

COPY

BYLAWS OF

MARION COUNTY EDUCATION FOUNDATION, INC.

*A KENTUCKY NONPROFIT CORPORATION*

ARTICLE I – NAME

This organization shall be known as Marion County Education Foundation, Inc.; hereinafter referred to in this document as the “Foundation.”

ARTICLE II – PURPOSES

**Section 1 – PURPOSE, LIMITATIONS.** The Foundation is specifically organized and shall be operated for the benefit of and to support and carry out the purposes of the Marion County Public School District, a Kentucky county school district organized and operating pursuant to KRS § 160.010 (hereinafter, the “District”).

The Foundation shall operate as a supporting organization within the meaning of Section 509(a)(3) of the Internal Revenue Code of 1986, as amended and shall be operated, supervised or controlled by the District, as set forth in these Bylaws.

**Section 2 – SPECIFIC PURPOSE AND MISSION STATEMENT.** The Foundation shall support the educational mission of the District. Specifically, the Foundation shall receive, manage and invest contributions, gifts and bequests exclusively for the benefit of the District and in support of its educational purposes as prioritized by the District’s Board of Education.

**Section 3 – EARNINGS.** No person shall possess any property right in or to the property or assets of the Foundation, nor shall any part of the Foundation’s net earnings inure to the benefit of any private shareholder or individual. No part of the net earnings or assets of the Foundation shall inure to the benefit of, or be distributed to, the members of its Board of Directors, Education, officers, or other private persons, with the exception that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered. The Foundation shall make payments and distributions to further the purposes set forth in its Articles of Incorporation and these Bylaws.

**Section 4 – DISTRIBUTION OF ASSETS UPON DISSOLUTION.** In a manner not inconsistent with law regarding the distribution of assets upon dissolution, upon dissolution of this Foundation as provided in these Bylaws, all assets remaining after payment of any and all outstanding liabilities shall be distributed to the District, if in existence. If the District does not exist at the time of dissolution of the Foundation, then all assets shall be distributed to the then-existing public education system serving the residents of Marion County, Kentucky. Provided, however, that no distribution of assets shall be made to any entity that does not qualify as a charitable organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

### ARTICLE III – OFFICES

The principal office and initial mailing address of the Foundation in the Commonwealth of Kentucky shall be located at 755 E. Main Street, Lebanon, Kentucky 40033. The Foundation may have such other offices, either within or out of the Commonwealth of Kentucky, as the Board of Directors may determine, or as the affairs of the Foundation may require from time to time.

The Foundation shall have and shall continuously maintain in the Commonwealth of Kentucky a registered office, and a registered agent. The initial registered agent shall be Taylora Schlosser, Superintendent of the District. The registered office and appointment of registered agent may be changed from time to time by the Board of Directors.

### ARTICLE IV – MEMBERS

**Section 1 – MEMBERS.** There shall be no members or shareholders of the Foundation entitled to vote, and the policy and direction of the Foundation shall be managed exclusively by its Board of Directors.

### ARTICLE V – BOARD OF DIRECTORS

**Section 1 – GENERAL POWERS.** The affairs of the Foundation shall be managed by its Board of Directors.

**Section 2 – NUMBER, QUALIFICATIONS, AND TERM.** The number of Directors of the Foundation's board shall be five. The term of any Director shall be three years or until their death, removal, resignation, or incompetency.

Directors shall consist of representatives from two primary constituencies: representatives of the District and Directors at large. The Directors shall be qualified according to the following method:

**Representatives of the District:**

- 1) The Superintendent of the District, or his/her designee;
- 2) Two (2) Directors appointed by majority vote of the Board of Education of the District. These Directors may be, but are not required to be, members of the Board of Education of the District.

These Directors shall be permanent members of the Board of Directors with full voting authority. The Superintendent's position is *ex officio* and will change from time to time based on personnel changes. The Directors selected directly by the Board of Education serve at the pleasure of the Board of Education and can be removed or replaced by majority vote of the Board of Education at any time. These Directors may serve consecutive terms.

**Directors at Large:** To fill the initial vacancies on the Board of Directors, the

Chairman of the Board of Education of the District shall recommend the appointment of the remaining two (2) Directors by a majority vote of the Board of Education of the District. Once the initial Directors at Large are appointed, vacancies in their positions will be filled by a majority vote of the Board of Directors of the Foundation. In the event that the Board of Directors of the Foundation is unable to fill an open position for a period of ninety (90) days, the vacancy will be filled in the same manner as the initial vacancies, as set forth above. Reappointment is allowed.

**Section 3 – RESIGNATION.** Any Director may resign by filing a written resignation with the Secretary. Such resignation shall be effective on the date specified herein.

**Section 4 – VACANCIES.** Any vacancy in the Board of Directors shall be filled according to procedure outlined above regarding initial appointment to the Board of Directors.

**Section 5 – COMPENSATION.** The Board of Directors shall serve on a volunteer basis and no compensation shall be authorized by the Foundation.

**Section 6 – REMOVAL OF DIRECTORS.** Any Director may be removed, with the exception of the seats held by representatives of the District, with or without cause at any time. Removal requires a vote of at least two-thirds of the Directors at a special meeting called for that purpose. The resulting vacancy shall be filled in the manner provided in Section 4 of this Article V.

**Section 7 – ANNUAL MEETINGS.** There shall be an annual meeting of the Board of Directors each year at a date and time determined by the Chair, and able to be attended by a majority of the Board of Directors. This meeting will be for the purpose of electing officers and for the transaction of such other business that may come before the meeting.

**Section 8 – REGULAR AND SPECIAL MEETINGS.** The Board of Directors of the Foundation may hold meetings, both regular and special, either within or without the Commonwealth of Kentucky. Regular meetings of the Board of Directors may be held at such time and at such place as may from time to time be determined by the Board of Directors and, unless required by resolution of the Board of Directors, without notice. Special meetings of the Board of Directors may be called by the Chair or a majority of the Directors then in office. Notice thereof stating the place, date, and hour of the special meeting shall be given to each Director not less than five-days before the date of the meeting. Notice by telephone, e-mail, facsimile, telegram, or other form of electronic transmission shall be acceptable.

**Section 9 – PLACE OF MEETINGS.** The Chair may designate any place, either within or without the Commonwealth of Kentucky, as the place of meeting for any annual meeting, or for any regular or special meetings called by the Board of Directors. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal office of the Foundation in the Commonwealth of Kentucky. However, if all of the Directors shall meet at any time and place, either within or without the Commonwealth of Kentucky, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

**Section 10 – MEETING BY MEANS OF TELEPHONE CONFERENCE OR ELECTRONIC MEANS.**

Unless otherwise provided by the Articles of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a telephone conference, web conference, or similar communications equipment by means of which all persons participating in the meeting can hear or otherwise interact with each other, and participation in a meeting pursuant to this Section 10 shall constitute presence in person at such meeting.

**Section 11 – INFORMAL ACTION BY DIRECTORS, ACTION BY CONSENT.** Any action required by law to be taken at a meeting of the Board of Directors may be taken without a meeting if written, electronically submitted or otherwise, or verbal consent shall be given by a majority of the Directors entitled to vote with respect to the subject matter thereof.

**Section 12 – QUORUM.** The Directors holding the majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If the quorum is not present at any meeting of Directors, a majority of Directors present may adjourn the meeting without further notice.

**Section 13 – PROXIES.** At any meeting of Directors, a Director entitled to vote may vote by proxy executed in writing, or given orally by the member (or his/her duly authorized attorney-in-fact) for the particular meeting.

**Section 14 – MANNER OF ACTING.** A majority of the votes entitled to be cast on a matter to be voted upon by the Directors present, or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of the matter unless a greater proportion is required by law, or by these Bylaws.

**ARTICLE VI – ADVISORY BOARD**

**Section 1 – POWER TO ELECT ADVISORY BOARD.** The Board of Directors shall have the power to admit by invitation an unlimited number of Advisory Board members, consistent with the Foundation's status as a supporting organization under section 509(a)(3) of the Internal Revenue Code, and for such period and for such duties as the Board of Directors may determine. Upon acceptance of such position, Advisory Board members may consult with and assist the Board of Directors in planning and carrying out the exempt purposes of the Foundation and shall serve at the pleasure of the Board of Directors. No Advisory Board member shall be entitled to vote or hold any office by virtue of their position on the Advisory Board. No Advisory Board member shall serve on the Board of Directors.

**Section 2 – RESIGNATION.** Any Advisory Board member invited to serve in such capacity by the Board of Directors may resign by filing a written resignation with the Foundation.

**Section 3 – TERMINATION.** Any Advisory Board member may be removed at any time, with or without cause by the majority vote of the Board of Directors.

**Section 4 – COMPENSATION.** The Advisory Board members shall serve on a volunteer basis and no compensation shall be authorized by the Foundation.

## **ARTICLE VII – OFFICERS**

**Section 1 – OFFICERS.** The officers of the Foundation shall be the Chair, Vice Chair, Secretary and Treasurer, and such other officers as may be elected by the Board of Directors in accordance with the provisions of this Article VII. Each officer must be a member of the Board of Directors. These officers will have the authority and perform the duties prescribed from time to time by the Board of Directors.

**Section 2 – ELECTION AND TERM OF OFFICE.** All officers of the Foundation shall be elected at the annual meeting by a three-fifths vote of the Board of Directors and shall serve for a term of one year. Each officer shall hold office until his successor shall have been duly elected and qualified. Nominations for officers shall be given to the Superintendent of the District and the Chair at least two weeks prior to the annual meeting. Re-election is permissible.

**Section 3 – REMOVAL.** Any officer elected or appointed by the Board of Directors may be removed by the three-fifths vote or consent of the Board of Directors. Such removal shall be done without prejudice of the rights of the officer removed.

**Section 4 – VACANCIES.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

**Section 5 – RESIGNATION.** Any officer may resign his/her position by delivering written notice of resignation to the Secretary. Such resignation shall be effective on the date provided therein.

## **ARTICLE VIII – OFFICER RESPONSIBILITIES**

**Section 1 – CHAIR.** The Chair shall preside at all meetings of the Board of Directors. The Chair shall possess the power to sign all contracts, certificates, and other instruments of the Foundation which may be authorized by the Board of Directors, however, any such contract, certificate, or other instrument must be co-signed by the Superintendent of the District in order to bind the Foundation. The Chair shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these Bylaws or by the Board of Directors.

**Section 2 – VICE CHAIR.** In the absence of the Chair, or in the event of his or her inability or refusal to act, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have all of the powers of, and be subject to, all the restrictions upon the Chair. The Vice Chair shall oversee all committees and sub committees as designated by the Board of Directors. Any Vice Chair shall perform such other duties as from time to time may be assigned to him by the Chair or by the Board of Directors.

**Section 3 – TREASURER.** The Treasurer shall keep, or delegate and oversee the keeping of, full and accurate accounts of the receipts and disbursements in books belonging to the Foundation, and shall deposit or delegate and oversee the depositing of, all monies and other valuable effects in the name and to the credit of the Foundation in such banks and depositories as may be designated by the Board of Directors, but shall not be personally liable for the safekeeping of any funds or securities so deposited pursuant to the order of the Board of Directors. The Treasurer shall disburse or delegate, and oversee the disbursement of, the funds of the Foundation as may be ordered by the Board of Directors in furtherance of the specific purpose and mission of the Foundation and shall render to or delegate and oversee the rendering to, the Chair and Board of Directors at the regular meeting of the Board of Directors, and, wherever they may be required, accounts of all his/her transactions as Treasurer and of the financial condition of the Foundation. The Treasurer shall be required to prepare an annual report of the financial condition of the Foundation which shall be presented to the Superintendent of the District annually. The Superintendent shall present the Treasurer's annual report to the Board of Education of the District. The Treasurer shall perform the duties either personally or through delegation, usually incident to the office of treasurer and such other duties as may be prescribed by the Board of Directors or by the Chair.

**Section 4 – SECRETARY.** The Secretary of the Foundation shall keep the minutes of meetings of the Board of Directors in one or more books provided for that service. The Secretary is the custodian of the corporate records. The Secretary shall keep a register of the mailing or post office address of each Director, which shall be furnished by the Director. The Secretary shall give, or cause to be given, notice of meetings of the Board of Directors when notice is required to be given under these Bylaws or by any resolution of the Board of Directors. The Secretary shall have custody of the seal for all authorized documents requiring a seal. In general, the Secretary shall perform all the duties incident to the office of the secretary. The Secretary shall also perform other such duties as from time to time may be assigned by the Chair or by the Board of Directors.

**Section 5 – DELEGATING POWER.** In case of the absence of any officer of the Foundation, or for any other reason that may seem sufficient to the board, the Board of Directors may delegate his duties and powers, for the time being, to any other officer.

## **ARTICLE IX – COMMITTEES**

**Section 1 – COMMITTEES.** The Board of Directors, by resolution, adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Foundation, except that no committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee, or any Director or officer of the Foundation; amending the Articles of Incorporation; restating Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another entity, or revoking proceedings thereof; adopting a plan for the distribution of the assets of the Foundation; entering into, rescinding, renewing or

assigning any contract; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it, her, or him, by law.

**Section 2 – TERM OF OFFICE.** Each member of a committee shall continue as such until the next annual meeting of the Board of Directors, and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

**Section 3 – CHAIRPERSON.** One member of each committee shall be appointed Chairperson by the person or persons authorized to appoint the members of the committees.

**Section 4 – VACANCIES.** Vacancies in the membership of any committee can be filled by appointments made in the same manner as provided in the case of the original appointments.

**Section 5 – 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.

**Section 6 – RULES.** Each committee may adopt rules for its own government, not inconsistent with these Bylaws or with the rules adopted by the Board of Directors.

## **ARTICLE X – CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

**Section 1 – CONTRACTS.** The Board of Directors may authorize any officer, or officers, agent or agents of the Foundation, in addition to the officers so authorized by the Bylaws, to enter into any contract, or execute and deliver any instrument, in the name of and on the behalf of the Foundation. Authority may be general or confined to specific instances. All disbursements of the Foundation must be co-signed by the Superintendent of the District.

**Section 2 – FINANCIAL MANAGEMENT PROCEDURES.** The Treasurer or outside bookkeeping firm, as the Board of Directors may select, shall prepare the daily bank deposits, posts invoices and print checks for payments. The Chair shall review the work of the Treasurer or bookkeeper. The Treasurer or bookkeeper shall prepare monthly financial statements, quarterly tax payments and payroll, if applicable.

**Section 3 – 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 Foundation, shall be signed by such officer or officers, agent or agents of the Foundation, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Chair of the Foundation. All disbursements of the Foundation must be co-signed by the Superintendent of the District. The Chair shall review reports of all checks, drafts or orders for payment of

money, notes, or other evidences of indebtedness prepared by the Treasurer or outside bookkeeper, as the Board of Directors may select.

**Section 4 – DEPOSITS.** All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board of Directors may select. The Chair shall review deposit reports prepared by the Treasurer or outside bookkeeper, as the Board of Directors may select. A majority vote of all Directors shall be required for purposes of selecting the depositories of the Foundation.

**Section 5 – GIFTS.** The Board of Directors may accept or refuse on behalf of the Foundation any contribution, donation, gift, bequest, or devise for the general purposes, or for any special purpose, of the Foundation.

**Section 6 – AUDIT.** The Board of Directors, by resolution, may cause the records and books of account of the Foundation to be audited from time to time in such a manner as may be deemed necessary or appropriate, and also shall make such inquiry as the board of Directors deems necessary or advisable into the condition of all funds held by the Foundation. Such audit shall be performed by any such person or firm as the Board of Directors deems advisable.

## **ARTICLE XI – BOOKS AND RECORDS**

The Foundation shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of meetings of the Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the Directors entitled to vote. All books and records of the Foundation may be inspected by any member of the Board of Directors, or his agent, or attorney, for any proper purpose, at any reasonable time.

## **ARTICLE XII – FISCAL YEAR**

The fiscal year of the Foundation shall begin on the first day of July and end on the thirtieth day of June in each year.

## **ARTICLE XIII – WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of Kentucky Revised Statutes, under the provisions of the Articles of Incorporation, or the Bylaws of the Foundation, a waiver thereof in writing, signed by the persons entitled to such notice, whether before or after the time stated therein, shall be deemed to be equivalent to the giving of such notice.

## **ARTICLE XIV – INDEMNIFICATION**

**Section 1 – POWER TO INDEMNIFY IN ACTIONS, SUITS OR PROCEEDINGS OTHER THAN THOSE BY OR IN THE RIGHT OF THE FOUNDATION.** Subject to Section 3 of this Article XIV, the Foundation shall indemnify 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 Foundation) by reason of the fact that the person is or was a Director, officer, employee or agent of the Foundation, or is or was serving at the request of the Foundation as a Director or officer, employee or agent of another Foundation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. 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, of itself, create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Foundation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

**Section 2 – POWER TO INDEMNIFY IN ACTIONS, SUITS OR PROCEEDINGS BY OR IN THE RIGHT OF THE FOUNDATION.** Subject to Section 3 of this Article XIV, the Foundation shall indemnify 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 Foundation to procure a judgment in its favor by reason of the fact that such person is or was a Director, officer, employee or agent of the Foundation, or is or was serving at the request of the Foundation as a Director, officer, employee or agent of another Foundation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if 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 Foundation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Foundation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

**Section 3 – AUTHORIZATION OF INDEMNIFICATION.** Any indemnification under this Article XIV (unless ordered by a court) shall be made by the Foundation only as authorized in the specific case upon a determination that indemnification of the present or former Director, officer, employee, or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article XIV, as the case may be. Such determination shall be made with respect to a person who is a Director or officer at the time of such determination (i) by a majority vote of the Directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such Directors designated by majority vote of such Directors, even though less than a quorum, or (iii) if there are no such Directors, or if such Directors so direct, or by independent legal counsel in a written opinion. To the extent that a present or former Director or officer of the Foundation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein,

such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

**Section 4 – GOOD FAITH DEFINED.** For purposes of any determination under Section 3 of this Article XIV, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Foundation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his or her conduct was unlawful, if such person's action is based on the records or books of account of the Foundation or another enterprise, or on information supplied to such person by the officers of the Foundation or another enterprise in the course of their duties, or on the advice of legal counsel for the Foundation or another enterprise or on information or records given or reports made to the Foundation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Foundation or another enterprise. The term "other enterprise" as used in this Section 4 shall mean any other Foundation or any partnership, joint venture, trust, employee benefit plan, or other enterprise of which such person is or was serving at the request of the Foundation as a Director, officer, employee, or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or 2 of this Article XIV, as the case may be.

**Section 5 – NON-EXCLUSIVITY OF INDEMNIFICATION.** The indemnification provided by or granted pursuant to this Article XIV shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation or any Bylaw, agreement, contract, vote of disinterested Directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Foundation that indemnification of the persons specified in Sections 1 and 2 of this Article XIV shall be made to the fullest extent permitted by law.

**Section 6 – INSURANCE.** The Foundation may purchase and maintain general Directors and Officers liability insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Foundation, or is or was serving at the request of the Foundation as a Director, officer, employee, or agent of another Foundation, partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Foundation would have the power to indemnify such person against such liability under the provisions of this Article XIV.

**Section 7 – SURVIVAL OF INDEMNIFICATION.** The indemnification provided by, or granted pursuant to, this Article XIV shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

**Section 8 – LIMITATION ON INDEMNIFICATION.** Notwithstanding anything contained in this

Article XIV to the contrary, the Foundation shall not be obligated to indemnify any Director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Foundation.

## **ARTICLE XV – PROHIBITED ACTIVITIES**

**Section 1 – ACTIONS JEOPARDIZING TAX STATUS.** This Foundation shall not take any action or carry on any activity not permitted to be taken or carries on by an organization exempt under §501(c)(3) of the Internal Revenue Code of 1986 and its regulations as amended, or by an organization, contributions to which are deductible under §170(c)(2) of such Code and its regulations as amended.

**Section 2 – LOBBYING AND POLITICAL ACTIVITIES.** This Foundation shall not lobby (including the publishing or distribution of statements) or otherwise attempt to influence legislation except as authorized by a resolution adopted by the Board of Directors. Further, this Foundation shall not participate or intervene in (including the publishing or distribution of statements) any political or judicial campaign on behalf of any candidate for public office whatsoever.

**Section 3 – PRIVATE INUREMENT.** No part of the net income or net assets of the Foundation shall inure to the benefit of, or be distributable to, its directors, officer, or members. However, the Foundation is authorized to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its tax-exempt purposes.

**Section 4 – NON-DISCRIMINATION.** In the conduct of all aspects of its activities, the Foundation shall not discriminate on the grounds of race, religion, color, national origin, gender identity, or sexual orientation.

**Section 5 – PROHIBITED ACTS.** The Foundation shall not engage in any acts contrary to its classification as a public charity pursuant to §509(a)(3) of the Internal Revenue Code of 1986.

**Section 6 – LITIGATION.** The Foundation shall not be a voluntary party to any litigation without prior resolution by the Board of Directors.

## **ARTICLE XVI – CONFLICT OF INTEREST POLICY**

**Section 1 – PURPOSE.** The purpose of the conflict of interest policy is to protect the Foundation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Section 2 – DEFINITIONS.**

a. Interested Person: Any Director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as

defined below, is an interested person.

b. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- i. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement;
- ii. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement; or
- iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 4, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

**Section 3 - DUTY TO DISCLOSE.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

**Section 4 - DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

**Section 5 - PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the governing board or committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under

circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

**Section 6 – VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Section 7 – RECORDS OF PROCEEDINGS.** The minutes 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 8 – COMPENSATION.** A voting member of the governing board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Section 9 – ANNUAL STATEMENTS.** Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflicts of interest policy,

- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Section 10 – PERIODIC REVIEWS.** To ensure the Foundation 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 Foundation'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.

**Section 11 – USE OF OUTSIDE EXPERTS.** When conducting the periodic reviews as provided for in Section 10, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **ARTICLE XVII – CONFIDENTIALITY**

**Section 1 – CONFIDENTIAL INFORMATION.** All information relating to the operation and governance of the Foundation is confidential, including but not limited to: all donor information; information provided by contracted third-parties and vendors such as attorneys, accountants, financial advisors, employees, affiliated organizations; or information provided by the District, its directors, officers, members, agents, employees, or representatives ("Confidential Information").

**Section 2 – DISCLOSURE OF CONFIDENTIAL INFORMATION.** The Superintendent of the District, Directors, Officers, and their respective agents and representatives ("Disclosing Party") shall not disclose Confidential Information to any third party, except the Board of Education of the District, absent express authorization provided in writing by the Chair of the Board of Directors to make such disclosure. Such obligation shall commence upon the Disclosing Party's receipt of any Confidential Information and shall terminate three-years from time the Disclosing Party last received Confidential Information. Upon discovery of an unauthorized disclosure, the Disclosing Party shall endeavor to prevent further disclosure or use and shall immediately notify the Foundation. Such prohibition on disclosure of Confidential Information does not apply if said Confidential Information:

- a. had been within the public domain at the time it was disclosed or to has fallen within the public domain except through breach of this Article XVII;
- b. had been developed independently by the Disclosing Party;
- c. was disclosed by the Disclosing Party to satisfy a legal demand by a court of competent jurisdiction or regulatory body, provided that the Disclosing Party make every reasonable effort to timely notify the Foundation that such Confidential Information will be disclosed so as to provide the Foundation with an opportunity to prevent the disclosure of such Confidential Information, and provided further that the Disclosing Party will disclose only that portion of the Confidential Information which is legally required to be disclosed and request confidential treatment of the proprietary information and/or technical data by the court or regulatory body;
- d. was disclosed by the Disclosing Party to satisfy a legal requirement or requirement of a securities exchange or similar authority, provided that the Disclosing Party will disclose only that portion of the Confidential Information which is legally required to be disclosed and request confidential treatment of the Confidential Information from the appropriate court, regulatory body, securities exchange or similar authority; or
- e. is approved for release by prior written authorization of the Board of Directors.

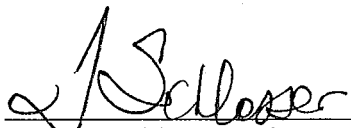
**Section 3 – WAIVER.** The failure of the Foundation to enforce or to require the performance at any time of the provisions of this Article XVII shall not be construed as a waiver of any of the provisions herein, and shall not affect either the validity of this Article XVII, any other provisions of these Bylaws, or the Foundation's right to enforce each and every provision of these Bylaws.

**Section 4 – REPRODUCTION AND RETURN OF CONFIDENTIAL INFORMATION.** Confidential Information shall not be copied or reproduced without the express written permission of the Foundation, except for such copies as may reasonably be required for internal evaluation. Upon termination of service for the Foundation or District, all Confidential Information must be returned to the Foundation or destroyed unless otherwise prohibited by law.

#### **ARTICLE XVIII – AMENDMENTS TO BYLAWS**

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by a two- thirds 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 such meeting.

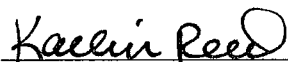
Adopted by the initial directors of the Marion County Education Foundation, Inc. at the Organizational Meeting this the 25<sup>th</sup> day of September, 2017.

A handwritten signature in cursive script, appearing to read "T Schlosser", written over a horizontal line.

Taylora Schlosser, Director

A handwritten signature in cursive script, appearing to read "Carrie Truitt", written over a horizontal line.

Carrie Truitt, Director

A handwritten signature in cursive script, appearing to read "Kaelin Reed", written over a horizontal line.

Kaelin Reed, Director