

## **BY-LAWS**

### Article I, Membership

Only non-profit institutions of higher learning located in Virginia and accredited by any recognized regional, national or professional accreditation body shall be eligible for membership in the Alliance. Any such institution which hereafter meets such criteria, and such other standards as may be prescribed by the Board of Directors may, upon written application, be admitted to membership in the Alliance by a three-fourths vote of all the directors then in office, at any duly called and constituted meeting, provided that the fact that such vote is to be taken is specifically stated in the notice of the meeting.

The Chair of the Board may, as appropriate, establish a committee from the Board of Directors to review the qualifications of an institution applying for membership and to make recommendations to the Board.

### Article II, Annual Meeting

The annual meeting of the Board of Directors shall be held the third week in June unless altered by the Executive Committee. If considerations of convenience so warrant, the Chair of the Board may postpone the date of the annual meeting in a given year, but no later than 30 days after the regular date. At least ten days' notice of the time and place of such meeting shall be mailed by the Secretary to all members of the Board. At the annual meeting any business of the corporation may be transacted; subject, however, to the provisions for special notice contained in Articles I and XVII hereof.

### Article III, Special Meetings

The Chair of the Board, Vice Chair or any six directors may call a special meeting of the Board of Directors. Proper notice of the time, place and purpose of such meeting shall be given by the Secretary to all members of the Board.

### Article IV, Quorum

At all meetings of the Board of Directors, ten (10) voting members in attendance shall constitute a quorum and, subject only to any contrary requirement of law or by the By-Laws for special matters, a majority vote of such quorum shall determine all questions.

1. Teleconferencing will be available for all members not able to attend meetings in person and such participation shall count as attendance in person at the meeting. For votes or actions by the Board, a simple roll call of those attending by teleconference will be taken by the Secretary along with their vote.

2. A signed, written proxy will also be accepted for the actions taken by an absent board member.

#### Article V, Fiscal Year

The fiscal year of the corporation shall begin on the 1st day of June in each year, and end on the 31st day of May of the succeeding year.

#### Article VI, Election and Terms of Directors

The President or other Chief Executive Officer of each member institution shall, by virtue of that office and as long as he or she holds the same, be a director. There shall be no more than thirty (30) additional directors, and at the first Board meeting following the enactment of these By-Laws, one-third of the additional directors shall be assigned to three classes, with each class having a term of one, two or three years. The Immediate Past Chair shall continue as a director for so long as he or she shall hold such office. Except as provided above with respect to initial directors or for a director filling the unexpired term within a class of directors, directors shall be elected for terms of three years each. Directors shall serve no more than three consecutive three-year terms. Following service of three full three-year terms, a member of the Board must retire from the Board for a period of at least one year before being eligible for re-election. The Board of Directors, by amendment of these Bylaws, may increase or decrease the number of directors, provided that no decrease in number shall have the effect of shortening the term of any incumbent. The time served by a director in filling a vacancy for an unexpired term shall be excluded in applying these term limits.

Notwithstanding the foregoing, for the first annual election of directors after the adoption of the Amended and Restated Bylaws dated June 21, 2017: (i) any prior service on the Board shall not be taken into account for the maximum term of three consecutive three-year terms; and (ii) the directors shall be divided into three (3) classes, the first class to serve a term of one (1) year, the second class to serve a term of two (2) years, and the third class to serve a term of three (3) years thereafter. Each director shall hold office initially for the term of the class to which he or she is assigned and until his or her successor shall have been elected and qualified. The term of office of each class of directors after those elected initially as provided above at the annual meeting in June of 2017 shall be three (3) years.

#### Article VII, Limitations

No part of the earnings of the Alliance shall inure to the benefit of any director. The Alliance shall not devote any substantial part of its activity to carrying on propaganda, or otherwise attempting to influence legislation.

#### Article VIII, Officers

1. The officers shall be a Chair of the Board, a Vice-Chair, a President, the Immediate Past Chair, a Secretary, and a Treasurer. The Board may, in its discretion,

elect a Secretary-Treasurer in lieu of a Secretary and a Treasurer. The Board may also, in its discretion, elect one or more Vice Chairs and an Assistant-Secretary and an Assistant-Treasurer, or in lieu thereof, an Assistant Secretary-Treasurer. All officers shall be elected by the Board of Directors at its Annual Meeting, and shall hold office, commencing the day following the date of such election, for terms of one year or until their successors are elected.

2. In case of the death, disability, resignation or removal of any officer, the Board of Directors, or between meetings of the Board, the Executive Committee, shall elect a successor to fill the unexpired term of such officer.

3. The Chair of the Board shall have the usual duties associated with that office, shall preside at all of the Board meetings, shall exercise general supervision over the affairs of the Alliance, and shall be an ex officio member of all committees of the Board of Directors except the Nominating Committee.

4. The Vice Chair shall preside at all meetings of the Board of Directors in the absence of the Chair of the Board. In case of the death, disability, resignation or removal of the Chair of the Board, the Vice Chair shall become acting Chair of the Board for the unexpired term.

5. The President shall manage the day-to-day operations of the Alliance, subject to the direction of the Board of Directors. The President shall act as the Chief Executive Officer of the Alliance with full responsibility for the supervision of all affairs of the Alliance. The President shall act as the sole executive agent of the Board and shall have the power to perform all acts and execute all documents to make effective the actions of the Board or its Executive Committee.

6. The Secretary shall keep a record of all proceedings of the Board, shall have custody of all records and papers of the Fund, and shall give the notices required by the Charter or by these By-Laws of all meetings of the Board.

7. The Treasurer shall keep accounts of all moneys of the Alliance received or disbursed; shall have custody of the books of the Fund, which shall be open at all times to inspection by the Board of Directors; and shall deposit all moneys received in the name of and to the credit of the Alliance at such banks or depositories as the Board of Directors or the Executive Committee shall designate. At least once a year the Treasurer shall submit to the Board of Directors a statement of the financial condition of the Fund, certified by the accountants preparing the audit or compilation for the Fund.

8. The officers shall not be entitled to any compensation for their services; except that the Board of Directors shall from time to time establish reasonable compensation for the management responsibilities assigned to the President.

9. In case of the absence or disability of the President to act as the Chief Executive Officer of the Fund, such duties shall be performed by the Chair, or such Vice

Chair as may be designated by the Board or the Executive Committee.

#### Article IX, Paid Staff

The Board of Directors, or the Executive Committee with the subsequent approval of the Board, shall have the right to hire a professional manager to serve as President. The President shall have the power to hire such other employees from time to time as the President, at the direction of the Board, shall deem appropriate. The President shall receive a suitable salary and such other benefits as shall be approved by the Board, and shall supervise and shall pay suitable compensation, including benefits if any are authorized, to any other employees of the Alliance for their services, in accordance with the budget approved by the Board.

#### Article X, Authority to Borrow

The Board of Directors shall have the authority to authorize the borrowing of such funds as may be desirable from time to time. At no time shall such borrowed funds exceed funds on deposit at the designated depositories of the Commonwealth Alliance for Rural Colleges.

#### Article XI, Authorized Signatures

The Board of Directors or the Executive Committee shall from time to time designate such officers or persons as may be appropriate to sign all checks or demands for money or notes for purposes of borrowing.

#### Article XII, Committees

1. Executive Committee: As authorized by the Articles of Incorporation, there shall be an Executive Committee consisting of the following members: The Chair (who shall be the chair of the Executive Committee), the Vice Chair, and the Immediate Past Chair of the Alliance, and one-half of the current Presidents of the Member Institutions currently serving (provided that if there is an odd number of Member Institutions, this number shall be rounded up to the nearest whole number of Presidents).
  
2. Nominating and Governance Committee: There will be a Nominating and Governance Committee with responsibility for recommending an annual slate of officers and nominations for members of the Board of Directors to assure that the ongoing needs of the Commonwealth Alliance for Rural Colleges are met. The names of the persons so

nominated, together with a brief biography of each, shall be mailed to all Board members not less than ten (10) days prior to the Annual Meeting. Directors at the Annual Meeting of Directors may make other nominations. Additionally, this committee is responsible for orientation and development of members of the Board of Directors and for the recommendation of candidates for other positions. Finally, this committee is responsible for reviewing and updating the Bylaws and other governing documents of the organization as needed or requested by the President or the Board of Directors.

3. Development Committee: There shall be one Development Committee which shall oversee fundraising activities, which may include individual fundraising, corporate fundraising, grants, events, or such other projects as are approved by the President and the Board of Directors. The Development Committee shall have its own committee chair, who may appoint subcommittees to advise the Development Committee and/or Board of Directors regarding any matter within the Development Committee's oversight. The Development Committee may include individuals who are not members of the Board of Directors.

4. Finance Committee: There shall be one Finance Committee which shall assist CARC staff in the formulation of an annual budget and work with CARC staff on any endowments the Commonwealth Alliance for Rural Colleges may have.

5. The Chair or the Board of Directors may appoint such additional Ad Hoc Committees the Chair deems necessary or advisable with such duties and purposes as the Chair or the Board shall specify.

#### Article XIII, Distributions and Assessments

Distributable funds of the Alliance shall be distributed annually, or as otherwise directed by the Board of Directors according to the following formula: seventy-five percent (75%) in equal shares to the Member Institutions and twenty-five percent (25%) to such institutions on the basis of the total, full-time equivalent, degree seeking enrollment in the respective Member Institutions. The term "full-time equivalent" shall be determined by (1) adding the total number of undergraduate and graduate course hours for which students are enrolled at the end of the third week (census date) of the fall semester and (2) dividing that total by 15. The term "Distributable Funds" shall mean such portion of the assets of the Alliance as the Board of Directors shall determine each year to be available for distribution to the members.

Upon obtaining membership in the Fund, a new Member Institution shall share in the distribution of undesignated funds during the next subsequent full fiscal year of membership on the following basis:

1. After the first full fiscal year of membership, it shall receive twenty percent (20%) of a full share of the distributable funds.

2. After the second full fiscal year of membership, it shall receive forty percent (40%) of a full share of the distributable funds.

3. After the third full fiscal year of membership, it shall receive sixty percent (60%) of a full share of the distributable funds.

4. After the fourth full fiscal year of membership, it shall receive eighty percent (80%) of a full share of the distributable funds.

5. After the fifth full fiscal year of membership, it shall share equally with the other Member Institutions in the distribution of funds.

An expense fund sufficient for the proper annual administration of the VCF, as shall be determined by the Board of Directors, shall be contributed by the member institutions on the same basis and according to the same formula as that applying to the distribution of undesignated funds pursuant to this Article XIII, including the provisions of this article applying to new members. At the discretion of the Board, each year an amount sufficient to cover administrative expenses of the Alliance may be retained and shall be withheld from each member institution's distribution amount to be applied against the expense levy of each member institution. Upon notice, member institutions shall remit a minimum of fifty (50) percent of the remaining expense levy by the beginning of the second week in September. The balance of said levy shall be payable by the beginning of the second week in January.

#### Article XIV, Expenses of Directors, Committees, Etc.

The Board of Directors may provide for the payment of the expenses of its meetings, of the meetings of the Executive Committee, and of its members and other duly authorized representatives, in connection with the operation of the Alliance and the promotion of its purposes.

#### Article XV, Honorary Directors; Directors Emeriti.

The Board of Directors may, from time to time, for such reasons and upon such criteria as it may deem proper, elect persons, associations, or corporations as Honorary Directors of the Fund. Such Honorary Directors shall have no voting rights.

A Director who has served with distinction a minimum of three (3) full terms and has made meritorious contributions to the Alliance by such service may, upon recommendation of the Nominating Committee, be elected by a majority of the Board of Directors as a Director Emeritus. A Director Emeritus shall be entitled to receive notices of all meetings of the Board; attend and speak at meetings; receive minutes of meetings of the Board and the Executive Committee; and be appointed as a member of any committee, except the Executive Committee, and as such shall have the power to vote in meetings of any committee on which he or she may serve. A Director Emeritus shall not

have the right to vote in meetings of the Board of Directors, nor shall a Director Emeritus be counted as a member of the Board of Directors for any purpose.

#### Article XVI, Seal

The seal of the corporation shall consist of two concentric circles between which shall be the name of the corporation and the figures "1965", and inside the inner circle the words "Virginia" and "Corporate Seal".

#### Article XVII, Amendments

These By-Laws may be amended at any duly called and constituted meeting of the Board of Directors by the affirmative vote of a majority of all directors then in office, provided, however, that the notice calling such meeting shall state specifically that the amendment or amendments to be proposed and voted on; and further provided, however, that the requirement of a three-fourths vote for admission to membership, specified by Article I and Article XIX relating to indemnification of directors, shall not be amended except by a vote of three-fourths of the directors then in office. In the alternative and upon call therefor by the Chairman of the Board of Directors, any bylaw may be amended by sufficient votes cast by mail ballot.

#### Article XVIII, Conflict of Interest

A Director shall disclose to the Board at the earliest practicable time any possible conflict of interest, existing or potential, which may impair, or reasonably appear to impair, such member's independent, unbiased judgment in the discharge of responsibilities to the Alliance due to family, financial or other such considerations.

A Director shall not vote at a Board or Committee meeting on any matter under consideration in which such a conflict exists, and the records of such meeting shall reflect any consequent declarations by the Director and such abstention from voting. Any questions regarding the nature or existence of a conflict of interest may be resolved by a vote of the Board, with the Director involved abstaining.

#### Article XIX, Indemnification of CARC Directors

The Corporation shall indemnify its officers and directors against any liability, which they may incur by reason of serving in such capacity to the maximum extent permitted by law. Such indemnity shall continue as to a person who previously served as a director or officer of the Corporation for events occurring during his or her term of office and shall inure to the benefit of his or her heirs, executors and administrators.