



~~ANCS Bylaws for Legal Review~~



1: Bylaws of Atlanta Neighborhood Charter School, Inc.



ARTICLE I. OFFICES

The principal office of the Atlanta Neighborhood Charter School, Inc. (hereinafter referred to as the "corporation" or "ANCS") shall be located in the State of Georgia.

ARTICLE II. GENERAL PURPOSE

The mission of ANCS is to create a small, focused, and diverse K-8 school that nurtures the whole child through strong parental/community involvement and challenging academics. The school will operate under a charter contract to be negotiated between the ANCS Governing Board (the "Board"), the Georgia Department of Education, and the Atlanta Board of Education.

ARTICLE III. BOARD

SECTION 1. General Powers

The business and affairs of ANCS shall be managed under the direction of the Board. The members shall in all cases act as a Board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation as they may deem proper, not inconsistent with ANCS' Articles of Incorporation, these Bylaws, and the laws of this State.

SECTION 2. Duties of the Board

The Board shall be charged with the management of the affairs of the corporation, and shall pursue such policies and principles as shall be in accordance with law, the provisions of the Articles of Incorporation, these By-Laws, and any written charter entered into by the Board. The Board shall be considered as having the powers of a Board of Directors and shall be deemed to be acting as the Board of Directors for all purposes of the Georgia Nonprofit Corporation Code Law. By way of elucidation, and not in limitation, the Board shall be responsible to carry out the following duties and obligations:

- a. The Board shall uphold and promote the school's mission and vision and ensure effective organizational planning on the part of the school through an annual strategic planning and review process that will review and update the school's short- term, mid-term, and long-range goals, and evaluate the effectiveness of the implementation of the school's mission and plans;
- b. The Board shall either directly or through delegation to a governance committee or otherwise, provide for the annual evaluation-appraisal of the Executive Director's performance;
- c. The Board ensures the financial stability of the corporation through regular monthly review of financial statements and reports, an annual independent audit, and direct oversight of major financial commitments and decisions;
- d. The Board shall take an active role, where appropriate, either directly or through a Board committee Board designees, in resolving grievances and conflicts which may arise within the school community involving students, parents/guardians, staff, administration, and or Board members.



To the extent permitted by law, the Board may, by general resolution, delegate to officers of the corporation or to committees of the Board such powers as it deems necessary or appropriate to carry out its duties and obligations.

SECTION 3. Structure, Number, Tenure, and Qualifications

The Board shall consist of at least seven (7) and no more than thirteen (13) voting members, which number shall be fixed from time to time by the Board.

The membership of the Board ~~will consist of a simple majority of parents/guardians of current and/or alumni students~~, will include at least three (3) ~~one~~ parents/guardians of a current ~~elementary campus~~ students (ideally at least ~~and~~ one (1) parent/guardian of a current middle campus student) , and one (1) member who is not a parent/guardian of a current student.

Members shall be natural persons who are 18 years of age or older and must be residents of the State of Georgia. Regularly elected Board member terms are for ~~up to~~ three years and begin July 1 of the year in which they were elected or appointed.

SECTION 4. Ex-Officio Members ~~and Community Members~~

The Board will ~~also~~ include the Executive Director as a non-voting Ex-Officio member. The Immediate Past-Chair will also serve as a non-voting Ex-Officio member if that person is not still a current Board member.

~~School Principals of ANCS' elementary and middle school campuses, and the Director of Finance and Operations, are required to attend Board meetings per their job descriptions, but will not be Ex-Officio members. They may be invited to address the Board if they are actively presenting or addressing questions.~~

~~The Board, by a vote of two-thirds, may also appoint a community member to serve on the Board in a non-voting capacity as an adviser. The term for this position is for one year.~~

SECTION 5. ~~Trustee Emeritus Members~~

~~The Board may also establish Trustee Emeritus membership to honor past Board members who may have specialized knowledge or qualifications to act in an advisory capacity.~~

~~The Board Chair and Executive Director will nominate past Board members for this role. Approval from the Board requires a two-thirds majority vote. This position shall be non-voting and hold a term of five years.~~



SECTION 6. Election of Members

Members shall be elected by the ANCS Board from nominations made by the ANCS Board's Nominations ~~Task Force Committee~~. An affirmative vote of two-thirds of the ~~members~~ ~~Directors~~ shall be required for election.

~~In the event a member's membership ends for any reason prior to the end of that member's term, A~~ member ~~may be elected~~ ~~appointed~~ to fill a vacancy ~~and~~ shall ~~serve~~ ~~be appointed~~ for the unexpired term of their predecessor in office.

SECTION 7. Voting Rights

Each voting member ~~present at a meeting or permissively participating by teleconference or videoconference under the Georgia Open Meetings Laws~~ shall be entitled to one vote on each matter submitted to a vote of the members.

SECTION 8. Termination of Membership

The ~~Governing~~ Board, by affirmative vote of two-thirds of all of the voting members of the Board, may suspend or ~~remove~~ ~~expel~~ a member ~~for cause after an appropriate hearing~~, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership ~~(e.g., inherent conflict of interest)~~.

SECTION 9. Annual Meeting

A meeting of the members shall be held every year, the date, time, and place to be fixed by the Board and ~~appropriate~~ notice given to all members, ~~at least three weeks in advance~~, for the purpose of electing Board members and officers ~~and~~; approving the budget for the following year, ~~if those events have not already occurred~~, and for the transaction of such other business as may come before the meeting.

SECTION 10. Meetings of the Board

The order of business at all meetings shall be set by the Board Chair, ~~or his or her designee~~.

The Board must have a quorum of a simple majority of voting members present in order to conduct business.

~~The Board shall be subject to the provisions of Open Meetings Laws, O.C.G.A. § 50-14-1 et seq., and Inspection of Public Records Law, O.C.G.A. § 50-18-70 et seq.~~

~~The Monthly Meeting Agenda shall may include a separate report from each Board standing committee, any Appointed Committees as requested by the Board Chair, and any school-based committees such as the PTCA.~~



SECTION 11. Attendance

Board members are not allowed to miss more than two Board meetings per year. If they miss more than two meetings, the Board Chair will meet with them to discuss their participation. If they are unable to fulfill their responsibilities, they will be asked to resign from the Board.

SECTION 12. Conflict of Interest

Members shall comply with the ANCS Governing Board Code of Ethics and Board Member Conflict of Interest policies. ~~ethics and conflict of interest provisions applicable to members of the Atlanta Board of Education.~~ Board members shall not participate in discussions or votes related to any ANCS business transactions or affairs which would cause an actual, or would give an appearance of a conflict of interest.

SECTION 13. Resignation

A member may resign at any time by giving written notice to the Chair, ~~Chair-Elect,~~ or Secretary of the Board of ANCS. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof ~~by the officers,~~ and the acceptance of the resignation shall not be necessary to make it effective.

A member who resigns may postpone the effectiveness of their resignation to a future date or to the occurrence of a future event specified in a written tender of resignation. A vacancy shall be deemed to exist at the time of such tender; and the Board may then or thereafter elect ~~or appoint~~ a successor to take office when the resignation, by its terms, becomes effective.

ARTICLE IV. OFFICERS

SECTION 1. Number and Qualifications

The officers of ANCS shall consist of a Chair, ~~either~~ a Vice-Chair ~~or a Chair-Elect,~~ a Secretary, and a Treasurer, ~~and an officer responsible for the support and evaluation of the Executive Director.~~ Each officer shall be elected confirmed by a simple majority of the Board, either individually or as a slate. The same individual may simultaneously hold more than one office of the corporation except that the Chair may not simultaneously hold another office.

SECTION 2. Election and Term of Office

~~The~~ officers of ANCS shall be elected by the Board at or before the annual meeting, except for the office of Chair ~~Elect,~~ which shall be elected no later than the January April meeting. Each officer, ~~except the Vice-Chair and Chair-Elect,~~ shall hold office for a term of one year or until their successor has been duly elected and has qualified, or until their earlier death, resignation, or removal from office as hereinafter provided. Officers



~~may serve multiple terms. The Chair-Elect shall prepare to assume the role of Chair but does not assume any official responsibilities. The Vice-Chair shall hold office until a Chair-Elect is elected, at which point the Chair-Elect assumes the responsibilities of the Vice-Chair. The Chair-Elect shall hold office until the July meeting regardless of the month elected. If the Chair is re-elected, there shall be no Chair-Elect and the Vice-Chair shall continue in office until July 1.~~

SECTION 3. Resignation, Removal, and Vacancies

In the event that any one of the officers shall resign, such officer shall immediately cease to be an officer. Any such resignation shall be in writing and shall be delivered to the Chair, ~~Chair-Elect or~~ Vice-Chair, or Secretary. Any officer or agent may be removed by the Board whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. A two-thirds majority vote of the Board shall be required to remove any officer, or agent. Election or appointment of an officer or agent shall not of itself create contract rights. Any vacancy in any office for whatever reason may be filled, for the unexpired portion of the term, by the Board.

SECTION 4. Chair

The Chair shall be the principal executive officer of ANCS and, subject to the general direction of the Board, shall supervise and control the business and affairs of the corporation. The Chair shall, when present, preside at all meetings of the Board. The Chair, Vice-Chair ~~or Chair-Elect~~, or both may sign with any other proper officer of the corporation thereunto authorized by the Board, deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof is expressly delegated by the Board or by these Bylaws to some other officer or agent of the corporation, or is required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board from time to time. The Chair shall have authority to institute or defend legal proceedings when the members are deadlocked or in extenuating circumstances where the Board is unable to meet. An individual may serve as Chair for two consecutive one-year terms, provided they are duly re-elected by the Board. An individual may serve as Chair again after either their one-year term or two consecutive terms, as long as they are off the Board for a minimum of two years before serving again.

SECTION 5. Vice-Chair

The Vice-Chair shall (a) assume the duties of the Chair in his or her absence; (b) assist the Chair in planning meetings; and (c) assume other responsibilities as agreed between the Chair and Vice-Chair, such as providing leadership to committee chairs and publicly advocating for the school in a formal way.



~~SECTION 6. Chair-Elect~~

~~The Chair-Elect shall (a) assume the responsibilities of the Vice-Chair and (b) prepare to assume the role of Chair. The Chair-Elect should be selected from among the Board members who are not in the last year of their term on the Board.~~

SECTION 7. Secretary

The Secretary shall: (a) keep the minutes of the proceedings of the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) keep a register of the mailing address and e-mail address of each member which shall be furnished to the Secretary by such member; (d) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Chair or by the Board; and (e) ensure that all Board minutes are prepared for Board review at each subsequent Board meeting and therefore made available to the school community. The Secretary shall also serve as the Parliamentarian, and is responsible for keeping track of time during Board meetings.

SECTION 8. Executive Director

The Executive Director shall: (a) hire the Principals with the advice and consent of the Board; (b) supervise the Principals and otherwise meet all criteria outlined in the Executive Director's written job description; (c) ensure that the Charter contract goals are being met; (d) report quarterly to the Board on Charter compliance and progress toward meeting goals; (e) assist the Board Chair with scheduling and setting agendas for meetings; (f) facilitate and implement Board decisions; (g) act as liaison between the school and the district office; (h) provide knowledge of federal, state, and district policies/regulations; (i) encourage bottom-up decision making and participation by all; (j) facilitate and implement the school's Vision and Goals; and (k) report to the Board.

SECTION 9. Role of the Immediate Past Chair

After a new Board Chair is elected each year, the Immediate Past Chair shall continue to perform a vital role for the school. The Immediate Past Chair shall serve as an advisor to the Board. The Immediate Past Chair shall be a non-voting ex officio member of the Board during such time unless they are still a voting member of the Board, in which case, in addition to any other role they may accept on the Board, they shall also assist and advise the new Chair ~~until the new Chair-Elect is elected.~~



ARTICLE V. COMMITTEES

SECTION 1. Board Standing Committees

The standing committees of the Board are each chaired by a member of the Board; the Chair is not permitted to chair committees.

The standing committees and their respective responsibilities are as follows:

Educational Excellence and Accountability. Review ~~Executive Director-prepared~~ reports prepared by the Executive Director and school leadership team, and present such reports at each Board meeting, on one or more compliance items from the charter; district, state, or federal law, policy, or regulation; or any other source – including any annual accountability and compliance reports required by the district or state, and a monthly academic performance report. ~~Develop and maintain all Board policies.~~ Ensure the Board ~~policies~~-promotess the principles of equity and diversity.

Business-Finance & Operations/Finance. Review and recommend annual budget for Board approval. Monitor budget compliance, all financial expenditures, and revenues and other financial issues throughout the year. Recommend financial policies to the Board. Work with the ~~Director of Finance and Operations~~CFO, Executive Director, and other staff to establish financial goals and policies. ~~Work to secure funding and grants to support ANCS.~~ **Business-Finance & Operations** Chair will, in collaboration with the Executive Director, prepare and present a report on current financial and operational performance at each Board meeting. Oversee the management and ownership of all buildings and real estate. Develop guidelines for the use and implementation of technology.

Fund Development. ~~Oversee and support fundraising~~Raise funds through an Annual Campaign and Major Gifts program to supplement the per-pupil funding received from Atlanta Public Schools. Ensure that all fundraising at school is vetted through the Fund Development committee.

Board Governance. Develop the Board policies and, procedures, and coordinate Board training through approved providers. Establish hiring, grievance, transfer, evaluation, and other personnel procedures. Support the Executive Director in matters of hiring, transfer, evaluation, and termination procedures as necessary. Conduct, and report to the Board on, an annual performance review of the Executive Director. Announce openings, accept nominations for, review candidates, and make recommendation(s) to the full Board of candidates for open Board positions. Obtain school community input on nominations prior to selecting and recommending Board members for election by the Board.



SECTION 2. Board-Appointed Committees and Task Forces

-In addition to the standing committees, the Chair may appoint other committees to fulfill a need. Any appointed committees shall be chaired by a member of the Board. The duration of the committee, members, and duties shall be outlined by the Chair and presented to the Board and approved by two-thirds vote. Committees may utilize sub-committees.

~~Sub-committees are generally ongoing committees.~~

Task forces are created by the Board to address specific projects or issues. Task forces are temporary; ~~they committees which~~ are dissolved once the specific issue they were created for has been addressed.

Responsibilities of the committees, sub-committees, and task forces may be reduced or expanded by the Board or upon recommendation of the particular ~~sub-committee~~ or task forces concerned and after discussion/approval by the Board. Other committees, sub-committees, and task forces may be established as the need arises. All committees, sub-committees, and task forces shall report to the Board on a schedule determined by the Board.

~~In addition, all sub-committees and task forces must present a status report to the Board at least once annually. Sub-committees and task forces are welcome to present more often if there are matters requiring Board approval or attention – this should be coordinated through the Executive Director.~~

The Board is the school's legal representative body and has final approval of all recommendations made by committees, sub-committees, and task forces.

SECTION 3. School-Based Committees

School-based committees are sponsored by the Parent Teacher Community Association (PTCA), a separate organization chartered by the Governing Board. The PTCA coordinates parent/guardian, teacher, and community involvement within the school.

In general, the following duties are assigned to the PTCA:

- Gather and share with the Board at its monthly meetings parent/guardian interests, opinions, and input on any important issue that comes before the Board or is deemed important by parents/guardians.
- Host ~~all~~ school meetings, including, but not limited to (curriculum night, back-to-school night, student orientation, etc.). Hosting includes promotion, providing refreshments, assisting with sign-in sheets, etc. PTCA is not responsible for content development unless it is specifically a PTCA event.
- Coordinate advisory class parents.
- Coordinate two committee chair meetings each year.
- Coordinate all teacher appreciation activities.



- ~~Coordinate all PTCA fundraising (box-tops, etc.).~~
- Coordinate other school-wide events and fundraising activities.
- ~~Coordinate the summer ice-cream social.~~
- ~~Coordinate Grandparents and Special Friends Day.~~
- Develop the PTCA-eventschool calendar in conjunction with the Principals and Executive Director.
- Develop and meet the PTCA budget

The PTCA will define any other specific goals and operating procedures each year and present them to the Board for consideration and/or adoption. ~~approval.~~

ARTICLE VI. CONTRACTS, LOANS, CHECKS, AND DEPOSITS

SECTION 1. Contracts

The Board may authorize via resolution any officer or officers, agent, or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of ANCS, and such authority may be general or may be confined to specific instances.

SECTION 2. Loans

No loans shall be contracted on behalf of ANCS, and no evidence of indebtedness shall be issued in its name, unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, Etc.

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of ANCS shall be signed by such officer or officers, agent, or agents of the corporation and in such manner as shall be determined from time to time by resolution of the Board.

SECTION 4. Deposits

All funds of ANCS not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board may select.

ARTICLE VII. FISCAL YEAR

The fiscal year of ANCS shall end on the thirtieth (30th) day of June of each year, in keeping with the APS fiscal year.

ARTICLE VIII. CORPORATE SEAL

The Board shall provide a corporate seal which shall be circular in form and have inscribed thereon the name of ANCS, the state of incorporation, the words "Not For Profit," and the words "Corporate Seal." The seal of the corporation may be affixed to



any document executed by ANCS, but the absence of the seal shall not impair the validity of the document or any action taken in pursuance thereof or in reliance thereon.

ARTICLE IX. WAIVER OF NOTICE

Whenever any notice is required to be given to any member of ANCS under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the Georgia Nonprofit Corporation Code, a waiver thereof may be made, whether before or after the times stated therein, in writing signed by the person or persons entitled to such notice and delivered to the corporation for inclusion in the minutes or corporate records. Such written waiver shall be deemed equivalent to the giving of such notice. Electronic mail from the person(s) entitled to such notice may establish the waiver provided in this paragraph.

ARTICLE X. AMENDMENTS

SECTION 1. Power to Amend Bylaws

The Board shall have the power to alter, amend, or repeal these Bylaws or adopt new bylaws, but any bylaws adopted by the Board must be consistent with the Articles of Incorporation of ANCS and the laws of the State of Georgia.

SECTION 2. Conditions

Action by the Board with respect to bylaws shall be taken by an affirmative vote of a majority of all voting members then holding office.

ARTICLE XI. EMERGENCY BYLAWS

The Emergency Bylaws provided in this Article XI shall be operative during any emergency in the conduct of the operations and affairs of ANCS resulting from any catastrophic event because of which a quorum of the corporation's members cannot be readily assembled, notwithstanding any different provision in the preceding Articles of these Bylaws or in the Articles of Incorporation of ANCS or in the Georgia Nonprofit Corporation Code. To the extent not inconsistent with the provisions of this Article, the Bylaws provided in the preceding Articles shall remain in effect during such emergency, and upon its termination the Emergency Bylaws shall cease to be operative. During any such emergency:

(a) A meeting of the Board may be called by any officer or member of ~~ANCS~~the Board. Notice of the place, date, and hour of the meeting shall be given by the person calling the meeting to such of the members as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting.



(b) At any such meeting of the Board a quorum shall consist of one member and any other members available.

(c) Either before or during any such emergency, the Board may provide and from time to time modify lines of succession in the event that during such an emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties.

These Emergency Bylaws shall be subject to repeal or change by further action of the Board, but no officer, member, or employee acting in accordance with these Emergency Bylaws shall be liable for any corporate action taken in good faith. Any amendment of these Emergency Bylaws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

ARTICLE XII. INDEMNIFICATION

SECTION 1. Actions Against Officers and Members

Pursuant to the provisions set forth in Sections 3 and 4 of this Article, ANCS shall 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 the fact that they were or are a member, officer, employee, or agent of the corporation, or were or are serving at the request of ANCS, as a member, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against reasonable expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by them in connection with such action, suit, or proceeding if they acted in a manner they reasonably believed in good faith to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful; provided, however, that the corporation shall not indemnify a member, officer, employee, or agent for any liability incurred in a proceeding in which the person is adjudged liable to the corporation or is subjected to injunctive relief in favor of the corporation: (a) for any appropriation, in violation of their duties, of any business opportunity of the corporation; (b) for acts or omissions which involve intentional misconduct or a knowing violation of law; (c) for the types of liability set forth in Section 14-2-831 of the Official Code of Georgia Annotated; or (d) for any transaction from which they received an improper personal benefit. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not in itself create a presumption that the person did not act in a manner they reasonably believed to be in or not opposed to the best interests of the non-profit corporation, nor, with respect to any criminal action or proceeding, that the person did not have reasonable cause to believe that their conduct was lawful.



SECTION 2. Actions By or In the Right of the Corporation

Pursuant to the provisions set forth in Sections 3 and 4 of this Article, ANCS shall 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 or suit, by or in the right of the corporation to procure a judgment in its favor by reason of the fact that they were or are a member, officer, employee, or agent of the corporation, or were or are serving at the request of ANCS, as a member, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by them in connection with the defense or settlement of such action or suit, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation; provided, however, that the corporation shall not indemnify a member, officer, employee, or agent for any liability incurred in a proceeding in which the person is adjudged liable to the corporation or is subjected to injunctive relief in favor of the corporation: (a) for any appropriation, in violation of their duties, of any business opportunity of the corporation; (b) for acts or omissions which involve intentional misconduct or a knowing violation of law; (c) for the types of liability set forth in Section 14-2-831 of the Official Code of Georgia Annotated; or (d) for any transaction from which they received an improper personal benefit.

SECTION 3. Expenses

To the extent that a member, officer, employee, or agent of ANCS has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue, or matter therein, they shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by them in connection therewith.

SECTION 4. Determination and Authorization

Except as provided in Section 3 of this Article, and except as may be ordered by a court, any indemnification under Sections 1 and 2 of this Article shall be made by ANCS only as authorized in the specific case upon a determination that indemnification of the member, officer, employee, or agent is proper in the circumstances because they have met the applicable standard of conduct set forth in Sections 1 and 2. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of members who were not parties to such action, suit, or proceeding; or (b) if such a quorum is not obtainable, by majority vote of a committee duly designated by the Board, consisting solely of two or more members not at the time parties to the action, suit, or proceeding; or (c) by special legal counsel employed by the corporation for that purpose. Authorization of indemnification or an obligation to indemnify, and evaluation as to reasonableness of expenses, shall be made in the same manner as the determination that indemnification is permissible.



SECTION 5. Prepayment

Expenses incurred in defending or prosecuting a civil or criminal action, suit, or proceeding may be paid by ANCS in advance of the final disposition of such action, suit, or proceeding as authorized by the Board if: (a) the member, officer, employee, or agent furnishes the corporation a written affirmation of their good faith belief that their conduct merits indemnification under Section 1 or Section 2 of this Article; and (b) the member, officer, employee, or agent furnishes the corporation a written undertaking, executed personally on their behalf, to repay advances if it is ultimately determined that they are not entitled to indemnification pursuant to the laws of this State.

SECTION 6. Rights

The indemnification provided by this Article shall not be deemed exclusive of any other rights, with respect to indemnification or otherwise, to which those seeking indemnification may be entitled under any bylaw or resolution adopted or approved by a majority of the full Board, both as to an action by a member, officer, employee, or agent in their official capacity, and as to an action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be a member, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

SECTION 7. Insurance

ANCS may purchase and maintain insurance on behalf of any person who is or was a member, officer, employee, or agent of the corporation, or is or was serving at the request of ANCS as a member, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against them or incurred by them in that capacity, or arising from their status as such, whether or not the corporation would have the power to indemnify them against such liability under the provisions of this Article.

SECTION 8. Mergers/Consolidations

For purposes of Sections 1 and 2 of this Article, reference to “the corporation” or “ANCS” shall include, in addition to the surviving or new corporation, any merging or consolidating corporation which is merged or consolidated with ANCS so that any person who is or was a member, officer, employee, or agent of such merging or consolidating corporation, or is or was serving at the request of such merging or consolidating corporation as a member, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall stand in the same position under the provision of Sections 1 and 2 of this Article with respect to the corporation as they would if they had served the corporation in the same capacity. However, no indemnification under Sections 1 and 2 of this Article shall be mandatory



without the approval of such indemnification by the Board of ANCS in the manner provided in Section 4 of this Article.

ARTICLE XIII. PAYMENTS TO MEMBERS AND OFFICERS

No part of the net income or profit of ANCS, if any, shall be distributed to the members or officers.