

BYLAWS  
of  
**City of Muskogee Foundation**

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**Article I  
DEFINITIONS**

- 1.1 **Definitions.** Unless the context clearly requires otherwise, in these Bylaws:
- (a) "City" means the citizens and residents of Muskogee as a whole.
  - (b) "Council" means the City Council as a whole as elected for the City of Muskogee.
  - (c) "Board" means the Board of Directors of the Organization.
  - (d) "Director" means an individual member of the Board of Directors.
  - (e) "Officer" refers to the person or persons who at any given time perform the duties of that particular office for the Organization.
  - (f) "Bylaws" means these bylaws as adopted by the Board of Directors and includes amendments subsequently adopted by the Board.
  - (g) "Certificate of Incorporation" means the Certificate of Incorporation of the Organization as filed with the Secretary of State of the State of Oklahoma and includes all amendments thereto subsequently filed.
  - (h) "Corporation" means City of Muskogee Foundation.
  - (i) "Section" refers to sections of these Bylaws.

**Article II  
NAME and PURPOSES**

- 2.1 **Name.** The name of this Corporation is "City of Muskogee Foundation."
- 2.2 **Purposes.** Subject to the limitations set forth in the Certificate of Incorporation, the Corporation is formed for the purpose of effectively developing, supporting, promoting, and improving programs and facilities relating to education, arts, culture, community revitalization and beautification, social services, health care, economic development, infrastructure, housing, and recreation for the City of Muskogee and surrounding areas and to improve the quality of life of residents of the City of Muskogee and surrounding areas. Subject to the foregoing, the Corporation shall have and may exercise all of the powers of nonprofit corporations under Oklahoma law.
- 2.3 **Restrictions.** At no time, either on dissolution or prior to dissolution, shall any part of the funds or assets of the Corporation inure to the benefit of any private individual, nor be used for the purpose of carrying on propaganda or otherwise attempting to influence legislation, except as may be permitted by law and the Internal Revenue Code of 1986, as amended, (the "Code") or corresponding provisions of any subsequent federal tax laws (all references in these Bylaws to the Code shall include reference to any corresponding provisions of any subsequent federal tax laws). The Corporation shall not participate in or intervene in any political campaign on behalf of any candidate for public office.
- 2.4 **Certain Restrictions.** If the Corporation is found to be a private foundation, as that term is defined in Section 509 of the Code, then (a) the Corporation shall conduct its business and distribute its income as necessary for each taxable year at such time and in such manner as not to become

subject to the tax on undistributed income imposed by Section 4942 of the Code, and (b) the Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code, shall not retain any excess business holdings as defined in Section 4943(c) of the Code, shall not make any investments in such a manner as to subject the Corporation to tax under Section 4944 of the Code, and shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

- 2.5 Charitable Activities. The Corporation shall carry on only those activities permitted to be carried on by a charitable organization as described in Section 501(c)(3) of the Code.

### **Article III** **FACILITIES and OPERATIONS of the CORPORATION**

- 3.1 Principal Operation. The principal office of the Corporation shall be located in Muskogee, Oklahoma. The Board of Directors may establish such offices as the business of the Corporation requires.
- 3.2 Registered Facility and Operation. The Corporation shall have and continuously maintain a registered office in Oklahoma and a registered agent whose office is the same as the registered office.

### **Article IV** **SOLE MEMBER**

- 4.1 Sole Member. The sole member of the Corporation is the City of Muskogee. The powers of the City are exercised by the City Council.
- 4.2 Rights of Member. The City, as sole member of the Corporation, shall be eligible and authorized to vote, to furnish any necessary consent or approval, or to take other action on any issue that may properly be presented to the City Council as the member of the Corporation. The City Council must approve the following matters:
- (a) any amendment, restatement, or repeal of the Certificate of Incorporation of the Corporation or these Bylaws;
  - (b) the election or appointment of directors of the Corporation;
  - (c) the merger or consolidation of the Corporation with or into any other entity, enterprise, agency, or body; the sale of all or substantially all of the assets of the Corporation; or the acquisition of the Corporation by any other entity or enterprise;
  - (d) the dissolution, liquidation, or termination of the business of the Corporation;
  - (e) a change in the purposes of the Corporation;

- (f) any decision to file a voluntary petition under any law having for its purpose the adjudication of the Corporation as bankrupt or insolvent or the taking any action with respect to the reorganization or liquidation of the Corporation;
- (g) the selection of the Chairman of the Board of the Corporation; and
- (h) the selection of the independent auditors.

**Article V**  
**BOARD OF DIRECTORS**

- 5.1 Powers. The Board of Directors shall manage and direct the business and affairs of the Corporation. The directors shall have all powers and authority provided in the Certificate of Incorporation and permitted by law.
- 5.2 Number; Qualifications. The number of directors that will constitute the entire Board of Directors shall be not less than three or more than 15, as determined by the Muskogee City Council (the "Council").
- (a) Two of the members of the Board of Directors shall be the Mayor of the City of Muskogee and the City Manager of the City of Muskogee, who shall serve as voting members of the Board of Directors;
  - (b) The Council shall also designate two members of the Council to serve as voting members of the Board of Directors;
  - (c) The remaining Directors will be recommended to Council by the Corporation's Board of Directors as needed to fill vacancies in accordance with these Bylaws. The Council shall approve or deny each candidate recommended by a majority vote of the Council.
- 5.3 Terms.
- (a) The Mayor may serve as a director as long as he or she serves as Mayor of the City of Muskogee. The City Manager may serve as a director as long as he or she serves as City Manager of the City of Muskogee.
  - (b) The two members of the Council may each serve as a director for a term of two years, but shall then not be eligible to serve as a director for a period of at least one year. A member of the Council who is elected to serve as a director may not continue to serve as a director if he or she no longer serves as a member of the Council unless they are elected as a non-Council member through the nomination process at outlined in these bylaws.
  - (c) The remaining Directors shall be divided into three classes, as nearly as equal in number as possible each serving six year terms. Subject to the foregoing, the successors to the class of directors whose term shall then expire shall be elected to hold office for a term expiring at the sixth succeeding annual meeting and until his or her successor has been duly elected and has

qualified. The directors serving in classes may be elected to serve for one full six year term, but shall then not be eligible to serve as a director for a period of at least one year.

- 5.4 Vacancies. If a vacancy results from the resignation, removal, or other inability or incapacity of a director other than the expiration of a term, and if the vacancy is someone other than the Mayor, City Council members or City Manager of the City of Muskogee, then the Nominating Committee will appoint a successor to fill that vacancy to be approved by City Council. A Director so chosen shall be elected to serve for the remainder of the term of the Director whose position had become vacant; any partial term shall not limit the eligibility of the director to serve one full term. Vacancies that occur as a result of expiration of a term will be filled by the Nominating Committee of the Corporation with approval of City Council and as provided in section 7.8 of these Bylaws. If a vacancy results from the resignation, removal, or other inability or incapacity of the Mayor or City Manager, then the successor in office as Mayor or City Manager, as the case may be, shall serve as a director as provided in these Bylaws.
- 5.5 Removal; Resignation. The Corporation's Board of Directors may remove any Director with or without cause by a majority vote of the entire Board. If a Director attends fewer than 50% of the Board meetings held during any 12-month period, the Board may evaluate the Director's participation and the reasons for excessive absence and may consider the Director's excessive absence as good cause for removal. A Director may resign by submitting a notice of resignation in writing to the Board. The resignation is effective upon receipt, unless otherwise stated in the notice.
- 5.6 Advisory Directors. Advisory Directors shall include the, Director of the Muskogee City-County Port Authority, the Executive Director of the Greater Muskogee Area Chamber of Commerce, the Executive Director of the Lake Area United Way, and the Executive Director of the Muskogee Nonprofit Resource Center. The Board of Directors may appoint additional individuals to serve as Advisory Directors. Advisory Directors may attend meetings of the Board of Directors and serve as members of committees, other than the Executive Committee, but they may not vote as directors, serve as officers, or be counted in determining whether a quorum is present at meetings of the Board of Directors.
- 5.7 Regular Meetings. The Board shall hold an annual meeting during the first quarter following the end of each fiscal year of the Corporation for the purpose of electing officers and transacting any other business that may properly come before the meeting. The Board may hold additional regular meetings without call or notice at such place and time as the Board may determine.
- 5.8 Special Meetings. The Chairman of the Board or a majority of directors then in office may call special meetings. Notice of a special meeting shall be given to each director at least 48 hours before the meeting. The notice shall set forth the time and place of the meeting but need not, unless otherwise required by law, state the purposes of the meeting. A majority of the directors present at any meeting may adjourn the meeting without notice, other than an announcement at the meeting.
- 5.9 Emergency Meetings: The Chairman of the Board or a majority of directors then in office may call an emergency meeting for the purpose of dealing with a situation involving injury to persons or injury and damage to public or personal property or immediate financial loss when the time requirement for public notice of a special meeting would make such procedure impractical.

- 5.10 Place of Meetings. Board meetings may be held at such places as the Board may determine or as may be specified in the notice of the meeting.
- 5.11 Open Meetings Act. Meetings of the Board of Directors of the Corporation shall be conducted in accordance with the requirements of the Oklahoma Open Meetings Act. In the event of a conflict between the provisions of these Bylaws and the Open Meetings Act, the Open Meetings Act shall control.
- 5.12 Quorum and Voting. A majority of the total number of directors, excluding any vacancies, present in person, shall constitute a quorum for the transaction of business at any meeting of the Board. Each director shall be entitled to one vote on matters presented to the directors. Board members may not vote by proxy. Except as otherwise specified in these Bylaws, the act of a majority of directors present in person at a meeting at which a quorum is present shall be the act of the Board of Directors.
- 5.13 Presence at Meeting. Members of the Board of Directors or of any Board committee may participate in a meeting of the Board or committee by means of videoconference similar communications equipment, provided that all directors participating in the meeting can hear and see each other in accordance with provisions of the Open Meetings Act. Such participation shall be considered to be presence in person at the meeting.
- 5.14 Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or of any Board committee may be taken without a meeting if all members of the Board or such committee, as the case may be, consent to the action in writing, and the written consent is filed with the minutes of the proceedings of the Board or committee.
- 5.15 Compensation. The Corporation shall not pay any stated compensation to directors for their services as directors. Upon resolution of the Board, the Corporation may reimburse directors for the actual and reasonable expenses incurred in attending any meeting of the Board or of any committee.

## **Article VI** **OFFICERS**

- 6.1 Election. At each annual meeting of the Board of Directors, the Board shall elect such Officers of the Corporation as may be necessary to enable the Corporation to sign instruments that comply with the Oklahoma General Corporation Act. Officers may include a Chairman of the Board, one or more Vice Chairs, a Secretary, an Assistant Secretary, and a Treasurer.
- 6.2 Terms, Removal and Vacancies. The officers shall hold office for a term of one year and until their successors are duly elected and qualified and shall serve at the pleasure of the Board. The Board may remove any officer at any time whenever in its judgment removal would serve the best interests of the Corporation. The Board of Directors with Council approval shall fill a vacancy in the Chairman position as provided in these bylaws. All vacancies for other officers' positions will be filled by the Chairman of the Board and approved by the Board of Directors as provided in these bylaws.



- 6.3 Chairman of the Board. The Chairman of the Board shall be subject to the direction of the Board of Directors and shall perform such duties as may be assigned by the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors. The responsibilities of the Chairman of the Board shall include serving as Chair of the Executive Committee, acting as a representative of the Corporation to the public as well as to governmental and voluntary organizations. The Chairman of the Board shall have authority to execute deeds, mortgages, leases, and contracts or other instruments of the Corporation, except where the signing and execution are expressly delegated by the Board of Directors or by the Chairman of the Board to some other officer or agent of the Corporation. In addition, the Chairman of the Board shall in general have such authority and perform all other duties incident to the position of Chairman of the Board of a nonprofit corporation.
- 6.4 Vice Chair. The Vice Chair shall perform such duties as the Board of Directors or the Chairman of the Board may assign. In the absence or inability to act of the Chairman of the Board, the Vice Chair shall perform the duties and discharge the responsibilities of the Chairman of the Board.
- 6.5 Secretary and Assistant Secretary. The Secretary shall keep corporate records and shall give notice of, attend, and record minutes of meetings of members and directors. The Secretary shall, in general, perform all duties incident to the office of secretary and such other duties as the Board of Directors or the Chairman of the Board may assign. The Secretary may delegate any such duties to an Assistant Secretary.
- 6.6 Treasurer. The Treasurer shall be responsible for developing budgets and reporting to the Board on the financial affairs of the Corporation. The Treasurer shall also perform such duties as the Board of Directors or the Chairman of the Board may assign.

## **Article VII** **COMMITTEES**

- 7.1 Appointment of Members. The Chairman of the Board shall appoint the Chair of each committee. Members of all committees, other than the Executive Committee, shall be appointed by the Chairs of the individual committee with the approval of the Chairman of the Board and the advisement of the Executive Director.
- 7.2 Committee Chairs. Committee Chairs must be members of the Board of Directors. Each committee may consist of one or more Directors of the Corporation and shall have such name or designation as the Board may determine. The Chairman of the Board may designate one or more Directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee and perform the duties as Chair of that committee. Committee Chairs are responsible for actively engaging committee members in all aspects of the mission of the committee and reporting the work of that committee to the Board.
- 7.3 Terms, Removal and Vacancies. Each member of a committee shall continue as a member until the next annual meeting and until a successor is appointed, unless the committee to which the member belongs is discontinued by the Board of Directors, or unless the member dies, resigns, or is removed as a committee member. The Chair of the Committee with the approval of the Chairman of the Board and the advisement of the Executive Director shall appoint persons to fill vacancies on committees resulting from the resignation, removal, or other inability or incapacity of

a member. A member so appointed shall serve for the remainder of the unexpired term. Committee members serve at the pleasure of the Committee Chair. The Committee Chair with the approval of the Chairman of the Board and the advisement of the Executive Director may remove any committee member with or without cause at any time.

- 7.4 Committee Meetings. Committee meetings may be held at such places as each committee may determine or as may be specified in the call of any meetings. The Chair of the committee shall arrange for written notice of the time and place of the meeting to be given to members of the committee. Business to be transacted at any regular meeting of the committees shall not be limited to the matters set forth in the notice of the meeting. The attendance of any committee member at any meeting shall constitute a waiver of notice of the meeting. As committees are recommending bodies they are not subject to the Open Meetings Act.
- 7.5 Executive Committee. The Executive Committee shall consist of the Officers of the Corporation who are Directors. Additionally, the Executive Director of the Corporation shall serve as an ex-officio member of the Executive Committee, without vote. The Executive Committee may meet at stated times or on notice to all of its members. During intervals between meetings of the Board of Directors, the Executive Committee shall generally perform such duties and exercise such powers as may be directed or delegated by the Board of Directors. The Board of Directors may delegate to the Executive Committee authority to exercise all of the powers of the Board.
- 7.6 Audit and Finance Committee. The Audit and Finance Committee will be responsible for overseeing the audit and financial accounting functions of the Corporation. Among other matters the Audit and Finance Committee shall:
- (a) manage the audit process;
  - (b) review financial checks and balances, policies and procedures, and bring any recommended changes to the Board of Directors for consideration;
  - (c) report the financial condition of the Corporation at all Board meetings.
- 7.7 Investment Committee. The Investment Committee shall be responsible for overseeing the management of the assets, funds, and investments of the Corporation. Among other matters, the Investment Committee shall:
- (a) recommend investment advisors, investment managers, and funds managers to the Board of Directors;
  - (b) meet periodically with, and receive regular and periodic reports from, the investment advisors, investment managers, and funds managers regarding the investment of funds of the Corporation;
  - (c) establish investment policies for the prudent management of the assets, funds, and investments of the Corporation;
  - (d) periodically evaluate the performance of the Corporation's investment advisors, investment managers, and funds managers based on standards and criteria established by the committee, and;
  - (e) report to the Board regarding the affairs of the committee and the investments of the Corporation.

7.8 Nominating Committee. The Nominating Committee shall be responsible for the recruitment and review of candidates for consideration as new members of the Board of Directors and Officers for the Corporation.

Timeline and Process.

- (a) The Chairman of the Board will appoint a Board member as Nominating Committee Chair annually, prior to the December meeting of the Board of Directors;
- (b) The Nominating Committee, with advisement from staff, will seek nominations from the Corporation's Board members, City Council and other interested parties. No person shall be nominated without first having completed and signed an application of interest which shall be received on or before April 1 of each year;
- (c) The Nominating Committee will meet to review all nominees prior to the April meeting of the Board of Directors. A slate of new members and officers will be prepared from this list for recommendation to the Board;
- (d) The slate of new officers and board members will be presented for approval at the April meeting of the Board of Directors; in addition the names of members not being selected will be presented on a consent agenda for approval by the Board of Directors.
- (e) Upon approval of the Board of Directors, new Board members and the Chairman of the Board will be presented to City Council for consideration of approval in May and no later than June;
- (f) The new Officers and Board members begin their term and are formally inducted at the Annual Meeting of the Board of Directors in August.

Membership. The Nominating Committee shall consist of five members. Members of the Nominating Committee shall be the Mayor of the City of Muskogee, one City Council member appointed by the Board Chair, the Nominating Committee Chair, and two additional members of the Board of Directors appointed by the Board Chair.

7.9 Grants Committees. The Grants Committees shall be responsible for administration of grants. The current Grants Committees are the Economic Development Committee, the Education Committee, the Health and Wellness Committee, and the Quality of Life Committee. Among other matters, each Grants Committee, with respect to the administration of those grants falling within the subject matter of each committee, shall:

- (a) recommend to the Board of Directors criteria for awarding grants and for recipients of grants, including criteria relating to one-time and multi-year grants, awards of multiple grants to the same entity, award of scholarships or other grants to individuals, and grants relating to municipal operations;
- (b) develop and implement policies and procedures relating to grant applications, including processing of grant applications, grant cycles, and a schedule or calendar pertaining to submission, processing, review, approval, and award of grants;
- (c) evaluate grant applications submitted to the Corporation and make recommendations with respect to the award of grants, including amounts, conditions, and requirements;
- (d) develop agreements relating to grants awarded by the Corporation;
- (e) establish policies and procedures relating to reporting by grant recipients, as well as accounting and expenditure responsibility obligations of grant recipients;
- (f) generally administer the grants process of the Corporation.

The Economic Development Committee may, in its discretion, consider grants for economic development purposes at any time within or outside of the established grant cycle. Any grant awarded upon the recommendation of the Economic Development Committee may or may not, at the discretion of the Board of Directors, affect the granting budget of the Corporation. All decisions as to the final selection of grant recipients and award of grants by the Corporation shall be reserved to the Board of Directors.

- 7.10 Quorum. A majority of the committee members present in person shall constitute a quorum for the transaction of business at any meeting of the committee.
- 7.11 Action Without Meeting. Any action required or permitted to be taken at any meeting of any Board committee may be taken without a meeting if a majority of the members of the committee consent to the action in writing, and the written consent is filed with the minutes of the proceedings of the committee.

## **Article VIII** **EMPLOYEES**

- 8.1 Executive Director. The Board may appoint an Executive Director of the Corporation. If appointed, the Executive Director shall:
- (a) have the overall supervision of the business of the Corporation and shall direct the affairs and policies of the Corporation, subject to any directions that may be given by the Board of Directors or the Chairman of the Board;
  - (b) assure that the Corporation conforms with the requirements of authorized regulatory authorities;
  - (c) oversee compliance with the laws and regulations of federal, state and local governmental authorities;
  - (d) carry out all policies and procedures established by the Board of Directors; and
  - (e) in general, perform all other duties incident to the position of chief management, administrative, and operating officer of a corporation and have such authority and responsibilities as may be prescribed by the Board of Directors.

The responsibilities of the Executive Director shall include acting as a representative of the Corporation to the public and to governmental and voluntary organizations and reporting to the Board of Directors on the performance of corporate functions. The Executive Director, in addition to the Chairman of the Board, shall have authority to execute deeds, mortgages, leases, contracts, or other instruments of the Corporation to the extent authorized by the Board of Directors, except where the signing and execution are expressly delegated by the Board of Directors to some other officer or agent of the Corporation. The Board of Directors may determine the compensation of the Executive Director and shall periodically evaluate the performance of the Executive Director.

**Article IX**  
**INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS**

- 9.1 Actions Other Than in the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, trustee, officer, manager, employee, or agent of another corporation, limited liability company, partnership, joint venture, or other enterprise against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit, or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that such person reasonably believed to be in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interest of the Corporation and with respect to any criminal action or proceeding had reasonable cause to believe that his or her conduct was unlawful.
- 9.2 Actions by or in the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, trustee, officer, manager, employee, or agent of another corporation, limited liability company, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in the view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court shall deem proper.
- 9.3 Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding, in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation.
- 9.4 Insurance. The Corporation may purchase (upon resolution duly adopted by the Board of Directors) and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, manager, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability.

- 9.5 Indemnification Required. To the extent that a director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in this article or in defense of any claim, issue, or other matter, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection with the matter.
- 9.6 Entitlement. Every such person shall be entitled, without demand upon the Corporation or any action by the Corporation, to enforce his or her right to such indemnity in an action at law against the Corporation. The right of indemnification and advancement of expenses provided in this Article shall not be deemed exclusive of any rights to which any such person may now or later be otherwise entitled. Without limiting the generality of the foregoing, the right to indemnity shall not be deemed exclusive of any rights pursuant to statute or otherwise, of any such person in any action, suit, or proceeding to have assessed or allowed in his or her favor against the Corporation or otherwise, costs and expenses incurred in connection with the matter.

## **Article X**

### **INTERESTED PARTIES**

- 10.1 Definitions.
- (a) Interested Person. Any director or officer who has a material direct or indirect financial interest, as defined in this Article, is an interested person.
- (b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (i) a material ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; or (ii) a material compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement. A person shall not be deemed to have a "financial interest" due to an employment arrangement with, or serving as a director or officer of, another nonprofit organization that is exempt from federal income taxation under the Code.
- 10.2 Disclosure. An Interested Person shall disclose to the directors the existence and nature of his or her financial interest in any proposed transaction or arrangement involving the Corporation.
- 10.3 Procedures for Addressing Conflicts of Interest. The Chairman of the Board or the Chair of a committee considering a transaction or arrangement involving an Interested Person shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. The members of the Board or committee shall determine whether, in their judgment, the transaction or arrangement is fair to the Corporation. They may also evaluate whether the Corporation may, without undue burden, delay or expense, obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. In evaluating whether a transaction or arrangement is more advantageous, the members of the Board or committee, as the case may be, may take into account all facts and circumstances that they reasonably believe to be appropriate in their judgment, including factors relating to price, cost, quality, compensation arrangements, financial arrangements, capability, capacity, convenience to the organization, historical relationships, production efficiencies, market efficiencies, community interests, organizational support,

reputation, availability, responsiveness, experience, location, commercial reasonableness, fair market value, market conditions, timing, scheduling, or other appropriate factors, depending on the nature of the transaction or arrangement. The Board, the committee, or the Corporation shall determine, by a majority vote of the disinterested directors, whether the transaction or arrangement is in the best interest of the Corporation, and they may pursue and approve the transaction or arrangement, as long as they reasonably believe in good faith that the transaction or arrangement is fair to the Corporation.

- 10.4 Violations. If the Board or committee has reasonable cause to believe that an Interested Person has failed to disclose a conflict of interest as required in this Article, the Board or committee shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Interested Person and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the Interested Person has in fact failed to disclose a conflict of interest as required in this Article, the Board or committee shall take appropriate disciplinary and corrective action.
- 10.5 Record of Proceedings. The minutes of the Board or committee shall contain: (a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with a conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the decision as to whether a conflict of interest in fact existed, and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, and a record of any votes taken.
- 10.6 Compensation. A director or committee member who receives compensation or remuneration, directly or indirectly, from the Corporation shall not vote on matters pertaining to his or her compensation.
- 10.7 Validation of Contracts. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other organization in which one or more of its directors or officers serve as directors, officers, or members or have a financial interest shall be void or voidable solely for this reason or solely because the director or officer is present at or participates in the meeting of the Board where the contract or transaction is authorized or approved or solely because his or her vote is counted for such purposes if:
- (a) The material facts as to the director's interest and as to the contract or transaction are disclosed or are known to the Board of Directors, and the Board in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested directors; or
  - (b) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved, or ratified by the Board of Directors.
- 10.8 Quorum. Interested directors may be counted in determining the presence of a quorum at a meeting at which the Board of Directors authorizes the contract or transaction.

**Article XI**  
**GENERAL PROVISIONS**

- 11.1 Notices. Unless otherwise provided by these Bylaws, notice may be given in writing and delivered personally, sent by United States mail postage paid, by FAX, or by electronic mail, and addressed to the individual to whom notice is being given at such address as appears on the records of the Corporation.
- 11.2 Waiver of Notice. A person entitled to receive notice under these Bylaws may waive the notice requirement by executing a written waiver.
- 11.3 Policy Against Discrimination. The Corporation shall not exclude from participation, deny benefits or services, or discriminate against any individual, on the basis of race, color, national origin, religion, sex, physical disability, or impairment in any program or activity it sponsors or conducts.
- 11.4 No Implied Rights. Nothing contained in these Bylaws is intended to confer any rights or benefits upon any individual or to confer any private right, remedy, or right of action upon any person. These Bylaws are intended for internal corporate use only and solely for the governance of the internal affairs of the Corporation.
- 11.5 Immunities. To the fullest extent permitted by law, directors shall not be liable in damages to the Corporation or any member for breach of fiduciary duty as a director.

**Article XII**  
**AMENDMENTS**

These Bylaws may be amended, repealed, restated, or new bylaws may be adopted in the manner provided in the Certificate of Incorporation or the Oklahoma General Corporation Act.

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Jay Updike, Secretary

Approved:

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Earnie Gilder, Chairman of the Board

10/21/13

Date