BYLAWS TEMPLATE

NO MEMBERSHIP

BYLAWS

OF

_____

Article I - Offices

Section 1. Registered Office and Registered Agent.

The registered office shall be located at _____and may be changed by a resolution of the Board of Directors and filed with the State of Alaska.

Section 2. Principal Office.

The principal office of the Corporation in the State of Alaska shall be located in_____. The Corporation may have other offices, either within or outside the State of Alaska, as determined by the Board of Director.

Practice Pointer: The city in which the office is located shall be inserted in the first sentence of section 2.

Article II - Membership

Section 1. Membership Eligibility.

Unless otherwise established by the Board of Directors, the Corporation shall have no members.

Article III - Board of Directors

Section 1. General Powers.

The affairs of the Corporation shall be managed by its Board of Directors ("Board").

Section 2. Number, Tenure, and Qualifications.

The number of Directors is ___, provided however that the Board shall be at least three and no more than ____ members. Each Director shall hold office for a ____ year term and until his or her successor shall have been elected and qualified. No amendment of these Bylaws reducing the number of Directors shall reduce the terms of any incumbent Director. The Directors shall be selected by the Board at its annual meeting.

Practice Pointer: The Bylaws may establish other qualifications for membership of the board.

Practice Pointer: Many corporations are intended from their incorporation to have directors with staggered terms or amend their articles to provide for such terms. In this event, the Bylaws may provide as follows, using as an example a board of three directors;

"The number of Directors shall be three with each serving a staggered term. At the first meeting of the Board of Directors (or at the first meeting of the Board of Directors after the adoption of the amendment to provide for staggered terms and the election of directors) the Directors shall draw lots for a one year term, a two year term and a three year term. Each director will serve the term drawn. All subsequently elected directors shall be elected to a three-year term and shall serve until their successor has been elected and qualified."

The Bylaws may also provide for two year staggered terms, with half of the directors being elected each year. It is not recommended that the term for directors exceed three years.

Section 3. Term Limits. No individual may serve more than ____ consecutive terms as Director.

Practice Pointer: This section is optional. It is recommended that each separate term for directors not exceed three years.

Section 4. Annual Meetings.

The Annual Meeting of the Board of Directors shall be held without notice other than this Bylaw, on the ____ of _____, at the_____ [establish time and location here] for the purpose of electing directors whose terms have expired and for the purpose of conducting such other business as may be required.

Practice Pointer: Insert the time, date and location of the annual meeting here.

Section 5. Regular Meetings.

The Board of Directors may provide by resolution the time and place, either within or outside of the State of Alaska, for the holding of additional regular meetings of the Board. Notice of those meetings shall be given in a manner reasonably calculated to reach Directors on a timely basis.

Section 6. Special Meetings.

Special meetings of the Board of Directors may be called by or at the request of the President, the presiding officer or any [three, four, five, etc.] of the Directors. The officer or

directors to call a special meeting shall specify a place, either within or outside of the State of Alaska, as the place for holding the special meeting.

Section 7. Notice of Special Meetings.

Notice of any special meeting of the Board of Directors shall be given to each Director at his or her address as shown by the records of the Corporation at least two days in advance by written notice delivered personally or by electronic means or at least seven days in advance if sent by mail. If mailed, notice shall be deemed to be delivered when deposited in the United States mail.

See the Practice Pointer for section Article III, Section 4.

Section 8. Waiver of Notice.

Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of the 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. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board need be specified in the notice.

Practice Pointer: The statute allows for the Bylaws to include a provision requiring that notice include notice as to actual business to be transacted.

Section 9. Quorum.

A majority of the authorized seats on the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not initially present, a majority of the Directors present may postpone the convening of the meeting later on the same day at the same location without further notice.

Once a quorum is established, the Board may continue to conduct business despite the withdrawal of a Director or Directors.

Section 10. Manner of Acting.

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 11. Vacancies.

Any vacancy occurring in the Board of Directors and any Directorship to be filled because of an increase in the number of Directors may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. No vacancy shall continue for longer than six months or until the next annual meeting of the Board of Directors, whichever occurs first.

Section 12. Compensation.

Directors shall not receive salaries for their services, but by resolution of the Board, may receive a fixed sum and expenses for attendance at each regular or special meeting of the Board. However, nothing in this section shall prevent any director from serving the Corporation in another capacity and being compensated for that service.

Practice Pointer: There are inherent problems for employees or contractors to be directors. Also, the Corporation should consult an adviser as to more extensive provisions for those corporations planning to routinely compensate board members for attendance.

Section 13. Informal Action by Directors.

Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors.

Section 14. Standards of Conduct for Directors.

(a) A director shall perform his or her duties, including the duties as a member of a committee: (1) in good faith; (2) with the care of an ordinarily prudent person in a like position would exercise under similar circumstances; and (3) in a manner the Director reasonably believes to be in the best interests of the Corporation.

(b) In performing his or her duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(i) one or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(ii) legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or

(iii) a committee of the Board of which the director is not a member, as to matters within its purview, if the director reasonably believes the committee merits confidence.

(c) A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (b) unwarranted.

Section 15. Conflicts of Interest.

A director shall disclose all conflicts of interest and may not act in matters in which he or she has a substantial and material conflict of interest.

(a) Conflict of Interest Defined.

A director shall be considered to have a conflict of interest if he or she or a member of his or her immediate family:

(i) has an economic interest in a transaction which is the subject of proposed action by the Corporation and the economic interest is adverse, competitive, potentially adverse or potentially competitive to the interest of the Corporation;

(ii) is a member or holds a significant interest in another entity that is the subject of the proposed action by the Corporation;

(iii) is a member of the Board of Directors (or other governing body), or an officer or manager of another entity that is the subject of the proposed action by the Corporation; or,

(iv) is a party to or a potential party to threatened or pending litigation or administrative proceedings in which the position is adverse to that of the Corporation.

However, a Director does not have a Conflict of Interest where the interest of the Director or his or her immediate family is no different than that of other Directors.

(b) Determination of Substantial and Material Conflict of Interest.

When a Director has a potential Conflict of Interest, the Director shall notify the Board of Directors before the Board considers the matter with respect to which the actual or potential conflict exists, of all material facts concerning the nature of the Conflict of Interest. The existence of a Conflict of Interest shall be recorded in the minutes of the meeting of the Board of Directors.

The Board shall determine if a particular Director has a substantial and material Conflict of Interest under this Section. The issue shall be voted on by the Directors who do not have a Conflict of Interest on the matter to be considered. The Director with a Conflict of Interest shall not participate in the discussion of the conflict and shall abstain from voting on the issue of the conflict and shall leave the meeting while the disinterested Directors discuss and vote on the conflict. However, the Director may be counted in determining the presence of a quorum at the meeting at which the Board of Directors considers the matter giving rise to the conflict.

(c) Disqualification of Director.

If a majority of the voting Directors votes that a substantial and material Conflict of Interest exists, then the Director shall be disqualified from discussing or voting on the matter in which he or she has a substantial and material Conflict of Interest.

Section 16. Removal of Directors. Any director may be removed by the vote of 2/3 of the members of the board of directors when in its judgment the best interest would be served thereby.

Section 17. Removal of Officers.

Any director may be removed by the vote of 2/3 of the members of the board of directors when in its judgment the best interest would be served thereby.

Section 18. Rules of Procedure.

The Board of Directors may adopt rules of procedure for meetings of the Board of Directors, and Committees of the Corporation consistent with these Bylaws.

Article V - Officers

Section 1. Officers.

The Officers of the Corporation shall be elected from and by the Board of Directors, and shall be a President, a Vice President, a Secretary, and a Treasurer. The Board of Directors may elect or appoint other necessary officers and assistant officers and agents and designate their duties. The officers have the authority and perform the duties prescribed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. Any Officer who leaves the Board will no longer be eligible to serve as an officer.

Practice Pointer: If provided in the Bylaws, not all officers have to be directors.

Also, despite common practice to the contrary, the term "President" as used in Alaska Statutes assumes that the President is the chairman of the board and a volunteer, not a staff member.

Section 2. Election and Term of Office.

The Officers of the Corporation shall be elected [annually/other] by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at the Annual Meeting, the election shall be held as soon thereafter as conveniently possible. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his or her successor has been duly elected and qualified.

Practice Pointer: It would depend upon the term of the board. If you have board members elected every year then officers should be elected yearly, if the requirement is that officers must be directors.

Section 3. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors at any regular or special meeting for the unexpired portion of the term.

Section 4. President.

The President shall be the principal officer of the Corporation and shall preside at all meetings of the Board of Directors; may sign, with the Secretary or any other proper officer of the Corporation, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution is expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Corporation; and, in general, shall perform all duties incident to the office of President and other duties as may be prescribed by the Board of Directors.

Practice Pointer: President in this instance and in the Alaska Statues is the functional equivalent of Chair of the Board.

Section 5. Vice President.

In the absence of the President or in event of his or her inability or refusal to act, a Vice President (or in the event there is more than one Vice President, the Vice President in the order of election) shall perform the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall perform such other duties as assigned by the President or by the Board of Directors.

Section 6. Secretary.

The Secretary is responsible for the minutes of the meetings of the Board of Directors and committees having any of the authority of the Board of Directors; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records of the Corporation; keep a register of the name and address of each Member; and in general perform all duties incident to the office of Secretary and other duties as assigned by the President or by the Board of Directors.

Section 7. Treasurer.

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever; deposit all such moneys in the name of the Corporation in the banks, trust companies or other depositories selected by the Board of Directors; and in general perform all the duties incident to the office of Treasurer and other duties as assigned by the President or by the Board of Directors.

Section 8. Removal.

Any officer may be removed by the vote of a majority of the members of the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but removal shall be without prejudice to the contractual rights, if any, of the officer so removed. Election or appointment of an officer or agent does not of itself create contract rights.

Article VI - Committees

Section 1. Committees.

The Board may appoint any committees that it deems necessary. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be established by resolution of the Board. Except as otherwise provided in that resolution, the President of the Corporation shall appoint the committee members. Any member may be removed, without cause stated, by the person or persons authorized to appoint the member whenever, in the judgment of the appointing authority, the best interests of the Corporation is served by the removal.

Section 2. Term of Office.

Each member of a committee shall continue as a member of the committee until the next annual meeting of the Board of Directors and until his or her successor is appointed, unless the committee is terminated sooner or unless the member is removed from the committee or no longer qualifies as a member of the committee.

Section 3. Chairperson.

One member of each committee shall be appointed chairperson by the appointing authority.

Section 4. Quorum.

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority

of the members present at a meeting at which a quorum is present shall be the act of the committee.

Practice Pointer: If you have an Executive Committee it is imperative that you have a quorum standard. If it is an advisory committee, then the quorum is not an overriding concern as long as you have enough representation to provide the benefit of the committee.

Section 5. Rules.

Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

Practice Pointer: An Executive Committee is optional. A sample section is provided in the event that one is to be created. However, many nonprofit consultants in Alaska recommend moving away from using an Executive Committee and instead have only two standing committees: a Finance Committee and a Board Development or Enrichment Committee as described below:

Sample Section. Executive Committee

The Board of Directors may, by resolution, create an Executive Committee and establish the membership and duties of the committee. The Executive Committee shall have and exercise the authority of the Board of Directors in the management of the Corporation to the extent provided in that resolution. However, it shall not have the authority to amend, alter or repeal the Bylaws; elect, appoint or remove any member of any committee or any Director or officer of the Corporation; amend the Articles of Incorporation; restate Articles of Incorporation; adopt a plan of merger or adopt a plan of consolidation with another corporation; authorize the sale, lease, exchange or mortgage property or assets of the Corporation; authorize the voluntary dissolution of the Corporation; or amend, alter or repeal any resolution of the board of Directors which by its terms provides that it shall not be amended, altered or repealed by the Executive Committee. The designation and appointment of an Executive Committee and the delegation of authority to it shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon the Board of any Director by law.

Sample Section 1. Finance Committee.

The Finance Committee is responsible for monitoring the financial status of the Corporation, and reporting to the Board. The Finance Committee will do the following:

(A) At each regular meeting of the Board, report to the Board on the current financial condition of the Corporation.

(B) Insure the integrity of the Corporation's financial records, which it shall do by:

(1) Selecting annually a firm of independent accountants to examine, upon ratification of the Board, the accounting records and financial statements of the organization;

(2) Reviewing the results of the annual audit or review, as well as any recommendations pertaining to accounting practices, policies and procedures, and making appropriate recommendations to the Board;

(3) Periodically reviewing the adequacy and effectiveness of the Corporation's internal systems of controls and financial reporting procedures and making reports about these reviews to the Board; and

(4) Making any further investigations to inform itself as to the conduct of the Corporation's financial affairs.

(C) The Finance Committee shall consist of the treasurer and at least ___ other Board members. At least one committee member shall have accounting or other equivalent experience and expertise.

Sample Section 2. Board Enrichment Committee.

The Board Enrichment Committee is responsible for the corporate health and effectiveness of the Board. Its responsibilities include identifying and recommending to the Board the optimum mix of Board members. The Committee also is responsible for Board development, which includes training new Board members as well as ongoing Board training and evaluation. The Board Enrichment Committee also is responsible for seasonably reviewing the Corporation's Bylaws and practices and recommending any changes it deems appropriate related to Board structure or operations. By way of example, the Board Enrichment Committee should periodically review the manner in which meetings are conducted, the size of the Board, the responsibilities of the Board officers, the use of both standing and ad hoc committees.

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Organizations with a significant budget should consider having an independent Audit Committee.

Article VII - Contracts, Checks, Deposits and Gifts

Section 1. Contracts.

The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers expressly 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.

Section 2. Checks, Drafts, Etc.

All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by the officer or officers,

agent or agents of the Corporation and in a manner determined by resolution of the Board of Directors.

Section 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 Board of Directors may select.

Practice Pointer: The Board should adopt financial guidelines for the management of funds and its bank accounts.

Section 4. Gifts.
The Board of Directors or its designee 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 so long as the contribution, bequest or devise is consistent with the gift acceptance policy adopted by the Board of Directors. In the absence of a gift acceptance policy, the Board shall exercise due diligence in determining that acceptance of the contribution, gift, bequest or device is in the best interest of the Corporation.

Article VIII - Books and Records

The Corporation shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.. All books and records of the Corporation may be inspected by any Director, or his or her agent or attorney, for any proper purpose at any reasonable time.

Article IX - Fiscal Year

The fiscal year of the Corporation shall begin on the [1st day of July and end on the 30th day of June] in each year.

Practice Pointer: Check with your accountant as to whether you are required to use a fiscal year or whether you use a calendar year.

Article X - Indemnification

Section 1. Duty to Indemnify.
Subject to the sections below, the Corporation shall defend, indemnify and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of or arising from the fact that the person is or was a director, officer, employee or agent of the Corporation against costs

and expenses (including attorney's fees) of the suit, action or proceeding, judgments, fines, and settlements actually and reasonably incurred in connection with the action, suit or proceeding if:

(i) the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to a criminal action or proceeding, did not know and had no reasonable cause to believe the conduct was unlawful, or

(ii) the person's act or omission giving rise to the action, suit or proceeding is ratified, adopted or confirmed by the Corporation or the benefit thereof received by the Corporation.

The termination of any action, suit or proceeding shall not of itself create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to a criminal action or proceeding, a presumption that the person did not know and had no reasonable cause to believe that the conduct was unlawful.

Section 2. Denial of Right to Indemnification.

Subject to the provisions of Sections 5 and 6 below, defense and indemnification under Section 1 of this article automatically shall be made by the Corporation unless the Board expressly determines that defense and indemnification of the person is not proper under the circumstances because the person has not met the standard of conduct set forth in Section 1 of this Article. In the case of any challenge to the propriety thereof, the person shall be afforded a fair opportunity to be heard as to that determination. Defense and indemnification payment may be made, subject to repayment upon ultimate determination that defense and indemnification is not proper.

Section 3. Determination.

The determination described in Section 2 shall be made:

(i) by the Board of Directors by a majority vote, or

(ii) by independent legal counsel, if directed by the Board of Directors by a majority vote of disinterested directors or in the absence of a quorum.

Section 4. Successful Defense.

Notwithstanding any other provisions of Sections 1, 2 or 3 of this Article, but subject to the provisions of Section 5 below, if a person is successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 of this Article, or in defense of any claim, issue or matter therein, the person shall be indemnified against costs and expenses (including attorney’s fees) actually and reasonably incurred in connection therewith.

Section 5. Condition Precedent to Indemnification.

Any person who desires to receive defense and indemnification under this Article shall notify the Corporation reasonably promptly that the person has been named a defendant to an action, suit or proceeding of a type referred to in Section 1 and that the person intends to rely upon the right of indemnification described in this Article. The notice shall be in writing and mailed via registered or certified mail, return receipt requested, to the President of the Board of the Corporation at the principle office of the Corporation or, in the event the notice is from the President, to the Secretary of the Corporation. Notice need not be given when the Corporation is notified by being named a party to the action.

Section 6. Insurance.

The Board of Directors, in its discretion, may purchase insurance coverages for the risks described in this Article. To the extent that such an insurance policy (or policies) provides coverage where this Article does not, a director seeking indemnity shall have the benefit of that coverage, and the rules set out in this Article shall apply to any deductible or co-insurance requirement, or to any claims in excess of policy limits.

Section 7. Former Officers, Directors, Etc.

The indemnification provisions of this Article shall be extended to a person who has ceased to be a director/Director, officer, employee or agent as described above and shall inure to the benefit of the heirs, personal representatives, executors and administrators of such person.

Section 8. Purpose and Exclusivity.

The defense and indemnification referred to in the various sections of this Article shall be deemed to be in addition to and not in lieu of any other rights to which those defended and indemnified may be entitled under any statute, rule of law or equity, agreement, vote of the Members or Board of Directors, or otherwise. The purpose of this Article is to augment, pursuant to AS 10.06.490(f), the provisions of AS 10.20.011(14), and the other provisions of AS 10.06.490.

Section 9. Limitation of Liability.

If set forth in the Articles of Incorporation, no director/Director of this corporation shall have any personal liability to the Corporation for monetary damages for the breach of fiduciary duty as a director/Director except as provided in AS 10.20.151(d) and (e).

Article XI - Seal; Shares of Stock; Loans

Section 1. Seal.

The Corporation shall have no seal.

Section 2. Shares of Stock.

The Corporation may not issue shares of stock nor pay dividends.

Section 3. Loans.

The Corporation may not make loans to its officers or Directors.

Practice Pointer: Expense reports, company credit cards, etc. which have not been filed might be treated as a loan from the Corporation to the individual.

Note that in some Corporations, Boards are required to include consumers or clients as members of the Board of Directors. In that instance, a provision might be included to create an exception to allow for loans that are in the normal course of the core purpose of the Corporation for those consumers or clients sitting on the Board of Directors, (e.g. a home loan for a client and Director of a low-income housing organization that requires board membership from clients.)

Article XII - Waiver of Notice

Whenever any notice is required to be given under the provisions of the Alaska Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a waiver in writing signed by the person or persons entitled to such notice, whether before or after the time stated, shall be deemed equivalent to the giving of notice.

Article XIII - Amendments To Bylaws

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least two days' written notice is given of intention to alter, amend or repeal or to adopt new Bylaws at a meeting.

Practice Pointer: Have your tax counsel review your articles of incorporation and your bylaws in order to determine whether any additional provisions are required.

KNOW ALL PERSONS BY THESE PRESENTS: That the undersigned Secretary of _____does hereby certify that the above and foregoing Bylaws were duly adopted [amended] by the Board of Directors on the____ day of_____, 200_.

_____

_____Secretary