

GRESHAM MIDDLE SCHOOL FOUNDATION
BYLAWS

Effective _____ 2013

ARTICLE I. OFFICES

Section 1.1 Principal Office. The principal office of the Corporation shall be located at 500 Gresham Road, Knoxville, Knox County, Tennessee and/or such other locality as may be determined by the Board of Directors. The Corporation may have such other offices, either within or without the State of Tennessee, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

Section 1.2 Registered Office. The registered office of the Corporation required to be maintained in the State of Tennessee by the Tennessee Nonprofit Corporation Act (the "Act") may, but need not, be identical with the principal office in the State of Tennessee; and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II. PURPOSE, MISSION, GOALS AND USE OF FUNDS

Section 2.1 Purpose. The purposes of the Corporation are those set forth in its charter of incorporation, as from time to time amended or restated (the "Charter"). Namely, the Corporation is organized exclusively for charitable and educational purposes within the meaning of I.R.C. § 501(c)(3) of the Internal Revenue Code of 1986, as amended. Specifically, the Corporation is organized to further the growth and development of programs and facilities of educational institutions, including, but not by way of limitation, Gresham Middle School in Knox County, Tennessee, other schools and programs that are a part of the Knox County Public School System governed and controlled by the by the Knox County Government, and publicly supported colleges, universities and other types of publicly supported educational institutions, whether primary, secondary, graduate, post-graduate or otherwise, appropriate educational agencies ("Educational Programs"); to encourage persons and corporations to provide financial support for Educational Programs; to receive, accept, retain, administer, invest and distribute property, whether real, personal or mixed, and whether received by gift or bequest from any person or entity, for the benefit of Educational Programs; to make grants to Educational Programs; to receive benefactions and bequests designated by donors for specific Educational Programs, and faithfully to administer and distribute such bequests in accordance with the wishes of the donors, provided that any such specific Educational Programs designated by a donor shall be limited to organizations described both in I.R.C. § 501(c)(3) and either I.R.C. § 509(a)(1), I.R.C. § 509(a)(2) or I.R.C. § 509(a)(3), or an agency of a State, a possession of the United States, or any political subdivision of the foregoing, or the United States or the District of Columbia, contributions to which are deductible under I.R.C. § 170(c)(1).

Section 2.2 Mission and Goals. The Corporation shall develop a mission statement and goals to express its purposes, direction, and objectives, which shall be approved by the Board of Directors, and reviewed from time to time as circumstances dictate. It shall disseminate its statement of mission and goals in such manner as the Board of Directors shall determine.

Section 2.3 Use of Funds. The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, or profits of the Corporation is distributable to, or inures to the

benefit of its Directors or officers or any other private person, except as provided in Section 4.19 and Section 5.11 as reimbursement for expenses or reasonable compensation for services rendered to the Corporation, and except to make payments and distributions in furtherance of the purposes of the Corporation, as set forth in the Charter and Sections 2.1 and 2.2 above. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and no part of the activities of the Corporation shall be the participation in, or intervention in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE III. MEMBERS

3.1 Members. The Corporation shall have no members. The Corporation may from time to time designate individuals or organizations as “members” for fund raising or promotional purposes, but such individuals or organizations shall not be “members” under the Act and shall not have voting rights.

ARTICLE IV. BOARD OF DIRECTORS

Section 4.1 General Powers. The business and affairs of the Corporation shall be supervised by its Board of Directors, which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Charter, or these Bylaws. The Board of Directors, as the governing body of the Corporation, shall have the authority to receive, administer and distribute property on behalf of the Corporation in accordance with the provisions set forth in Article II of these Bylaws.

Section 4.2 Number and Qualifications. The number of Directors of the Corporation having voting power shall be not less than three (3) and not more than twenty-four. Provided, however, the number of Directors may be increased or decreased from time to time by the Board of Directors by amendment of this Bylaw, but no decrease shall have the effect of shortening the term of an incumbent director or reducing the number of Directors having voting power below three (3). In addition to the foregoing (the number of Directors fixed by the Board), the immediate past President shall serve as a Director with voting power for a single three year term beginning on his replacement as President even if he has served two immediately successive terms as a voting Director on the date of leaving office as President.

Section 4.3 Board Elections. (a) Initial Board. The three Directors elected by the incorporator of the Corporation shall serve until the first annual meeting of Directors and until a successor is elected and qualified. The three Directors elected by the incorporator of the Corporation may increase the size of the Board and elect additional members to the Board before the first annual meeting of Directors.

(b) First Annual Meeting and Subsequent Election. At the first annual meeting of the members, the voting members of the Board of Directors shall be divided into three classes, designated Class A, Class B, and Class C, each class containing one third of the number of members of the Board. If the number of the total number of voting members divided by three

results in a remainder of one, that one shall be added to Class A. If the number of the total number of voting members divided by three results in a remainder of two, one shall be added to Class A, and one shall be added to the Class B. (For example, if there are four voting members of the Board, the number in Class A shall be two, or if there are five members of the Board, the number in each of Class A and Class B shall be two.) The members of Class A shall hold office for a term of one year; the members of Class B shall hold office for a term of two years; and the members Class C shall hold office for a term of three years.

At all subsequent annual elections voting members of the Board shall be elected by the members for a term of three years to succeed the voting Directors whose terms then expire. If the number of voting Directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of voting Directors in each class as nearly equal as possible, and any additional voting Director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of the class, but in no case will a decrease in the number of voting Directors shorten the term of any incumbent voting Director. A voting Director shall hold office until the annual meeting for the year in which the voting Director's term expires and until the voting Director's successor shall be elected and shall qualify, subject however, to prior death, resignation, retirement, disqualification, or removal from office. A voting Director may be elected to serve only one (1) immediately successive three (3) year term. Each voting Director shall take office at the beginning of his or her term. Directors shall be natural persons who have attained the age of twenty-one (21) years, but need not be residents of the State of Tennessee.

(c) Vacancies. Any vacancy occurring in the Board of Directors at any time for any reason may be filled by the affirmative vote of a majority of the remaining Directors having voting power, so long as the requirements of Section 4.3(b) are met. An individual designated to fill a director position shall serve as provided in Section 4.3(b). If a vacancy results in there being fewer Directors than required by the Bylaws, Charter, and the Act, and if such vacancy is not filled within ninety (90) days of the event which caused the vacancy, any Director may apply to a court having equity jurisdiction in the county in which the Corporation has its principal office to have such court appoint a sufficient number of Directors so that the Corporation will have the number of Directors required by its Bylaws or Charter, or the Act whichever number is greater.

(d) Nominations and Election. The voting Board of Directors shall nominate and elect individuals to serve on the Board of Directors. If there are more nominations than there are vacancies on the Board of members to have voting power, the persons receiving the plurality of the votes shall be Directors.

Section 4.4 *Ex Officio*, Directors. The Board of Directors may also include *ex officio*, Advisory, and Emeritus non-voting Board members as follows:

- (a) the principal or acting principal of Gresham Middle School;
- (b) one (1) or more, not to exceed three (3), teachers of Gresham Middle School as nominated by the Gresham Middle School principal and approved by the Board of Directors; and
- (c) such other persons as approved by resolution of the Board of Directors, for such term or terms as stated in such resolution.

Section 4.5 Advisory Members. The Board of Directors may elect advisory members from time to time, who shall sit on the Board but have no vote. Advisory members shall serve at the pleasure of the Board.

Section 4.6 Life Directors. In recognition of their efforts on behalf of the Corporation and the wisdom and knowledge of their experience, the Board of Directors may designate persons as Life Directors who have served two (2) complete terms of office or served at least eight (8) years as a Director. Life Directors shall be invited to attend and participate in, without vote, all meetings of the Board of Directors and Committees of the Corporation. Attendance at such meetings by Life Directors shall be without compensation or reimbursement of expenses, unless provided otherwise by the Board. Service as a Life Director shall be subject to such terms and conditions as may be established by the Board from time to time.

Section 4.7 Emeritus Directors. In recognition of their leadership and support of the Corporation and in order to maintain a continuing relationship with past board members, the Board of Directors shall bestow the title of Emeritus Director on Directors who have left service on the Board after having served at least two (2) complete terms on the Board. Emeritus Directors shall be invited to attend and participate, without vote, in meetings of the Board of Directors and may be invited by the Committee Chair to attend and participate, without vote, in meetings of Committees of the Corporation. Attendance at such meetings shall be without compensation or reimbursement of expenses, unless provided otherwise by the Board. Service as Emeritus Director shall be subject to such terms and conditions as may be established by the Board from time to time.

Section 4.8 Term of Office. The term of office of any new director having voting rights (other than an *ex-officio*, Advisory, Life, or Emeritus Director), shall be for a three (3) year term commencing on election. A Director having voting rights may be elected to serve only one (1) immediately successive three (3) year term. A consecutive-term incumbent (or former) Director having voting rights shall not be re-elected as a Director with voting rights until after expiration of one year following his or her immediately preceding consecutive terms as a Director with voting rights. Each director shall take office at the beginning of his or her term, and shall hold office until his or her term shall have expired or until his or her earlier resignation, removal from office, or death. Directors shall be natural persons who have attained the age of twenty-one (21) years, but need not be residents of the State of Tennessee.

Section 4.9 Quorum and Participation in a Meeting. The greater of one third (1/3) of the total number of Directors in office entitled to vote and present in person or two (2) such Directors shall constitute a quorum for the transaction of any business. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors having voting power present shall constitute an act of the Board, except may otherwise be specifically provided by law, by the Charter, or these Bylaws. Members of the Board of Directors absent from the meeting shall not be permitted to vote at such meeting by written proxies. The members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. *Robert's Rules of*

Order shall govern the interpretation of parliamentary matters at a meeting of the Board, or any committee designated by the Board.

Section 4.10 Annual Meeting. The annual meeting of the Board of Directors shall be held on an appointed date selected by majority quorum vote of the Board, the appointed date to be during the months of July through September. If a majority of the voting Directors are unable to agree on a location for the annual meeting, then it shall be at the Foundation's principal office, and if no principal office shall then exist, at the office of the Foundation's then acting legal counsel. Notice of such meetings shall be given by the President or Secretary on behalf of the President as set forth in Section 4.12 hereof. The purpose of the annual meeting shall be to elect Directors and officers, and transact such other business as may properly be brought before the meeting. If election of Directors and officers shall not be held on the day herein designated for any annual meeting of the Board of Directors, or any adjournment thereof, the Board of Directors shall cause such election to be held at a special meeting of the Board as soon thereafter as may be convenient.

Section 4.11 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as determined by a majority quorum vote of the Board. Notice of such meetings shall be given by the President or Secretary on behalf of the President as set forth in Section 4.12 hereof.

Section 4.12 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the President, or at the request of any three (3) Directors entitled to vote. Written or printed notice stating the place, the date, and the hour of the Director's special meeting and the person or persons calling the meeting shall be delivered to each Director by first class mail, email or fax. If by first class mail, such notice shall be deposited in the United States Mail with first class postage prepaid thereon addressed to the Director at his home or business address not less than five (5) days before the meeting.

Section 4.13 Notice and Waiver of Notice. The notices provided for in these Bylaws shall be by electronic mail (email), telegram or written notice delivered personally or by facsimile or mailed or sent by Federal Express or United Parcel Service to each director at his or her business or home address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by electronic mail (email), telegram, facsimile, Federal Express or United Parcel Service, such notice shall be deemed to be delivered when said communication is delivered. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the sole and express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Directors must be specified in the notice of such meeting.

The attendance at, or participation in, of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director at the beginning of the meeting (or promptly upon the Director's arrival) objects to holding the meeting or transacting of business at the meeting and does not thereafter vote for or assent to action at the meeting. Whenever any notice is required to be given to any Director, officer, or committee member of the Corporation under the provisions of these Bylaws, the Charter, or the Act, a waiver thereof in writing signed by the person or persons

entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 4.14 Removal from Office. Any or all of the Directors may be removed for cause or without cause as follows: (i) "for cause," by vote of two-thirds of the total number of the Directors of the Corporation having voting power; or (ii) "without cause," by vote of four-fifths of the total number of the Directors of the Corporation having voting power. For purposes of this provision, "cause" shall mean final conviction of a felony, declaration of unsound mind by court order, adjudication of bankruptcy, nonacceptance of office, conduct prejudicial to the interest of the Corporation, or absence from three (3) or more consecutive meetings of the Board. Removal of a director shall also constitute removal as an officer of the Corporation and as a member of all committees of the Board. A vote for removal shall occur only after the Director who is the subject of removal has been advised of the complaints lodged against him or her by at least seven (7) days written notice that the matter will be voted on at a Director's meeting sent to each Director, unless notice is waived pursuant to Section 4.13. The term of office of any Officer who also serves as a Director shall expire immediately upon removal of such Officer as a Director.

Section 4.15 Resignation. Any Director may resign by giving notice in writing to the Chairman of the Board, President, or the Secretary. The acceptance of any such resignation, unless required by the terms thereof, shall not be necessary to make the same effective.

Section 4.16 Place of Meetings. All meetings of the Board of Directors shall be held at such place and time as designated by the notice thereof, or at such place as the Directors may by majority vote have designated.

Section 4.17 Minutes. The Board of Directors shall keep a record of each proceeding which shall thereafter be approved by the Board of Directors at its next meeting, and affirmed by the signature of the Secretary of the meeting. The Board of Directors will also cause regular and correct books of accounts to be kept for the Foundation.

Section 4.18 Voting. Each Director shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board of Directors. The act of a majority of the Directors present and who vote at a meeting at which a quorum is present shall be the act of the Board of Directors, except as may otherwise be specifically provided by law, by the Charter, or by these Bylaws. Members of the Board of Directors absent from any meeting shall not be permitted to vote at such meeting by written proxies.

Section 4.19 Compensation. Directors and Officers, as such, will not receive any stated salaries for their services, but by resolution of the Board of Directors may receive reasonable compensation and may be reimbursed expenses of attendance, if any, at such regular or special meetings of the Board of Directors or any committee of the Board of Directors, after submitting substantiation of such expenses to the Corporation; but nothing herein contained will be construed to preclude any Director or Officer from serving the Foundation in any other capacity and receiving compensation for any such service.

Section 4.20 Action by Written Consent. Any action required or permitted to be taken at a meeting by the Board of Directors, or by any committee thereof, may be taken without a meeting if all voting members of the Board or committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the numbers of votes that would be necessary to authorize or take such action at a meeting shall be the act of the members. The action must be evidenced by one or more written consents describing the action taken, signed in one or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention on the action taken. All such written consents and action shall be filed with the minutes of the proceedings of the Board or committee. A consent signed under this Section shall have the same force and effect as a meeting vote of the Board, or any committee thereof, and may be described as such in any document.

Section 4.21 Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless his or her abstention or dissent 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 forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 4.22 Limited Personal Liability of Directors. No person who is or was a director of the Corporation, nor such person's heirs, executors or administrators, shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision shall not eliminate or limit the liability of any such person: (a) for any breach of a director's duty of loyalty to the Corporation, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (c) under T.C.A. § 48-58-304 of the Act, as amended from time to time. No repeal or modification of the provisions of this Section 4.22, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

ARTICLE V. OFFICERS

Section 5.1 Number. There may be an elected from the Board a Chairman of the Board, who, if such is elected, shall preside at meetings. There shall be a President, Vice-President, Secretary and Treasurer of the Board of Directors, each of whom shall be elected or appointed in accordance with the provisions of this Article. The Board may also elect such other officers and assistant officers as the Board may deem necessary or appropriate. Except for the offices of President and Secretary, any two or more offices may be held by the same person.

Section 5.2 Election and Term of Office. The President, Vice-President, Secretary and Treasurer of the Board of Directors shall be elected annually by the Board from among its membership at its annual meeting. The President, Vice-President, Secretary and Treasurer shall hold office for a term of one (1) year and thereafter until his or her successor has been elected and

qualified, or until his or her earlier death, resignation or removal from office in the manner hereinafter provided. The President, Vice-President, Secretary and Treasurer may not immediately succeed himself or herself in the same office for more than one (1) succeeding term. Accordingly, such officer may not serve in such office for more than two (2) consecutive terms, with partial terms being disregarded for this purpose.

Section 5.3 President. The President shall, unless there shall have been elected a Chairman of the Board, when present, preside at all meetings of the Board of Directors and any Executive Committee. The President shall be the principal executive officer of the Foundation and shall in general perform all of the duties, and have all of the authority, specified in such Position Description as the Board of Directors may adopt from time to time. The Chair may sign, with the Secretary or any other proper officer thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. The President shall encourage the Directors of the Corporation, as well as other volunteers, to use their energies and abilities to advance the purposes of the Corporation.

Section 5.4 Vice-President. In the absence of the President or in the event of his or her death, inability, or refusal to act, the Vice-President shall perform the duties of the President (pending election, if necessary, of a successor pursuant to Section 5.9 below), and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the chair. Any Vice-President shall perform such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

Section 5.5 Secretary. The Secretary shall keep the minutes of the proceedings of the Board of Directors, including votes of all proceedings in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal, if any, of the Corporation and see that the seal is affixed to all documents, the execution of which is duly authorized on behalf of the Corporation under its seal; keep a register of the mailing address, phone number, and e-mail address of each member of the Board of Directors, each Officer, each Committee Chairman, and Committee member, which mailing address, phone number, and e-mail address shall be furnished to the Secretary by each Director; Officer, Committee Chairman and Committee member, and in general perform all duties incident to the office of secretary and such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors. The Secretary shall serve ex-officio as a member of the Bylaws Committee as it is constituted from time to time.

Section 5.6 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Foundation; oversee the receipt of moneys due or payable to the Corporation from any source whatsoever, and assure the deposit all such monies in the name of the Foundation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VIII of these Bylaws; oversee the disbursement of funds of the

Foundation in accordance with the directives of the Board of Directors, assuring proper vouchers for such disbursements; and render to the President and Board of Directors at its meetings and at such other times as may be requested by the Board of Directors or President, an account of all the transactions of the Treasurer and of the financial condition of the Corporation. The Treasurer shall serve, ex officio, as a member of the Budget and Finance Committee of the Corporation, but shall not serve as its chair. The Treasurer shall assure compliance with: (i) financial standards applicable to non-profit organizations, and (ii) applicable federal requirements incident to the Corporation's tax-exempt status. The Treasurer shall in general perform all of the duties incident to the office of treasurer and such other duties as may from time to time be assigned to him or her by the President or the Board of Directors.

Section 5.7 Additional Officers and Agents. The Board of Directors may at any time appoint such other Officers and agents as it shall deem necessary. Other than the President, Vice-President, Secretary, and Treasurer, any such additional Officers and/or agents may be removed at any time by the Board. Such additional Officers and/or agents need not be Directors of the Foundation.

Section 5.8 Removal. Any Board member removed from office pursuant to Section 4.14 shall be automatically removed as an officer. The Board of Directors may remove any officer, with or without cause, when, in its judgment, the best interests of the Foundation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed as required by the Act. Election or appointment of an Officer shall not itself create any contract rights. Any Officer or agent elected or appointed by the Board may resign by filing with the Chairman, President, Secretary, or with the Board a written resignation which shall take effect on being filed or at the time specified therein.

Section 5.9 Resignation. An Officer or agent may resign his or her office at any time by tendering his or her resignation in writing to the Chair, President, Secretary or to the Board. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation. The Board shall be notified of all resignations.

Section 5.10 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise of the Director holding such office, may be filled by the Board of Directors. If a resignation is made effective at a later date and the Foundation accepts the later effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

Section 5.11 Salaries and Expenses. Officers, as such, will not receive any stated salaries for their services, but by resolution of the Board of Directors may receive reasonable compensation for services rendered to the Foundation in such amount, and according to such terms and conditions, as shall from time to time be determined by the Board of Directors. Reasonable expenses incurred by all of the Officers in the course of coordinating the affairs of the Foundation shall be reimbursed by the Foundation upon proper substantiation.

Section 5.12 Voting Securities of Foundation. Unless otherwise ordered by the Board of Directors, the President shall have full power and authority on behalf of the Foundation to attend and to act and vote at any meetings of partnerships, corporations, or other organizations, in which the Foundation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Foundation may possess and might have exercised if it had been present. The Board of Directors may from time to time by resolution confer like powers upon any other person or persons.

ARTICLE VI. STANDARDS OF CONDUCT

Section 6.1 Standards of Conduct. A Director or an Officer of the Foundation shall discharge his or her duties as a director or as an officer, including duties as a member of a committee:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) In a manner he or she reasonably believes to be in the best interest of the Foundation.

Section 6.2 Reliance on Third Parties. In discharging his or her duties, a Director or Officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- (a) One or more officers or employees of the Foundation who the Director or Officer reasonably believes to be reliable and competent in the matters presented;
- (b) Legal counsel, public accountants or other persons as to matters the Director or Officer reasonably believes are within the person's professional or expert competence; or
- (c) A committee of the Board of Directors of which the Director or Officer is not a member, as to matters within its jurisdiction, if the Director or Officer reasonably believes the committee merits confidence.

Section 6.3 Bad Faith. A Director or Officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 6.2 unwarranted.

Section 6.4 No Liability. A Director or Officer is not liable for any action taken, or any failure to take action, as a Director or Officer, if he or she performs the duties of his or her office in compliance with the provisions of this Article, or if he or she is immune from suit under the provisions of T.C.A. § 48-58-601 of the Act.

Section 6.5 No Fiduciary. No Director or Officer shall be deemed to be a fiduciary with respect to the Foundation or with respect to any property held or administered by the Foundation, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

ARTICLE VII. CONFLICTS OF INTEREST

Section 7.1 General. A conflict of interest transaction is a transaction with the Foundation in which a Director or Officer of the Foundation has a direct or indirect interest. A Director or Officer of the Foundation has an indirect interest in a transaction if, but not only if, a party to the transaction is another entity in which the Director or Officer has a material interest (which includes but is not limited to, an ownership or investment interest, any compensation arrangement, a potential ownership, investment, or compensation arrangement. Compensation includes, but is not limited to, direct and indirect remuneration, gifts or favors.), or of which the Director or Officer is a general partner, director, officer, agent, or trustee. A conflict of interest transaction is not voidable or the basis for imposing liability on the Director or Officer if the transaction was fair at the time it was entered into, or if the transaction is approved as provided in Section 7.2.

Section 7.2 Manner of Approval. A transaction in which a Director or Officer of the Foundation has a conflict of interest may be approved if:

(a) The material facts of the transaction and the interest of the Director or Officer were disclosed or known to the Board of Directors, or to a committee consisting entirely of members of the Board of Directors, and the Board of Directors or such committee authorized, approved or ratified the transaction; or

(b) Approval is obtained from the Attorney General of the State of Tennessee, or from a court of record having equity jurisdiction in an action in which the Attorney General is joined as a party.

Section 7.3 Quorum Requirements. For purposes of Section 7.2, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the Directors on the Board of Directors, or on a committee consisting entirely of members of the Board of Directors, who have no direct or indirect interest in the transaction; no member of the Board or Officer who may have a conflict of interest shall be present during the discussion after the presentation of the conflict of interest facts, or during the voting. A transaction may not be authorized, approved or ratified under this Article by a single (one) Director. A quorum is present for the purpose of taking action under this Article if a majority of the Directors on the Board who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction. The presence of, or vote cast by, a Director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection 7.2(a) if the transaction is otherwise approved as provided in Section 7.2. ARTICLE VIII. CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 8.1 Contracts and Employment of Agents. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Foundation; and such authority may be general or confined to specific instances. The Board is specifically authorized to enter into such agreements as, in its discretion, it may deem necessary or desirable, with qualified individuals, institutions or agencies to act as custodians or investment managers of the Foundation's funds; to write annuity contracts, trust agreements and other financial plans; and to perform such other financial tasks related to the management of the assets of the Foundation as the Board may from

time to time deem necessary or appropriate. Furthermore, the Board of Directors shall be specifically authorized, in its sole discretion, to employ and to pay the compensation or such agents, accountants, custodians, experts, and other counsel, legal, investment or otherwise, as the Board shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or entities.

Section 8.2 Loans. No loans shall be contracted on behalf of the Foundation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 8.3 Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, agent or agents, of the Foundation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

Section 8.4 Deposits. All funds of the Foundation not otherwise employed shall be deposited from time to time to the credit of the Foundation in such banks trust companies, or other depositories as the Board of Directors may select.

ARTICLE IX. INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 9.1 Mandatory Indemnification of Directors and Officers. To the maximum extent permitted by the provisions of T.C.A. §§ 48-58-501 et seq. of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), the Foundation shall indemnify and advance expenses to any person who is or was a director or officer of the Foundation, or to such person's heirs, executors and administrators, for the defense of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is, or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines (including any excess tax assessed with respect to an employee benefit plan), judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

(a) The Proceeding was instituted by reason of the fact that such person is or was a director or officer of the Foundation; and

(b) The director or officer conducted himself or herself in good faith, and he or she reasonably believed: (i) in the case of conduct in his or her official capacity with the Foundation, that his or her conduct was in its best interest; (ii) in all other cases, that his or her conduct was at least not opposed to the best interests of the Foundation; and (iii) in the case of any criminal proceeding, that he or she had no reasonable cause to believe his or her conduct was unlawful. The conduct of a director or officer with respect to an employee benefit plan for a purpose he or she

reasonably believed to be in the interest of the participants in, and beneficiaries of, the plan shall be conduct that satisfies the requirements that such person's conduct was at least not opposed to the best interests of the Foundation. The termination of a proceeding by judgment, order, settlement, conviction, or upon a pleas of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct herein described.

Section 9.2 Permissive Indemnification of Employees and Agents. The Foundation may, to the maximum extent permitted by the provisions of T.C.A. §§ 48-58-501 et seq. of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Foundation, or to such person's heirs, executors and administrators, to the same extent as set forth in Section 9.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Foundation and met the standards of conduct set forth in Subsection 9.1(b) above. The Foundation may also indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Foundation to the extent, consistent with public policy, as may be provided by the Charter, by these Bylaws, by contract, or by general or specific action of the Board of Directors.

Section 9.3 Non-Exclusive Application. The rights to indemnification and advancement of expenses set forth in Sections 9.1 and 9.2 above are contractual between the Foundation and the person being indemnified, and his or her heirs, executors and administrators, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Charter, by a resolution of the Board of Directors, by these Bylaws, by the purchase and maintenance by the Foundation of insurance on behalf of a director, officer, employee or agent of the Foundation, or by an agreement with the Foundation providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized. The rights of indemnification and advancement of expenses set forth in this Article IX shall also apply, as appropriate, to any person who was an officer, director, employee or agent (or to such person's heirs, executors and administrators) of any association, corporation, partnership or trust which was a predecessor to this Foundation, and to any officer, director, employee or agent of the Foundation, and to any officer, director, employee or agent of the Foundation (or such person's heirs, executors and administrators) who served in any capacity for another association, corporation, partnership or trust at the request of this Foundation.

Section 9.4 Non-Limiting Application. The provisions of this Article IX shall not limit the power of the Foundation to pay or reimburse expenses incurred by a director, officer, employee or agent of the Foundation in connection with such person's appearing as a witness in a Proceeding at a time when he or she has not been made a named defendant or respondent to the Proceeding.

Section 9.5 Prohibited Indemnification. Notwithstanding any other provision of this Article IX, the Foundation shall not indemnify or advance expenses to or on behalf of any director, officer, employee or agent of the Foundation, or such person's heirs, executors or administrators:

(a) If a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Foundation, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under T.C.A. § 48-58-304 of the Act; or

(b) In connection with a Proceeding by or in the right of the Foundation in which such person was adjudged liable to the Foundation; or

(c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by him or her.

Section 9.6 Repeal or Modification Not Retroactive. No repeal or modification of the provisions of this Article IX, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

ARTICLE X. FISCAL YEAR

The fiscal year of the Foundation shall begin on July 1st and end on June 30th.

ARTICLE XI. AMENDMENTS

These Bylaws and the Charter may be altered, amended, or repealed, and a new Charter or Bylaws adopted, upon the affirmative vote of two-thirds (66 2/3%) of the Board of Directors present at any annual or special meeting, except to the extent that such alteration, amendment or repeal is inconsistent with Article XII hereof.

ARTICLE XII. EXEMPT STATUS

The Foundation has been organized and will be operated exclusively for exempt purposes within the meaning of I.R.C. § 501(c)(3) and, as such, will be exempt from taxation under I.R.C. § 501(a). Any provision of these Bylaws or of the Charter which would in any manner adversely affect the Foundation's tax exempt status shall be void and shall be deleted or modified as necessary to comply with all applicable federal and state requirements for the maintenance of the Foundation's tax exempt status.

ARTICLE XV. NO SEAL

The signature of the President of this Foundation, duly attested by the Secretary, shall be used in lieu of a seal.

This the _____ day of _____, 20_____

James A. H. Bell,

Incorporator

