

BYLAWS

of

SHALER AREA EDUCATION FOUNDATION

(A Pennsylvania nonprofit corporation)

Adopted May 23, 2014

## SHALER AREA EDUCATION FOUNDATION

### By-Laws

#### Section 1 – Main Office

The principle office of the corporation shall be at 1800 Mt. Royal Boulevard, Glenshaw, Pennsylvania 15116.

#### Section 2 – Board of Trustees

- (a) The business and affairs of the corporation shall be managed by a Board of Trustees, which shall have all of the powers and duties provided for a board of directors by the Pennsylvania Non-profit Corporation Law of 1972.
- (b) The Board of Trustees shall consist of not less than five (5) nor more than nine (9) members.
- (c) To be eligible to serve as a Trustee, a person shall be either a resident of the Shaler Area School District, a current or retired employee of the Shaler Area School District, or an alumnus or alumna of the Shaler Area public schools.
- (d) The Board of Trustees shall include one, but not more than one, member of the Board of School Directors of the Shaler Area School District. Additionally, the Board of Trustees shall include one school administrator as selected by the Board of School Directors of the Shaler Area School District.
- (e) Five of the initial Board of Trustees, including the school board representative and school administrator, shall be appointed by the Board of School Directors of the Shaler Area School District. All other and subsequent Trustees shall be appointed by the Board of Trustees, except that the Board of School Directors of the Shaler Area School District shall have the right and authority to fill vacancies to the school board and school administrator positions.

- (f) In order to provide for staggered terms, among the initial Trustees and those Trustees appointed within the first year of the corporation (collectively, the “Initial Trustees”), approximately one-third of the Initial Trustees shall be appointed to a term of one (1) year; one-third of the Initial Trustees shall be appointed to a term of two (2) years; and one-third of the Initial Trustees shall be appointed to a term of three (3) years.
- (g) Other than the Initial Trustees, each Trustee shall hold office for a term of three (3) years and until a successor has been selected and qualified or until his or her earlier death, resignation or removal. The terms of the subsequent trustees shall be staggered so that, to the degree possible, no greater than one-third of such trustees shall be appointed in any one year. Any changes in the number of trustees shall be done in such a manner so as to follow the intent of the preceding sentence.
- (h) No person shall serve more than two (2) consecutive terms as Trustee, except that the school administrator may serve for additional terms while continuously employed by the Shaler Area School District. After a one-year hiatus, a person who has previously served as a Trustee shall again be eligible for appointment.
- (i) Any vacancy in the Board and any newly created membership may be filled by the remaining members.
- (j) Any Trustee may resign by submitting his or her resignation to the Secretary. Such resignation shall become effective upon its receipt by the Secretary or as otherwise specified therein. The school board and school administrator representatives shall be subject to removal by the Board of School Directors of the Shaler Area School District for such reasons as it determines to be proper. Trustees other than the school board and school administrator representatives may be removed from the Board for proper cause by vote of a two-thirds (2/3)

vote of the remainder of the Trustees, provided that the Trustee is given the specific reason for removal. Proper cause shall include persistent failure to attend meetings of the Board without reason deemed excusable by the Board, entry of an order of court declaring the person to be of unsound mind, conviction of a felony or any action or inaction which, in the sole discretion of the Board, materially and adversely affects or may affect the corporation, its operations, interests or reputation.

### Section 3 – Officers

- a) The officers of the corporation shall be a President, a Secretary and a Treasurer. The representative of the Board of School Directors of the Shaler Area School District shall not serve as President or Treasurer of the corporation.
- b) Each officer elected at the annual organizational meeting of the Board of Trustees shall hold his or her office until the next annual organizational meeting, unless earlier removed from office by the Board.
- c) A vacancy in any office may be filled by majority vote of the Board of Trustees.
- d) The President shall be the chief executive officer of the corporation and shall exercise general supervision and control over all the business, properties and affairs of the corporation. He or she shall have the following specific powers and duties:
  - 1) To see that all resolutions and orders of the Board of Trustees are carried into effect.

- 2) To supervise and direct the other officers of the corporation and to see that their respective duties are properly performed.
  - 3) To report regularly to the Board of Trustees on the operations of the corporation, and to furnish to any Trustee upon request such information as is desired.
- e) The Secretary shall be the custodian of and shall maintain the books and records of the corporation, and shall be the recorder of the corporation's formal actions and transactions. He or she shall have the following specific powers and duties:
- 1) To attend all meetings of the Board of Trustees, and record and keep minutes thereof in appropriate books.
  - 2) To give (or cause to be given) all notices required by public law or these by-laws.
  - 3) To attest by his or her signature all papers and documents, which require attestation by the corporation's Secretary.
  - 4) To attend to such correspondence and make such reports as the President may direct.
- f) The Treasurer shall be the chief fiscal officer of the corporation and the custodian of its funds and other property. He or she shall have the following specific powers and duties.
- 1) To keep complete and accurate accounts, in appropriate forms and books, of all receipts and disbursements of the corporation.
  - 2) To deposit all cash receipts to the depository designated therefore by the Board of Trustees.

- 3) To disburse the funds of the corporation for proper expenses.
  - 4) To furnish information on the current financial affairs and condition of the corporation upon request of the President or any Trustee.
- g) In addition to the powers and duties mentioned in these by-laws, each officer shall have such powers and shall execute duties as the Board of Trustees may expressly prescribe.

#### Section 4 – Meetings

- a) Regular meetings of the Board shall be held on the second Tuesday of each month at 7:30 p.m. in the principle office of the corporation. If such day is a legal holiday, the meeting shall be held on the next business day, at the same time and place. The first regular meeting in the calendar year shall be the annual organizational meeting of the Board. The Board may by unanimous agreement cancel any one or more of its regular meetings because of a lack of business.
- b) Special meetings may be held upon the call of the President or any two (2) members of the Board, with at least twenty-four (24) hours advance notice, either written or oral, to the other members of the Board. Special meetings may also be held pursuant to agreement of the members.
- c) A Board meeting shall not be organized for the transaction of business unless a quorum is present. The presence, in person or by proxy, of a majority of the current membership shall constitute a quorum. The act of a majority of the Trustees at a meeting at which a quorum is present shall be the act of the Board as a body. The Trustees present at a duly organized meeting may continue to do business, notwithstanding a withdrawal of enough trustees to leave less than a quorum.

- d) If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and place as they determine. When the purpose of the meeting is the election of Trustees, those who attend the second of such adjourned meetings shall, although less than a majority, constitute a quorum for the purpose of electing Trustees.
- e) One or more Trustees may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.
- f) Any action which may be taken at a meeting of the Board may be taken without a meeting if a consent or consents in writing, setting for the action so taken, is signed by all of the Trustees and is filed with the Secretary.
- g) The President shall preside at all meetings of the Board of Trustees. If the President is absent, the Secretary shall preside. Unless specifically addressed in these bylaws, meetings shall be conducted according to Robert's Rules of Order. The order of business at any meeting shall be as follows, unless the notice of the meeting provides otherwise:
  - 1) Call to order.
  - 2) Roll call of membership, determination of quorum.
  - 3) Proof of proper notice, or waiver thereof.
  - 4) Reading and approval or correction of minutes of previous meeting.
  - 5) Reports of committees.
  - 6) Reports of officers.
  - 7) Disposition of Unfinished Business.
  - 8) Presentation and disposition of New Business.
  - 9) Adjournment.

## Section 5 — Purposes, Programs & Procedures

- a) The corporation is organized exclusively for one or more purposes as specified in Section 501(c)(3) of the Internal Revenue Code of 1986, as it may be amended from time to time (the "Code"), and shall not carry on any activity not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Code or corresponding provisions of any subsequent tax law.

The corporation is governed under the Pennsylvania Nonprofit Corporation Law of 1988, as it may be amended from time to time.

No part of the net earnings of the corporation shall inure to the benefit of any member, trustee, director, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation). No member, trustee or officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporation's assets on the dissolution of the corporation.

No substantial part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Code), or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.

In the event of dissolution, all of the remaining assets and property of the corporation shall after payment of necessary expenses thereof be distributed to such organizations as shall qualify under Section 501(c)(3) of the Code, or corresponding provisions of any subsequent Federal tax laws, or to the Federal government, a state, or local government for a public purpose.

In any taxable year in which the corporation is a private foundation as described in Section 509(a) of the Code, the corporation shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Code. Further, the corporation shall not (a) engage in any act of self-dealing as defined in Section 4941(d) of the Code; (b) retain any excess business holdings as defined in Section 4943 of the Code; (c) make any investments in such a manner as to subject the corporation to tax under Section 4944 of the Code; or (d) make any taxable expenditures as defined in Section 4945 of the Code or corresponding provisions of any subsequent tax law.

- b) The purpose and goal of the corporation is to receive, administer and oversee the disbursement of funds derived from designated memorials and special contributions from all sources for the general maintenance and enhancement of quality education and extracurricular activities within the district. The corporation serves this goal by providing scholarship support to deserving students, by supporting special educational and cultural programs, by funding special events and activities of an educational nature, by functioning as a vehicle for the focusing of talents and other resources available within the community, and by undertaking such other activities from time to time that may be seen as furthering the basic goal of quality education.

- c) To pursue such goals and activities, the Board shall, by resolution, establish a Finance Committee, a Grants Committee, a Publicity Committee and any other committee it deems necessary or desirable. Each such committee shall have not less than three (3) nor more than five (5) members.
- d) The procedure for receiving grant proposals and awarding grants shall be as follows: Any individual may make written grant proposals to the Grants Committee in accordance with procedures established by that committee. The Grants Committee shall review and periodically submit to the Board of Trustees all such proposals received together with a recommendation as to each proposal. The Board of Trustees shall review these proposals and shall distribute funds to applicants as it, in its sole discretion, deems appropriate.

Section 6 -- Personal Liability of Trustees; Indemnification.

- a) To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of trustees, no Trustee of the corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a Trustee.
- b) The provisions of this Section shall be deemed to be a contract with each Trustee of the corporation who serves as such at any time while this Section is in effect and each such Trustee shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of Incorporation which has the effect of increasing trustee liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

c) Right to Indemnification.

(1) As used herein, the word "Action" shall mean any action, suit or proceeding, administrative, investigative or other, (i) to which such person is a party (other than an action by the Corporation) or (ii) in connection with which such person is not a party but is a witness, subject to investigation or otherwise involved, in either case by reason of such person being or having been a trustee or officer of the Corporation.

(2) Unless in a particular case indemnification would jeopardize the corporation's tax exempt status under Section 501(a) of the Code or result in the corporation's failure to be described in Section 501(c)(3) of the Code, and except as prohibited by law, each trustee and officer of the corporation shall be entitled as of right to be indemnified by the corporation against expenses and any liability paid or incurred by such person (i) in the defense of any Action to which such person is a party or (ii) in connection with any other Action.

(3) A person who is not a trustee or officer of the corporation may be similarly indemnified in respect of service to the corporation to the extent the Board at any time designates such person as entitled to the benefits of this Section.

(4) As used in this Section, "indemnitee" shall include each trustee and each officer of the corporation and each other person designated by the Board as entitled to the benefits of this Section; "liability" shall include amounts of judgments, excise taxes, fines, penalties and amounts paid in settlement; and "expenses" shall include fees and expenses of counsel incurred by the indemnitee only (i) if the

corporation has not at its expense assumed the defense of the Action on behalf of the indemnitee with reputable and experienced counsel selected by the corporation, or (ii) if it shall have been determined pursuant to Section 6.1(e) hereof that the indemnitee was entitled to indemnification for expenses in respect of an action brought under that Section.

d) Unless in a particular case advancement of expenses would jeopardize the corporation's tax exempt status under Section 501(a) of the Code or result in the corporation's failure to be described in Section 501(c)(3) of the Code, every indemnitee shall be entitled as of right to have his or her expenses in defending any Action paid in advance by the corporation, as incurred, provided that the corporation receives a written undertaking by or on behalf of the indemnitee to repay the amount advanced if it should ultimately be determined that the indemnitee is not entitled to be indemnified for such expenses.

e) Right of Indemnitee to Initiate Action; Defenses.

(1) If a written claim under Section 6.1(c) or (d) is not paid in full by the corporation within thirty days after such claim has been received by the corporation, the indemnitee may at any time thereafter initiate an action to recover the unpaid amount of the claim and, if successful in whole or in part, the indemnitee shall also be entitled to be paid the expense of prosecuting such action.

(2) The only defenses to an action to recover a claim for indemnification otherwise properly asserted under Section 6.1(c) shall be (i) that the indemnitee's conduct was such that under applicable law the corporation is prohibited from indemnifying the indemnitee for the amount claimed, or (ii) that indemnification would jeopardize the

corporation's tax exempt status under Section 501(a) of the Code or result in the corporation's failure to be described in Section 501(c)(3) of the Code, but the burden of proving any such defense shall be on the corporation.

(3) The only defense to an action to recover a claim for advancement of expenses otherwise properly asserted under Section 6.1(d) shall be that the indemnitee failed to provide the undertaking required by Section 6.1(d).

- f) The rights to indemnification and advancement of expenses provided for in this Section shall (i) not be deemed exclusive of any other rights to which any indemnitee may be entitled, (ii) be deemed to create contractual rights in favor of each indemnitee who serves the corporation at any time while this Section is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provisions of this Section), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he/she was entitled or was designated as entitled to indemnification under this Section and shall inure to the benefit of the heirs and legal representatives of each indemnitee.
- g) The corporation may purchase and maintain insurance on behalf of any person who is or was a member of the Board of Trustees or officer of the corporation against any liability asserted against such person and incurred by such person in any such capacity or arising out of his or her status as such.

#### Section 7 -- Contracts, Checks, Deposits and Gifts

- a) The Board of Trustees may authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.
- b) All checks, drafts or orders for payment of money, notes or other evidence of indebtedness issued in the name of the corporation shall be signed by such officers or agents with such number of signatures as the Board of Trustees may from time to time specify by resolution. Facsimile signatures on checks may be issued if authorized by the Board of Trustees.
- c) All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks or other depositories as the Board of Trustees may select.
- d) The Board of Trustees may accept on behalf of the Corporation any contribution, gift, grant, bequest or devise for the general purposes or for any special purpose of the corporation.

#### Section 8 -- Books and Records

- a) The corporation shall prepare and maintain minutes of the meetings of the Board of Trustees.
- b) The corporation shall keep correct and complete books and records of account which shall be audited annually by a certified public accounting firm approved by the Board of Trustees.

- c) The fiscal year of the corporation shall end on such day as shall be fixed by the Board of Trustees.
- d) The Treasurer shall present an annual report to the Board of Trustees in accordance with Section 5553 of the Pennsylvania Nonprofit Corporation Law of 1988.

#### Section 9 -- Conflicts of Interest

- a) Any material conflict of interest on the part of any Trustee or officer shall be disclosed, in writing, to the Board of Trustees annually, and except for a continuing disclosed conflict, whenever any contract or transaction involving a conflict becomes a matter of Board action.
- b) Any Trustee having a material conflict of interest in any contract or transaction being considered at a meeting of the Board of Trustees shall not be counted in determining a quorum for the meeting and shall not vote or use his or her personal influence in the meeting, even where such actions otherwise are permitted by law. The minutes of the meeting shall record compliance with these requirements.

#### Section 9 – Amendments

- a) The Board of Trustees is hereby vested with the authority to make, alter, amend and repeal by-laws.
- b) To be effective, any change in these By-Laws requires the affirmative vote of two-thirds of the current membership of the Board.