

OPERATIONAL BYLAWS

Centennial Area Education Foundation, Inc.

Approved: March 11, 2002

Centennial Area Education Foundation



"Helping our children
reach for the stars."

BYLAWS OF THE CENTENNIAL AREA EDUCATION FOUNDATION, INC.

These Bylaws govern the affairs of the Centennial Area Education Foundation, Inc., a nonprofit Corporation organized under Chapter 317-A of Minnesota Statutes. The name of the Corporation, its corporate purpose, and the terms of its existence are set forth in the Articles of Incorporation filed with the Secretary of State of Minnesota, as the same may from time to time be amended. These Bylaws are subject to the provisions of the Articles of Incorporation.

ARTICLE I OFFICES, CORPORATE SEAL

Section 1.01. **Registered Office.** The registered office of the Corporation in Minnesota shall be that set forth in the Articles of Incorporation, or in a resolution of the Directors filed with the Secretary of State changing the registered office.

Section 1.02. **Other Offices.** The Corporation may have such other offices, within the State of Minnesota, as the Directors shall from time to time determine.

ARTICLE II BOARD OF DIRECTORS

Section 2.01. **Members.** The Corporation shall have no members and no shareholders. All corporate actions shall be approved by the Board of Directors as provided in these Bylaws. All rights which would otherwise rest in the members shall rest in the Directors.

Section 2.02. **General Powers.** The property, affairs and business of the Corporation shall be managed by the Directors.

Section 2.03. **Property.** No Director shall have any right, title or interest in or to the property of the Corporation.

Section 2.04. **Number, Qualification and Term of Office.** The number of Directors shall be at least 7 and not more than 19; however, the number of voting Directors may be increased or decreased to any odd number, by amendment of these Bylaws. Directors to serve until the first annual meeting shall be appointed by the initial Directors named in the Articles of Incorporation. Thereafter, all directors shall be appointed by those remaining duly qualified Directors. The Superintendent of Schools of the Centennial Independent School District shall hold an ex-officio, non-voting seat. The Chairperson of the Centennial Board of Education or other board member shall hold permanent official seat with vote. These Directors shall be known as permanent Directors. All other Directors shall be known as appointed Directors. Each appointed Director shall hold office until the annual meeting three (3) years following his or her election and until a successor is elected, or until his or her death, or until resignation or until he or she is removed in the manner hereinafter provided. Each permanent Director shall hold office until his or her designated position with the School District is changed. The initial appointed Directors shall draw lots for initial terms of office. The term of office for approximately one-third of the appointed Directors shall expire each year. Appointed Directors may be re-elected to successive terms. Persons, including representatives and directors of banks or trust companies who serve as investment advisors, custodians, or agents for or with respect of funds of or held for the benefit of this Corporation, shall never constitute more than one-half of the Directors of this Corporation.

Section 2.05. **Resignation.** Any Director of the Corporation may resign at any time by giving written notice to the President or to the Secretary of the Corporation. The resignation of any Director shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 2.06. **Vacancies.** Any vacancy in the position of an appointed director caused by death, resignation, disqualification, removal, or any other cause, shall be filled by a majority vote of the Board of Directors and the Director so elected shall hold office for the remaining term of that Directorship and until his or her successor shall be duly elected and qualified by the remaining Directors. Any vacancy in the position of a permanent Director as noted in Section 2.04 shall be filled by the same person filling the school district position.

Section 2.07. **Place of Meeting.** The Board of Directors may hold its meetings at such place or places, within the State of Minnesota, as it may choose.

Section 2.08. **Annual Meeting.** As soon as practical and not more than sixty (60) days after the beginning of a new fiscal year, the annual meeting of the Corporation shall be held for the purpose of election of officers of the Corporation and any other business or transactions as shall come before the meeting. Notice of the annual meeting shall be given in writing by the Secretary to all Directors not less than ten (10) days prior to the meeting.

Section 2.09. **Regular Meetings.** Regular meetings of the Board of Directors shall be held at such time and place, within the State of Minnesota, as the Board may determine by resolution adopted by a majority of the members of the Board of Directors. Notice of regular meetings shall be given by the Secretary not less than five (5) days prior to the meeting.

Section 2.10. **Special Meetings Notice.** Special meetings of the Board of Directors shall be held whenever called by the President or by 25% of the Directors. Notice of each such special meeting shall be mailed to each Director, addressed to the Director at his or her residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or to be delivered personally or by telephone, no later than two (2) days before the day on which the meeting is to be held, except as otherwise provided by these Bylaws. Each such notice shall state

the time, place, and purpose of the meeting. Any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all of the Directors of the Corporation then in office shall be present thereat (except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened) or waive such notice in writing before, at, or after such meeting.

Section 2.11. **Quorum and Manner of Acting.** Except as otherwise provided by statute or by these Bylaws, a minimum of five (5) of the Directors must be present to constitute a quorum for the transaction of business at any meeting and the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Corporation. In the absence of a quorum, a majority of the Directors present may adjourn any meeting, and reconvene once a quorum is assembled, without giving further notice.

Section 2.12. **Meeting Attendance.** It shall be the policy of the Corporation to require attendance at all Directors meetings. In the event a Director misses three (3) or more consecutive meetings, the Board of Directors may, if deemed appropriate, ask for the resignation of that Director. If the Director does not resign upon request, then the removal provisions of Section 2.13 must be followed if the Board, in its discretion, decides removal is appropriate. However, it shall also be the policy of the Corporation to attempt to accommodate the schedules of its Directors who demonstrate continuing interest in the affairs of the Corporation. It shall be at the discretion of the Board of Directors to invoke this provision.

Section 2.13. **Removal of Directors.** Any Director, with the exception of the permanent seats, as outlined in Section 2.04 of these Bylaws, may be removed with or without cause at any time. Removal shall be by a vote of a majority of all Directors of the Corporation at a regular meeting or a special meeting of the Directors called for that purpose. Written notice stating the

place, date, hour, and the purpose of any special meeting called for the purpose of removing one or more Directors must be delivered to all Directors at least twenty (20) days prior to such meeting. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Corporation, with postage thereon prepaid. The vacancy in the Board of Directors caused by any such removal shall be filled in the manner specified in Section 2.06 hereof.

Section 2.14. **Proxies.** Proxies shall not be allowed or used.

Section 2.15. **Action of Board by Consent.** Any action required by the Minnesota Non-Profit Corporation Act to be taken at a meeting of the Directors of the corporation or any action that may be taken at a meeting of the Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Directors or committee members, respectively, as would be necessary to take that action at a meeting at which all of the Directors or members of the committee were present and voted. Each written consent shall conform to the requirements of the Minnesota Non-Profit Corporation Act as it is amended from time to time.

ARTICLE III OFFICERS

Section 3.01. **Number.** The officers of the Corporation shall be a President, a Secretary, a Treasurer and, if the Board shall so elect, one (1) or more Vice Presidents and such other officers as may be appointed by the Board of Directors. Any two (2) or more offices, except those of President and Secretary, may be held by the same person, provided, however, no director or officer may hold more than two offices.

Section 3.02. **Election, Term of Office and Qualification.** All officers shall be elected annually by the Directors of the Corporation, except in the case of officers appointed in accordance

with the provisions of Section 3.05 or 3.10. Each shall hold office for a period of one (1) year and until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign, or until he or shall have been removed in the manner hereinafter provided. Officers shall be Directors.

Section 3.03. **Resignation.** Any officer may resign at any time by giving written notice of his or her resignation to the Board of Directors, to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.04. **Election and Removal.** Election of an officer shall not, of itself, create contract rights. Any officer elected by the Board of Directors may be removed by the Board whenever in its judgment, the best interests of the Corporation would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 3.05. **Vacancies.** A vacancy in any office created by death, resignation, removal or any other cause which has been presented and which is in excess of three months of an election to fill that position shall be filled by the board for the unexpired portion of the term.

Section 3.06. **President.** The President shall not be an employee, agent, or member of the Centennial School Board or the Centennial School District. The President shall assume all duties normally associated with that office. The President shall be the chief executive officer of the Corporation and shall have general active management of the business of the Corporation. He or she, shall, when present, preside at all meetings of the Directors. He or she shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she, with the proper signature of one other duly qualified officer of the Corporation, may execute and deliver in the

name of the Corporation, any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Corporation, including without limitation, any instruments necessary or appropriate to enable the Corporation to donate income or principal of the Corporation to or for the account of any organizations, causes, projects or entities described in the Articles of Incorporation of the Corporation which the Corporation was organized to support. He or she shall perform such other duties as may from time to time be prescribed by the Board of Directors.

Section 3.07. **Vice President.** Each Vice President, if any, shall be elected by the Board of Directors, shall have such powers and shall perform such duties as may be specified in the Bylaws or prescribed by the Board of Directors or by the President. In the event of absence or disability of the President, the Vice Presidents shall succeed to their power and duties in the order designated by the Board of Directors.

Section 3.08. **Secretary.** The Secretary shall be elected by the Board of Directors, shall have such powers and shall perform such duties as may be specified in the Bylaws or prescribed by the Board of Directors or by the President. The Secretary shall see that the minutes of the proceedings of the meetings of the Board of Directors are kept. He or she shall, when directed to do so, notify the Directors of all meetings and perform such other duties as may from time to time be prescribed by the Board of Directors or by the President and in general, shall perform all duties incident to the office of the Secretary.

Section 3.09. **Treasurer.** The Treasurer shall cause to be kept accurate accounts of all funds of the Corporation received or disbursed. He or she shall deposit all funds, drafts, and checks in the name of, and to the credit of, the Corporation in such banks and depositories as the Board of Directors, by resolution, shall, from time to time designate. He or she shall have power to endorse for deposit all notes, checks and drafts received by the Corporation. He or she shall cause to be

rendered to the President and the Directors, wherever required, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation, and shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the President, and in general, shall perform all duties incident to the office of the Treasurer.

Section 3.10. **Other Officers.** The Corporation may have such other officers and agents as may be deemed necessary by the Board of Directors, who shall be appointed in such manner, have such duties and hold their offices for such terms as may be determined by resolution of the Board of Directors.

Section 3.11. **Election Procedure.** The Nominating Committee shall provide each Director with a list of the offices to be filled and a slate of proposed officers not less than thirty (30) days prior to the annual meeting. The final slate of proposed officers shall be presented for vote at the annual meeting. A majority vote of the Board of Directors shall be required to elect officers.

ARTICLE IV COMMITTEES

Section 4.01. **Standing Committees.** The Directors may establish one or more Standing Committees and determine the duties and authority of any such committee. Standing committees of the Corporation shall be as follows:

(a) **The Executive Committee,** to be composed of five (5) Directors shall be charged with the duties of managing the Corporation in the ordinary course of business, employment of personnel, and the general handling of the affairs of the Corporation and the carrying out of the purposes of the Corporation and the performance of such other duties as may be imposed upon it or authorized by the Board of Directors. The Executive Committee shall be subject to the control of and be responsible to the Board of Directors and shall keep minutes and make reports to the Board of Directors, but there shall be no necessity of a further resolution specially authorizing its actions

in the general handling of the affairs of the Corporation. The Executive Committee shall be comprised of those persons who hold the offices of President, Vice President, Secretary, Treasurer and one (1) current Director, appointed by the Board of Directors, who is not an officer of the Corporation.

(b) **The Special Projects Committee**, shall be charged with the duty of managing the special projects to be undertaken by the Corporation in accordance with its purpose, and overseeing the use of any special project funds and properties committed to its care and the performance of such other duties as may be imposed upon it or authorized by the Board of Directors.

(c) **The Nominating Committee** shall be charged with the duty of making nominations to the Board of Directors for elective offices and for vacancies in the Board of Directors. Such nominations shall not preclude the right of additional nominations being made at any meeting of the Board where an election of an officer or a Director is being considered. The Nominating Committee shall be composed of the Superintendent of Schools, and (4) foundation directors who shall be appointed by the Board of Directors.

The standing committees, other than the Executive Committee, and the Nominating Committee, shall be composed of such numbers of members as may be determined by the Board of Directors, and shall be appointed by the President. The Executive Committee and the Nominating Committee shall be composed exclusively of members of the Board of Directors. Membership of the remaining standing committees need not be composed entirely of the members of the Board of Directors; provided, at least two (2) Directors shall be members of each of said standing committees.

Section 4.02. **Special Committees.** The Board of Directors may from time to time, authorize special committees to be appointed by the President. The Board of Directors shall specify

the number of persons composing such special committees and the terms and duties of such special committees. While the membership of the special committees need not be composed entirely of members of the Board of Directors, at least two members of each special committee shall be Directors. Special Committees created under this section may be dissolved by a majority vote of the Board of Directors.

Section 4.03. **Term of Office.** Each member of a committee shall continue to serve on the committee until the next annual meeting of the Directors and until a successor is appointed. However, the term of a committee member may terminate earlier if a committee member is terminated, dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy shall serve for the unexpired position of the previous committee member's term.

Section 4.04. **Committee Meetings.** Committee meetings shall be called and presided over by the Chairperson of the committee, or in his or her absence or disability, by the Vice Chair, or in case of absence and/or disability of both the Chair and Vice Chair by any member thereof after reasonable notice to all of the committee members. Committees shall meet as often as necessary to properly discharge their duties. A simple majority of committee members present in person shall constitute a quorum for any committee meeting and a simple majority vote of those present and voting at any committee meeting at which a quorum is present shall constitute the action or report of the committee.

Section 4.05. **Chair and Vice Chair.** The Chair and Vice Chair of each committee shall be appointed by the President of the Corporation.

Section 4.06. **Proxies.** Proxies shall not be allowed or used by any committee member.

Section 4.07. **Reference to Committees.** While it shall not be required, it is recommended, when applicable, that matters be referred to appropriate committees for consideration and recommendations prior to Board action.

Section 4.08. **Action In Lieu of Meeting.** If all the members of a committee consent in writing to any action, such action, shall be as valid as if authorized at a meeting of the committees. Such consent, setting forth the action so taken, shall be filed with the minutes of the proceedings at the next committee meeting.

ARTICLE V FISCAL AGENTS

This Corporation may designate such fiscal agents, investment advisors and custodians as the Board of Directors may select by resolution. The Board of Directors may at any time, with or without cause, discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

ARTICLE VI FIDUCIARY RESPONSIBILITY

It shall be the policy of this Corporation that the Board of Directors shall assume and discharge fiduciary responsibility with respect to all funds and other assets held or administered by this Corporation.

ARTICLE VII POLICIES WITH RESPECT TO DISTRIBUTION OF PRINCIPAL, INCOME, AND RELATED MATTERS

Section 7.01. **Distribution Policy.** Distributions shall fund programs and projects that are aligned with the mission and Education philosophy of the Centennial Independent School District #12.

Section 7.02. **Annual Distributions.** It shall be the policy of this Corporation to make annual distributions for one or more of the Education purposes for which it is organized, including administrative expenses and amounts paid to acquire an asset used (or held for use) directly in carrying out one or more of its purposes, in an amount determined by the Board of Directors to be appropriate. In any such distribution of funds, no discrimination shall be made on account of the age, sex, race, religious affiliation, disability or national origin of the individuals or programs to be benefited thereby.

Section 7.03. **No Self Dealing.** It shall be the policy of this Corporation not to engage in any act which would constitute “self-dealing” as defined in Section 4941(d) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended.

Section 7.04. **No Jeopardy Investments.** It shall be the policy of this Corporation to assure that no funds, whether title thereto is vested in this Corporation or is vested in a trust for the benefit of this Corporation, are invested or reinvested in such a manner as to jeopardize the carrying out of any Education purposes for which this Corporation is organized.

Section 7.05. **Expenditure Responsibility.** Through its Board of Directors, this Corporation shall exercise “expenditure responsibility” as defined in Section 4945(h) (1) and (2) of the Internal Revenue Code of 1966, as now enacted or as hereafter amended, with respect to all grants and distribution.

Section 7.06. **Reasonable Return.** The Board of Directors shall take steps to assure that each Director, agent, or custodian of the unrestricted trusts or funds that are a component part of this Corporation, will administer them in accordance with accepted standards of fiduciary conduct to produce a reasonable (as determined by the Board of Directors) return of net income.

ARTICLE VIII
BOOKS OF RECORD, AUDIT, FISCAL YEAR, BOND

Section 8.01. **Books and Records.** The Board of Directors of this Corporation shall cause to be kept:

- (a) records of all proceedings of the Board of Directors and Committees thereof; and
- (b) all financial statements of this Corporation; and
- (c) Articles of Incorporation and Bylaws of this Corporation and all amendments thereto; and
- (d) such other records and books of account as shall be necessary and appropriate to the conduct of the corporate business.

Section 8.02. **Audit and Publication.** The Board of Directors shall cause the records and books of account of this Corporation to be audited at least once in each fiscal year 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 trusts and funds held by any agent or custodian for the benefit of this Corporation. The Directors shall retain any such person or firm for such purposes as they may deem appropriate. Not later than six (6) months after the close of each fiscal year of this Corporation, the Board of Directors shall furnish to the School Board of the Centennial Public Schools, copies of the Corporation's financial statements for its immediately preceding fiscal year and may, if determined necessary or appropriate by the Board of Directors, cause such financial statements to be published in one or more local newspapers having a general circulation and distribution, as may be selected by the Board of Directors.

Section 8.03. **Fiscal Year.** The fiscal year of the Corporation shall begin on July 1 and end on June 30 of each year.

Section 8.04. **Bond.** The Corporation shall obtain bond on such people and in such amounts as may from time to time be deemed necessary by the Board of Directors.

ARTICLE IX
TRANSACTIONS OF THE CORPORATION

Section 9.01. **Contracts.** The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

Section 9.02. **Gifts.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for a specific purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the Bylaws, the Articles of Incorporation, state or federal law, and any requirements for maintaining the Corporation's federal and state tax status.

Section 9.03. **Conflicts of Interest.** The Corporation's affirmative policy shall be to require that all actual or potential conflicts be discussed promptly and disclosed fully to the Board of Directors and all other necessary parties. Any Director having a conflict on any matter shall neither participate in the deliberation nor vote on any such matter. The Board of Directors may from time to time, establish such rules and regulations in furtherance of this policy, as deemed appropriate.

Section 9.04. **Nonprofit Operation.** The Corporation will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of the Corporation will be distributed to its Directors or officers without full consideration. No Director or officer of the Corporation has any vested right, interest or privilege in or to the assets, property, functions or activities of the Corporation.

ARTICLE X
WAIVER OF NOTICE

Whenever any notice is required to be given by these Bylaws or any of the corporate laws of the State of Minnesota, such notice may be waived in writing, signed by the person or persons entitled to said notice, whether before, at, or after the time stated, or before, at, or after the meeting. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

ARTICLE XI
INDEMNIFICATION AND INSURANCE

Section 11.01. **Indemnification and Representation.** The Corporation shall indemnify and provide for the defense of 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) as a result of his or her actions or omissions within the scope of his or her official capacity for the Corporation as a Director, officer, employee, or agent of the Corporation, to the full extent permitted under Minnesota state law, as in effect from time to time.

Section 11.02. **Insurance.** The Corporation shall purchase and maintain adequate insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, 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 his or her

status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of paragraph 11.1 of Article XI of these Bylaws.

ARTICLE XII AMENDMENTS

The Board of Directors may amend this Corporation's Articles of Incorporation and these Bylaws to include or omit any provision which could be lawfully included or omitted. Any number of amendments, or an entire revision or restatement of the Articles of Incorporation or Bylaws, may be adopted at such meeting a quorum being present, upon receiving the affirmative vote of not less than two-thirds of the whole number of Directors. However, amendment of Article III (Purposes) of the Articles of Incorporation may be made only with the unanimous approval and resolution of all Directors.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 13.01. **Governing Law.** The Bylaws of the Corporation shall be governed by and construed in accordance with the Minnesota Statutes, Chapter 317-A.

Section 13.02. **Severability.** If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provisions and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in these Bylaws.

Section 13.03. **Gender.** Whenever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural nouns shall include the singular.

The undersigned certifies that s/he is the Secretary of the Centennial Area Education Foundation, Inc. and that the foregoing Bylaws were duly adopted as amended Bylaws of the Corporation, at a duly called meeting of the Board of Directors held on the 11th day of March 2002.

Dated: March 11, 2002

Secretary,
Centennial Area Education Foundation, Inc.