

North Star Community Foundation

**Bylaws of the
North Star Community Foundation**

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Bylaws
Of the
North Star Community Foundation

BYLAW I NAME

The name of this corporation shall be the North Star Community Foundation (hereafter referred to as the Foundation).

BYLAW II OFFICES

The Foundation shall maintain a principal office for the transaction of its business within the State of Alaska, at such place as from time to time shall be determined by the board of directors.

BYLAW III PURPOSE

The North Star Community Foundation shall at all times be operated exclusively for charitable purposes as required in Section 501(c) (3) of the Internal Revenue Code, as now enacted or hereafter amended. Included in these charitable purposes is the acceptance and receipt of property and the distribution of grants to support and promote educational, scientific, environmental, cultural, charitable, and humanitarian efforts 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.

More specifically, it is the goal and purpose of the North Star Community Foundation to aid and assist the general welfare of the citizens of Fairbanks, the North Star Borough, and adjacent communities; to support the development, growth and preservation of the community; to benefit, provide funds for, and improve the quality of life for all citizens especially those in need; to improve the standards and potentialities of the North Star Borough as a viable and diverse community; to provide fiscal sponsorship, grants, scholarships, loans and other assistance to all individuals and organizations of promise; to encourage philanthropy and to assist individuals and Members in creating sustainability for the perpetual benefit of the community's natural and cultural resources.

To this end, the North Star Community Foundation shall solicit and accept property, including real and chattel; receive assets, including capital, stocks, bonds, and funds, mutual and other; and shall provide financial management, strategic development and education/training services to the communities,

organizations and donors of the North Star Borough and the adjacent communities.

The Foundation provides fiduciary services to individuals, organizations or projects through donor-advised, field of interest, scholarship, designated, organizational, or project funds. Those who receive these services will be considered Members.

Through the effective use of its endowment, the Foundation seeks to enhance the quality of life for those who live and work in the area by encouraging the growth of a permanent charitable endowment to meet the community's changing opportunities and needs by; providing vehicles for donors with diverse philanthropic interests which make giving easy, personally satisfying and effective; serving as a catalyst and facilitator by stimulating and promoting collaborations among various organizations to accomplish common objectives; and by carrying out a strategic grant making program that is flexible, visionary and inclusive. In addition, the Foundation shall provide affiliated fund status, allowing member organizations to achieve nonprofit charitable status and access to strategic development assistance without forming their own nonprofit corporation.

Further, the Foundation shall be a voice and advocate for community planning and policy for the betterment of all residents.

In addition, the foundation and its members, officers and directors shall act without profit as trustees of charitable trusts to administer gifts, grants, or loans to nonprofits and deserving individuals and groups.

All funds, whether income or principal, and whether acquired by gift, contribution or otherwise, shall be devoted to said purposes.

BYLAW IV ANTI-DISCRIMINATION POLICY

The Foundation requires that all grant applicants and Members have a written anti-discrimination policy. In addition, the foundation strongly recommends that these policies be broad and inclusive. Further, we strongly urge that these policies include the categories listed in the Foundation's Anti-Discrimination Policy outlined below.

North Star Community Foundation Anti-Discrimination Policy:

The North Star Community Foundation believes that equal opportunity is essential for the continuing success of our community. In accordance with state, federal, and municipal laws, this foundation intends to comply with these laws which preclude negative discrimination because of race, disability, color, creed, religion, gender, gender identity and/or gender expression, age, sexual

orientation, national origin, ancestry, citizenship, military status, or any other protected classification. This policy applies to all activities of The North Star Community Foundation and its affiliates, including but not limited to employment, selection of volunteers, grant making, purchasing, and selecting vendors or consultants. The Foundation defines 'negative discrimination' to include, but not limited to denial of services, employment, or volunteer opportunities to any class of individuals in a manner that negatively restricts opportunities to that class of individuals.

To this end, the Foundation shall support diversity at every opportunity, and in every thought, word and deed. Equally, this foundation and affiliates shall promote kindness and good will toward all, and under no circumstances do intentional harm unto another human being.

BYLAW V GIFTS TO THE FOUNDATION

Section 1— Charitable purpose: Each gift to the Foundation shall be presumed to be intended as follows:

- A. To be used only for charitable purposes.
- B. To be productive of a reasonable return of net income.
- C. To be used for only such purposes and in such a manner as to not disqualify the gift from a deduction as a charitable contribution, gift, or device in computing any federal income, gift, or estate tax of the donor or the estate, and not disqualify the Foundation from exemption from federal income tax as a qualified charitable organization.
- D. To be held and administered in accordance with the terms, provisions, and restrictions of the Foundation's articles of incorporation, bylaws, and any agency agreement between the Foundation and persons or institutions having the responsibility for the custody, administration, or investment of Foundation assets.

BYLAW VI DEDICATION OF ASSETS

Section 1— Assets:

All property of this Foundation and accumulations thereof shall be held and administered to effectuate its tax-exempt purposes, and no part of the income of this Foundation shall inure to the private benefit of any individual. In the case of liquidation or dissolution of the Foundation, all of the property, capital and assets of the Foundation of every kind and wherever located, shall be assigned, transferred and conveyed to such organizations which qualify as tax-exempt

under the provisions of 501 (c) (3) of the Internal Revenue Code as it now exists or may hereafter be amended, or to such political unit or units to which any such assignment, transfer or conveyance would be a charitable contribution as defined in *Subsections c1 and c2 of Section 170* of the Internal Revenue Code and regulations promulgated thereunder, as it now exists or as it may hereafter be amended, as the last board of directors shall deem to be most likely to use said properties, capital and assets to carry out the purposes of the Foundation.

Section 2— Variance of Power:

Notwithstanding any provisions in these bylaws or in any instrument of transfer, creating or adding to a fund of the Foundation, the board shall have the power to:

- A. Modify any restriction or condition on the distribution of funds for any specified charitable purpose or purposes to a specified charitable organization or organizations if in the sole judgment of the board (without the necessity of approval by participating trustee, custodian, or agency), that such restrictions or conditions have become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.
- B. Replace any participating trustee, custodian, or agent for breach of fiduciary duty under Alaska law.
- C. Replace any participating trustee, custodian, or agent for failure to produce reasonable return of net income over a reasonable period of time, as determined by the board of directors.

BYLAW VII BOARD OF DIRECTORS

Section 1— Qualifications:

The Foundation shall be organized on a directorship basis and shall be managed by a board of directors. The board of directors shall strive to represent the broad needs of all segments of the community. The board shall strive to represent the community's key individuals in regards to wealth, influence, respect and vision; and shall represent the diverse aspects of the community through race, ethnicity and gender expression.

Further, board members shall remain independent, in fact and in perception, of any government or other nonprofit influence. A majority of board members shall be residents of the North Star Borough or adjacent communities, as determined by conventional criteria, including voting registration, permanent fund eligibility,

driver's license requirements, governmental ID certification, or any other ascribed and legally recognized and approved identification.

Section 2— Duties:

The board shall be responsible for the overall policy and direction of the Foundation, and as such shall delegate responsibility of day-to-day operations to the staff. Members of the board shall serve on committees responsible for special tasks such as grant making, fund management and investment, legal matters, membership and board development, and other duties as required by the president and as described in these bylaws. Above all, the board of directors shall maintain the foundation's qualifications as a public charity by ensuring accountability, responsibility, transparency, and community impact.

Section 3— Size and compensation:

The board shall be made up of no fewer than nine [9] members. The board shall receive no compensation other than reasonable expenses incurred while conducting Foundation business and with board approval.

Section 4— Terms:

Board members shall be elected at the annual meeting, shall commence serving at the first board meeting after the annual meeting, and shall serve until a successor has been elected and qualified. Terms shall be staggered so that approximately one-third of the board is elected each year. In the first year of the Foundation, the board shall be appointed, and shall consist of three [3] director categories with associated terms as follows:

- A. *Category A:* Of the nine [9] board members, three shall serve for only one [1] year, and that one-year term shall constitute a full term with the possibility of being re-elected for an additional two [2] three-year terms;
- B. *Category B:* Of the remaining six [6] board members, three shall serve for two [2] years, with that two-year term constituting a full term and with the possibility of being re-elected for an additional two [2] three-year terms;
- C. *Category C:* The remaining three [3] board members shall serve for three [3] years with that three-year term constituting a full term, and with the possibility of being re-elected for an additional two [2] three-year terms.

Section 5— Term limits:

All board members shall be eligible to serve a total of three [3] full consecutive three-year terms, except as noted above in the first years of the Foundation. Board members must then relinquish their director seat and are ineligible for re-election to the board for a period of one [1] year.

Section 6— Meetings and notice:

The board shall meet at least triannually at an agreed upon time and place. An official board meeting requires that each board member have written notice hand delivered, sent by mail, or electronically transmitted to the address shown in the records of the Foundation at least two weeks in advance. If mailed, such notice shall be deemed delivered when deposited in the United States mail in a sealed envelope, so addressed, and postage thereon prepaid. Board members shall confirm their attendance or bestow proxy by written or electronic means at least three [3] days prior to the scheduled or special meeting.

Further:

- A. The president shall announce or delegate the announcement of the date, time and place of board meetings.
- B. The board may provide by resolution the time and place for additional meetings without other notice than the resolution. In the absence of such resolution, notice of additional meetings will be given in the same manner as notice of special meetings except that the purpose or purposes need not be stated.
- C. Emergency meetings of the board of directors may be called by or at the request of the president, secretary, or any five directors, and shall be held at the principal office of the Foundation or at such place as the board of directors shall determine. Notice of an emergency meeting shall be given at least five [5] days in advance and shall be delivered by hand, by mail, or by electronic means and state the purpose of the emergency meeting.
- D. Board meetings shall be open to the public, except during executive session, with only board directors taking part in voting and general discussions of business.

Section 7— Attendance:

Each member of the board of directors shall participate in at least five [5] Foundation functions per year, including at least three [3] board meetings. A

director who fails to meet this requirement may at the discretion of the board be asked to vacate that seat and a vacancy shall be declared.

Attendance at any meeting of the board, advisory committees, or annual meeting may be by electronic means when with full knowledge of all present.

Section 8— Voting:

Each board member shall have one [1] vote. When a quorum is present at any board meeting, all questions brought before the board shall be decided by consensus of the voting board members or, if unable to achieve consensus, by a majority vote in which all voting board members have been heard and all objections fully discussed and their comments duly recorded in the minutes.

Section 9 Quorum:

A majority of the board members constitutes a quorum for the transaction of business at any board meeting. Proxies do not count toward quorum. If no quorum is present, the directors may call for the meeting to be adjourned without notice until a quorum is present. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of additional directors, if any action is approved by at least a majority of the required quorum for the meeting.

Any director may participate in a board meeting by electronic means by which all persons taking part may hear each other if all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting and shall not count as an absence for purpose of fulfilling board obligations.

Section 10 Board elections:

The first board of directors shall be appointed by the original incorporators of the Foundation named in the articles of incorporation, and shall, thereafter, be elected by the board of directors, be appointed by the board of directors to expand the size of the board or to fill a vacancy.

Section 11 Board Nomination procedures:

A nominating committee may be appointed by the president and may convene for the expressed purpose of nominating a slate of prospective board members

representing the Foundation's diverse constituency. In addition, any board member may nominate a prospective candidate.

Section 12— Vacancies: Any vacancy occurring on the board of directors shall be approved by consensus and filled by appointment of the president of the board at any regular or special meeting provided a quorum is present. Likewise, any directorship to be filled by reason of an increase in the number of board seats shall be determined by consensus and filled by appointment of the president of the board at any regular or special meeting provided a quorum is present. An appointed director must meet the qualifications necessary to be elected to the board position being filled, and shall serve the unexpired term of their predecessor in office. Any director appointed to a newly created board position shall serve for a full three-year term.

BYLAW VIII BOARD OF DIRECTORS MEETINGS

Section 1 Meetings:

Regular meetings of the board of directors shall be held at least triannually. One meeting will be designated for members to participate, share and network. Along with the annual meeting, all shall be at a time and place designated by the president of the board or their delegate.

Section 2— Annual meetings:

An annual meeting of the board of directors shall take place in the final quarter of the Foundation's fiscal year as defined in By-Law XVI. The specified date, time and location of which will be designated by the president or their delegate. At the annual meeting of the foundation, the board of directors shall elect officers and determine the direction for the coming year.

Section 3— Special Topics and Emergency meetings:

Special topics or emergency meetings may be called by the president, the executive committee, or a simple majority of the board of directors. A petition signed by twenty-five [25] percent of the board of directors may also call a special topic meeting.

Section 4— Notice of meetings:

Notice of each meeting shall be given to each board member, by mail or electronic means, not less than two weeks prior to the meeting.

Section 5— Quorum:

There must be at least fifty [50] percent of the voting board membership in attendance at a meeting to constitute a quorum. Directors may be present physically or by electronic means.

Section 6 Voting:

All issues to be voted on (excluding changes to the articles of incorporation or bylaws) shall be decided by a consensus of those present at the meeting in which the vote takes place.

Section 7 Rules of order:

Unless otherwise provided in the bylaws, meetings and decisions shall be ruled by consensus. If a consensus, defined as general or widespread agreement among all the members of a group, cannot be reached, members shall employ the concept of "*loyal minority*," defined as discussion of objections and movement forward by majority with countenance, mindful of the objection and respectful of the differing opinion. Objections shall be heard and considered, and duly noted and reported in the minutes of the meeting. In this "*communitarian approach*," all voices shall be heard and documented, thereby ensuring equal voice for all and honoring of all viewpoints. If all else fails, in order to move decisions and voting forward, Robert's Rules of Order (Newly Revised) shall govern questions of parliamentary procedure. In the event of a tie, a board member with a strong objection to a motion is required to present an acceptable alternative.

BYLAW IX OFFICERS

Section 1 Officers or executive committee:

There shall be four officers who serve as members of the executive committee, consisting of a president, vice-president, secretary and treasurer. They shall have such powers and perform such duties as specified herein and in resolutions or other directives of the board. These may include but are not limited to the following:

- A. The president shall convene and preside over regularly scheduled meetings of the board and the members; shall appoint all committees; shall call special and emergency meetings; shall sign or countersign all contracts or other instruments of the Foundation as required by the board; shall make regular reports to the board and the membership; shall perform other duties incidental to the office as are required from time to time by the board; shall preside or shall arrange for other members of the executive committee to preside at each meeting in the following order: vice-president, secretary, treasurer.

- B. The vice-president shall chair committees on special subjects as directed by the president or the board. In the event of the absence, resignation, or inability of the president to perform the functions of that office, the vice-president shall assume and carryout said duties until the president is able to resume the functions or a successor is named by the board.
- C. The secretary shall issue notices of all meetings; shall be responsible for keeping records of board actions in accordance with By-Law VIII Section 7 above; shall take or oversee the taking of minutes at all board and membership meetings; shall be responsible for creating and distributing copies of minutes and agendas to each board member; shall have charge of the corporate seal and corporate books and records; shall sign, with the president, such instruments as required by the board; and shall make reports and perform other duties incidental to the office or as required by the board or the president.
- D. The treasurer shall have custody of all monies and securities of the foundation; shall keep or cause to be kept regular book of accounts and balance each month; shall sign or countersign checks and such instruments as require the treasurer's signature; shall chair the finance committee; shall assist in the preparation of the budget; shall help develop fundraising plans; shall make financial information available to board members and the public; shall make regular reports to the board.

Section 2 Election of officers and term of office:

The officers who make up the executive committee of the Foundation shall be elected by and from the board of directors. The election shall be held at the annual meeting of the directors.

Section 3 Honorary Foundation advisors:

The board of directors may from time to time appoint honorary Foundation advisors whose character, demonstrated leadership and public service serves as an inspiration to the board and the supporters of the Foundation. Advisors shall perform duties in an advisory capacity as defined by the president or the board.

Section 4 Bonds:

The officers and employees of the Foundation may be bonded in an amount determined by the board of directors.

Section 5 Resignation and removal:

Resignation from the executive committee or the board of directors must be in writing and received by the secretary. Any board officer or member elected or appointed may be removed by consensus of the board whenever in its judgment the best interest of the Foundation would be thereby served. An officer may resign or be removed from the executive committee and, at the discretion of the board, remain a member of the board of directors.

Section 6 Vacancies:

A vacancy in the executive committee because of death, resignation, removal, disqualification, or otherwise, shall be appointed by the president of the board of directors for the unexpired portion of the term.

BYLAW X COMMITTEES

Section 1 Committee formation:

Advisory committees shall be appointed by the president of the board from the membership or honorary members for specified term and a specific purpose, or created by the board of directors as needed for special tasks and to advise the board on pertinent matters such as investment services, legal considerations, accounting and taxation, grant making, community issues and needs, community engagement and impact, public-private collaborations, resource development and effective marketing. The board president appoints all committee chairs.

Section 2 Executive committee:

The four [4] officers and all committee chairs shall serve as members of the executive committee. Except for the power to amend the articles of incorporation and the bylaws, the executive committee shall have all the powers and authority of the board of directors in the intervals between meetings of the board to manage the affairs of the Foundation, and is subject to the direction and control of the full board. The executive committee shall meet at regular intervals appropriate to conduct necessary business.

Section 3 Standing committees:

In addition to the executive committee, the standing committees of the Foundation include but are not limited to:

- A. *Finance committee*: The treasurer shall be the chair of the finance committee, which includes [two] other board members. The president is an ex-officio member. The finance committee shall oversee the financial condition and shall monitor the business practices of the foundation. The finance committee is responsible for developing and reviewing fiscal procedures, fundraising plans, and the annual budget with staff and other board members. The board must approve the budget and all expenditures must be within budget or be approved by the board or executive committee. The fiscal year shall be the calendar year. Annual reports are required to be submitted to the board showing income, expenditures, and pending income. The financial records are public information and shall be made available to the membership, board members, and to the public.
- B. *Governance committee*: The vice president shall be the chair of the organizational committee. The president shall appoint additional directors on the committee. The committee shall meet on an ad-hoc basis and report to the board quarterly. The organizational committee shall deal with issues involving the organizational structure of the foundation through its articles of incorporation, bylaws, and development of rules and regulations.
- C. *Development committee*: The chair of the development committee shall be appointed by the president. The chair shall recommend for appointment to the committee by the president [four] members who need not be members of the foundation, and who are knowledgeable and active in the fields of estate planning, tax law, asset development, fund management, and strategic planning.
- D. *Communications and Community engagement committee*: The chair of the community engagement committee shall be appointed by the president from the board. The president shall appoint additional directors on the committee.
- E. *Nominating and personnel committee*: The chair of the nominating committee shall be appointed by the president from the membership of the board of directors. The chair shall recommend for appointment to the committee by the president [two] board members who shall serve for at least *one* year, and shall make recommendations to the president of prospective foundation members, and when necessary, offer a slate of candidates of credible board members.
- F. *Grantmaking or distribution committee*: Five board of directors shall serve as the grantmaking committee. The chair of the grantmaking committee shall be appointed by the president. The chair shall appoint

additional directors who are knowledgeable and active in community issues and needs, involved in local nonprofits, or who have expertise in the fields of grantmaking, grant monitoring, and other relevant areas. The distribution committee or a subcommittee shall be responsible for overseeing the foundation's philanthropic activities such as determining contributions policy, defining priority funding areas, creating guidelines for grant applications, defining criteria for applicant eligibility, reviewing grant requests, granting final approval of awards; and developing and overseeing the entire grant application process, including communicating with prospective grantees, and monitoring grant recipients.

- G. *Additional committees:* The board may designate one or more other committees, standing or ad hoc, and may define the powers and duties of these committees, by resolution, purposes which are not to be in conflict with the standing committees as set forth herein.

Section 4 Committee reporting:

Each committee shall establish a schedule for regular meetings appropriate to its purpose and function and shall keep and submit minutes to the president and the board of directors.

BYLAW XI DIRECTOR AND STAFF

Section 1 Executive director:

The executive director shall be hired by the board and shall have day-to-day responsibilities on behalf of the Foundation, including carrying out the goals and policies, overseeing fiscal responsibilities and promoting activities of the Foundation. The executive director shall attend all board meetings, report on the progress of the Foundation, answer questions of the board members, and carry out the duties described in the job description. The board can designate other duties as necessary.

BYLAW XII MEMBERSHIP

Section 1 Eligibility for membership:

Membership falls under classifications listed in By-Law III and may be granted upon approval by the board.

Section 2 Fees:

The fees are assessed per policies established by the board.

Section 3 Rights of members:

Members in good standing are eligible for the suite of services available from the Foundation.

Section 4— Resignation and termination:

Any member may quit the Foundation by filing a written resignation with the secretary. Membership may be terminated if member organizations do not comply with By-Laws III and IV or activities place the Foundation at undue risk. Membership with and/or fiscal sponsorship through the Foundation shall be terminated through nonpayment of assessed fees.

Section 5--- Voting:

Members do not have voting rights.

BYLAW XIII APPOINTMENT OF CPA, COUNSEL, AND OTHER AGENTS

Section 1— Certified public accountant:

The board of directors from time to time shall appoint a certified public accountant to render an annual financial statement and audited financial statements.

Section 2— Counsel and other agents:

The board of directors shall from time to time appoint legal counsel and other agents as deemed appropriate.

BYLAW XIV INDEMNIFICATION

Section 1 Indemnification of board liability:

To the full extent of the law, board members shall not be liable to the Foundation or its members for the monetary damages for breach of contract of the fiduciary duty as a board member unless, by clear and convincing evidence, the breach is proven to be a willful failure to discharge duties, a knowing participation in wrongful acts, or an engagement in activities that constitute a conflict of interest, fraud, misrepresentation, or malfeasance.

The Foundation shall indemnify, defend, and hold its board harmless in respect to any and all actions, proceedings, suits, claims, demands, judgments, costs and expenses (including attorney's fees) incident to their activities on behalf of the Foundation. However, the Foundation is not required to indemnify a board member against damages, losses, claims, costs, liabilities, and expenses (including attorney's fees) arising out of or resulting from a willful failure to discharge duties, a knowing participation in wrongful acts or engagement in conflicts of interest, fraud, misrepresentation or malfeasance. Any amendment to or repeal of this bylaw provision shall not adversely affect any right or protection of a Foundation board member for or with respect to any acts or omissions occurring prior to such an amendment or repeal.

Section 2 Limitation of liability:

This aforementioned provision does not eliminate or limit the liability of a board member or officer for any of the following reasons:

- A. A breach of a director's or officer's duty of loyalty to the Foundation or its members.
- B. Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law.
- C. A violation of state statutes.
- D. A transaction from which a director or officer derives improper personal benefit.
- E. An act or omission occurring before the effective date of a provision granting limited liability.
- F. An act or omission that is grossly negligent.

Section 3 Indemnification of volunteers:

The Foundation assumes liability for all acts or omissions of directors, officers, employees or other non-director volunteers if all of the following are met:

- A. The person was acting or reasonably believed to be acting on behalf of the Foundation at the request of the Foundation within the scope of their authority.
- B. The person was acting in good faith.
- C. The person's conduct did not amount to gross negligence or willful and wanton misconduct.

- D. The person's conduct was not an intentional tort or wrongful act for which damages can be sought by the injured party.
- E. The person's conduct was not a tort arising out of ownership, maintenance or use of a motor vehicle for which tort liability may be imposed as provided by Alaska statute.

Section 4 Costs:

The Foundation shall indemnify any director, officer, employee or non-director volunteer against expenses or costs, including actual and reasonable attorney's fees and amounts paid in settlement with respect to acts and omissions referred to above. Any indemnification shall be made by the Foundation only in the specific case, upon a determination that indemnification is proper and that the person has met applicable standard of conduct set forth herein. The determination shall be made by a consensus or a majority vote of a quorum of the board of directors or the executive committee consisting of directors whom were not parties to the action, suit, or proceeding.

Section 5 Defense:

Expenses incurred in defending a civil or criminal action suit or proceeding described herein may be paid by the Foundation in advance of the final disposition of the action, suit or proceeding upon receipt of an understanding by the individual involved to repay the expenses, if it is determined that the person is not entitled to be indemnified by the Foundation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but may not be secured.

Section 6 Insurance:

The Foundation may purchase and maintain insurance on behalf of any person who is or was a former director or officer of the Foundation or is or was serving at the request of the Foundation in any other enterprise against any liability incurred in such capacity.

BYLAW XV CONFLICTS OF INTEREST

Section 1 Validity of actions:

The directors, officers, and the other agents of the Foundation are and will be individuals of diverse business and community interest who are likely to be connected directly or indirectly through their families or businesses with other organizations, associations, institutions and businesses with which this Foundation from time to time may have dealings by way of gifts, grants, loans,

leases, contracts, and other transactions. No such transactions otherwise entered into in good faith and without demonstrated fraud shall be invalidated solely by the reason of the fact that a director, officer, or other agent of this Foundation was connected or associated directly or indirectly with the other party to the transaction.

However, in order to protect the integrity and the good names of the individuals who may be involved as well as the integrity of the Foundation, the requirements of this bylaw shall be strictly observed and enforced in all cases. Further, any contract or transaction between the Foundation and any corporation, firm, association, or other entity of which one or more of the Foundation's board members are shareholders, members, directors, officers, or employees or in which they have an interest, shall be valid for all purposes as long as the interested board member does not vote on the contract or transaction, and as long as the interest is disclosed to or known by the board members acting on such contract or transaction prior to its execution.

Section 2 Disqualification for conflict of interest:

A director, officer, committee member, employee or agent of the Foundation shall be disqualified because of conflict of interest from participating in any action on an application or proposal involving any grants, loan, lease, contract, or other transaction with an organization, association, institution, or business if there exists a personal relationship as spouse, child or parent in the governance or administration thereof. However, such membership or association shall not constitute a disqualifying conflict of interest where:

- A. The membership or other association is with an organization that is auxiliary to the organization involved in the transaction.

- B. The membership is a paper membership given in recognition of a gift or contribution and is not intended to carry with it a voice in the affairs of the organization.

Section 3 Conduct of a disqualified person:

Any person who shall be disqualified because of a conflict of interest from participating in an action shall make known the disqualification and may not participate in any way in the consideration of the proposal. In addition, the disqualified board member or officer shall leave the board or committee meeting during the time when the proposed actions are being discussed. If the disqualified board member is the president, the vice-president or another director shall preside at the meeting during such a period as the proposal or action is

being considered. If the disqualified member is the committee chair, an alternate chair shall be appointed by the president to preside during such period as the proposal or action is being considered.

Section 4 Independent Director:

A director shall be considered “independent” for the purposes of this policy if the individual is “independent” as defined in the instructions for the IRS 990 form or, until such definition is available, the director:

- A. is not, and has not been for a period of at least three years, an employee of N*CF or any entity in which N*CF has a financial interest;
- B. does not directly or indirectly have a significant business relationship with the Foundation which might affect independence in decision-making;
- C. is not employed as an executive of another corporation where any of the Foundation’s executive officers or employees serve on that corporation’s compensation committee; and,
- D. does not have an immediate family member who is an executive officer or employee of N*CF or who holds a position that has a significant financial relationship with N*CF.

Section 5 Enforcement:

The board of directors shall have full responsibility for the identification, interpretation and enforcement of disqualification due to conflicts of interest, and shall be charged with upholding the spirit and the letter of this bylaw to ensure that circumstances which present or do not present a disqualifying conflict of interest shall be fairly identified and impartially administered. All questions concerning the application and conditions under which the foregoing constitutes a conflict of interest shall be decided by the board. All board decisions are final. The board shall have the authority to adopt additional rules, if needed, to better address and administer this bylaw.

Section 6 Annual Statements:

Each director, principal officer and member of a committee with Board delegated powers shall sign a statement at the start of their term which affirms such person:

- A. Has received a copy of the bylaws;

- B. Has read and understands the bylaws;
- C. Has agreed to comply with the bylaws; and,
- D. Understands N*CF is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Each voting member of the Board shall sign a statement at the start of each term which declares whether such person is an independent director.

If at any time during the term, the information in the COI statement changes materially, the director shall disclose such changes and revise the annual disclosure form.

The Executive Committee shall regularly and consistently monitor and enforce compliance with this bylaw by reviewing statements and taking such other actions as are necessary for effective oversight.

BYLAW XVI FISCAL YEAR

Section 1 Fiscal year:

For all purposes, the fiscal year of the Foundation shall be the calendar year beginning on the first day of January and ending on the 31st day of December.

BYLAW XVII AMENDMENTS

Section 1 Amendments to the articles of incorporation:

The board of directors shall have full responsibility for the administration and interpretation of the articles of incorporation and shall act to protect and faithfully execute same. When necessary from time to time as the board may deem necessary, changes may be made to the articles of incorporation. These changes shall not be entered into lightly but with care and reflection and shall be enacted to create positive change that reflects the shifting needs of our community. No amendment to the articles of incorporation may be enacted by the board of directors that does not in total reflect and reinforce the anti-discrimination policy set forth in the articles of incorporation and certified by the original incorporators and founding board members. Proposed amendments to the articles of incorporation must be submitted in writing to the secretary of the board at least one [1] month prior to a board meeting or any specially meeting of

the board called for the expressed purpose of advancing an amendment. The meeting notice shall indicate that amendments to the articles of incorporation are to be considered and shall set out verbatim the proposed change. Approval consensus of the full board of directors then in office shall be required to adopt such an amendment with the presence of a quorum. Any and all changes to the articles of incorporation must be submitted in writing to the Secretary of the State of Alaska and remitted with the appropriate fee.

Section 2 Amendments to the bylaws:

With the exception of the aforementioned *Bylaw XIV; Section 1*, these bylaws may be altered, amended, or new bylaws adopted at any meeting of the board of directors; however, a consensus of the board members present shall be necessary to effect such action. Proposed amendments must be submitted to the secretary and be sent out with the regular board announcements. The meeting notice shall indicate that bylaws changes are to be considered and shall set out verbatim the proposed change.

Section 3 Tax-exempt status:

No action or amendment to the articles of incorporation or to the bylaws shall be taken which would in any way adversely affect the Foundation's qualification as a non-profit, tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code as it now exists or may hereafter be amended.