upon or asserted against him or her by reason of having been such a director or officers and acting within the scope of his or her official duties, but only when the determination shall have been made judicially that he or she acted in good faith for a purpose which he or she reasonably believed to be in the best interests of the Foundation and, in the case of a criminal action or proceeding, in addition, had not reasonable cause to believe that his or her conduct was unlawful. All determination in the foregoing by the Board of Directors shall rely on the advice of independent legal counsel on questions involved.

- C. Every reference herein to a member of the Board of Directors or officers of the Foundation shall include every director and officer thereof or former director and officer thereof. This indemnification shall apply to all the judgments, fines, amounts in settlement, and reasonable expenses described above whenever arising, allowable as above-stated. The right of indemnification herein provided shall be in addition to any and all rights to which any director or officer of the Foundation might otherwise be entitled and the provisions hereof shall neither impair nor adversely affect such rights.

ARTICLE VIII: LIMITATION OF ACTIVITIES

The Foundation is organized and operated excluding for charitable, educational and scientific purposes within the meaning of sections 170 (c) (2) (B), 501 (c) (3), 2055 (a) (2), 2522 (a) (2) of the Internal Revenue Code. No substantial part of the activities of the Foundation shall be the carrying on of propaganda or otherwise attempting to influence legislation and the Foundation shall be empowered to make the election authorized under section 501 (h) of the Internal Revenue Code. The Foundation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision herein, the Foundation shall not carry on any activities not permitted to be carried on by any organization:

- (a) Exempt from federal income taxation under 501 (a) of the Internal Revenue Code as an organization described in section 501 (c) (3) of such Code.
- (b) Described in section 501 (a) (1), (2), or (3) of the Internal Revenue Code (as the case may be), and/or
- (c) Contributions to which are deductible under sections 170 (c) (2), 2055 (a) (2), or 2522 (a) (2) of the Internal Revenue Code.

The Foundation shall use its funds only to accomplish the objectives and purposes specified in these By laws, and no part of net earnings of the Foundation shall benefit or be distributed to its directors, officers, other private individuals, or organizations and operated for profit, except that the Foundation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

ARTICLE IX: DISSOLUTION

On dissolution or final liquidation of the Foundation, any remaining assets shall, after payments or the making of provision for payment of all of the lawful debts and liabilities of the Foundation, be distributed to one or more regularly organized and qualified charitable, educational, or scientific organizations to be selected by the Board of Directors in conformance with the Articles of Incorporation of the Foundation.

ARTICLE X: AMENDMENTS TO BYLAWS

These Bylaws may be amended or repealed by an affirmative vote of two-thirds of the voting membership of the Board of Directors present at a meeting of the Board.

A copy of the exact wording, or a summary, of an amendment to be considered at a meeting shall be mailed to each member of the Board at least ten days prior to the date of the meeting, as part of the notice of such meeting. An amendment so made shall be effective immediately after adoption unless an effective date is specifically adopted at the time the amendment is enacted.

ARTICLE XI: AMENDMENTS TO ARTICLES OF INCORPORATION

The Articles of Incorporation of the Foundation may be amended or repealed by an affirmative vote of two-thirds of the voting members of the Board of Directors present at a meeting of the Board.

A copy of the exact wording, or a summary, of an amendment to be considered at a meeting shall be mailed to each member of the Board at least ten days prior to the date of the meeting, as part of the notice of such meeting. An amendment so made shall be effective immediately after adoption unless an effective date is specifically adopted at the time the amendment is enacted.

ARTICLE XII: REFERENCES

Reference herein to sections of the Internal Revenue Code are to provisions of such Code as those provisions are now enacted, as of 1954 and subsequent amendments, or to corresponding provisions of any future United States internal revenue law.

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