



National Association of Education Foundations

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ARTICLE I – PURPOSE

National Association of Education Foundations, Inc. ("Corporation") is a Virginia nonstock corporation incorporated under the laws of the Commonwealth of Virginia. The Corporation is organized and shall be administered and operated exclusively to promote and represent the common business interests of and improve business conditions among members of the education foundation industry, within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding provision(s) of any future federal tax laws (hereafter the "Code"), and the regulations issued thereunder ("Regulations").

Solely within such limits of its purposes in support of the education foundation industry, the Corporation's specific mission and activities shall be:

- A. To develop and promote best practices for education foundations to increase community investment in our students.
- B. To develop and advocate for education foundations across the nation.
- C. To develop resources for the administration, operation, and funding of education foundations for public, private, charter, and college education foundations.
- D. To develop a set of principles ("Standards") to which education foundations can emulate at the local level which ensures the use of best practices for education foundations to meet the needs of the school system and community they serve.

ARTICLE II – FISCAL YEAR

The fiscal year of the Corporation shall begin on January 1 and end on December 31 of each year.

ARTICLE III – OFFICES

The principal office of the Corporation, and such other offices as the Corporation may establish, shall be located at such place or places, either within or without the Commonwealth of Virginia, as may be designated by the board of directors of the Corporation ("Board of Directors" or "Board").



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ARTICLE IV - MEMBERS

Pursuant to the Corporation's Articles of Incorporation, the Corporation has no members as defined by the Virginia Nonstock Corporation Act (1950), as amended, Virginia Code § 13.1-801 *et seq.* (the "Act"). The Corporation shall have two (2) classes of membership as follows:

- A. CLASS "A" MEMBERS.** As used herein, "Class "A" Members" shall mean those persons who have been nominated, elected, qualified and are serving on the Board. Class "A" Members shall be the only persons entitled to vote on corporate matters. Pursuant to the Act and the Corporation's Articles of Incorporation, because the Corporation has no members, the Corporation's Directors (as defined herein) have the sole voting rights.
- B. CLASS "B" MEMBERS.** As used herein, "Class "B" Members" shall be those persons who have paid the membership fee as established from time to time by the Board. Class "B" Members shall have no voting rights.

ARTICLE V - BOARD OF DIRECTORS

Section 1. DIRECTORS. The business and affairs of the Corporation shall be managed by a Board and the Board shall have not less than five (5) nor more than twenty-one (21) directors ("Directors") at any time. The exact number of Directors shall be set annually by resolution of the Board at its Annual Meeting (as defined herein).

- A. The Board shall be split into two (2) groups, as nearly equal in number as possible, with staggered terms, with one group being elected each year to serve a staggered two (2) year term.
- B. Directors in each group will be elected at the Annual Meeting of the Board of Directors.
- C. The Directors initially elected in Class I will serve until the 2022 Annual Meeting of the Board of Directors. The Directors initially elected in Class II will serve until the 2023 Annual Meeting of the Board of Directors.
- D. Beginning with the election of Directors to be held at the 2022 Annual Meeting of the Board of Directors, and going forward, the group of Directors to be elected in such year shall be elected for a two-year term, and at each successive Annual Meeting of the Board, the group of Directors to be elected in such year would be elected for a two-year term, so that the term of office of one group of Directors shall expire in each year.



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Section 2. REGULAR AND SPECIAL MEETINGS. Regular meetings of the Board will be held as designated by the Board. The second to the last meeting of the Board in each calendar year shall constitute its annual meeting ("Annual Meeting") unless the Board votes to specifically designate a later meeting as its Annual Meeting. Special meetings of the Board may be called at the discretion of the Chair or at the request of at least two (2) Directors.

Section 3. NOTICE OF MEETINGS. The Secretary shall notify each Director of the Board of all regular or special meetings, electronically or by mailing to each Director's last known post office address, postage prepaid, not more than sixty (60) days and not less than three (3) days before any such meeting, written or printed notice thereof, giving the time, place and in the case of special meetings, the objects thereof. No failure or irregularity of notice of any regular meeting shall invalidate the same or any proceedings thereat. Notice of regular or special meetings may be waived. The waiver must be in writing, be signed by the Director entitled to the notice, and be delivered to the Corporation for inclusion in the minutes or filing with the Corporate records. Additionally, a Director's attendance at a meeting shall be deemed a waiver of all objections as to lack of or defective notice, unless the Director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 4. QUORUM. A majority of the Board shall constitute a quorum, and a majority of the Directors in attendance at any Board meeting where a quorum is present may act on behalf of the Corporation. A minority of the Board present at any regular or special meeting may in the absence of a quorum, adjourn to a later date, but may not transact any business until quorum has been secured.

Section 5. TERM OF OFFICE. Each Director shall serve a two (2) year term of office and there shall be a limit of two (2) consecutive terms to which a Director may be re-elected. Following a one (1) year absence from the Board, an individual may be nominated to serve on the Board. The term of office shall commence on January 1st following the Annual Meeting of the Board of Directors. Term limits shall be suspended for Officers while serving in that capacity. Once the Director is no longer in an Officer position, such Director's term limit shall then resume from when it was suspended.

Section 6. ELECTION AND QUALIFICATION OF DIRECTORS. Not less than fifteen (15) days before the Annual Meeting of the Board of Directors, the Nominating Committee (as defined herein) shall nominate candidates to fill open positions on the Board. Election of Directors, including renewal of Directors whose terms are expiring, shall take place at the Annual Meeting with a quorum present upon two-thirds (2/3) vote of the Board, in attendance or represented by proxy. Notwithstanding the preceding sentence, the requirement to nominate candidates not less than fifteen (15) days before the Annual Meeting shall be deemed waived if



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the candidates presented at such meeting with a quorum are elected with the unanimous approval of the Board, in attendance or represented by proxy. Proxy balloting will be permitted only when a proxy is submitted to the Secretary prior to the Board meeting. All Directors including those whose terms are expiring shall be entitled to cast one vote for each Director to be elected.

Section 7. VACANCIES. If any Director shall resign, die, or be removed from the Board, then the Nominating Committee shall nominate individuals to fill the unexpired term of that Director. The Board will meet to elect a successor to the unexpired term. The election to fill a vacancy may be held at any regular or special meeting of the Board. A vacancy may only be filled upon two-thirds (2/3) vote of the Board, in attendance or represented by proxy, at a meeting of Board with a quorum. Any Director may resign from the Board after fulfilling all obligations by giving written notice of his or her resignation to the Chairperson. Any Director may be removed from office with or without cause by two-thirds (2/3) vote of the Board, in attendance or represented by proxy, at a meeting of the Board held for such purpose with a quorum, not to include the vote of the Director subject to the vote of removal. The meeting notice for such meetings shall state that the purpose or one of the purposes of the meeting is removal of the Director. Such resignation or removal shall become effective immediately.

Section 8. COMPENSATION. The Directors shall not receive compensation for their services but may be reimbursed for reasonable expenses incurred on behalf of the Corporation.

Section 9. ACTION WITHOUT MEETING. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting, provided all Directors sign a written consent setting forth the action or decision taken or made. Unanimous consent in writing shall have the same force and effect as a decision made by vote at a meeting and may be described as such in any document executed by or on behalf of the Corporation. A written consent and the signing thereof may be accomplished by one or more electronic transmissions.

Section 10. MEETINGS BY CONFERENCE TELEPHONE. Directors may participate in a meeting of the Board by video, telephone, or similar communications equipment. All persons participating in the meeting shall be able to simultaneously hear each other during the meeting, and participation in a meeting pursuant to this provision shall constitute presence in person at the meeting. Records of the meeting shall be kept as required by these Bylaws.

Section 11. PRESUMPTION OF ASSENT. A Director of the Corporation who is present at a meeting of the Board at which action on any Corporation matter is taken shall be presumed to have assented to the action taken unless his or her dissent, or abstention, shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent, or abstention, by registered mail to the Secretary of the Corporation promptly after



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the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Director who voted in favor of such action.

ARTICLE VI - OFFICERS

Section 1. ELECTION OF OFFICERS. At its Annual Meeting, the Board shall elect Officers for a two (2) year term. An Officer may be elected to up to two (2) consecutive terms in such officer position. The elected Officers shall be a Chair, Vice-Chair, Secretary, and Treasurer. Officers must currently serve as a Director of the Corporation and may only serve in one Officer position at a time. The immediate past Chair ("Past Chair") shall serve a two (2) year term as an Officer.

Section 2. CHAIR. The Chair shall preside at the Annual Meeting and at all Board meetings at which he/she is present and shall have full and complete access to all books and records of the Corporation. He/She shall perform such duties and sign such documents as the Board may direct. The Chair shall also be the Chair of the Executive Committee (as defined herein).

Section 3. VICE-CHAIR. The Vice-Chair shall familiarize himself/herself with the affairs of the Corporation and in the absence, disability, or refusal to act of the Chair, shall possess all the powers and perform all the duties of the Chair.

Section 4. SECRETARY. The Secretary shall keep full minutes of all meetings of the Board; shall issue all notices of call for meetings; and shall notify all Officers and Directors of their election. The Secretary or Executive Director shall make such reports to the Board as they may request and shall also prepare such reports and statements as are required by laws of the Commonwealth of Virginia or the federal government.

Section 5. TREASURER. The Treasurer shall have the custody of and be responsible for all monies and securities of the Corporation; shall keep full and accurate records and accounts in the books of the Corporation, showing the transactions of the Corporation, its accounts, liabilities, and financial condition; and shall see that all expenditures are duly authorized and evidenced by proper receipts and vouchers. He/She shall deposit, in the name of the Corporation, at such depository or depositories as are approved by the Board, all monies that may come into the hands for the Corporation account. His/Her books and accounts shall be open at all times during the usual business hours to the inspection of any Director of the Corporation. The Treasurer shall also endorse for collection or deposit all bills, notes, checks and other negotiable instruments of the Corporation, either by special or general direction of the Board and shall generally have supervision of the finances of the Corporation. He/She shall also make such other reports and statements as shall be required by him/her by the Board or by the laws of the Commonwealth of Virginia or federal government. He/She may assign any work to the accountant for the Corporation, to the Executive Director, or to others acting under his/her supervision and control.



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If the Corporation retains an accountant, the accountant shall report to the Treasurer and to the Executive Director.

ARTICLE VII – COMMITTEES OF THE BOARD OF DIRECTORS

Section 1. CREATION AND POWERS.

(a) Committees (as defined herein) and/or Advisory Councils (as defined herein) of the Board shall exercise such power and carry out such functions as are designated in these Bylaws, resolution of the Board, or as delegated by the Board from time to time, provided that under no circumstances shall a Committee and/or Advisory Council have the power to: (i) authorize distributions; (ii) approve or recommend dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Corporation's assets; (iii) elect, appoint, or remove Directors or fill vacancies on the Board or any Committees; or (iv) adopt, amend, or repeal the Corporation's Articles of Incorporation or these Bylaws. Except as herein described, such Committee(s) and/or Advisory Councils shall be advisory only and subject to the control of the Board.

(b) The Board shall have the following standing Committees ("Standing Committees"): (i) the Executive Committee, and (ii) the Nominating Committee. The Board Chair, with the approval of a majority of the Directors then serving on the Board may appoint other Committees and/or Advisory Councils from time to time.

(c) A committee shall consist of no less than two (2) current Directors, and any number of non-Directors ("Committee"). The chair of each Committee ("Committee Chair") shall be appointed annually by the Board Chair, subject to the approval of the Board at its Annual Meeting. Any member of a Committee may be removed at any time by action of the Board; and any vacancies on a Committee shall be filled by the Committee Chair or Board.

(d) An advisory council shall consist of no less than one (1) current Officer, one (1) current Director, and any number of non-Directors ("Advisory Council"). The chair of each Advisory Council ("Advisory Council Chair") shall be appointed annually by the Board Chair, subject to the approval of the Board at its Annual Meeting. Any member of an Advisory Council may be removed at any time by action of the Board; and any vacancies on an Advisory Council shall be filled by the Advisory Council Chair or Board.

Section 2. COMMITTEE PROCEEDINGS. A Committee and/or Advisory Council may hold such regular meetings at such time and place as it may determine. Special meetings of a Committee and/or Advisory Council shall be held upon not less than twenty-four (24) hours written notice. Special meetings may be called by the chair of the Committee or Advisory



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Council or any two (2) members of the Committee or Advisory Council or by Chair of the Board. A majority of the members of a Committee and/or Advisory Council shall constitute a quorum for the transaction of business. The vote of a majority of the members present at a meeting at which a quorum is present shall be the act of a Committee and/or Advisory Council.

Section 3. MINUTES. Minutes of all proceedings of a Committee and/or Advisory Council shall be maintained, and a Committee and/or Advisory Council shall report all business transacted by it to the Board at the meeting of the Board next succeeding any meeting of, or action taken by, a Committee and/or Advisory Council. The Board shall review the minutes or other reports of a Committee and/or Advisory Council and shall take such action thereon as the Board may deem appropriate.

Section 4. EXECUTIVE COMMITTEE. The executive committee shall be comprised of the Chair, Vice-Chair, Secretary, Treasurer, and (if such person is still serving on the Board) the Past Chair ("Executive Committee"). The Chair shall serve as the Chair of the Executive Committee. The Board may elect additional Directors to serve on the Executive Committee as needed and for the period of time needed, as determined by the Executive Committee. Subject to any limitations set forth herein, the Executive Committee shall possess and may exercise all the powers of the Board in the direction of the management of the business and affairs of the Corporation in between meetings of the Board.

Section 5. NOMINATING COMMITTEE. The nominating committee shall be comprised of the Past Chair, one (1) current Director, and no less than one (1) other person (Director or non-Director) ("Nominating Committee"). The Nominating Committee shall research, vet, and recommend individuals for consideration to be elected as Directors and/or Officers. However, the Nominating Committee shall serve in an advisory capacity only and shall not have any authority of its own to act on behalf of the Corporation nor exercise any authority over the Board.

ARTICLE VIII - CONTRACTS, LOANS, CHECKS DEPOSITS AND FUNDS

Section 1. CONTRACTS. The Board may authorize any Officer or Officers, agent, or agents of the Corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.



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Section 3. CHECKS, DRAFTS, ETC. All checks, drafts, or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Chair.

Section 4. DEPOSITS. Funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks or other depositories as the Board may select.

Section 5. GIFTS. The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise consistent with the objectives of the Corporation.

Section 6. LOANS TO DIRECTORS OR OFFICERS. No loans shall be made by the Corporation to the Directors or Officers of the Corporation.

ARTICLE IX - BOOKS AND RECORDS

Section 1. BOOKS AND RECORDS MAINTAINED. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board, Advisory Councils, and Committees having any of the authority of the Board and shall keep at the registered or principal office a record giving the names and addresses of the Directors entitled to vote.

Section 2. INSPECTION. All books and records of the Corporation may be inspected by any Director, or his agent or attorney for any proper purpose at any reasonable time.

Section 3. AUDIT. The Board shall have the books and records of account of the Corporation reviewed or audited as required and shall present the report at a meeting of the Board.

Section 4. TRANSFER OF RECORDS. Each outgoing Officer and Committee Chair shall turn over all records, books, corporate documents, and other pertinent materials to the next Director assuming that office or Chair.

ARTICLE X - CONFLICT OF INTEREST

Section 1. PURPOSE. The purpose of this Article X - Conflict of Interest is to protect the Corporation's interests when it is contemplating entering into a transaction or arrangement that



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might benefit the private interest of an Officer or Director of the Corporation, or any other person who is a "disqualified person" within the meaning of Section 4958 of the Code, or might result in a possible excess benefit transaction.

Section 2. FINANCIAL INTEREST.

(a) A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (i) An ownership or investment in any entity with which the Corporation has a transaction or arrangement; or
- (ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation 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 Corporation is negotiating a transaction or arrangement.

(b) For purposes of this Article, "family" shall include spouses, ancestors, siblings (whether by whole or half-blood), children, including legally adopted children, grandchildren, great-grandchildren, and any spouses of siblings, children, grandchildren, or great-grandchildren.

Section 3. INTERESTED PERSON. An "Interested Person" means any Director, Officer, member of a Committee or Advisory Council with Board delegated powers, or any other person who is a "disqualified person" within the meaning of Section 4958 of the Code, that has a direct or indirect financial interest.

Section 4. 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 one or more Directors. Annually, all Directors, Officers, staff, Committee members, and Advisory Council members must sign the *Corporate Conflict of Interest Statement*. Additionally, all Directors, Officers, staff, Committee members, and Advisory Council members must disclose any potential conflicts of interest on the *Corporate Conflict of Interest Disclosure Form*. Disclosure of conflicts of interest may not necessarily negate any transaction or decision being considered.

Section 5. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS. After the disclosure of the financial interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors or Committee members shall decide if a conflict of interest exists. If an Interested Person discloses the existence



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of a financial interest to one or more Directors outside of a Board meeting, he/she shall provide additional information as requested to the Directors. The Board shall discuss and determine whether a conflict of interest exists at the next Board meeting.

Section 6. PROCEDURES FOR ADDRESSING A CONFLICT OF INTEREST. The Board, or a Committee thereof comprising solely disinterested Directors, shall investigate alternatives to the proposed transaction or arrangement. After exercising due diligence and reviewing possible alternatives to the proposed transaction or arrangement, the Board shall determine whether the Corporation 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 Board shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the best interest of the Corporation, for its own benefit, and whether it is fair and reasonable. The Interested Person shall not be present at the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. In conformity with the above determination, the Board shall decide as to whether to enter into the transaction or arrangement and document the due diligence process and the basis for this decision in the meeting minutes.

Section 7. VIOLATION OF DUTY TO DISCLOSE. If the Board or Committee has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose. If, after hearing the Interested Person's response and after making further investigation as warranted by circumstances, the Board or Committee determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate or corrective action.

Section 8. RECORDS OF PROCEEDINGS. The minutes of the Board and all Committees with Board delegated powers shall contain:

(a) The names of the Interested Persons (or potential Interested 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 Board's or Committee's decision as to whether a conflict of interest in fact existed; and

(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



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proceedings.

Section 9. PERIODIC REVIEWS. To ensure the Corporation operates in a manner consistent with tax-exempt 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 Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further Corporation's tax-exempt purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 10. USE OF OUTSIDE EXPERTS. When conducting the periodic reviews as provided for in this Article, the Corporation may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE XI - AMENDMENTS TO BYLAWS

Section 1. AMENDMENTS. These Bylaws may be altered, amended, or repealed and new Bylaws adopted by the affirmative vote of a majority of all Directors then serving on the Board. Notice of the meeting setting forth the proposed changes to be effected thereby shall be given to each Director of the Corporation at least seven (7) days prior thereto by written notice delivered electronically, personally, or sent by mail to each Director at his/her address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed.

ARTICLE XII - DISSOLUTION

Section 1. DISSOLUTION. The dissolution of the Corporation shall be authorized at a meeting of the Board upon the adoption of a resolution to dissolve by the vote of a majority of the Directors in office. Upon dissolution or cessation of the activities of the Corporation, the Board shall determine by a majority vote of the Board the manner in which the property and assets of the Corporation are to be distributed in accordance with the Corporation's Articles of Incorporation, the Act, and these Bylaws. The Board shall, after paying or making provision for the payment of all of the liabilities of the Corporation, distribute or transfer all of the assets of



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the Corporation, if any, exclusively to one or more organizations which engage in activities substantially similar to the purposes for which the Corporation is organized and which are then qualified for exemption from federal income taxes pursuant to Sections 501(c)(3) or 501(c)(6) of the Code. Any such assets not so disposed of shall be disposed of by the Circuit Court of the city or county in which the registered office of the Corporation is then located exclusively for such purposes or to such organization or organizations which are organized and operated exclusively for such purposes as provided immediately above in this Article, as said Court shall determine. In no event shall any of such assets or property of the Corporation be distributed to any Directors, Officers, or members (if any) of the Corporation or to any other private individual.

ARTICLE XIII - INDEMNIFICATION

Section 1. GENERALLY. The Corporation shall indemnify and hold harmless each person who shall serve at any time hereafter as a Director, Officer, Committee member, Advisory Council member, employee, or agent of the Corporation (including the heirs, executors, administrators, or estate of such person) from and against any and all claims and liabilities to which such person shall become subject by reason of his or her having heretofore or hereafter served as a Director, Officer, Committee member, Advisory Council member, employee, or agent of the Corporation, or by reason of any action alleged to have been heretofore taken or omitted by him or her as such Director, Officer, Committee member, Advisory Council member, employee, or agent to the full extent permitted under the Corporation's Articles of Incorporation and Sections 13.1-875 *et. seq.* of the Act, or any successor provisions of the laws of the Commonwealth of Virginia, and shall reimburse such person for all legal and other expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of (i) a financial benefit received by such person to which such person is not entitled; (ii) an intentional or willful infliction of harm on the Corporation or its Directors, Officers, or members, if any, by such person; or (iii) willful misconduct or a knowing violation of the criminal law by such person.

Section 2. RIGHTS. The right accruing to any person under the foregoing provisions of this Article shall not exclude any other right to which he or she may be lawfully entitled, nor shall anything herein contained restrict the right of the Corporation to indemnify or reimburse such person in any proper case even though not specifically herein provided. The Corporation, its Directors, Officers, Committee members, Advisory Council members, employees, and agents shall be fully protected in taking any action or making any payment under this Article or in refusing to do so in good faith reliance upon the advice of counsel to the Corporation.

Section 3. PARTICIPATION IN DEFENSE. As a condition to any such indemnification, the Corporation may require that it be permitted to participate in the defense of any such action or



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proceedings through legal counsel designated by the Corporation and at the expense of the Corporation.

Section 4. INSURANCE. The Corporation may purchase and maintain insurance on behalf of any Directors, Officers, Committee members, Advisory Council members, employees, or agents of the Corporation whether or not the Corporation would have the power to indemnify such persons under the Act.

ARTICLE IX – EMERGENCY BYLAWS

Section 1. GENERALLY. The emergency bylaws provided in this Article (the "Emergency Bylaws") shall be operative during any emergency, notwithstanding any different provision in the preceding articles of the Bylaws, the Corporation's Articles of Incorporation, or the Act (other than those provisions relating to emergency bylaws). An emergency exists if a quorum of the Corporation's Board cannot readily be assembled because of some catastrophic event. To the extent not inconsistent with these Emergency Bylaws, the bylaws provided in the preceding articles of the Bylaws shall remain in effect during the emergency, and upon the termination of the emergency, the Emergency Bylaws shall cease to be operative unless and until another emergency shall occur. During any emergency the following Sections 2 through 7 shall be in effect.

Section 2. MEETINGS. Any meeting of the Board may be called by any Officer of the Corporation or by any Director. The notice of meeting shall specify the time and place of the meeting. To the extent feasible, notice shall be given in accord with Article V, Section 3, above, but notice may be given only to those Directors as it may be feasible to reach at the time, by such means as may be feasible at the time, including publication or radio, and at a time less than twenty-four (24) hours before the meeting if deemed necessary by the person giving notice. Notice shall be similarly given, to the extent feasible, to the other persons referred to in Article IX, Section 3 below.

Section 3. QUORUM. At any meeting of the Board, a quorum shall consist of a thirty percent (30%) of the number of Directors fixed at the time by Article V, Section 1, above. If the Directors present at any particular meeting shall be fewer than the number required for a quorum, other persons present at the meeting and holding the positions referred to below shall be deemed Directors for that particular meeting in such numbers as may be necessary to constitute a quorum, as determined by the following provisions and in the following order of priority:

- (a) Any other persons that are designated on a list approved by the Board before the emergency, such persons to be taken in the order of priority and subject to conditions as may be provided in the resolution approving the list.



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Section 4. VOTING. A majority of the Directors in attendance at any Board meeting where a quorum is present may act on behalf of the Corporation.

Section 5. SUCCESSION. The Board, during as well as before any emergency, may provide, from time to time modify, lines of succession in the event that, during an emergency, any or all Officers or agents of the Corporation shall for any reason be rendered incapable of discharging their duties.

Section 6. PRINCIPAL OFFICE. The Board, during as well as before any emergency may, effective in the emergency, change the principal office or designate several alternative offices or authorize the officers to do so.

Section 7. INDEMNIFICATION. No Officer, Director, or employee shall be liable for action taken in good faith in accordance with these Emergency Bylaws.

Section 8. AMENDMENT TO EMERGENCY BYLAWS. These Emergency Bylaws shall be subject to repeal or change by further action of the Board, except that no such repeal or change shall modify the standard of conduct set forth in the preceding paragraphs for purposes of establishing the liability of an Officer, Director, or employee for action or inaction occurring before the time of such repeal or change. Any amendment of the Emergency Bylaws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.