

By-Laws of Community Foundation of Morgan County, Inc

ARTICLE I General

Section 1- Name. The name of the corporation is The Community Foundation of Morgan County, Inc. (the "Corporation").

Section 2 - Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December next succeeding.

Section 3 – Purpose. The purpose of the Corporation is to accept gifts, manage financial resources, and distribute funds to enhance the quality of life for current and future generations of Morgan County, Indiana.

ARTICLE II Membership

The Corporation shall have no paid memberships. The Board of Directors shall serve as members of the organization.

ARTICLE III Board of Directors

Section 1- General. The affairs of the Corporation shall be managed, controlled, and conducted by and under the supervision of the Board of Directors, subject to the provisions of the Articles of Incorporation and these Bylaws.

Section 2 – Number of Directors. The Board of Directors shall have no greater than eighteen (18) voting members, and no fewer than ten (10) voting members, as designated by resolution of the Board of Directors from time to time. At least twenty-five percent (25%) of Board membership shall reside within Brown, Madison, Harrison, and Clay Townships of Morgan County, Indiana; at least twenty-five percent (25%) of Board membership shall reside within Washington, Jefferson, and Green Townships of Morgan County; and the remainder of Board membership but no less than fifteen percent (15%) of the Board membership shall be considered at-large members and reside, work or own property anywhere within Morgan County. Board members shall serve without compensation.

Section 3 - Election of Directors. The election of the members of the Board of Directors shall be governed by the Corporation's Articles of Incorporation and these Bylaws.

The Nominating Committee shall recommend the names of those individuals to be considered for election as directors during the Board of Directors meeting held in November prior to their terms beginning the following January. The individuals elected to serve shall replace those directors whose terms currently expire. Other nominations may be duly made and seconded from the floor, provided the individual nominated has given prior consent and a vacancy exists within the county district in which the nominee resides.

Directors shall serve three - (3-) year terms with one third (1/3) of the total number of directors being elected each year. Each 1/3 group of directors will be referred to in this document as a "class." All terms begin on January 1 and end on December 31 (and until a successor is elected and qualified).

No person shall serve as a director for a period exceeding nine (9) consecutive years. Upon completion of a continuous maximum period of service as a director, no person may again serve as a director until

expiration of a period consisting of the lesser of five (5) years or the number of consecutive years in the term that the person has immediately completed serving (for example, 3 years).

Section 4 - Vacancies. When a vacancy occurs on the Board of Directors for any reason, other than an increase in the number of directors, the remaining directors shall elect a director to fill such vacancy and such director shall serve the balance of the unexpired term associated with the vacancy the director is filling and until his or her successor is elected.

Section 5 - Removal of Directors. At a meeting of the directors called for such purpose, any director or directors may be removed by a majority vote of all members of the Board of Directors then in office, with cause. Each director must have the ability to commit to at least seventy percent (70%) of the regularly-scheduled Board of Directors meetings and to commit to serve on at least one (1) committee. Each director shall enter into a commitment pledge, violation of which may be cause for removal.

Directors having thirty percent (30%) or more absences from board meetings during any fiscal year may be dismissed by a majority vote of directors then in office. Directors who are deemed to not be fulfilling the duties for which they were elected may be dismissed by a majority vote of the directors then in office.

Section 6 - Change in Class and Board Size. Subject to the Corporation's Articles of Incorporation, a change in class or board size shall generally be accomplished at the last regular meeting of the Board of Directors held during each fiscal year (the "Last Regular Meeting"). The filling of the vacancies created by such changes shall be done in accordance with the provisions of the Corporation's Articles of Incorporation.

A change in class or board size may, however, be accomplished at any regular or special meeting of the Board of Directors called for that purpose. Directors elected at a time other than at the Last Regular Meeting to fill the vacancies caused by such changes shall be assigned to one (1) of the three (3) classes of directors. Changes in board size shall be accomplished in a manner that ensures that each class comprises as nearly as possible an equal number of directors. Such directors shall be elected by majority vote of the directors of the Corporation. A director selected at a time other than at the Last Regular Meeting to fill a vacancy created by changing the number of directors in a class or on the board shall serve the balance of the unexpired term associated with the class of directors to which he or she has been assigned.

Section 7 - Quorum and Voting. Immediately before a meeting begins, a majority of the directors shall constitute a quorum for the transacting of any business properly to come before the Board of Directors. Except as otherwise provided in the Articles of Incorporation or Bylaws, 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.

Section 8 - Regular Meeting. The Board of Directors may hold regular meetings, as fixed by these Bylaws or by resolution of the Board of Directors, for the purpose of transacting such business as properly may come before the Corporation's Board of Directors. Except as provided in these Bylaws, such regular meetings of the Board of Directors may be held without public notice of the date, time, place, or purpose of the meeting. The first regular meeting in the Corporation's fiscal year shall be the annual meeting of the Board of Directors. There will be a minimum of five (5) regular board meetings scheduled per year. The Board of Directors shall set the schedule for regular meetings in December or January of each year. The Executive Committee can meet any other month to enact needed business between regular board meetings.

Section 9 - Special Meeting. Notwithstanding the preceding Section 8 of this Article III, the Board of Directors may hold special meetings for any lawful purpose upon proper notice, as described in Section 10 of this Article III, and upon call by the presiding officer of the Board of Directors, the President of the Corporation, or by at least ten percent (10%) of the directors then in office.

Section 10 - Notice of Special Meeting. Oral or written notice of the date, time, and place of each

special meeting of the Board of Directors shall be communicated, delivered, or mailed by the Secretary of the Corporation, or by the person or persons calling the meeting, to each member of the Board of Directors so that such notice is effective at least forty-eight (48) hours before the time of the meeting. Except as provided in these Bylaws, the notice need not describe the purpose of the special meeting. Oral notice shall be effective when communicated. Written notice shall be effective at the earliest of the following:

- (1) When received;
- (2) Five (5) days after the notice is mailed, as evidenced by the postmark or private carrier receipt, if mailed correctly addressed to the address listed in the most current records of the Corporation; or
- (3) On the date shown on the return receipt, if sent by registered or certified United States mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

Section 11 - Waiver of Notice. Notice may be waived in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records. Attendance at or participation in any meeting of the Corporation's Board of Directors shall constitute a waiver of notice of such meeting unless the director shall, at the beginning of the meeting or promptly upon the director's arrival, object to holding the meeting and does not vote for or assent to action taken at the meeting.

Section 12 - Means of Communication. The Board of Directors, or a committee thereof, may (a) permit a director or committee member to participate in a regular or special meeting by or (b) conduct a regular or special meeting through the use of any means of communication by which all directors or committee members participating may simultaneously interact with each other during the meeting. A director or committee member participating in a meeting by such means shall be considered present in person at the meeting.

Section 13 - Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a written consent describing such action is signed by each director or all committee members, as the case may be, and such written consent is included in the minutes or filed with the corporate records reflecting the action taken. Action taken by written consent shall be effective when the last director or committee member signs the consent, unless the consent specifies a prior or subsequent effective date. A consent signed as described in this Section 12 shall have the effect of a meeting vote and may be described as such in any meeting document.

ARTICLE IV **Officers**

Section 1 - General. The officers of this Corporation shall be a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board of Directors may otherwise elect. Each officer shall be elected by the Board of Directors at their meeting in November prior to their terms beginning in January and shall serve for one- (1) year terms and until the officer's successor is elected. Officers may serve a maximum of two terms. The President, Vice President, Secretary, and Treasurer must be members of the Board of Directors. Any officer may be removed by the Board of Directors at any time due to failure to fulfill the duties for which the officer was elected, with cause. Any vacancy occurring in any office shall be filled by the Board of Directors at their next regularly-scheduled meeting, and the person elected to fill such vacancy shall serve until the expiration of the term vacated. In case of the absence or disability of any officer of the Corporation, the Board of Directors may delegate the powers or duties of such officer to any other qualified person for a specific period of time.

Section 2 - President. The President shall preside at all meetings of the Board of Directors of the Corporation and shall be responsible for implementation of policies established by the Board of Directors. The president shall perform the duties incident to the office of chief executive officer of the Corporation and such other duties as the Board of Directors may prescribe. The President shall cast the deciding vote

in case of a tie. The President must commit to a minimum of one year of service to the Executive Committee as the Past President after his/her presidential term has expired.

Section 3 - Vice President. The Vice President shall act in place of the President and be empowered to perform all acts that the President is authorized to perform in the event of the President's absence or inability to serve. The Vice President shall serve as President Elect, assuming the presidency after the completion of the current president's term. The Vice President shall perform the duties usual to such position and such other duties as the Board of Directors or President may prescribe.

Section 4 - Secretary. The Secretary shall prepare, or cause to be prepared, the minutes of all meetings of the Board of Directors; shall enter, or cause to be entered, these minutes in the minute book; and shall distribute, or cause to be distributed, these minutes to all members of the Corporation's Board of Directors. The Secretary shall authenticate records of the Corporation as necessary. The Secretary shall perform the duties usual to such position and such other duties as the Board of Directors or President may prescribe.

Section 5 - Treasurer. The Treasurer shall prepare and maintain, or cause to be prepared and maintained, correct and complete records of account showing accurately the financial condition of the Corporation. All notes, securities, and other assets coming into the possession of the Corporation shall be received, accounted for, and placed in safekeeping as the Treasurer may from time to time prescribe. The Treasurer shall furnish, or cause to be furnished, whenever requested by the Board of Directors or the President, a statement of the financial condition of the Corporation and shall perform the duties usual to such position and such other duties as the Board of Directors or President may prescribe.

Section 6 - Other Officers. Each other officer of the Corporation shall perform such duties as the Board of Directors or the President may prescribe.

ARTICLE V **Employees**

Section 1 - Executive Director. The Board of Directors may hire an Executive Director who shall perform the duties of the administrator of the Corporation and shall be responsible for the day-to-day management of the Corporation's affairs. The Executive Director shall also perform such other duties as the Board of Directors or President may prescribe. The Executive Director may serve as an agent of the Corporation in business matters if so determined by the Board of Directors.

Section 2 - Other Employees. The Board of Directors may hire additional employees to perform such other duties as the Board of Directors or President may prescribe.

ARTICLE VI **Committees**

Section 1- Executive Committee. The Board of Directors may, by resolution, designate five (5) or more directors of the Corporation to constitute an Executive Committee, which, at a minimum, shall include the President, Vice President, Secretary, Treasurer, and Past President, and which, to the extent provided in such resolution and consistent with Indiana law, shall have and exercise all of the authority of the Board of Directors in the management of the Corporation's affairs during intervals between the meetings of the Board of Directors. The Executive Committee shall be subject to the authority and supervision of the Board of Directors.

Section 2 - Finance and Investment Committee. The Finance and Investment Committee shall oversee the Corporation's financial affairs and shall recommend to the Board of Directors finance and investment policies and procedures. This committee is responsible for ensuring the proper stewardship of all the Corporation's assets. This committee shall monitor securities owned by the Corporation and recommend sales and purchases consonant with the investment objectives of each component fund of the Corporation.

The Finance and Investment Committee shall select professional financial managers and regularly review their performance. The Finance and Investment Committee shall execute, or cause to be executed, an annual independent review of the Corporation's books.

Section 3 - Strategic Planning Committee. The Strategic Planning Committee shall develop a five- (5-) year plan for the Corporation's activities. This plan will establish program objectives and financial goals. This committee will periodically review and update the strategic plan. The Executive Committee may serve as the Strategic Planning Committee if so deemed by the Board of Directors.

Section 4 - Marketing and Public Relations Committee. The Marketing and Public Relations Committee shall help increase the Corporation's visibility to the public as approved by the Board of Directors. In coordination with the Executive Director, this committee will advise and assist with all public-relations strategies and/or activities for the Corporation.

Section 5 - Grants and Distributions Committee. This committee will develop and recommend grant-making guidelines for the board's approval, investigate and evaluate proposals, and recommend grants.

Section 6 - Nominating Committee. The Nominating Committee shall assess the board's current strengths and forecast its leadership needs for the future. This committee will develop a roster of individuals who will be considered for future appointments and elections. They will nominate a slate of officers for vote of the board according to the guidelines set forth in the Corporation's Bylaws. The Executive Committee may serve as the Nominating Committee if so deemed by the Board of Directors.

Section 7 - Scholarship Committee. The Scholarship Committee shall oversee the distribution of scholarships for which the Corporation is responsible. The committee shall work with local educational institutions and other parties necessary to promote scholarships.

Section 8 - Other Committees. The Board of Directors may establish other committees, in addition to the committees outlined in this Article V, to accomplish the goals and perform the programs of the Corporation. Such committees shall have such responsibilities and powers as the Board of Directors shall specify. Members of such other committees may, but need not, be members of the Board of Directors. A committee member appointed by the Board of Directors may be removed by the Board of Directors, with cause.

Section 9 - Committee Members, Chairpersons, and Term. An Executive Committee Member and/or at least two directors of the Corporation must serve on each committee. There shall be no specific limit on the number of members to any committee, excluding the Executive Committee which is defined in these Bylaws. The President of the Corporation shall be the chairperson of the Executive Committee, and all other committees shall duly elect a board member as their own chairperson. The term of each committee member shall be one year, beginning January 1. All committee members who are not members of the Board of Directors will be held in the same regard with respect to Corporation Bylaws, regulations and standards as regular Board Members during their committee tenure.

Section 10 - General. A majority of the members of any committee shall constitute a quorum, and all actions of a committee shall require a majority vote of the committee members present at a meeting at which a quorum is present. Employees of the Corporation may be asked to assist in Committee functions but will not be considered voting members of committees.

ARTICLE VII **Indemnification**

Section 1 - Indemnification by the Corporation. To the extent not inconsistent with the applicable law, every person (and the heirs and personal representatives of such person) who is or was a director, officer, or employee of the Corporation shall be indemnified by the Corporation against all liability and reasonable expense that may be incurred by him or her in connection with or resulting from any claim,

action, suit, or proceeding (a) if such person is wholly successful with respect thereof or, (b) if not wholly successful, then if such person is determined as provided in Section 3 of this Article VI to have acted in good faith, in what he or she reasonably believed to be the best interests of the Corporation (or, in any case not involving the person's official capacity with the Corporation, in what he or she reasonably believed to be not opposed to the best interests of the Corporation) and, in addition, with respect to any criminal action or proceeding, is determined to have had reasonable cause to believe that the conduct was lawful (or no reasonable cause to believe that the conduct was unlawful). The termination of any claim, action, suit, or proceeding, by judgement, settlement (whether with or without court approval), or conviction or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that a person did not meet the standards of conduct set forth in this Article VI.

Section 2 - Definitions.

(1) As used in this Article VI, the terms "claim, action, suit, or proceeding" shall include any threatened, pending, or completed claim, action, suit, or proceeding and all appeals thereof (whether brought by or in the right of this Corporation, any other corporation or otherwise), civil, criminal, administrative, or investigative, whether formal or informal, in which a person (or his or her heirs or personal representatives) may become involved, as party or otherwise:

- a. By reason of his or her being or having been a director or officer of the Corporation or of any corporation where he or she served as such at the request of the Corporation, or
- b. By reason of his or her acting or having acted in any capacity in a corporation, partnership, joint venture, association, trust, or other organization or entity where he or she served as such at the request of the Corporation, or
- c. By reason of any action taken or not taken by him or her in any such capacity, whether or not he or she continues in such capacity at the time such liability or expense shall have been incurred.

(2) As used in this Article VI, the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by or on behalf of, a person.

(3) As used in this Article VI, the term "wholly successful" shall mean (i) termination of any action, suit, or proceeding against the person in question without any finding of liability or guilt against him or her, (ii) approval by a court, with knowledge of the indemnity herein provided, of a settlement of any action, suit, or proceeding, or (iii) the expiration of a reasonable period of time after making any claim or threat of any action, suit, or proceeding without the institution of the same, without any payment or promise made to induce a settlement.

Section 3 - Entitlement to Indemnification. Every person claiming indemnification hereunder (other than one who has been wholly successful with respect to any claim, action, suit, or proceeding) shall be entitled to indemnification (a) if special independent legal counsel, which may be regular counsel of the Corporation or other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counselor person or persons being hereinafter called the referee), shall deliver to the Corporation a written finding that such person has met the standards of conduct set forth in the preceding Section 1 of this Article VI and (b) if the Board of Directors, acting upon such written finding, so determines. The person claiming indemnification shall, if requested, appear before the referee and answer questions which the referee deems relevant and shall be given ample opportunity to present to the referee evidence upon which he or she relies for indemnification. The Corporation shall, at the request of the referee, make available facts, opinions, or other evidence in any way relevant to the referee's findings which are within the possession or control of the Corporation.

Section 4 - Relationship to Other Rights. The right of indemnification provided in this Article VI shall be in addition to any rights to which any person may otherwise be entitled.

Section 5 - Extent of Indemnification. Irrespective of the provisions of this Article VI, the Board of

Directors may, at any time and from time to time, approve indemnification of directors, officers, or other persons to the fullest extent permitted by applicable law, or if not permitted, then to any extent not prohibited by such law, whether on account of past or future transactions.

Section 6 - Advancement of Expenses. Expenses incurred with respect to any claim, action, suit, or proceeding may be advanced by the Corporation (by action of the Board of Directors, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless he or she is entitled to indemnification.

Section 7 - Purchase of Insurance. The Board of Directors is authorized and empowered to purchase insurance covering the Corporation's liabilities and obligations under this Article VI and insurance protecting the Corporation's directors, officers, employees, or other persons.

ARTICLE VIII **Gifts to the Corporation**

Any donor of a gift to the Corporation may give directions with respect to such gift at the time the gift is made subject to the limitations in the Corporation's Articles of Incorporation and this Article VIII of these Bylaws. To the extent so permitted, these directions may specify:

- (a) the field of charitable purposes to be supported;
- (b) the particular charitable organization or organizations to be supported and in which amount or amounts; or
- (c) a name as a memorial or otherwise for a gift, or addition to a fund previously held, or that the donor of a gift shall remain anonymous.

If the donor does not expressly direct in the instruments making the gift the use of the income or principal of any gift, grant, or devise, the Corporation shall have absolute discretion as to the use of the income from the gift, provided that such use conforms to the exempt purposes of the Corporation as outlined in its Articles of Incorporation, but shall be unable to expend the principal of the gift.

Any donor who creates a charitable fund with the Corporation may give directions with respect to such gift at the time the gift is made subject to the limitations in the Corporation's Articles of Incorporation and this Article VIII of these Bylaws. To the extent so permitted, these directions may specify:

- (a) the field of charitable purposes to be supported;
- (b) the particular charitable organization or organizations to be supported and in which amount or amounts;
- (c) the donor's ability to make recommendations to the Corporation from time to time as to particular charitable organizations or purposes to be considered for support;
- (d) the manner of distribution including amounts, times, and conditions of payments and whether from principal and/or income; or
- (e) a name as a memorial or otherwise for a gift, or addition to a fund previously held, or that the donor of a gift shall remain anonymous.

Notwithstanding any provision in these Bylaws or in any instrument of transfer creating or adding to a fund of the Corporation, and in accordance with the Articles of Incorporation of the Corporation, the Board of Directors shall have the power to modify any restriction or condition on the distribution of funds *for* any specified charitable purposes or to specify organizations if, in the sole judgment of the Board of Directors (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The Board of Directors shall exercise this power at a meeting by the affirmative vote of a majority of the members of the Board of Directors. In exercising the powers provided in the Articles and Bylaws, the Board of Directors must take into consideration all contractual agreements and restrictions stated in the fund agreements that are not inconsistent with the Articles and Bylaws or applicable law and shall try to meet the intent of the fund donor.

ARTICLE IX
Contracts, Checks, Loans, Deposits, and Gifts

Section 1 - Contracts. The Board of Directors may authorize one (1) or more officers or agents of the Corporation to enter into any contract or execute any instrument on its behalf. Such authorization may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power to bind the Corporation or to render it liable *for* any purpose or amount.

Section 2 - Checks. All checks, drafts, or other orders *for* payment of money by the Corporation shall be signed by such person or persons as the Board of Directors may from time to time designate by resolution. Such designation may be general or confined to specific instances.

Section 3 - Loans. Unless authorized by the Board of Directors, no loan shall be made by or contracted *for* on behalf of the Corporation and no evidence of indebtedness shall be issued in its name. Such authorization may be general or confined to specific instances.

Section 4 - Deposits. All funds of the Corporation shall be deposited to its credit in such bank, banks, trust companies, or other depositories as the Board of Directors may specify. Such specification may be general or confined to specific instances.

Section 5 - Gifts. The Board of Directors may accept on behalf of the Corporation any gift, bequest, devise, or other contribution for the purposes of the Corporation on such terms and conditions as the Board of Directors shall determine.

ARTICLE X
Amendments

The power to make, alter, amend, or repeal the Bylaws is vested in the Board of Directors of the Corporation. This document shall be reviewed by the Board of Directors every five years (in years ending in "5" and "0").

- Amended September 11, 2006
- Amended March 8, 2010