

BYLAWS
OF THE
ARGENTA-OREANA
EDUCATIONAL FOUNDATION

ARTICLE I

NAME AND INCORPORATION

Section 1 - Name. The name of this organization shall be the “Argenta-Oreana Educational Foundation”. It is hereinafter referred to as the “Foundation”.

Section 2 - Nature. The Foundation shall be a non-profit corporation organized under the laws of the State of Illinois, and its purposes shall be to promote and support the educational needs of the students and community members of Argenta-Oreana Community Unit School District No. 1 through donations, gifts and grants. The corporation is organized solely for charitable and educational purposes within the meaning of Section 501 (c) (3) of the Internal Revenue code, or corresponding section of any future federal tax code.

Section 3 - Location. The principal offices of the Foundation shall be at the Argenta-Oreana School District No. 1 Administrative Office at 500 North Main Street, Argenta, Illinois.

Section 4 - Objects. The objects of the Foundation are as follows:

(a) To assist in developing, maintaining and increasing the educational facilities and/or services of Argenta-Oreana School District No. 1, for better and broader service to its students and staff and to the citizens of the State of Illinois, by encouraging gifts of money, property, works of art and other property of value, and by such other proper means as may seem advisable.

(b) To receive, hold, administer and distribute such gifts for the Argenta-Oreana School District No. 1, with the primary object of serving purposes other than those for which the Argenta-Oreana Board of Education ordinarily makes sufficient appropriations; to act without profit as trustee of charitable trusts of which the Argenta-Oreana School District No. 1 is a named beneficiary; to receive, hold administer and distribute gifts, grants or loans of money or property, real or personal, for the benefit of the Argenta-Oreana School District No. 1, whether made by public governmental bodies, state or national, corporations or natural persons, and whether in the form of conventional express trusts or otherwise; to become a party to trust instruments and agreements wherein the Argenta-Oreana School District No. 1 is a named beneficiary; to refuse, in its discretion, to accept any gift or bequest for any reason it deems appropriate.

(c) Where the terms and conditions imposed by the donors of any form of gift or bequest make immediate transfer to the Argenta-Oreana School District No. 1 right and power, the Foundation may transfer absolutely and in full right , title to and interest in such property, real and personal, transferred, or conveyed by any and all persons whatsoever, whether such property be in the form of money, land, works of art, or otherwise, for the use and benefit of the Argenta-Oreana School District No. 1, subject to said terms and conditions of said donors and subject also to the right of the Foundation Board of Directors to refuse such proffered gifts, if conditions attached thereto be deemed unsatisfactory or unacceptable.

(d) To do such other acts and undertake such other enterprises as in the judgment of the Board of Directors shall tend to promote the interests and welfare of the Argenta-Oreana School District No. 1.

(e) As used above, referenced to its purposes which shall be to promote and support the educational needs of the students and community members of the Argenta-Oreana School District No. 1 through donations, gifts and grants.

Section 5 - Corporate Seal. The Foundation may have a corporate seal, a design and form to be determined by Directors.

ARTICLE II

Section 1 – Members. The Foundation shall have no members.

ARTICLE III

BOARD OF DIRECTORS

Section 1 - Directors. The Board of Directors shall consist of five (5) members, including the Superintendent of Schools of Argenta-Oreana School District No. 1, who shall be an ex officio member of the Board, with no voting rights. Three (3) of the Directors shall be appointed by the Board of Education of Argenta-Oreana School District No. 1, and the remaining two (2) shall be appointed by the Board of Directors.

Section 2 - Term of Office. Members of the Board of Directors shall serve terms of three (3) years, and the terms of the Directors shall be staggered. The Directors first appointed shall, by lot, determine one (1) to serve for a term of two (2) years, one (1) to serve for a term of three (3) years, and two (2) to serve for terms of four (4) years each. Their successors shall serve for three (3) year terms.

Section 3 - Powers and Duties. The Board of Directors shall manage the affairs of the Foundation and shall exclusively exercise all of its powers including the appointment of successor directors. The Board of Directors shall have the power to employ and pay such attorneys, auditors, bookkeepers, accountants, consultants, agents and professionals, as it deems appropriate to further the interests of the Foundation and assist the Board of Directors.

Section 4 - Removal of Directors. Any elected Director may be removed for cause by a majority vote of the members of the Board of Directors, upon notice of charges against said Director given in writing by the Chairperson or Secretary, at least twenty (20) days before action on his removal is taken. The resignation of a Director for any cause may be accepted by a majority vote of the Board of Directors.

Section 5 - Vacancies.

(a) Foundation Appointed Governing Directors. Any vacancy occurring in the Board

of Directors shall be filled by appointment and affirmative vote by the majority of the Foundation Board of Directors. A Director so appointed shall be appointed for the predecessor's unexpired term of office.

(b) Argenta-Oreana School Board of Education Appointed Governing Directors. Any vacancy occurring in the Argenta-Oreana School Board appointed governing Directors shall be filled by appointment and affirmative vote by the majority of Argenta-Oreana School Board of Education.

Section 6 - Annual & Regular Meetings. The annual meeting of the Board of Directors shall be held in the month of May of each year for the purpose of appointing Directors and for the transaction of such other business as may come before the meeting. If such day is a Saturday, Sunday or legal holiday, the meeting shall be held on the next succeeding business day. The dates and times of regular meetings of the Board of Directors shall be established at the annual meeting by Resolution of the Board of Directors. All meetings of the Board of Directors, annual, regular and special, shall be held at the principal offices of the Foundation, as authorized above, unless otherwise specified by a motion passed by the Board of Directors.

Section 7 - Special Meetings. Special meetings of the Board of Directors may be called at the discretion of the Chairperson, and must be called by the Chairperson on the written request of three (3) or more members of the Board of Directors. Special meetings shall be called at any reasonable time and place determined by the Chairperson, but not later than two (2) weeks after such a request for a meeting has been received by the Chairperson.

Section 8 - Notice. Notice of any special meeting of the Board of Directors shall be given by written notice delivered personally or sent by mail or electronic mail with receipt confirmed, to each Director at the Director's address as shown by the records of the Foundation not later than three (3) days prior to the date of any such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. Insofar as practicable, the subject or subjects to be considered at any special meeting shall be specified in the notice; but subjects not so specified may nevertheless be considered and acted upon at such meetings.

Section - Quorum. Except as may otherwise be provided herein, all actions of the Board of Directors shall be determined by a majority vote. A majority vote is defined as a majority of the quorum. A majority of the Board shall constitute a quorum. In the absence of a quorum, no legal action can be taken, unless such action later is approved by vote of record by sufficient additional members of the Board to constitute a quorum. In the absence of a quorum, no legal action can be taken, unless such action later is approved by vote of record by sufficient additional members of the Board to constitute a quorum.

ARTICLE IV

OFFICERS

Section 1 - Officers. The officers of the Foundation shall consist of Chairperson, Vice

Chairperson, Secretary, and Treasurer. Only Directors of the Foundation may be elected as officers of the Foundation. The Board of Directors may employ or elect such additional officers for the Foundation as it may deem advisable, and such officers shall be given such titles and shall perform such duties as may be determined by the Board of Directors. Officers shall be elected by the Board of Directors and shall assume office at the time of their election. Each officer shall hold office until a successor shall have been duly elected and shall have qualified.

Section 2 - Vacancies. In the event of the death, disability, resignation, removal or disqualification of any officer of the Foundation, the Board of Directors shall elect a successor to serve out the unexpired term.

Section 3 - Powers and Duties. Except as otherwise provided by these bylaws, the officers shall have such powers and duties as usually devolve upon such officers. The Chairperson shall appoint such committees as are deemed necessary or desirable, and those appointed to such committees shall serve at the pleasure of the Chairperson during the Chairperson's term of office. All committees shall report to the Board of Directors.

Section 4 - Chairperson. The Chairperson of the Board of Directors shall assume all duties normally associated with that office. The Chairperson of the Board shall conduct the meetings of the Foundation and shall have general active management of the business of the Foundation. The Chairperson shall preside over meetings of the Directors. The Chairperson shall see that all orders and resolutions of the Board of Directors are carried into effect. The Chairperson, with the proper signature of one other duly qualified officer, may execute and deliver in the name of the Foundation any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Foundation, including, without limitation, any instruments necessary or appropriate to enable the Foundation to donate income or principal of the Foundation, for the purposes the Foundation was organized to support and as directed by the Board of Directors. The Chairperson shall have such other duties as may from time to time be prescribed by the Board of Directors.

Section 5 - Vice-Chair. The Vice Chairperson shall have such powers and shall perform their duties as may be specified in the By-laws or prescribed by the Board of Directors or by the Chairperson of the Board.

Section 6 - Secretary. The Secretary shall see that the proceedings of the meetings of the Board of Directors are kept. The Secretary 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 Chairperson of the Board and, in general, shall perform all duties associated with the office of Secretary.

Section 7 - Treasurer. The Treasurer shall keep accurate accounts of all moneys of the Foundation received or disbursed. The Treasurer shall deposit all moneys, drafts and checks in the name of, and to the credit of, the Foundation in such banks and depositories as a majority of the whole Board of Directors, by resolution, shall from time to time designate. The Treasurer shall have power to endorse for deposit all notes, checks and drafts received by the Foundation. The Treasurer shall cause to be rendered to the Chairperson of the Board of Directors, wherever

required, an account of all transaction as Treasurer and of the financial condition of the Foundation and shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the Chairperson of the Board, and in general, shall perform all duties associated with the office of the Treasurer.

Section 8 - Advisors. The Board of Directors may establish a body of Advisors to assist in the development and operation of the Foundation. The Board of Directors may appoint the advisors in any number the Directors may from time to time deem necessary. The advisors shall have no vote in the Foundation matters and no authority to affect Foundation policy.

Section 9 - Removal. Any officer may be removed for cause by a majority vote of the Board of Directors, provided that such officer shall have been notified in writing by the Chairperson or Secretary not less than ten (10) days before such meeting of such charges as may be preferred against such officer by the majority of the Board of Directors.

ARTICLE V

FINANCES

Section 1- Distribution. It shall be the policy of this Foundation to make distributions for educational purposes for which it is organized, including administrative expenses and amounts paid to acquire any asset used (or held for use) directly in carrying out its purposes, in amounts as 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, color, religious affiliation, or national origin of the individuals or programs to be benefited thereby. Distributions shall be made in accordance with guidelines and policy established by the Board of Directors for this purpose. Any restricted gifts to the Foundation require approval of the Directors and will be administered by the Board of Directors and shall be in conformity within the Foundation's policy regarding non-discrimination.

Section 2- No Self-Dealing. It shall be the policy of this Foundation not to engage in any act that would constitute "self-dealing" as defined in Section 4941(d) of the Internal Revenue Code of 1986.

Section 3 - No Jeopardy Investments. It shall be the policy of this Foundation to assure that no funds, whether title thereto is vested in this Foundation or is vested in a trust for the benefit of this Foundation, are invested or reinvested in such a manner as to jeopardize the carrying out of any educational purposes for which this Foundation is organized.

Section 4 - Expenditure Responsibility. It shall be the policy of this Foundation that this Foundation, through its Board of Directors, will exercise "expenditure responsibility" as defined in section 4945(H) (1) and (2) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended, with respect to all grants and distributions.

Section 5 - Reasonable Return. The Board of Directors shall take steps to assure that each Director, agent or custodian with respect to the aggregate of the unrestricted trusts or funds

that are a component part of this Foundation, administers such funds in accordance with accepted standards of fiduciary conduct to produce a reasonable (as determined by the Board of Directors) return of net income, in furtherance of this Foundation's educational purposes.

Section 6 - Books and Records. The Board of Directors of this Foundation shall cause to be kept:

- (a) records of all proceedings of Directors and committees;
- (b) all financial statements of this Foundation
- (c) Articles of Incorporation and By-laws of this Foundation and all amendments thereto and restatements thereof; and,
- (d) Such other records and books of account as shall be necessary and appropriate to conduct the Foundation business.

Section 7 - Audit and Publication. The Board of Directors shall cause the Records and Books of Accounts of the Foundation 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 held by any Director, agent, or custodian for the benefit of this Foundation, and shall retain such person or firm for such a purpose as it may deem appropriate.

Section 8 - Fiscal Year. The fiscal year of the Foundation shall begin July 1 and end on June 30 each year.

Section 9 - Bond. The Foundation may obtain bonds on such persons and in such amounts as may from time to time be deemed necessary by the Board of Directors.

ARTICLE VI

FUNDS AND INVESTMENTS

Section 1 - Savings and Checking Accounts. The Treasurer shall deposit all Funds belonging to the Foundation as received in the name of the Foundation. Deposits may be made in either savings or checking accounts, as the Treasurer may consider advisable. Deposits may be made only in banks that have been approved previously by the Board of Directors. Checks shall be drawn and signed by the Chairperson and by the Treasurer or by authorized deputies.

Section 2- Purchase or Sale of Securities. The Treasurer, when directed by the Board of Directors, shall sell securities owned by the Foundation and deposit the proceeds as provided in Section 1 next above. The Treasurer as directed by the Board of Directors shall invest available amounts in the checking and savings accounts from time to time.

Section 3 - Safekeeping of Securities. All securities owned by the Foundation or held under its control shall be deposited with banks or trust companies authorized as depositories by the Board of Directors, under safekeeping agreements. The form of each agreement shall provide that the bank or trust company will remit the current income to the Treasurer and the securities may be withdrawn only as provided by Section 4 of this Article.

Section 4 - Withdrawal of Securities. The Board of Directors shall notify the depository of all actions of the Board of Directors, which involve the withdrawal of securities from safekeeping. The depository shall be authorized upon receipt of such advice from the Board of Directors to deliver to the Treasurer, or to order, securities covered by such action. The Chairperson is authorized to act for the Treasurer, provided that the same officer may not act in both capacities in connection with the same transaction.

ARTICLE VII

AMENDMENTS AND BYLAWS

Section 1 - Amendments. The By-laws of the Foundation may be amended by a two thirds (2/3) vote of all Directors of the Foundation then holding office at any regular or special meeting of the Board, provided notice of the character of the proposed amendments shall have been given to the Directors at least thirty (30) days before such amendment is voted upon.

Section 2- Copy of By-laws. The Secretary of the Foundation shall at all time keep in the office of the Foundation a true and correct copy of the By-laws.

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS AND OFFICERS AND INSURANCE

Section 1 - Indemnification. The Directors and Officers of the Foundation, whether or not then in office, shall be indemnified by the Foundation against all costs and expenses reasonably incurred by or imposed upon them or their estates in connection with or resulting from any claim, action, suit or proceedings, civil, administrative or criminal, to which they or their estates shall or may be made a party, or with which they shall or may be threatened by reason, directly or indirectly, of their being or having been a Director or Officer of the Foundation, provided the Director or Officer acted in good faith and in a manner he or she reasonably believed to be in the best interest of the Foundation, and with respect to any criminal proceeding, had reasonable cause to believe his or her conduct was lawful, and shall also be indemnified against any costs or expenses reasonably incurred by or imposed upon them or their estates in connection with or resulting from judgment being entered in or the settlement of any such action, suit or proceeding. The costs and expenses against which any such Director or Officer shall be so indemnified shall be those actually paid or for which liability is actually incurred, irrespective of whether such costs or expenses are taxable Costs as defined or allowed by statute or rule of court. Said rights of indemnification shall be in addition to any other rights with respect to any such costs and expenses to which such Director or Officer may otherwise be entitled against the Foundation or any other persons.

Section 2 - Insurance. The Foundation may purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Foundation, insuring him or her against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his status as such, said insurance to cover the cost of defense of any action against said Director or Officer, whether or not the Foundation would have the power to indemnify the Director or Officer against such liability under the provisions hereof or applicable state or federal law.

ARTICLE IX

PARLIAMENTARY PROCEDURE

ROBERT'S RULES OF ORDER, LATEST EDITION, shall govern all questions of parliamentary procedure at any of the meetings of the Board of Directors or committees.

ARTICLE X

DISSOLUTION

Upon the dissolution of the Foundation, the Board of Directors after paying or making provision for the paying of all liabilities of the Foundation, shall dispose of all the assets of the Foundation, exclusively for the purposes of the Foundation, unless the Argenta-Oreana School District No. 1 at that time ceased to exist, or is no longer a public entity in Illinois, in which event, the assets of the Foundation shall be distributed as provided in the Foundation's Articles of Incorporation.