

BYLAWS

OF

[NAME OF CHILDCARE]

ARTICLE I
OFFICES

This non-profit corporation (“**corporation**”) shall maintain in the state of **North Dakota** a registered office and a registered agent at such office and may have other offices within the state.

ARTICLE II
OBJECTIVES AND PURPOSES

The specific purpose of this corporation is to establish and operate a child care center or centers with the following objectives: (a) provide high quality, reasonably priced child care in an enriching, safe, and nurturing environment; (b) promote developmentally appropriate education and positive learning experiences for children; and (c) promote parents as the child’s first teacher by including them in program governance and involving them in experiences for families that help strengthen relationships and increase parents’ understanding of children and parent/child relationships.

ARTICLE III
DEDICATION OF ASSETS

The properties and assets of this corporation are irrevocably dedicated to charitable and educational purposes. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, officer, or director of this corporation.

ARTICLE IV
BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The affairs of the corporation shall be managed by its Board of Directors.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The authorized number of directors shall be no less than five (5) and no more than eleven (11), with terms of office for one year. The Board of Directors shall fix the exact number of directors from time to time, within these limits. One director shall be a member of the community with expertise in early education, child care, or cooperatives, and shall not be a parent of a currently enrolled child. This community expert serves as a bridge to the community outside of the cooperative. No more than one parent, guardian, or other person from the same family shall serve concurrently as directors. Board members shall be approved by the Board of Directors at the regular annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until expiration of the term for which elected.

SECTION 3. VACANCIES AND REMOVAL. The Board of Directors may fill any vacancies, openings or additional directorships on the Board between annual meetings of the Board of Directors. A director can be removed any time, with or without cause, if a majority of the remaining directors present affirmatively vote to remove the director.

SECTION 4. REGULAR MEETINGS. Meetings shall be held at any place that has been designated or, if not stated in the notice, or if there is no notice, at the principal office of the corporation. Any meeting, regular or special, may be held by conference telephone or other communications equipment permitted by law, so long as all the directors participating in the meeting can communicate with one another, and all such directors shall be deemed to be present in person at such meeting. Regular annual meeting of the Board of Directors shall be held during the month of December each year, with 30 days' notice to the membership.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Board of Directors for any purpose may be called at any time by the President, or a Vice President, the Secretary, or any two directors.

SECTION 6. QUORUM. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, these Bylaws, or by law. Directors may not vote by proxy. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

SECTION 7. ACTION WITHOUT MEETING. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

SECTION 8. COMPENSATION. Directors shall not receive any compensation for their services.

ARTICLE V **OFFICERS AND COMMITTEES**

SECTION 1. OFFICERS. The officers of the corporation shall be a President, Vice President, Secretary, and Treasurer. The corporation may also have such other officers as may be appointed in accordance with the provisions of Section 4 of this Article V. No person may serve in the same office for more than three consecutive years.

SECTION 2. RESIGNATION OF OFFICERS. Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

SECTION 3. VACANCIES IN OFFICES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the members. A vacancy may be filled by the Board of Directors until the officers are elected at the next annual meeting of the members.

SECTION 4. ELECTION AND OFFICERS. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. In addition to the duties listed below, officers shall perform all other duties customarily incident to their office and such other duties as may be required by law, by the Articles of Incorporation, by these Bylaws, or by the Standing Rules, subject to control of the Board of Directors, and shall perform such additional duties as the Board of Directors shall from time to time assign.

- a) **President.** The President shall preside at all meetings of the members and the Board of Directors; shall execute in the name of the corporation, together with the Program Director, all contracts and other documents authorized either generally or specifically by the Board to be executed by the corporation; and shall appoint special committees as may be needed at any time, or appoint committees as directed by the Board of Directors or the members. The President shall, in general, supervise the activities and operations of the corporation, shall keep the Board of Directors fully informed and shall consult with them concerning the activities of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.
- b) **Vice President.** The Vice President shall perform the duties of the President in the absence or during the disability of the President. The Vice President shall chair committees as requested.
- c) **Secretary.** The Secretary shall be present at all meetings of the members and of the Board of Directors and shall keep records of all proceedings thereof. The Secretary shall take a roll call at all meetings and maintain a record of attendance. The Secretary shall give all notices of meetings required by these Bylaws.
- d) **Treasurer.** The Treasurer shall maintain the following:
 - (i) **Books of Account.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.
 - (ii) **Deposit and disbursement of money and valuables.** The Treasurer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors; shall disburse the funds of the corporation as may be ordered by the Board of Directors; and shall render to the President and directors, whenever they request it, an account of all of his/her transactions and of the financial condition of the cooperative.

SECTION 5. COMMITTEES. The Board of Directors may appoint advisory committees consisting of one or more persons that do not have the authority of the Board. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. Each committee may adopt rules for its own government not inconsistent with these by-laws or with rules adopted by the Board of Directors.

- a) **Education.** The Education Committee shall further the educational aims of the center, especially through preparation of the center handbook, arrangement of field trips, and special events.
- b) **Fundraising.** The Fundraising Committee shall be in charge of fundraising activities deemed necessary. The Chair of the Fundraising Committee shall monitor membership participation in fundraising activities.
- c) **Publicity.** The Publicity Committee Chairperson shall gather, organize, edit, print, and distribute the monthly newsletter and welcome new members and new births in the newsletter. He/she shall be responsible for any other publicity deemed necessary.

SECTION 6. PROGRAM DIRECTOR. The Program Director shall manage and operate the child care center or centers to implement the center's philosophy and goals. The Program Director reports to the Board of Directors and works with the Board of Directors in the selection of staff. The Program Director is responsible for the performance of the professional staff and in turn is responsible to the Board of Directors.

ARTICLE VI **INDEMNIFICATION AND INSURANCE**

SECTION 1. INDEMNIFICATION. To the fullest extent permitted by law, this corporation shall indemnify its agents, including its directors, officers, employees, and volunteers, and including persons formerly occupying any such position, and their heirs, executors, and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any proceeding, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person so described. Such right of indemnification shall be in addition to any other rights to which such persons may be entitled.

To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification in defending any proceeding shall be advanced by the corporation before final disposition of the proceeding upon receipt by the corporation of an undertaking by or on behalf of that person to repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

SECTION 2. INSURANCE. The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent against that liability under the provisions of this section.

ARTICLE VII
RECORDS AND REPORTS

SECTION 1. MAINTENANCE AND INSPECTION OF ARTICLES, BYLAWS, TAX EXEMPTION APPLICATION, AND ANNUAL INFORMATION RETURNS. The corporation shall keep at its principal office (a) the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during office hours, and (b) a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law. The accounting books and records and minutes of proceedings of the members and the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or in the absence of such designation, at the principal office of the corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form. The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 2. AUDIT. The financial records of the corporation shall be audited yearly by a certified public accountant unless otherwise stated by the Board of Directors.

SECTION 3. FISCAL YEAR. The fiscal year of the corporation shall end on December 31 in each year.

ARTICLE VIII
AMENDMENTS

The power to alter, amend, or repeal the by-laws or adopt new by-laws shall be vested in the Board of Directors. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given. The by-laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

ARTICLE IX
PERIODIC REVIEWS

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

ARTICLE X
CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS. The Board of Directors may authorize an officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, 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.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money notes or other evidences or indebtedness issued in the name of the corporation, shall be signed by such officer or officers, 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.

SECTION 3. DEPOSITS. All funds of the corporation shall be deposited on a timely basis to the credit of the corporation on such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 4. GIFTS. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

ARTICLE XI
WAIVER OF NOTICE

Whenever any notice is required to be given under the general provisions of the North Dakota Non-Profit Corporation Act or under the provisions of the articles of incorporation or the by-laws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein shall be deemed equivalent to the giving of such notice.