



MONTANA COMMUNITY FOUNDATION  
*all about Montana's future*

## **BYLAWS**

**of the**

**MONTANA COMMUNITY FOUNDATION, INC.  
HELENA, MONTANA  
AS LAST AMENDED ON JUNE 20, 2014  
BY THE BOARD OF DIRECTORS**

### **ARTICLE I DEFINITIONS**

#### **SECTION 1.**

As used in the Bylaws, the word "Foundation" means the Montana Community Foundation, Inc., with offices in Helena, Montana and elsewhere in the state, a corporation formed under the laws of Montana, and the word "Director" or "Directors", unless the context otherwise indicates, means the directors of the Foundation, and the word "Board" unless the context otherwise indicates, means the Board of Directors of the Foundation.

### **ARTICLE II PURPOSE**

#### **SECTION 1.**

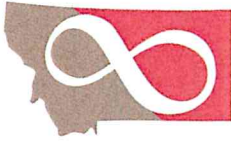
The purposes for which the Foundation is formed are set forth in the Articles of Incorporation.

"The purpose of the corporation is to receive and accept property to be administered exclusively for charitable purposes, primarily in, or for the benefit of, the state of Montana and the surrounding region..."

### **ARTICLE III MEMBERS**

#### **SECTION 1.**

The Foundation shall have no members.



## ARTICLE IV BOARD OF DIRECTORS

### SECTION 1.

**GENERAL POWERS** - The business and affairs of the Foundation shall be managed under the direction of its Board of Directors. In addition to the powers conferred upon the Board by these Bylaws, the Board may exercise all powers of the Foundation and perform all acts which are not prohibited to it by law, by the Articles of Incorporation or by the then current Bylaws. The Board may provide for specific delegation of its authority by a committee of the Board, officers, corporate officers and others except to the extent inconsistent with or otherwise prohibited by these Bylaws. The Board will be self-perpetuating.

### SECTION 2.

#### NUMBER, REPRESENTATION, QUALIFICATIONS, TERMS

**A. Number** - The Board shall number not less than seven (7) or more than twenty-one (21) Directors.

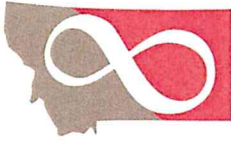
**B. Representation** - The Board shall consist of Directors who reside throughout the state and be at least part-time Montana residents. The Board shall attempt, at its discretion, to have geographic representation from throughout the state and shall represent the diversity of Montanans.

**C. Compensation** - Directors shall not receive any stated salaries or compensation for their services as Directors, and any expenses incurred by them at meetings of the Board of Directors, which are not reimbursed by the Foundation, shall be considered as gifts to the Foundation. Nothing herein contained shall, however, be construed to preclude any Director from serving the Foundation in any other capacity, and receiving just compensation therefore, subject to the Foundation's Conflict of Interest policy.

**D. Qualifications** - Directors may be only adult natural persons. Directors will be selected for their qualifications and the skills needed by the Board. Directors will be selected for their commitment to the Foundation's mission. Directors will not have been convicted of a felony in any state. No person shall be eligible for election to the Board or for continued service on the Board, or to an office or paid position serving the Foundation or the Board, who is:

- 1) A holder of or candidate for an elective office of the state or federal government
- 2) An appointed executive official of the state or federal government
- 3) A paid employee of a political party





Qualifications other than those described in these Bylaws may be identified by the Board from time to time and shall be outlined in appropriate procedures.

**E. Resignation** - Any Director may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective upon delivery, unless a later date is specified in the notice.

**F. Terms** - Directors' terms shall be three (3) years. No Director shall be eligible to serve for more than three (3) consecutive terms, with the following exceptions:

- 1) The immediate past Chair of the Board of the Foundation may continue as a Director for one year following election of his/her successor, even if the continuation exceeds the three-term limitation.
- 2) If a vacancy is created by the departure of a Board Member, a successor may fill that vacancy and serve for the remaining term of the departing Board Member. This partial term will not count toward the three (3) term limitation on service.

No person shall be eligible to be elected if she/he served previously as a Director within eleven (11) months prior to the election.

### SECTION 3.

**ELECTION** - Directors shall be elected from a slate of qualified candidates by the Board at the annual meeting or at other times as deemed appropriate by the Board. Qualified candidates shall be brought forth by the Nominating and Governance Committee according to established Board procedures.

### SECTION 4.

**REMOVAL** - A Director may be removed for cause by two-thirds written ballot vote of the entire Board either at a regularly scheduled meeting or at a properly called special meeting. Any Director proposed to be removed shall be given at least five days' written notice of the removal vote and shall be entitled to be heard at the meeting prior to the vote. Cause shall be determined as failure to meet the expectations outlined below:

**A. Attendance** - Failure of the Director to attend, unexcused, two (2) consecutive meetings of the Board or incapacity to attend three (3) consecutive meetings for any cause.

**B. Relocation** - At a time when a Director has left or moved from the state permanently.

**C. Service** - Inability to fulfill, failure to follow, or disregard of the powers and duties of a Director, as stated in Article III Section 6 of these Bylaws.



**D. Failure to Exercise Fiduciary Responsibilities** - The Board shall have the power to replace any Director who fails to act in good faith and in the best interests of the Foundation.

**E. Just Cause** - Any just cause, as determined by the Board, including any action that may put in question the reputation or mission of the Foundation, its Board Members, or its employees.

## SECTION 5.

**VACANCIES** - Vacancies by death, resignation, refusal to serve, removal, or otherwise, may be filled by vote of the Directors for the unexpired portion of the term at any regular or annual meeting of the Board. A vacancy may only be filled by a person who possesses the qualifications referred to in Article IV Section 2. The partial term served by the replacement director will not be counted toward the three (3) term limit on Directors' service.

## SECTION 6.

### POWERS AND DUTIES

**A. Legal** - Except as otherwise provided in the Articles of Incorporation or in these Bylaws, all the powers, duties and functions of the Foundation conferred by the Articles, these Bylaws, Treasury Regulation §1.170A-9(e) as the same now exists and may herein after be amended, state statutes, common law, court decisions, or otherwise shall be exercised, performed or controlled by the Board.

**B. General Charge** - The Board shall have general charge of the affairs, property and assets of the Foundation. It shall be the duty of the Board to carry out the aims and purposes of the Foundation and, to this end, to manage and control all of its property and assets.

**C. Election of Officers** - The Board shall have the power to elect a Chair of the Board, Vice Chair, Treasurer, Secretary and any other officers as the Board may determine necessary. At the annual meeting of the Board, the new Chair of the Board shall appoint a Nominating Committee according to Article IV, Section 3, subsection C. The Nominating Committee shall prepare for the election of officers who will be elected and begin service at the following annual meeting. The Nominating Committee shall follow procedures adopted by the Board in preparing its recommendations.

**D. Appointments** - The Board may appoint persons as committee members or as advisors to the Board according to Article IV, Section 2, subsection B, whose advice, assistance and support may be helpful in carrying out the Foundation's purposes. Advisors shall exercise the same standard of care as expected of Board Members and shall have the same duty of loyalty as a Board Member.





**E. Employment** - The Board is authorized to employ and, when necessary, terminate, the Chief Executive Officer or others serving in that capacity.

**F. Duty of Care** - A Director will act with care, including reasonable inquiry, skill and diligence, as any person of ordinary prudence would use under similar circumstances. A Director shall stand in a fiduciary relationship to the Foundation and its funds. A Director as a Board and/or committee member shall perform all duties in good faith and in a manner the Director reasonably believes to be in the best interests of the Foundation. In performing duties, a Director should be familiar with the Foundation's activities in regard to the administration of funds in accordance with the provisions of Treasury Regulations §1.170A-(e)(11)(v) as the same now exists and may herein after be amended; be fully informed about its financial status; and have full and accurate information to make informed decisions. Directors may rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by anyone the Director reasonably believes to be reliable and competent in the matters presented.

**G. Duty of Loyalty** - A Director must act in the best interests of the Foundation rather than in the personal interest of the Director or some other person or organization. The Director will avoid conflicts of interest and comply with the Foundation's policy on Conflict of Interest.

**H. Contracts and Agreements** - The Board shall have the ultimate power to enter into, amend, modify and terminate contractual agreements to provide such services as the Board deems necessary.

**I. Policies and Procedures** - The Board shall prepare, review, and change as needed policies and procedures necessary to execute its powers and duties.

## SECTION 7. MEETINGS

**A. Annual Meeting** - Each year an Annual Meeting of the Board will be held for the purpose of electing officers and transacting business that may properly come before the Board.

**B. Regular Meetings** - The Board shall hold regular meetings as fixed by the Board, called by the Chair, or called by the Chair in response to the request of any one-third of the Board members. When called, the time, place and purpose of the meeting shall be stated and any other business may be transacted as shall come before the Board.

**C. Quorum and Voting** - The presence of a majority of the elected members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is present when a duly called or held meeting is convened, whether the meeting is held in person or electronically, the Board may continue to transact business until adjournment, provided the withdrawal of Board member originally present does not leave less than the proportion or





number otherwise required for a quorum. Except as otherwise provided in these Bylaws, a majority vote of the Board present at any meeting while a quorum is present shall be sufficient to transact any business. Proxy voting shall not be permitted.

**D. Notice** - Notice of all Board meetings shall be given at least five (5) days before the meeting by mail or other appropriate communication methods as determined by the Board. Notice will be delivered to the usual business, residential or electronic address of each Director, but any Director may waive notice. At any meeting at which every Director shall be present, even though without any notice or waiver thereof, any business may be transacted. Presence at any meeting shall constitute a waiver of notice for that meeting.

**E. Manner of Acting** - Except as otherwise specifically provided in these Bylaws or as is required by law, action approved by the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be the action of the Board.

**F. Communications** - Meetings of the Directors may be held through any communication method if all persons participating can communicate with each other.

**G. Action without a Meeting** - Any action that may be taken at a Board meeting may be taken without a meeting if a majority of Directors entitled to vote on the subject matter consent in writing to the action to be taken.

**H. Order of Business** - The order of business shall be determined by and presided over by the Chair of the Board or designee. In the absence of any objection, the presiding officer may vary the order of business presented at their discretion.

**I. Meetings by means of Electronic Communication** - A conference among Directors by means of communication through which the Directors may simultaneously hear and/or communicate with each other during the conference constitutes a meeting of the Board if the same notice is given of the conference as would be required for a meeting, and if the number of Directors participating in the conference would be sufficient to constitute a quorum at the meeting. Participation in a meeting by this means is personal presence at the meeting.

**J. Presumption of Assent** - A Director who is present at a board meeting at which action on any Foundation matter is taken shall be presumed to have assented to the action taken unless the Director's dissent shall be entered in the minutes of the meeting. The Director may file a written dissent to the action with the person acting as the Secretary of the meeting before the meeting adjourns, or forward the dissent by registered mail to the Secretary of the Foundation immediately after adjournment of the meeting so the dissent can be recorded. The right to dissent shall not apply to a Director who voted in favor of the action.





## SECTION 8.

**CONDUCT** - Meetings shall be conducted in a businesslike manner, in a generally relaxed atmosphere. The presiding officer may determine when Roberts Rules of Order will be followed.

## SECTION 9.

**DISCLOSURE** - A Conflict of Interest Policy shall be reviewed at the annual meeting. The policy applies to Directors and members of any committee created by or operating under the auspices of the Board. All Directors and committee members shall receive a copy of the Conflict of Interest Policy and after reading it, shall sign a certificate acknowledging his or her understanding of the Policy. All Directors and committee members shall disclose all conflicts of interest annually in accordance with the Conflict of Interest Policy and at other times as deemed appropriate by the Board.

## SECTION 10.

### MISCELLANEOUS

**A. Financial Review** - The Audit Committee shall engage an independent auditor at such time as the Board determines, to prepare the Foundation's annual financial statements for review and approval by the Board.

**B. Accountability** - The Board shall make its IRS Form 990, financial statements and other documents available to the public in order for the work of the Foundation to be transparent and to confirm accountability with laws, regulations, and policies governing the Foundation's work.

**C. Communications** - The Board shall take other appropriate actions to make the Foundation and its purposes known to the people of Montana.

**D. Compliance Review** - The Board shall review compliance with board policies at the annual meeting.

**E. Acceptance of Funds** - The Foundation will accept funds for the benefit of and distribute its income to other charitable or educational organizations which are exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (the 'Code') and which are 'public charities' described in either Code Section 509(a)(1) or Section 509(a)(2), so long as such donations and distributions are made for the support of such organizations and such organizations do not jeopardize the Foundation from exemption as a qualified charitable organization.



## ARTICLE V OFFICERS

### SECTION 1.

The officers of the Foundation Board shall be a Chair, Vice Chair, Secretary and Treasurer, who shall be elected from among the members of the Board. The Directors may also elect additional Vice Presidents, an Assistant Secretary, an Assistant Treasurer, and such additional officers as they deem desirable. Officers may hold two offices, except the offices of the Chair, Vice Chair and the Secretary. Officers shall hold office until the next annual meeting of the Board and until their successors are elected and qualified.

**A. Chair** – The Chair of the Board of Directors shall preside at all meetings of the Board. The Chair shall exercise general supervision, management and control over all of the business and affairs of the Foundation. The Chair may create committees as deemed necessary, will be an ex-officio voting member of all standing, annual and other committees, and shall have and exercise other authority as the Board may from time to time delegate. The Chief Executive Officer shall report directly to the Chair.

**B. Vice-Chair** - In the absence of the Chair, the Vice Chair shall preside at all meetings of the Board. The Vice Chair shall be responsible for enforcing the Bylaws and for insuring the Foundation's general compliance with laws, regulations, and policies governing the Foundation's work. The Vice Chair shall make a report at each annual meeting regarding compliance with bylaws, board policies and procedures.

**C. Secretary** - The Secretary shall ensure that the minutes of Board proceedings are kept and see that all notices are duly given according to these Bylaws or as required by law. The secretary shall ensure that all documents are executed and maintained as duly authorized on behalf of the Foundation.

**D. Treasurer** - The Treasurer shall ensure that the books of account of the Foundation's business and transactions are kept. At each regular and annual meeting, the Treasurer shall report on the condition of the finances. The Treasurer shall also be a member of the Finance and Human Resources Committee and the Investment Committee.

**SECTION 2. AUTHORITY** - The officers of the Foundation shall have the authority to and shall perform the duties that are customarily incident to their respective offices as well as those that may be required of them by the Board or the Chair.





## ARTICLE VI COMMITTEES

### SECTION 1. EXECUTIVE COMMITTEE

**A. Composition** - The Executive Committee shall be composed of the immediate past Chair, the officers of the Board, Chair of the standing committees

**B. Powers and Duties** - Except for the power to fill vacancies on the Board, and except as the Board or law may otherwise provide, the Committee, during intervals between Board meetings, shall possess and may exercise all of the powers of the Board in the management of the affairs of the Foundation, including the responsibility and power to determine the distribution of property of the Foundation as provided by law, authority over the investment of the property of the Foundation, whether held directly or through trustees, custodians or agents, and other duties and authority as may be delegated to it by the Board. succeeding the action and shall be subject to control, revision, and alteration by the Board, except that no rights of third persons shall be prejudicially affected.

**C. Chief Executive Officer Review** - The Committee is responsible for the annual review of the Chief Executive Officer and the recommendation of compensation according to procedures approved by the Board. The Committee shall also mediate any disagreement or dispute between the Chief Executive Officer and the Board.

**D. Meetings** - Meetings of the Committee may be called by the Chair, and shall be called by the Chair upon the request of any two (2) members of the Committee. A majority of the members of the Committee shall constitute a quorum. The Committee shall keep full records and accounts of its proceedings. Meetings of the committee may be conducted according to the Bylaws Article IV, Section 7 parts D, E, F and G as they relate to the Executive Committee.

### SECTION 2. FORMATION OF COMMITTEES

**A. Establishment and Powers** - The Board may, by resolution adopted by a majority of the Directors at any meeting where there is a quorum, establish one (1) or more committees as it deems desirable and discontinue the same at its pleasure. The Chair of the Foundation shall appoint the Chair and members of any committee established by the Board at the annual meeting. Any committee, except as may otherwise be provided herein, may include one (1) or more non-Directors as the Chair of the Foundation determines. The Chair of each standing committee must be a Director and may not serve more than three (3) consecutive terms as Chair of the same standing committee. The term of office of the Chair of each standing committee shall be one (1) year. The Chair of the Foundation



Board shall be an ex-officio voting member and the Chief Executive Officer an ex-officio non-voting member of all committees. Any committee, to the extent provided in the resolution of the Board, shall have and may exercise all of the powers and authority of the Board, except that no committee shall have any power or authority as to the following:

- 1) Filling of vacancies on the Board.
- 2) Adoption, amendment or repeal of these Bylaws.
- 3) Amendment or repeal of any Board resolution.
- 4) Action on matters committed by Board resolution to another committee.

**B. Alternate Committee Members** - The Chair of the committee may designate one (1) or more Directors or non-Directors as alternate members of any Committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another Director or non-Director to act at the meeting in the place of the absent or disqualified member.

**C. Term** - Except for standing committees provided for in Article IV, Sections 3, committees shall serve at the pleasure of the Board.

**D. Limitation** - No committee is authorized to exercise any power or authority unless the Chair of the Committee is present.

### SECTION 3.

**STANDING COMMITTEES** - The Foundation shall have the following standing committees which shall have the powers described in Article VI, Section 2.

#### **A. Audit and Compliance Committee**

**1) Composition:** The members shall be appointed by the newly elected Board Chair at the annual meeting by the newly elected Chair and shall consist of no less than three (3) members. No member of the Committee may be an employee of any accounting firm or other company which serves as auditor, CPA or agent to the Foundation. The committee Chair shall also serve as a member of the Finance and Human Resources Committee.

#### **2) Powers and Duties:**

- a) The Committee shall be authorized to select, hire, evaluate and terminate auditors, CPAs or agents as needed to conduct an independent audit of the financial condition, statement of operations and cash flow of the Foundation according to the policy and procedures established by the Board. The Committee may, from time to time, review the operating accounting policies and procedures of the Foundation and, at its discretion, recommend





changes to the Board. The Committee shall report on the results of the audit at the annual meeting.

**b)** The Committee shall oversee compliance with federal, state and local laws;

**c)** Review and resolve any addition, deletions or modifications to the Gift Acceptance Policy and fund agreements;

**d)** Consistent with the amended and restated Articles of Incorporation, recommend to the board modification of any restriction or condition placed on a gift to the Foundation if such restriction or condition is deemed to be unnecessary, undesirable, incapable of fulfillment, or inconsistent with the charitable needs of the State of Montana and the surrounding region.

#### **B. Finance and Human Resources Committee**

**1) Composition:** The Committee shall be appointed by the newly elected Board Chair at the annual meeting and shall consist of no less than three (3) members. Members of the Committee shall be members of the Board.

**2) Powers and Duties:** The Committee shall review the annual operating budget and grant distribution budget as presented by the Chief Executive Officer, and present to the Board for approval; review the long-range financial forecast and human resources plan; and ensure that employee compensation and benefits are reasonable and customary.

#### **C. Investment Committee**

**1) Composition:** The Committee shall be appointed by the newly elected Board Chair at the annual meeting and shall consist of no less than three (3) members.

**2) Powers and Duties:** The Committee shall, from time to time, review the investment and payout policies of the Foundation and may, at its discretion, recommend changes to the Board. Except in direct contravention to an action of the Board, the Committee is empowered through procedures established by the Board to select, hire, evaluate and terminate trustees, investment managers, custodians or agents; and invest or cause to be invested, the assets of the Foundation. The Committee shall monitor investments and make a report at the annual meeting regarding investment performance. The Committee shall also have other powers as the Board may from time to time determine.

#### **D. Nominating and Governance Committee**

**1) Composition:** The members shall be appointed by the newly elected Board Chair at the annual meeting and shall consist of no less than three (3) members. Members of the Committee shall be members of the Board.

**2) Powers and Duties:**

**a)** Officers of the Board - The Committee shall be authorized to evaluate, select and nominate officers of the Board.



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- b)** Directors of the Board - The Committee shall be authorized to search for, evaluate, select and nominate individuals to the Board according to established Board procedures.
- c)** The Committee may, from time to time, review the nominating policies of the Foundation and may, in its discretion, recommend changes to the Board. The Committee shall monitor its own activities and report to the Board regularly. The Committee shall also have other powers as the Board may from time to time enumerate.
- d)** Recommend policies to the Board for the roles, responsibilities, and expectations of the Board, its Directors and Officers.
- e)** Annually review the Conflict of Interest policy and ensure compliance.
- f)** Oversee the orientation process for new Directors and on-going knowledge and skills development for the Board, annually administer a board self-evaluation and monitor directors' attendance.
- g)** Make recommendations to the Board of Directors regarding revision, restatement or amendment of the Articles of Incorporation or Bylaws of the Corporation.
- h)** Address and attempt to resolve issues of conflicts between Directors of the Board.

### SECTION 4.

**ADVISORY COMMITTEES** - The Board Chair may establish and dissolve committees or advisory groups, consisting in whole or in part of non-Directors, as it determines to be useful to the work of the Board. Each Committee shall be advisory to the Board and shall have powers and perform duties or functions, not inconsistent with law, as the Board may prescribe for it. These Committees shall be created in accordance with Article VI, Section 2.

## ARTICLE VII CHIEF EXECUTIVE OFFICER

### SECTION 1.

**Employment** - The Chief Executive Officer shall be an employee of the Foundation; the terms and conditions of employment shall be determined by the Board.





## SECTION 2.

**Role** - The Chief Executive Officer shall be an ex-officio, non-voting member of the Board of Directors and all committees. Participation by the Chief Executive Officer in the Board of Director's executive sessions will be at the discretion of the Chair of the board.

## SECTION 3.

**Reporting** - The Chief Executive Officer shall report directly to the Board Chair.

## SECTION 4.

**Responsibilities** - The Chief Executive Officer of the Foundation shall be responsible for providing for the planning and leadership of the Foundation; be responsible for the management of the day-to-day business and operations of the Foundation, except to the extent inconsistent with other provisions of these bylaws; see that all orders and resolutions of the Board of Directors are carried into effect; exercise general executive supervision, management and control over the Foundation's affairs, property, funds, business activities staff and assets; have primary responsibility for all daily business and other operations of the Foundation; prepare and cause to be prepared an annual administrative budget for the Foundation and perform such other duties as may from time to time be prescribed by the Board of Directors. The Chief Executive Officer shall be selected by the Board of Directors and shall have a direct reporting obligation to the Board Chair.

# ARTICLE VIII GIFTS TO THE FOUNDATION

## SECTION 1.

**GIFTS** - Donors may make gifts to the Foundation by naming or otherwise identifying the Foundation, whether or not a trustee, custodian, or agent is designated to receive the property contributed. Gifts shall vest in the Foundation upon receipt and acceptance by it pursuant to the Foundation's Gift Acceptance Policy. Each donor, by making a gift to the Foundation, accepts and agrees to all the terms of the Articles of Incorporation and these Bylaws, and provides that the fund so created shall be subject to the provisions for presumption of donors' intent, for modifications of restrictions or conditions, and for amendments and termination, and to all other terms of the Articles of Incorporation and Bylaws of the Foundation and any trust, custodian, or agency agreement between the Foundation and trustees, custodians, or agents having custody of the funds of the Foundation each as from time to time amended.



## SECTION 2.

**VARIANCE POWER** - If a restriction by the donor, however expressed, would, if followed, result in use contrary to the intent presumed in this Article VI or any other contrary provisions in these Bylaws, or if the Board is advised by counsel that there is substantial risk of such result, the restriction shall not be followed and the Board shall have the power

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 Director, custodian, or agent), the restriction or condition becomes unnecessary, undesirable, impractical, incapable of fulfillment, or inconsistent with the investment policies of the Foundation or with the charitable purposes of the Foundation. The Board shall exercise the power described in this paragraph only upon the vote of the majority of the Directors present constituting a quorum. Upon the exercise of this power, the Board may at any time direct the application of such gifts, grants, devises or bequests to such other educational, scientific, literary, cultural or charitable purpose, as, in their judgment, will most effectively accomplish the general purposes of the Foundation, without regard to and free from any specific restriction, limitation or direction.

## ARTICLE IX DISTRIBUTIONS AND DISBURSEMENTS

### SECTION 1.

**BOARD OVERSIGHT** - The Board will exercise oversight over the distributions and disbursements of the Foundation as necessary. Such oversight shall be pursuant to the provisions of the Articles of Incorporation, these Bylaws, the policies and procedures established by the Board, donors' directions if and to the extent applicable, and in accordance with any such laws as they pertain to matters of distributions and disbursements.

### SECTION 2.

**MISCELLANEOUS** - The Board may, in furtherance of the Foundation's charitable purposes when needs have been determined and with appropriate provisions to assure use solely for those purposes, direct distributions to persons, organizations, governments, or governmental agencies as in the opinion of the Board can best carry out such purposes or help create new qualified charitable organizations to carry out those purposes. Disbursements for other proper administrative expenses incurred by the Board, including fees for professional and other assistance as incurred, shall be directed to be paid from





operating income of the Foundation so far as possible, then from the balance of any fund of the Foundation not specifically restricted against such use.

## ARTICLE X INDEMNIFICATION AND INSURANCE

### SECTION 1.

**NON-DERIVATIVE ACTIONS** - Subject to the provisions of sections 3, 5 and 6 below, the Foundation shall defend, indemnify and hold financially harmless 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 (other than an action by or in the right of the Foundation) by reason of or arising from the fact that the person is or was a director, officer, employee or agent of the Foundation or is or was serving at the request of the Foundation as a director, officer, employee, agent, partner or director of another corporation, partnership, joint venture, trust or other enterprise, against costs and expenses (including attorney's fees) of said suit, action of the proceeding, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with the action, suit or proceeding if:

- 1) the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Foundation and, with respect to a criminal action proceeding, did not know and had no reasonable cause to believe the conduct was unlawful, or
- 2) the person's act or omission giving rise to such action, suit or proceeding is ratified, adopted or confirmed by the corporation or the benefit thereof received by the Foundation. 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, and settlement shall not constitute any evidence, that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Foundation and, with respect to a criminal action or proceeding, did not know and had no reasonable cause to believe that the conduct was unlawful.

### SECTION 2.

**DERIVATIVE ACTIONS** - Subject to the provisions of Sections 3, 5, and 6 below, the Foundation shall defend, indemnify and hold financially harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Foundation to procure a judgment in its favor by reason of or arising from the fact that the person is or was the director, officer, employee or agent of the Foundation, or is or was serving at the request of the Foundation as a



director, officer, employee, agent, partner or director of another Foundation, partnership, joint venture, trust or other enterprise against costs and expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if:

- 1) the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Foundation, or
- 2) the person's act or omission giving rise to such action or suit is ratified, adopted or confirmed by the Foundation or the benefit thereof received by the Foundation.

No indemnification shall be made in respect of any claim, issue or matter as to which such person as a director shall have been adjudged to be liable for:

- 1) a breach of director's duty of loyalty to the Foundation or its beneficiary;
- 2) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or
- 3) a transaction from which a director derives an improper personal benefit, unless, and only to the extent that, the court in which the action or suit was brought, shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the court considers proper.

### SECTION 3.

**DENIAL OF RIGHT TO INDEMNIFICATION** - Subject to the provisions of Sections 5 and 6 below, defense and indemnification under Sections 1 and 2 of this article automatically shall be made by the Foundation unless it is expressly determined that defense and indemnification of the person is not proper under the circumstances because the person has not met the applicable standard of conduct set forth in Sections 1 or 2 of this article. The person shall be afforded a fair opportunity to be heard as to such determination. Defense and indemnification payment may be made, in the case of any challenge to the propriety thereof, subject to repayment upon ultimate determination that indemnification is not proper.

### SECTION 4.

**DETERMINATION** - The determination described in Section 3 shall be made:

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





## **SECTION 5.**

**SUCCESSFUL DEFENSE** - Notwithstanding any other provisions of Sections 1, 2, 3, or 4 of this article, but subject to the provisions of Section 6 below, if a person is successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this article, or in defense of any claim, issue or matter therein, the person shall be indemnified against costs and expenses (including attorney's fees) actually and reasonably incurred in connection therewith.

## **SECTION 6.**

**CONDITION PRECEDENT TO INDEMNIFICATION** - Any person who desires to receive defense and indemnification under this article shall notify the Foundation reasonably promptly that the person has been named a defendant in an action, suit or proceeding of a type referred to in Sections 1 or 2 and that the person intends to rely upon the right to indemnification described in this article. The notice shall be in writing and mailed via registered or certified mail, return receipt requested, to the Chief Executive Officer at the executive offices of the Foundation or, in the event the notice is from the Foundation President, to the Chair of the Board of Directors. Notice need not be given if the Foundation is otherwise notified by being named a party to the action.

## **SECTION 7.**

**INSURANCE** - The Foundation will purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Foundation, or is or was serving at the request of the Foundation, or is or was serving at the request of the Foundation as a director, officer, employee, agent, partner or director of another corporation against any liability asserted against or incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the Foundation would have the power to defend and indemnify the person against such liability under the provisions of this article.

## **SECTION 8.**

**FORMER OFFICERS, DIRECTORS, ETC.** - The indemnification provisions of this article shall be extended to a person who has ceased to be a director, officer, employee or agent as described above and shall insure to the benefit of the heirs, personal representatives, executors, and administrators of such person.



## **SECTION 9.**

**PURPOSE AND EXCLUSIVITY** - The defense and indemnification referred to in the various sections of this article shall be deemed to be in addition to and not in lieu of any other rights to which those defended and indemnified may be entitled under any statute, rule of law or equity, agreement, vote of the Board of Directors or otherwise.

## **SECTION 10.**

**LIMITATION OF LIABILITY** - If set forth in the Articles of Incorporation, no director of this Foundation shall have any personal liability to the Foundation for monetary damages for the breach of fiduciary duty as a Director except as provided in Montana Statute.

## **SECTION 11.**

**DIRECTOR RELIANCE** - In acting for the Foundation and unless the Director has knowledge concerning the matter in question that makes reliance unwarranted, Directors may rely upon information, opinions, reports, or statements, including financial statements and data prepared by:

- 1) officers, employees, and agents of the Foundation whom the Director believes to be reliable and competent in the matters presented,
- 2) counsel, public accountants, or other persons as to matters that the Director reasonably believes to be within the person's professional or expert competence, and
- 3) committees of the Board of Directors as to matters within the authority of the Committee which the Director believes to merit confidence.

## **ARTICLE XI FISCAL MATTERS**

### **SECTION 1.**

**FISCAL YEAR** - The fiscal year of the Foundation shall begin on the first day of July in each year and end on the last day in June of each year.

### **SECTION 2.**

**CONTRACTS** - The Board may authorize any officer or agent to enter into, amend, modify and terminate any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and authority may be general or confined to specific instances.





### **SECTION 3.**

**LOANS** - No loans shall be contracted on behalf of the Foundation, and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Any authority may be general or confined to specific instances.

### **SECTION 4.**

**CHECKS, DRAFTS, ETC** - All checks, drafts or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Foundation, shall be signed by an officer(s) or agent(s) named by the Board and in compliance with operating procedures governing such actions.

### **SECTION 5.**

**DEPOSITS** - All funds of the Foundation not otherwise employed shall be deposited on a timely basis to the credit of the Foundation in such accounts of banks or other financial institutions, as properly authorized by the Board.

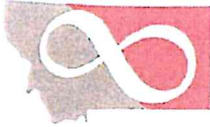
### **SECTION 6.**

**VOTING SECURITIES OWNED BY THE FOUNDATION** - Unless otherwise provided for by resolution of the Board, the Treasurer, or his or her designee, shall have full authority on behalf of the Foundation to attend, act, and vote at any meetings of the stockholders, bondholders, or other security holders of any corporation, trust, or association in which the Foundation may hold securities. At any such meeting the Treasurer shall possess all the rights and powers incident to the ownership of such securities, which as owner thereof the Foundation might have possessed if present, including the authority to delegate such authority to a proxy.

## **ARTICLE XII BOOKS, RECORDS, AND CORPORATE SEAL**

### **SECTION 1.**

**MAINTENANCE OF RECORDS, AUDIT** - The Foundation shall keep at its registered office correct and complete copies of its Articles and Bylaws, accounting records, voting agreements, and minutes of meetings of the Board, and committees having any of the authority of the Board of Directors for the last six (6) years. The Board shall cause the books and records of account of the Foundation to be audited by certified public accountants, to be selected by the Foundation's Finance and Audit Committee, at least



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once in each fiscal year and at such other times as it may deem necessary or appropriate.

## **SECTION 2.**

**CORPORATE SEAL** - The Board may provide a seal for the Foundation, which shall be in charge of the secretary or other officer as the Board may from time to time direct, and shall be affixed to documents as may require the Foundation seal.

## **ARTICLE XIII AMENDMENTS**

### **SECTION 1.**

The power to alter, amend, or repeal the Bylaws or adopt new Bylaws is vested in the Board of Directors.

Bylaws originally adopted January 9, 1988

Bylaws revised and adopted December 5, 1988

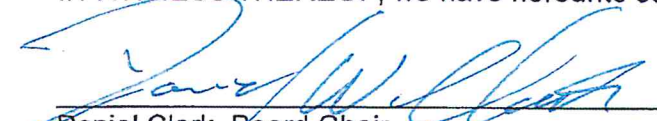
Bylaws revised and adopted April 28, 1989

Bylaws Revised and adopted September 11, 1999

Bylaws revised and adopted October 26, 2006.

This revision adopted June 20, 2014.

IN WITNESS THEREOF, we have hereunto subscribed our names.

  
Daniel Clark, Board Chair

  
Mary Craigle, Board Secretary