

**CODE OF BY-LAWS
OF**

Making Community Connections Charter School, Inc.

Adopted May 9, 2011

**ARTICLE 1
Identification**

Section 1.01. Name. The name of the Corporation is **Making Community Connections Charter School, Inc.** (the Corporation).

Section 1.02. Purpose and Mission Statement. The Corporation shall develop and operate one or more charter schools to prepare young people for productive lives. Each school shall be a “charter school,” as that term is defined in New Hampshire RSA 194-B:1. The mission of Making Community Connections Charter School is to establish a sustainable network of multiple preschool through graduate school pathways for high quality learning that are student centered, mastery based, and community oriented. Making Community Connections Charter School seeks to uncover, recover, and discover the unique gifts and talents that each child brings to learning every day. Our schools work collaboratively with families, community members and social service agencies to solve real problems and to create art for public spaces. Students graduate from a Making Community Connections Charter School with the will, skill, capacity, and knowledge to take responsibility for contributing to the greater good and as stewards of the environment.

Section 1.03. Non-Discrimination. The Corporation shall admit students of any race, color, gender, national and ethnic origin, religion, sexual orientation or ancestry and without regard to disability to all the rights, privileges, programs and activities generally accorded or made available at its charter schools. The Corporation shall not discriminate on the basis of disability, race, color, gender, national and ethnic origin, religion, sexual orientation or ancestry in the administration of its educational policies, admissions, policies, scholarships and loan programs, and athletic or other school administered programs.

Section 1.04. Non-Sectarian. The Corporation shall be non-sectarian and nonreligious in its curriculum, programs, admission policies, employment practices, governance and all other operations.

**ARTICLE 2
Offices**

Section 2.01. Principal Office. The principal office of the corporation is located in Hillsborough County, State of New Hampshire.

Section 2.02. Change of Address. The designation of the county or state of the corporation’s principal office may be changed by amendment of these bylaws. The board of trustees may change the principal office from one location to another within the named

county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these bylaws:

New Address: _____

Dated: _____, 20__

Section 2.03. Other Offices. The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the board of directors may, from time to time, designate.

ARTICLE 3 Board of Trustees

Section 3.01. Functions. The business, property and affairs of the Corporation shall be managed and controlled by a Board of Trustees as from time to time constituted.

Section 3.02. Number and Qualification. There shall between five (5) and twelve (12) voting members. Trustees shall be natural persons of the age of majority, as determined by New Hampshire RSA 21:44.

Trustees of the Corporation, which number may from time to time be increased or decreased by resolution adopted by not less than a majority of the Board of Trustees, subject to the limitation that the Board shall never be reduced to less than five (5) nor increased to more than twelve (12) Trustees. Except as otherwise provided in these By-Laws, all members of the Board of Trustees shall have and be subject to the same and equal qualifications, rights, privileges, duties, limitations and restrictions. The Chief Education Officer shall be a member of the Board of Trustees. All Trustees shall consent to appropriate background searches. For the first five years, there shall be no less than one (1) and no more than three (3) Trustees who are either employees or board members of Q.E.D. Foundation.

Section 3.03. Powers. Subject to the provisions of the laws of this state and any limitations in the Articles of Agreement and these bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Trustees.

Section 3.04. Duties. It shall be the duty of the trustees to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Agreement the approved school charter, or by these bylaws;
- b. Meet at such times and places as required by these bylaws;

- c. Register their addresses (post and electronic) with the secretary of the corporation, and notices of meetings mailed, telegraphed, or sent electronically to them at such addresses shall be valid notices thereof.

Section 3.05. Appointment. All members of the initial Making Community Connections Charter School Board of Trustees (the Appointed Trustees) shall be appointed by the Incorporating Group of Making Community Connections Charter School. The “Incorporating Group” is defined as signatories of the original Making Community Connections Charter School Articles of Agreement filed with the NH Secretary of State on April 7, 2011.

Section 3.06. Term. The Appointed Trustees shall be divided into three classes as nearly equal in number as possible. The terms of Appointed Trustees in the first group expire at the first annual meeting of the Trustees after their election, the terms of the second group expire at the second annual meeting of the Trustees after their election, and the terms of the third group expire at the third annual meeting of the Trustees after their election. At each annual meeting of the Trustees held thereafter, Trustees shall be chosen for a term of three (3) years to succeed those whose term expires. Incumbent Trustees shall be eligible for re-election or reappointment; provided, however, no person may serve as a Trustee for more than three (3) consecutive three (3) year terms without unanimous consent of the Board of Trustees at each subsequent renewal.

Section 3.07. Compensation. Trustees shall serve without compensation except that a reasonable fee may be paid to Trustees for attending regular and special meetings of the board. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to Trustees shall be approved in advance in accordance with this corporation’s conflict of interest policy, as set forth in Article 9 of these bylaws.

Section 3.08. Vacancies. Any vacancy among the Board Trustees caused by death, resignation, removal or otherwise shall be identified and filled by the Board of Trustees. A Trustee elected to fill a vacancy shall hold office until the expiration of the term of the Trustee causing the vacancy and until a successor shall be elected and qualified.

Section 3.09. Resignation. Any Trustee may resign at any time by giving written notice of such resignation to the Board of Trustees, the Chairman, President or Secretary of the Corporation. A resignation is effective upon delivery unless the notice specifies a later effective date. The acceptance of a resignation shall not be necessary to make it effective.

Section 3.10. Removal. Any Trustee may be removed, with or without cause, by a 2/3 vote of the remaining directors, but only when the removal is placed on the agenda and noticed to all directors at least two weeks in advance of the meeting where the vote occurs.

Section 3.11. Meetings. The Board of Trustees shall meet at least quarterly. All meetings shall occur either at the registered office of the Corporation in the State of New Hampshire, or at such other place within the State of New Hampshire as may be designated by the Board of Trustees and specified in the respective notices or waivers of notice thereof. The annual meeting shall be for the purpose of organization, election of directors and officers and consideration of any other business that may properly be brought before the meeting and shall be held within six (6) months after the close of the fiscal year of the Corporation as designated by the Board of Trustees and specified in the respective notices or waivers of notice thereof. If the annual meeting is not held as above provided, the election of officers may be held at any subsequent meeting of the Board of Trustees specifically called in the manner set forth herein. The Board of Trustees may provide by resolution the time and place within the State of New Hampshire, for the holding of additional regular meetings of the Board without other notice than such resolution. Special meetings of the Board of Trustees may be called by the Chairman, and shall be called by order thereof upon the written request of at least two Trustees, which request shall set forth the business to be conducted at such meeting.

Section 3.12. Notice of Meetings. Notice of all meetings of the Board of Trustees, except as herein otherwise provided, shall be given by mailing the same (whether by post or by electronic mail), by telephoning, or delivering personally the same at least two (2) days before the meeting to the usual business or residence address of the Trustee as shown upon the records of the Corporation. Notice of any meeting of the Board of Trustees may be waived in a document filed with the Secretary by any Trustee if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting of the Board of Trustees shall constitute a waiver of notice of that meeting, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In addition, notice of any Board meeting shall be posted in a conspicuous place at the principal office of the Corporation or at the Board's meeting place at least 48 hours (excluding Saturday, Sunday, and legal holidays) prior to the meeting. Notice of any meeting shall at all times conform with the requirements of New Hampshire's "Access to Governmental Records and Meetings" RSA 91-A:2.

Section 3.13. Quorum. A quorum of the Board of Trustees at any annual, regular or special meeting of the Board of Trustees shall be at least 50% of the duly qualified members of the Board of Trustees then occupying office, but in no case shall there be less than two (2) Trustees present. The act of a majority of the Trustees present at a meeting who constitute a quorum shall be the act of the Board of Trustees. The Board of Trustees will always attempt to arrive at consensus before resorting to a majority vote.

Section 3.14. Majority Action as Board Action. Every act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present is the act of the Board of Trustees, unless the articles of agreement, these bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the Board.

Section 3.15. Conduct of Meetings. Meetings of the Board of Trustees shall be presided over by the chairperson of the Board, or, if no such person has been designated, or in his or her absence, the vice-chairperson of the Board, or if no such person has been designated, or in his or her absence, the chief education officer of the corporation, or in the absence of any of these persons, by a chairperson chosen by a majority of the Trustees present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Roberts Rules of Order, insofar as such rules are not inconsistent with or in conflict with the articles of agreement, these bylaws or with provisions of law.

Section 3.16. No Actions Without Meeting. All actions required or permitted to be taken at any meeting of the Board of Trustees or of any committee thereof must be taken at a meeting of the Board of Trustees held in accordance with the requirements of New Hampshire's "Access to Governmental Records and Meetings" RSA 91-A:2.

Section 3.17. Meeting by Telephone, etc. Any or all of the members of the Board or of any committee designated by the Board may participate in a meeting by or through the use of any means of communication by which all persons participating may simultaneously communicate with each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting. Meetings at which one or more individuals participate by phone shall be treated in all respects as a meeting at which such individuals are physically present for purposes of complying with the requirements of New Hampshire's "Access to Governmental Records and Meetings" RSA 91-A:2.

Section 3.18. Committees. The Board of Trustees, by resolution adopted by a majority of the Board, may designate one or more committees, each of which shall consist of two or more Trustees, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Trustees in the management of the Corporation. Other committees not having and exercising the authority of the Board of Trustees in the management of the Corporation may be designated by a resolution adopted by a majority of the Trustees present at the meeting at which a quorum is present. The designation of any such committee and the delegation thereof of authority shall not operate to relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed by law. All committee meetings shall be run in accordance with the requirements of New Hampshire's "Access to Governmental Records and Meetings" RSA 91-A:2.

Section 3.19. Vacancies. Vacancies on the Board of Trustees shall exist (1) on the death, resignation, or removal of any Trustee, and (2) whenever the number of authorized Trustees is increased. Any Trustee may resign effective upon giving written notice to the chairperson of the board, the Chief Education Officer, the secretary, or the Board of

Trustees, unless the notice specifies a later time for the effectiveness of such resignation. No Trustee may resign if the corporation would then be left without a duly elected Trustee or Trustees in charge of its affairs, except upon notice to the office of the Attorney General or other appropriate agency of this state.

Trustees may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state. Members of the Board of Trustees may be removed from office for cause by the vote of a majority of board members then in office. A member of the board shall be removed for failure to attend three consecutive meetings without a reasonable excuse and a formal request for leave. The secretary shall inform the absent member in writing that removal shall result from these absences at the next Board of Trustees meeting.

Unless otherwise prohibited by the articles of agreement, these bylaws, or provisions of law, vacancies on the board may be filled by approval by the Board of Trustees. If the number of Trustees then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the Trustee then in office or by a sole remaining Trustee. A person elected to fill a vacancy on the board shall hold office for a term of 3 years or until his or her death, resignation, or removal from office.

Section 3.20. Nonliability of Trustees

The Trustees shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 3.21. Indemnification by Corporation of Trustees and Officers

The Trustees and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

Section 3.22. Insurance For Corporate Agents

Except as may be otherwise provided under provisions of law, the Board of Trustees may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a Trustee, officer, employee, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of law.

ARTICLE 4

Officers

Section 4.01. Officers and Agents. The officers of the Corporation shall consist of a Chairperson of the Board of Trustees, a Vice-Chairperson of the Board of Trustees, a Secretary, a Treasurer, an Chief Education Officer, and such other officers as the Board of Trustees may, by resolution, designate from time to time. Any two (2) or more offices may be held by the same person, except that the Chief Education Officer shall not be an elected member of the Board of Trustees. The Board of Trustees may, by resolution, create, appoint and define the duties and fix the compensation of such officers and agents

as, in its discretion, is deemed necessary, convenient or expedient for carrying out the purposes for which the Corporation is formed; provided, however, that officers and agents shall be compensated, if at all, only for actual services performed on behalf of the Corporation.

Section 4.02. Election, Term of Office and Qualification. All officers shall be chosen annually by the Board of Trustees at the annual meeting of the Board of Trustees. Each officer shall hold office (unless the officer resigns, is removed, or dies) until the next annual meeting of the Board of Trustees or until a successor is chosen and qualified. Any person may serve as officer of this corporation.

Section 4.03. Vacancies. In the event an office of the Corporation becomes vacant by death, resignation, retirement, disqualification or any other cause, the Board of Trustees shall elect a person to fill such vacancy, and the person so elected shall hold office and serve until the next annual meeting of the Board of Trustees or until a successor is elected and qualified, or until the officer's death, resignation or removal.

Section 4.04. Chairperson. The Chairperson, if present, shall preside at all meetings of the Board of Trustees, shall appoint the chairperson and members of all standing and temporary committees, subject to the review of the Board of Trustees, and shall do and perform such other duties as this Code of By-Laws provides or as may be assigned by the Board of Trustees.

Section 4.05. Vice-Chairperson. The Vice-Chairperson shall preside at all meetings of the Board of Trustees if the Chairperson is not present and shall do and perform such other duties as this Code of By-Laws provides or as may be assigned by the Board of Trustees.

Section 4.06. Secretary. The Secretary shall have the custody and care of the corporate records and the minutes book of the Corporation. The Secretary shall attend all the meetings of the Board of Trustees of the Corporation, and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of such meetings, and shall perform a like duty for all standing committees of the Board of Trustees when required. The Secretary shall attend to the giving and serving of all notices of the Corporation, shall file and take care of all papers and documents belonging to the Corporation, shall authenticate records of the Corporation as necessary, and shall perform such other duties as may be required by the Code of By-Laws or as may be prescribed by the Board of Trustees. The Secretary shall prepare and maintain all the materials necessary to comply with the provisions of New Hampshire's "Access to Governmental Records and Meetings" RSA 91-A:2.

Section 4.08. Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. The Treasurer shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Corporation. All funds of the Corporation coming into the Treasurer's hands shall be immediately deposited in

some reliable bank or other depository to be designated by the Board of Trustees, and shall keep such bank account in the name of the Corporation. The Treasurer shall furnish at meetings of the Board of Trustees, or whenever requested, a statement of the financial condition of the Corporation and shall perform such other duties as may be required by this Code of By-Laws or as may be prescribed by the Board of Trustees.

Section 4.09. Chief Education Officer. The Chief Education Officer shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Trustees, supervise and control the affairs of the corporation. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the Board of Trustees. The Chief Education Officer shall be present at all meetings of the board of directors. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

Section 4.10. Assistant Officers. The Board of Trustees may from time to time designate assistant officers who shall exercise and perform such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as may be prescribed by the By-Laws or the Board of Trustees.

Section 4.11. Removal and Resignation. Any officer may be removed from office, with or without cause, by a majority vote of the Board of Trustees. Any officer may resign at any time by giving written notice to the Board of Trustees or to the Chief Education Officer or to the secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Trustees relating to the employment of any officer of the corporation.

ARTICLE 5

Loans to Officers and Trustees

The Corporation shall not lend money to or guarantee the obligations of any officer or Trustee of the Corporation.

ARTICLE 6

Financial Affairs

Section 6.01. Contracts. The Board of Trustees may authorize any officer or agent 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 a specific instance; and unless so authorized by the Board of Trustees, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or render it liable pecuniarily for any purpose or to any amount. The

Board is specifically authorized to enter into (and from time to time amend) one or more “Charter School Agreements” with any SEA, LEA, or Charter School authorized in any state, district, territory or possession of the United States. The Board may, by 2/3 vote, authorize "Charter School Agreements" with established educational institutions in locations outside the United States.

Section 6.02. Checks, etc. The Board shall by resolution designate officers or employees of the Corporation who may, in the name of the Corporation, execute drafts, checks and orders for the payment of money in its behalf; provided, however, that any expenditure in excess of Twenty-Five Thousand Dollars (\$25,000.00) that is outside the ordinary course of operation shall require pre-approval by the Board or a specifically-designated Committee of the Board.

Section 6.03. Investments. The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Trustees.

Section 6.04. Gifts. The Chief Education Officer, with notice to the Board of Trustees, may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

Section 6.04. Audited Financial Statements. The Corporation shall maintain financial statements prepared in accordance with the unified accounting system prescribed by the State Board of Education and GAAP and shall, at their discretion, engage an independent certified public accountant to audit such financial statements.

ARTICLE 7

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of July of each year and end on the last day of June of each year.

ARTICLE 8

Prohibited Activities

Notwithstanding any other provision of this Code of By-Laws, no member, Trustee, officer, employee or agent of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor provision or provisions thereto.

ARTICLE 9

Conflict of Interest

Section 9.01. Purpose of Conflict of Interest Policy. The purpose of this conflict of interest policy is to protect this tax-exempt corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Trustee of the corporation or any “disqualified person” as defined in Section

4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible “excess benefit transaction” as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 9.02. Definitions.

- a. Interested Person.** Any Trustee, principal officer, member of a committee with governing board delegated powers, or any other person who is a “disqualified person” as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
 - 2. A compensation agreement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
 - 3. 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.

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

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 9.03. Conflict of Interest Avoidance Procedures.

- a. Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Trustees and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising the diligence, the governing board or committee 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 governing board or committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- d. Violations of the Conflict of Interest Policy.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 9.04. Records of Board and Board Committee Proceedings. The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 9.05. Compensation Approval Policies. A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

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

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the

corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation,
- b. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangements as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a “disqualified person” (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 3. does not receive compensation or other payments subjects to approval of the person who is the subject of the compensation arrangement;
 4. has no material financial interest affected by the compensation arrangement; and
 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- c. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. “Similarly situated” organizations are those of a similar size, purpose, and with similar resources
 2. the availability of similar services in the geographic area of this organization
 3. current compensation surveys compiled by independent firms
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as

to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
 1. the terms of the compensation arrangement and the date it was approved
 2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
 3. the comparability data obtained and relied upon and how the data was obtained
 4. if the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination
 5. if the board or committee makes adjustments to comparability data due to geographic area of other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting
 6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement)
 7. the minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Section 9.06. Annual Statements. Each Trustee, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. has received a copy of the conflict of interest policy,
- b. has read and understands the policy,

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

Section 9.07. Periodic Reviews. To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining
- b. whether partnerships, joint ventures, and arrangements within management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Section 9.08. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts as used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE 10 Amendments

The power to make, alter, amend or repeal the Code of Bylaws is vested in the Board of Trustees, which power shall be exercised by affirmative vote of a majority of the Trustees. Any proposed amendment shall be included in the notice of such meeting and each member shall be provided with a copy of the notice of such meeting. If notice of a proposed amendment to the Code of Bylaws is included in the notice of any meeting of the Board of Trustees, it shall be in order to consider and adopt at that meeting any amendment to the Code of Bylaws dealing with the subject matter with which the proposed amendment is concerned.

ARTICLE 11 Construction and Terms

If there is any conflict between the provisions of these bylaws and the articles of agreement of this corporation, the provisions of the articles of agreement shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the article of agreement shall be to the articles of agreement, articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation

filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

ADOPTION OF BYLAWS

We, the undersigned, are all of the initial trustees or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of 15 preceding pages, as the bylaws of this corporation.

Dated: 9 May 2011

Amended 8/16/2013: Section 3.13, Quorum requirement changed from “majority” to “at least 50%”.

Amended 1/5/2015: Section 3.02, CEO is a voting board member, not just ex-officio.