

SALTSBURG SCHOOLS FOUNDATION BYLAWS

ARTICLE I – PURPOSE

Saltsburg Schools Foundation (the “Foundation”) is organized exclusively for charitable, religious, educational, and scientific purposes, including but not limited to supporting the public schools serving Saltsburg Borough and Conemaugh and Loyalhanna Townships (“Saltsburg Schools”), and including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE II – BOARD OF DIRECTORS

Section 2.1. Powers. The Board of Directors of the Foundation (the “Board”) shall have full power to conduct, manage and direct the business and affairs of the Foundation, and all powers of the Foundation are hereby granted to and vested in the Board.

Section 2.2. Number. The Board shall have a maximum of fifteen (15) directors, which number may be increased or decreased from time to time by resolution of the Board. The Foundation may conduct business with fewer than fifteen (15) directors when vacancies have occurred, so long as there are at least seven (7) directors in office.

Section 2.3. Qualifications and Selection. Each director shall be a natural person of full age and shall meet one of the classifications set forth in Section 2.4. In case of a vacancies on the Board, new directors shall be selected by the Board.

Section 2.4. Composition. In selecting directors, the Board shall seek to comprise itself with representatives from the following categories to the extent possible:

- (a) Community members not employed by the Saltsburg Schools who live and/or work within the area served by the Saltsburg Schools;
- (b) Administrators of the Saltsburg Schools;
- (c) Teachers in the Saltsburg Schools;
- (d) School directors of the Blairsville-Saltsburg School District; and
- (e) Other employees of the Saltsburg Schools.

Section 2.5. Term. The initial directors of the Foundation and their terms are set forth in a Unanimous Written Consent of Incorporators. Thereafter, all directors shall serve for a term of three (3) years. Terms will begin on July 1 and end on June 30. Directors may be appointed to successive terms.

Section 2.6. Resignations. Any director of the Foundation may resign at any time by giving notice to the President or Secretary of the Board. Such resignation shall take effect at the

date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 2.7. Vacancies. The Board may declare vacant the office of a director if he or she is declared of unsound mind by an order of court or convicted of a felony or for any other proper cause, or if within 60 days after notice of his or her selection, he or she does not accept such office either in writing or by attending a meeting of the Board.

Any vacancy or vacancies in the Board because of death, resignation, removal in any manner, disqualification, an increase in the number of directors, or any other cause, may be filled by a majority of the remaining members of the Board though less than a quorum, at any regular or special meeting, and each person so elected shall be a director to serve for the balance of the unexpired term.

Section 2.8. Meetings.

- (a) *Regular Meetings.* The Board shall meet monthly except when determined otherwise by the Board. The Board shall determine the time and place of each regular meeting for the ensuing fiscal year at a meeting prior to June 30 each year. Notice of regular meetings need not be given unless otherwise required by law or these bylaws.
- (b) *Special Meetings.* Special meetings may be called by the President of the Board on his or her own motion or by the written request of any three directors. Written notice of the time, place and subject matter of each special meeting shall be given to each director at least seven (7) days before the meeting date in the case of notice sent by mail and at least three (3) days before the meeting date in the case of notice sent by e-mail, unless such notice is waived in writing or by attendance.
- (c) *Action in Lieu of Meeting.* Any Board action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall consent to such action in writing or by e-mail. Such consent shall be made a part of the minutes of the proceedings. Such action by consent shall have the same force and effect as the unanimous vote of the directors.
- (d) *Notice.* Written notice of any meeting may be given by first-class mail or by e-mail sent to the address of each director appearing in the Foundation's books or supplied to the Foundation for the purpose of notice. Notice shall be deemed to have been given when deposited in the mail or when sent by e-mail. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting or where otherwise required, the general nature of the business to be transacted. Any required notice may be waived by the written consent of the person entitled to such notice, and attendance of a person at any meeting in person or by proxy shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.9. Quorum. Fifty percent (50%) or more of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board. Except as may otherwise be required by law or the Articles of Incorporation, the act of a majority of the Directors present at the meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of the directors present and voting may adjourn the meeting from time to time until a quorum is present.

Section 2.10. Compensation. No director shall receive, directly or indirectly, any compensation for his or her services as a director of the Foundation. The Board may authorize reimbursement of reasonable expenses incurred by directors on behalf of the Foundation.

ARTICLE III – OFFICERS

Section 3.1. Number and Qualifications. The officers of the Foundation shall consist of a President, a Vice-President, a Secretary, and a Treasurer, each of whom shall be a then-serving director of the Board. The officers of the Foundation shall include at least one (1) teacher of the Saltsburg Schools and one (1) administrator of the Saltsburg Schools. The Board may appoint such other assistant officers as it may from time to time determine and may define their powers and duties.

Section 3.2. Election. The officers of the Foundation shall be elected at a regular meeting held between March 1 and June 30, and shall serve for a one-year term that shall begin on July 1 of the ensuing fiscal year or until a successor officer has been elected and qualified. Officers may be elected to successive terms. The Board may remove any officer at any time by majority vote. A vacancy in any office may be filled by the Board for the balance of the vacant term.

Section 3.3. Duties. The duties of the officers of the Foundation shall be as follows:

- (a) *President*. The President shall preside over all meetings of the Board and shall have primary responsibility in the Foundation's relations with the Saltsburg Schools and the Blairsville-Saltsburg School District.
- (b) *Vice-President*. The Vice-President shall have full authority to act for the President in his/her absence or incapacity.
- (c) *Secretary*. The Secretary shall be responsible for preparing minutes of all Board meetings and maintaining the corporate records of the Foundation.
- (d) *Treasurer*. The Treasurer shall be responsible to report the finances of the Foundation to the Board.

ARTICLE IV – COMMITTEES

Section 4.1. Standing Committees. There shall be two (2) standing committees of the Board, as follows:

- (a) *Nominations Committee.* The President shall appoint the members of the Nominations Committee. The Nominations Committee shall be responsible for recommending qualified individuals to fill vacancies or pending vacancies on the Board.
- (b) *Finance Committee.* The Finance Committee shall consist of the Treasurer and other board members appointed by the President. The Finance Committee shall be responsible for reviewing, recommending, and implementing financial and investment policies approved by the Board.

Section 4.2. Other Committees. The Board may from time to time create additional committees with such powers and duties as the Board may prescribe.

ARTICLE V – GIFTS AND CONTRIBUTIONS

Section 5.1. Solicitations. Contributions and gifts shall be solicited by representatives of the Foundation to promote, sponsor and carry out the purposes of the Foundation.

Section 5.2. Deposit and Use of Contributions. Unless otherwise provided by the donor, all contributions received by the Foundation shall be deposited and may be used and disbursed by the Board in furtherance of the purpose of the Foundation set forth in Article I.

Section 5.3. Restricted Gifts. The limitations and restrictions upon any grant, gift, donation, bequest or devise shall be observed strictly except and unless it shall be determined by the Board that changed conditions or other reasons shall have rendered the application of the grant, gift, donation, bequest or devise for the purpose provided illegal, unnecessary or impracticable or that the purposes of the gift, donation, bequest or device have been fulfilled or become impossible of fulfillment, in which event said funds shall be administered for such other purpose of the Foundation as will best carry out the intentions of the donor or testator and as may be sanctioned by law.

Section 5.4. Operating Expenses. The operating expenses of the Foundation shall be defrayed by funds contributed directly to the Foundation.

ARTICLE VI – LIABILITY AND INDEMNIFICATION

Section 6.1. Limitation of Personal Liability of Directors. A director of the Foundation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

- (a) the director has breached or failed to perform the duties of his or her office as defined in Section 5.02 below; and
- (b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this section shall not apply to (a) the responsibility or liability of a director pursuant to any criminal statute; or (b) the liability of a director for the payment of taxes pursuant to local, state or federal law.

Section 6.2. Standard of Care and Justifiable Reliance.

- (a) A director of the Foundation shall stand in a fiduciary relationship to the Foundation, and shall perform his or her duties as a director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Foundation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:
- (i) One or more officers or employees of the Foundation whom the director reasonably believes to be reliable and competent in the matters presented;
 - (ii) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person;
 - (iii) A committee of the Board upon which he or she does not serve, duly designated in accordance with the law, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

A director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

- (b) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action shall be presumed to be in the best interests of the Foundation.

Section 6.3. Indemnification. The Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a representative of the Foundation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Foundation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 6.4. Mandatory Indemnification. Notwithstanding any contrary provision of the Articles of Incorporation or these Bylaws, to the extent that a representative of the Foundation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either Section 6.3 above, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 6.5. Determination of Entitlement to Indemnification. Unless ordered by a court, any indemnification under Section 6.3 above shall be made by the Foundation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

- (a) By the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or
- (b) If such a quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

Section 6.6. Advancing Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Foundation in advance of the final disposition of such action, suite or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Foundation as authorized above.

Section 6.8. Indemnification of Former Representatives. Each such indemnity may continue as to a person who has ceased to be a representative of the Foundation and may inure to the benefit of the heirs, executors and administrators of such person.

Section 6.9. Insurance. The Foundation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Foundation against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the Foundation would otherwise have the power to indemnify such person against such liability.

Section 6.10. Reliance on Provisions. Each person who shall act as an authorized representative of the Foundation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

ARTICLE VII – AUDIT AND FISCAL YEAR

Section 7.1. Fiscal Year. The Foundation's fiscal year shall begin July 1 and end June 30 of each year.

Section 7.2. Annual Report to Directors. The Board President and Treasurer shall furnish a report annually to all directors regarding the Foundation's finances and activities during the preceding year.

Section 7.3. Audit. After the close of each fiscal year, the Board shall cause to be completed an audit of the Foundation's assets and accounts as required by law.

ARTICLE VIII – MISCELLANEOUS

Section 8.1. Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the Board may from time to time designate.

Section 8.2. Contracts. Except as otherwise provided in these bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or to execute or deliver any instrument on behalf of the Foundation, and such authority may be general or confined to specific instances.

Section 8.3. Deposits. All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositaries as the Board may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the Board shall from time to time determine.

Section 8.4. Amendments. These Bylaws may be amended or repealed, or new bylaws may be adopted, by vote of a majority of the directors in office at any regular or special meeting. Such proposed amendment, repeal or new bylaws, or a summary thereof, shall be set forth in any notice of such meeting, whether regular or special.

ARTICLE IX – FOUNDATION CHANGES IN ACCORDANCE WITH SCHOOL DISTRICT

Any future changes to the Blairsville-Saltsburg School District in terms of its makeup, structure, boundaries, name, or other factors that the Board deems relevant may serve as a basis to make changes to the Foundation, including but not limited to its name, purpose, or mission. Any such change(s) shall be approved only: (1) at a meeting of the directors held after thirty (30) days' notice of the meeting and its purpose; (2) with the attendance of 75 percent of the then-serving directors; and (3) with the majority vote of the directors in attendance at the meeting. Such a change may be requested by a director to the President at any time, in writing, and will require an explanation of the basis for the requested change.