

**BY-LAWS
NEMAHA COUNTY STEP FOUNDATION**

I

ORGANIZATION

The corporation is organized upon a non-stock basis, and is to be financed under the following general plan: by membership fees, contributions, by gift, grant, devise or bequest to it, in trust or otherwise, for any one or more of the purposes above stated. No part of the net earnings shall inure to the benefit of any member and no part of the activities of the corporation shall be carrying on propaganda or otherwise attempting to influence legislation in excess of the limits set by federal law or regulations promulgated thereunder.

II

PURPOSES

The following are the purposes for which this organization has been organized:

To receive, administer, and disburse funds for such charitable or educational purposes as will, in the discretion of the Board of Directors, make for the cultural, health, educational, economical and recreational improvement, assistance and relief primarily of the inhabitants of Kansas, and of the Nemaha County community therein and, where such funds are substantially for such purposes, incidental grants may be made anywhere in the United States all being regardless of race, color or creed; and without in any way limiting or restricting the foregoing, but rather in enlargement and extension thereof, for the following purposes:

- (a) For assisting charitable institutions (including educational institutions not operated for profit) whether supported by private donation or public taxation.
- (b) For promoting scientific research along lines for the alleviation of human suffering.
- (c) For the care of the sick, aged and helpless.
- (d) For the care of children.
- (e) For aiding in the reformation of (1) victims of narcotics, drugs, and liquors; (2) released inmates of penal and reformatory institutions; and (3) wayward and delinquent persons.
- (f) For the improvement of living and working conditions.
- (g) For providing facilities for recreation.
- (h) For the encouragement of social and domestic hygiene.
- (i) For the encouragement of sanitation and measures for the prevention of disease.
- (j) To perform such services in place of or in addition to financial assistance that will be beneficial to the above purposes providing such services are performed within a limited time.

Distribution and application of the income and such portions of the principal thereof as may from time be available for such distribution and application shall be made from time to time for one or more of the purposes set forth in this article. A permanent endowment fund may be created for the support of the foundation in the foregoing purposes.

Unless otherwise provided by the terms of any specific gift, in the distribution and application of funds available for distribution hereunder, payments may be made (a) to the governmental institutions within Nemaha County; (b) to organizations maintaining institutions for any one or more of the charitable purposes aforesaid; or (c) to reputable charitable organizations undertaking to distribute and apply such funds to any one or more of such purposes.

None of the principal of the funds shall be available for distribution or application for the purposes aforesaid, unless so directed by the unanimous action of the members of the Board of Directors, present at any regular or special meeting or unless authorized or directed by the terms of any contribution by gifts, grant, devise or bequest.

In case any gift, legacy, or devise is made to this corporation to be applied to a designated purpose or purposes, then upon the failure of the purpose or purposes designated, wholly or in part, or in case changed conditions shall render a designated application of available funds, illegal, impossible, impracticable or unnecessary, then such available funds shall be applied by the Board of Directors in such manner as will, in its opinion, most nearly fulfill the wishes of the donor or testator.

Notwithstanding any other provisions herein, the Board of Directors shall have the power:

- (a) To modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in their sole judgment (without the approval of any trustee, custodian, or agent), such restriction or condition or inconsistent with the charitable needs of the Nemaha County community;
- (b) To replace any participating trustee, custodian, or agent for breach of fiduciary duty under the laws of the State of Kansas; and
- (c) To replace any participating trustee, custodian, or agent for failure to produce a reasonable (as determined by the Board of Directors) return of net income (or appreciation when not inconsistent with this community trust's need for current income) with due regard to safety of principal, over a reasonable period of time (as determined by the Board of Directors).

In determining whether there is a reasonable return of net income with respect to the exercise of the power described in subparagraph (c) of Paragraph (1) of this Article,

- (a) There shall be excluded from such determination such assets as are held for the active conduct of this community trust's exempt activities; and
- (b) Such determination shall be made separately with respect to each restricted fund and shall be made in the aggregate with respect to the unrestricted funds of this community trust.

A "restricted fund" means a fund, any income of which has been designated by the donor of the gift or bequest to which such income is attributable as being available only for the use or benefit of a named charitable organization or agency or for the use or benefit of a particular class of charitable

organizations or agencies, the members of which are readily ascertainable and are less than five in number.

If it appears that there may be grounds for exercising the power described in subparagraphs (b) or (c) of Paragraph 1 of this article with respect to any fund, the Board of Directors shall notify the participating trustee, custodian, or agent involved and provide a reasonable opportunity for explanation and/or correction. Before exercising the power granted to the Board of Directors under subparagraphs (b) or (c) of Paragraph 1 of this Article, the Board of Directors may seek advice of legal counsel as to whether a breach or failure has been committed under the laws of the State of Kansas. The Board of Directors shall exercise a power described in this Article only upon the vote of a majority of the members of the Board of Directors.

Upon the exercise of the power under subparagraphs (b) or (c) Paragraph 1 of this Article to replace any participating trustee, custodian, or agent, the Board of Directors shall have the power to select a successor trustee, custodian, or agent to whose custody the fund or funds held by the former trustee, custodian, or agent shall be transferred.

The Board of Directors shall have the power to participate or affiliate in activities with other trusts, entities, foundations or individuals where such participation or affiliation is permissible under the public charity standards for community foundations set by the Internal Revenue Service and where the same shall advance the purposes of this Article.

III

MEMBERSHIP

- (a) Membership in this organization shall be open to all who are residents of Nemaha County and any person interested in the purpose of our organization.
- (b) Fees as set by the Board of Directors shall be charged annually to all persons desiring to become members and upon payment they shall be entitled to all the rights and benefits of this organization.

IV

MEMBERSHIP MEETINGS

- (a) The annual membership meeting of this organization shall be held on the fourth Wednesday of January each and every year except if such day is a legal holiday then in that event the Board of Directors shall fix the day but it shall not be more than two weeks from the date fixed by these By-Laws. The Secretary shall cause to be mailed to every member in good standing, at said member's address as it appears on the membership roll book of this organization, a notice of the annual meeting shall be mailed not less than ten (10) days or more than thirty (3) days of the date of said annual membership meeting. A copy of the agenda shall be available at the Annual Meeting or upon request.
- (b) Regular meetings of this organization shall be held within Nemaha County, Kansas.

- (c) The presence of not less than seven (7) members shall constitute a quorum and shall be necessary to conduct the business of this organization; but a lesser number may adjourn the meeting for a period of not more than two weeks from the date scheduled by these By-Laws and the secretary shall cause a notice of this scheduled meeting to be sent to all those members who were not present at the meeting originally called. A quorum as hereinbefore set forth shall be required at any adjourned meeting.
- (d) Special meetings of this organization may be called by the President when the President deems it in the best interest of the organization. The Secretary shall caused to be mailed to every member in good standing, at said member's address as it appears in the membership roll book of this organization, a notice stating the time and place of such special meeting. The notice of a special meeting shall be mailed not less than ten (10) days or more than thirty (30) days of the date of said special meeting. The notice shall include the business to be transacted at such meeting and state by whom the meeting was called.
- (e) At the request of five (5) members of the Board of Directors, the President shall cause a special meeting to be called but such request must be in writing at least twelve (12) days before the requested scheduled date.
- (f) No other business but that specified in the notices may be transacted at such special meeting without the unanimous consent of all present at such meeting.

V

VOTING AT MEMBERSHIP MEETINGS

- (a) Each single member shall have one vote. Family, business and group memberships will have two votes.
- (b) At all meetings, except for the election of directors, all votes shall be via voice. For election of directors, ballots shall be provided and there shall not appear at any place on such ballot any mark or marking that might tend to indicate the name of the person who cast such ballot. However, if the number of nominees equals the number of open positions, then the election of directors may be by voice.
- (c) At any regular or special meeting, if a majority so requires, any question may be voted upon in the manner and style provided for election of directors.
- (d) Whenever votes are tallied by ballot, the chairman shall, immediately prior to the commencement of balloting, appoint a committee of three who shall act as "Inspectors of Election" and who shall at the conclusion of such balloting certify in writing to the Chairman the results of the balloting. A certified copy of such balloting shall be physically affixed to the minutes of that meeting in the organization minute book
- (e) No inspector of election shall be a candidate for office of shall be personally interested in the question voted upon.

VI

ORDER OF BUSINESS – MEMBERSHIP MEETINGS

- 1- Roll Call
- 2- Reading of the Minutes of the Preceding Meeting.
- 3- Reports of Committees.
- 4- Reports of Officers
- 5- Old and Unfinished Business
- 6- New Business
- 7- Election of Directors (when applicable).
- 8- Adjournment.

VII

BOARD OF DIRECTORS

- (a) The business of this organization shall be managed by a Board of Directors consisting of not less than nine (9) or more than eighteen (18) directors all of whom shall be members of this organization. The initial number of directors to serve for the first year of the organization shall be twelve (12).
- (b) The Board of Directors shall be divided into four (4) classes as nearly equal in number as may be, with the term of office of one class expiring each year. The class of the initial Board of Directors shall be determined by random drawing immediately following the annual membership meeting in 1994. Directors of the first class shall hold office for a term expiring at the end of the next succeeding fiscal year; directors of the second class shall hold office for a term expiring at the end of the third succeeding fiscal year; directors of the third class shall be elected to hold office for a term expiring at the end of the fourth succeeding fiscal year. When the number of directors has changed, any newly created directorships or any decrease in directorships shall be apportioned among the classes so as to make all classes as nearly equal in number as possible. Subject to the foregoing, at each annual meeting of members the new members of the Board of Directors shall be elected to hold office for a term expiring at the end of the fourth succeeding fiscal year.
- (c) The Board of Directors shall have the control and management of the affairs and business of this organization. Such Board of Directors shall only act in the name of the organization when it shall be regularly convened by its chairman after due notice to all the directors of such meeting.
- (d) A majority of the members of the Board of Directors shall constitute a quorum and the meeting of the Board of Directors shall be held a minimum of quarterly.
- (e) Each director shall have one vote and such voting may not be done by proxy.

- (f) The Board of Directors may make such rules and regulations covering its meetings as it may in its discretion determine necessary.
- (g) Vacancies in the Board of Directors by death, resignation or removal from Nemaha County, shall be filled for the unexpired term by a member of the organization elected by majority of the remaining members of the Board.
- (h) The president of the organization by virtue of his office shall be Chairman of the Board of Directors.
- (i) Any Director may be removed by a three-fourths vote of the board of directors, whenever in its judgment the best interests of the organization will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.
- (j) To the extent permitted by law and consistent with the Articles of Incorporation and these By-Laws, no contract or other transaction between the organization and any other firm, association or corporation shall be affected or invalidated by reason of the fact that a director, officer or member of the organization is interested in or is a member, shareholder, director or officer of such other firm, association or corporation; and a director, officer or member of the organization may be a party to or may be interested in any contract or transaction of the organization or in which the organization is interested, and no such contract shall be affected or invalidated thereby.
- (k) If any director has a conflict of interest as related to a matter of business before the board, said director shall so state the conflict of interest, with such conflict being noted in the minutes. Said director noting a conflict of interest may participate in the discussion but may not vote on the issue.
- (l) Directors shall not serve in excess of two (2) consecutive full terms. Provided however, a director, after serving two(2) consecutive full terms shall be eligible for re-election after one (1) year absence after said director has served two (2) consecutive full terms.
- (m) The compensation of board members shall be determined and approved by the Board of Directors. Directors may be reimbursed for reasonable expenses incurred on behalf of the organization.

VIII

OFFICERS

- (a) The officers shall be elected annually by the Board of Directors at a reorganization meeting, which reorganization meeting shall be conducted by the Board of Directors immediately following the annual membership meeting.
- (b) The officers of the organization shall be as follows:
 - President.
 - Vice President.

Secretary.

Treasurer.

(c) The President shall:

- (1) preside at all membership meetings.
- (2) be present at each annual meeting of the organization and provide an annual report of the work of the organization.
- (3) see that all books, reports and certificates as required by law are properly kept or filed.
- (4) be one of the officers who may sign the checks or drafts of the organization.
- (5) have such powers as may be reasonably construed as belonging to the chief executive of any organization.

(d) The Vice President shall in the event of the absence or inability of the President to exercise his office become acting president of the organization with all the rights, privileges and powers as if he had been the duly elected president.

(e) The secretary shall:

- (1) keep the minutes and records of the organization in appropriate books.
- (2) file any certificate required by any statute, federal or state.
- (3) give and serve all notices to members of this organization.
- (4) be the official custodian of the records and seal of this organization.
- (5) be one of the officers who may sign the checks and drafts of the organization.
- (6) submit to the Board of Directors any communications which shall be addressed to the Secretary of the organization.
- (7) attend to all correspondence of the organization and shall exercise all duties incident to the office of Secretary.

(f) The Treasurer shall:

- (1) have the care and custody of all monies belonging to the organization and shall be solely responsible for such monies or securities of the organization.
- (2) cause all sums received and all funds expended by the organization to be transacted as directed by the Board of Directors.
- (3) be one of the officers who shall sign checks or drafts of the organization. No special fund may be set aside that shall make it unnecessary for the Treasurer to sign the checks issued upon it.

- (4) Render at stated periods as the Board of Directors shall determine a written account of the finances of the organization and such report shall be physically affixed to the minutes of the Board of Directors of such meeting.
- (5) Exercise all duties incident to the office of Treasurer.
- (g) If required by the Board, the treasurer shall give a bond for the faithful discharge of his duties.
- (h) The above duties (such as Executive Director or Bookkeeper) may be designated to such persons as deemed appropriate. However, it is still the officer's responsibility to ensure that these duties are being faithfully and properly discharged.

IX

SALARIES

The Board of Directors shall hire and fix the compensation of any and all employees which the Board of Directors in its discretion may determine to be necessary in the conduct of the business of the organization.

X

COMMITTEES

The organization shall consist of the following committees:

- A. Nominating Committee. The Vice President of the organization shall be the chairman of the nominating committee and the balance of the committee shall consist of a minimum of two (2) members of the organization appointed by the chairman of the Board of Directors and approved by the Board of Directors.
- B. Finance/Investment Committee. The Treasurer of the organization shall be the chairman of the finance/investment committee and the balance of the committee shall consist of a minimum of three (3) members appointed by the chairman of the Board of Directors and approved by the Board of Directors.
- C. Audit Committee. The Vice President of the organization shall be the chairman of the audit committee and the balance of the committee shall consists of a minimum of two (2) board members, elected by the Board of Directors of the organization.
- D. Other Committees. All other committees of this organization shall be appointed by the Board of Directors.
- E. Term of Office. The term of office for all committee members and committees shall be for a period as determined by the Board of Directors.
- F. All committee members shall be and remain in good standing during the tenure of their committee service.

XI

The organization shall indemnify and hold harmless at all times the officers and directors of the organization for all actions and causes of action against said officers and directors who are acting within the scope and authority of their respective offices, or who are acting within the authority granted to them by the Board of Directors of the corporation.

XII

The organization shall operate on a calendar year from January 1 through December 31 for the purpose of filing all annual corporate tax returns and corporate reports which may be required or specified by the Office of the Secretary of State for the State of Kansas.

XIII

AMENDMENTS

These By-Laws may be altered, amended, repealed or added to by an affirmative vote of majority of members present at a membership meeting.

CERTIFICATION

STATE OF KANSAS, COUNTY OF NEMAHA, ss:

_____, being first duly sworn upon oath, deposes and says that he is the duly elected, qualified and acting Secretary of the Nemaha County STEP Foundation, of Seneca, Nemaha County, Kansas, and that the foregoing are an exact and true copy of the By-Laws of said corporation, as amended at the meeting of the Board of Directors of the above-named corporation, held on the ____ day of _____, _____, in the City of Seneca, Kansas.

Subscribed and sworn to before me this ____ day of _____, _____.

Notary Republic
Appt. Expires:

(SEAL)