

**BYLAWS OF**  
**MEMBERS COOPERATIVE CREDIT UNION COMMUNITY YOUTH FOUNDATION**

A Minnesota Non-profit Corporation

**ARTICLE I. OFFICES**

**Section 1. Principal Office.** The principal office of the Members Cooperative Credit Union Community Youth Foundation (the "Foundation") shall be located at Cloquet, MN, or such other place within the State of Minnesota as determined by the Board of Directors of the Foundation (the "Board").

**Section 2. Other Offices.** The Board may establish branch or subordinate offices as it deems necessary and appropriate.

**ARTICLE II. MEMBERS**

**Section 1. Members.** The Foundation shall have one class of members and shall be operated on a non-profit basis.

**Section 2. Membership Term and Fee.** Any person shall be a member of the Foundation, if the person makes a \$5.00 one-time minimum contribution to the Foundation, or other minimum contribution amount as may be determined by the Board, and completes the member information form approved by the Board. Except as otherwise provided in these bylaws, membership shall be a lifetime membership, unless the membership is resigned or terminated pursuant to these bylaws.

**Section 3. Non-transferability of Memberships.** A Member may not transfer a membership in the Foundation or any right arising from it.

**Section 4. Resignation.** A Member may resign at any time. The resignation of a Member does not relieve the Member from any obligations the Member may have to the Foundation for membership fees, assessments, or fees or charges for goods or services.

**Section 5. Termination of Membership.** The termination of a Member does not relieve the Member from any obligations the Member may have to the Foundation for membership fees, assessments, or fees or charges for goods or services. Membership in the Foundation may be terminated as follows:

5.1 Membership in the Foundation may be terminated by the Board, following sixty (60) days' written notice, for nonpayment of the one-time minimum contributions to the Foundation.

5.2 In the event a Member fails to comply with the conditions of membership as established by the Board (other than the requirement to pay the one-time minimum contribution), the membership of such Member may be terminated by the Board, provided that the Member is given:

(a) not less than fifteen (15) days' prior written notice of the revocation or suspension, and the reasons for it; and

(b) an opportunity to be heard by the Board, orally or in writing, not less than five (5) days before the effective date of the revocation or suspension.

### **ARTICLE III. PURPOSE**

**Section 1. Charitable Purpose and Qualification.** The Foundation shall operate exclusively for charitable and educational purposes. The Foundation shall take all actions necessary to qualify for favorable treatment under Section 501(c)(3) of the Internal Revenue code.

The Foundation is organized under Minnesota law as a non-profit Corporation exclusively for educational, charitable, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, including for such purposes the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code.

The specific purposes of this foundation include providing financial literacy education primarily to youth, strengthening communities in which it operates with a particular emphasis on youth, and providing educational scholarships, as well as all other lawful purposes not inconsistent with an organization qualifying as an exempt organization under Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code.

**Section 2. Prohibited Activities.** The Foundation shall not devote any part of its activities or resources toward influencing legislation. The Foundation shall not participate in any political campaign for public office.

### **ARTICLE IV. MEETINGS OF THE FOUNDATION**

**Section 1. Annual Meetings.** The Board shall cause a meeting of the Members to be held on an annual basis for the purpose of electing directors and for the transaction of such other business as may come before the meeting. The Chairman and Treasurer shall also report at the annual meeting on the activities and financial condition of the Foundation. Such annual meeting shall be held on the date and at the time and at a place, within or without the State of Minnesota, fixed from time to time by the Board. If an annual meeting of Members has not been held during the immediately preceding fifteen (15) months, at least fifty (50) Members or five percent (5%) of the Members, whichever is less, may also demand an annual meeting of Members.

**Section 2. Special Meetings.** Special meetings of the Members may be called for any purpose or purposes at any time, by: the Chairman; A majority vote of the Board; or at least fifty (50) Members or five percent (5%) of the Members, whichever is less. Special meetings shall be held on the date and at the time and at a place, within or without the State of Minnesota, fixed by the Chairman or the Board, except that a special meeting called by or at the demand of the Members pursuant to Article IV, Section 3, of these Bylaws, shall be held in the county where the Foundation's registered office is located. The business transacted at a special meeting shall be limited to the purposes stated in the notice of the meeting.

**Section 3. Demand by Members.** The demand for an annual or a special meeting of Members shall be given in writing to the Chairman. Within thirty (30) days after receipt of the demand by the Chairman, the Board shall cause a meeting of Members to be called and held no later than ninety (90) days after receipt of the demand, all at the expense of the Foundation. If the Board fails to cause a meeting of the Members to be called and held as required by this Section, the Members making the demand may call the meeting by giving notice as required by Article IV, Section 4, of these Bylaws, all at the expense of the Foundation.

**Section 4. Notice.** Notice of all meetings of Members shall be given to every Member, except where the meeting is an adjourned meeting and the date, time and place of the meeting were announced at the time of adjournment. The notice shall be given at least ten (10) days before the date of the meeting, and not more than ninety (90) days before the date of the meeting. The notice shall contain the date, time and place of the meeting, and any other information required by these Bylaws or applicable law. In the case of a special meeting, the notice shall contain a statement of the purposes of the meeting. The notice may also contain any other information deemed necessary or desirable by the Board, or by any other person or persons calling the meeting. Notice may be sent by United States mail or other publication distributed to all members. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Notice may also be given by a form of electronic communication consented to by the Member to whom the notice is given. Consent by a Member to notice given by electronic communication may be given in writing or by authenticated electronic communication. The Foundation is entitled to rely on any consent so given until revoked by the Member, provided that no revocation affects the validity of any notice given before receipt by the Foundation of revocation of the consent. Electronic notice is deemed given:

4.1 If by facsimile communication, when directed to a telephone number at which the Member has consented to receive notice;

4.2 If by electronic mail, when directed to an electronic mail address at which the Member has consented to receive notice;

4.3 If by a posting on an electronic network on which the Member has consented to receive notice, together with separate notice to the Member of the specific posting, upon the later of:

(i) the posting; and

(ii) the giving of the separate notice; and

4.4 If by any other form of electronic communication by which the Member has consented to receive notice, when directed to the Member. A Member may waive notice of a meeting of Members. A waiver of notice by a Member shall be effective whether given before, at or after the meeting, and whether given in writing, orally or by attendance. Attendance by a Member at a meeting shall be a waiver of notice of that meeting, unless the Member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item may not lawfully be considered at that meeting and does not participate in the consideration of the item at that meeting.

**Section 5. Quorum.** The present of ten percent (10) of the Members or twenty-five (25) members, whichever is less, shall constitute a quorum for the transaction of business at any meeting of the Members. If a quorum is present when a duly called or held meeting is convened, the Members present may continue to transact business until adjournment, even though the withdrawal of a number of members originally present leaves less than the proportion or number otherwise required for a quorum.

**Section 6. Manner of Acting.** Except as otherwise required bylaw, the Members shall take action by the affirmative vote of a majority of the Members present. Proxy voting is not allowed.

**Section 7. Members' List for Meeting.** After fixing the date for a meeting of the Members, the Foundation shall prepare an alphabetical list of the names of its Members. The list of Members shall be available for inspection by Members beginning two (2) business days after notice of the meeting is given, and continuing through the meeting, at the Foundation's registered office or at a reasonable place identified in the notice of meeting in the city where the meeting will be held. The list shall also be available at the meeting. A Member may on written demand inspect and copy the list, at a reasonable time and at the Member's expense, during the period it is available for inspection and at any time during the meeting or an adjournment.

**Section 8. Voting Rights.** Each Member shall have one (1) vote on each matter voted on by the Members.

**Section .9. Action by Written Ballot.** Any action that may be taken at an annual or special meeting of the Members may be taken without a meeting by written ballot. A ballot may be sent to a Member electronically if the Foundation complies with the requirements for electronic notices as set forth in Article IV, Section 4, of these bylaws. Each written ballot shall:

9.1 set forth each proposed action and indicate the proposed action has been approved by the Board;

9.2 indicate the number of responses needed to meet the quorum requirements;

9.3 state the percentage of ballots which would need to be cast in favor of a matter in order to approve each matter; and

9.4 specify the time by which a ballot must be received by the Foundation in order to be counted.

Approval by written ballot is valid only when the ballot provides an opportunity to vote for or against each proposed action and the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting of the Members, and the number of ballots cast in favor of the action equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. A written ballot may not be revoked.

### **Section 10. Remote Communications for Meetings.**

10.1 To the extent determined by the Board, an annual or special meeting of Members may be held solely by one or more means of remote communication, if notice of the meeting is given to every Member, and if the number of Members participating in the meeting is sufficient to constitute a quorum at a meeting. Participation by a Member by that means constitutes presence at the meeting in person if all the other requirements of these Bylaws and applicable law are met.

10.2 To the extent determined by the Board, a Member not physically present in person at an annual or special meeting of Members may, by means of remote communication, participate in a meeting of Members held at a designated place. Participation by a Member by that means constitutes presence at the meeting in person if all the other requirements of these Bylaws and applicable law are met.

10.3 In any meeting of Members held solely by means of remote communication under subsection 10.1 of this Section, or in any meeting of Members held at a designated place in which one or more Members participate by means of remote communication under subsection 10.2 of this Section, the Foundation shall implement reasonable measures to:

(a) verify that each person deemed present and entitled to vote at the meeting by means of remote communication is a Member; and

(b) provide each Member participating by means of remote communication with a reasonable opportunity to participate in the meeting, including an opportunity to:

(i) read or hear the proceedings of the meeting substantially concurrently with those proceedings;

(ii) if allowed by the procedures governing the meeting, have the Member's remarks heard or read by other participants in the meeting substantially concurrently with the making of those remarks; and

(iii) if otherwise entitled, vote on matters submitted to the Members.

## **ARTICLE V. BOARD OF DIRECTORS**

**Section 1. Powers.** Subject to the limitations of the Articles of Incorporation or applicable Minnesota law, the activities and affairs of the Foundation shall be conducted and all

corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Foundation to any person or persons (such as a Manager or Executive Director), a management company, or committees, provided that the activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers allowed by applicable law:

(a) To select and remove the officers, agents and employees of the Foundation; prescribe powers and duties for them as may not be inconsistent with law, the Articles of Incorporation, or these Bylaws; supervise the officers, agents and employees, fix their compensation, and require from them security for faithful service. Such compensation may be increased or decreased at the pleasure of the Board.

(b) To make such rules and regulations for the conduct of the affairs and activities of the Foundation as the Board may deem advisable and are not inconsistent with law, the Articles of Incorporation, or these Bylaws.

(c) To borrow money and incur indebtedness for the purpose of the Foundation, and to cause to be executed and delivered promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, or other evidences of debt and securities in the Foundation's name.

**Section 2. Number of Directors.** The initial number of directors shall be Eleven (11). The Board shall consist of the President/CEO of Members Cooperative Credit Union, one (1) Director of Members Cooperative Credit Union appointed by the Members Cooperative Credit Union Board of Directors, one (1) Vice President of Members Cooperative Credit as appointed by the President/CEO of Members Cooperative Credit Union, and Eight (8) at-large members elected by the members at annual meeting, or as otherwise elected or appointed in accordance with these bylaws. At least three (3) of the at-large Directors must filled by Youth At-large Directors. A Youth At-large Director, must not be over 21 years old, but not under 16 years old, as of the date they are appointed or elected to the position. No reduction of the authorized number of directors shall have the effect of shortening the term of any incumbent director. The initial eight (8) at large directors will be selected by the Incorporator(s).

**Section 3. Nomination and Election of At-large Directors.** At a meeting of the Board, at least sixty (60) days preceding the annual meeting, the Chairperson of the Board shall appoint a Nominating Committee to nominate at least one member for each vacancy for which elections are being held and report its nominations at the next monthly meeting of the Board. After the nominations of the committee have been placed before the members at the annual meeting, the chairperson shall call for nominations from the floor. If only one person is nominated for an open director position, and no nominations from the floor are made, the sole nominated person shall be declared the winner and become a Director. If the election is to be

held exclusively by mail ballot there shall be no nominations from the floor. Nominations for elections by mail may only be made by the nominating committee or by petition to the nominating committee signed by the least 25 members or 10% of the total membership, whichever is greater. The petition must be filed with the chairperson 30 days prior to the annual meeting. When nominations are closed, tellers shall be appointed by the Chairperson, ballots shall be distributed, the vote shall be taken and tallied by the tellers and results announced. Any person elected as an at-large Director shall have given prior consent to the person's election as a director.

**Section 4. Term of Office.** Each at-large-director shall hold office for a term of three (3) years and until a successor has been selected and qualified. Terms of at-large directors shall be staggered so that the term of one-third (or approximately one-third if the number of Directors is not easily divisible by three) of the directors expires each year. Directors may succeed themselves in office. At-large directors shall not serve more than three terms, regardless of the length of each term, including any term in which they were appointed or elected that is less than three years in duration. The terms of the initial at-large directors shall be as follows: three (3) directors for a three-year term; three (3) director for a two-year term; and two (2) director for a one-year term. Of those at-large director terms, at least one of the two-year terms must be filled by a Youth At-Large Director. The President/CEO of Members Cooperative Credit Union, the Director of Members Cooperative Credit Union appointed by the Board of Members Cooperative Credit Union, and the Vice President of Members Cooperative Credit Union appointed by the President/CEO of Members Cooperative Credit Union, shall serve until such time as they no longer hold those positions with Members Cooperative Credit Union and will be replaced by their successor, or in the case of the Vice President of Members Cooperative Credit Union he/she will be replaced by a person appointed by the President/CEO of Members Cooperative Credit Union.

**Section 5. Resignation.** Any at-large director may resign effective upon giving written notice to the Chairperson or Vice-Chairperson of the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective. If a Youth At-large Director resigns, a person meeting the criteria to be a Youth At-large Director, must be named to replace the resigning Youth At-large Director.

**Section 6. Removal.** Any director may be removed with cause by a majority of the Board.

**Section 7. Vacancies.** Vacancies in the Board shall be filled by the affirmative vote of a majority of the remaining directors, although less than a quorum, or by a sole remaining director. Each director so appointed shall hold office until the expiration of the term of his or her predecessor and until his or her successor has been elected and qualified. If the vacancy is that of a Youth At-large Director, a person meeting the criteria to be a Youth At-large Director, must be named to replace the vacant Youth At-large Director.

**Section 8. Interested Directors.** No more than five (5) of the persons serving on the Board at any time may be interested persons. An "interested person" is (1) any Director or employee of the Members Cooperative Credit Union or subsidiaries of Members Cooperative Credit Union, (2) any person being compensated by the Foundation for services rendered to the Foundation within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (3) any brother, sister, ancestor, descendant, spouse, brother-in-law, or sister-in-law of any such person. Notwithstanding the foregoing, any violation of the provisions of this Section shall not affect the validity or enforceability of any transaction entered into by the Foundation.

**Section 9. Place of Meeting.** Regular or special meetings of the Board shall be held at any place within or without the State of Minnesota that has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the offices of Members Cooperative Credit Union.

**Section 10. Regular Meetings.** Regular meetings of the Board shall be held no less than four (4) times during the year, inclusive of the annual meeting, either within or without the State of Minnesota, at such times as may be prescribed by the Board.

**Section 11. Special Meetings.** Special meetings of the Board may be called by or at the request of the Chairperson, or any two (2) directors, provided that any such request shall specify the purpose or purposes for the meeting. The Chairperson shall set the date for the special meeting within three (3) working days of making or receiving such a request.

**Section 12. Notice.** Notice of any meeting of the Board shall be given at least five (5) days prior to the date of the meeting by written notice mailed to each director at his or her business address, or by notice delivered personally or by facsimile. Notice may also be given by a form of electronic communication consented to by the Director to whom the notice is given. Consent by a Director to notice given by electronic communication may be given in writing or by authenticated electronic communication. The corporation is entitled to rely on any consent so given until revoked by the Director, provided that no revocation affects the validity of any notice given before receipt by the corporation of revocation of the consent. Electronic notice is deemed given:

12.1 If by facsimile communication, when directed to a telephone number at which the Director has consented to receive notice;

12.2 If by electronic mail, when directed to an electronic mail address at which the Director has consented to receive notice;

12.3 If by a posting on an electronic network on which the Director has consented to receive notice, together with separate notice to the Director of the specific posting, upon the later of:

(i) the posting; and

(ii) the giving of the separate notice; and

12.4 If by any other form of electronic communication by which the Director has consented to receive notice, when directed to the Director.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. The notice need not state the purpose of the meeting. A director may waive notice of a meeting of the Board of Directors. A waiver of notice by a director shall be effective whether given before, at or after the meeting, and whether given in writing, orally or by attendance. Attendance by a director at a meeting shall be a waiver of notice of that meeting, except where the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting.

**Section 13. Quorum.** A majority of the directors currently holding office shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the directors present may adjourn a meeting from time to time until a quorum is present. If a quorum is present when a duly called meeting is convened, the directors present may continue to transact business until adjournment, even though the withdrawal of a number of directors originally present leaves less than the number otherwise required for a quorum.

**Section 14. Manner of Acting.** Except as otherwise required by law, the Board shall take action by the affirmative vote of a majority of directors present at a duly held meeting. Voting by proxy is not permitted.

**Section 15. Presumption of Assent.** A director who is present at a meeting of the Board when an action is approved by the affirmative vote of a majority of the directors present is presumed to have assented to the action approved, unless the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting, votes against the action at the meeting, or is prohibited from voting on the action due to a stated conflict of interest.

**Section 16. Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken by written action signed by all of the directors, and in the case of an action which need not be approved by the Members, such action may be taken by written action signed by the number of directors that would be required to take the same action at a meeting of the Directors at which all directors were present. The written action shall be effective when signed by the required number of directors, unless a different effective time is provided in the written action. When written action is permitted to be taken by less than all directors, all directors shall be notified immediately of its text and effective date. Failure to provide the notice shall not invalidate the written action. A director who does not sign or consent to the written action shall have no liability for the action or actions taken thereby.

**Section 17. Action by Electronic Communication.**

17.1 Any meeting among directors may be conducted solely by one or more means of remote communication through which all of the directors may participate in the meeting, if the same notice is given of the meeting required by Article IV, Section 10, of these Bylaws, and if the number of directors participating in the meeting is sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence at the meeting.

17.2 A director may participate in a board meeting by means of conference telephone or, if authorized by the Board, by such other means of remote communication, in each case through which that director, other directors so participating, and all directors physically present at the meeting may participate with each other during the meeting. Participation in a meeting by that means constitutes presence at the meeting.

**Section 18. Age Limitation.** The Board may establish by resolution a minimum age, not greater than sixteen (16) years of age, for qualification to hold elected or appointed positions

**Section 19. Rights of Inspection.** Every director shall have the absolute right at any reasonable time to inspect and copy any and all books, records, and documents of every kind of the Foundation, and to inspect the physical properties of the Foundation.

**Section 20. Committees.** The Board may designate and appoint one (1) or more committees, each consisting of one (1) or more directors and such volunteers as selected by the Board.

**Section 21 Compensation.** Directors and members of committees shall serve without compensation, except for reimbursement for expenses as may be fixed or determined by the Board.

## ARTICLE VI. OFFICERS

**Section 1. Officers.** The officers of the Foundation shall be a Chairperson, a Vice Chairperson and a Secretary/Treasurer, each of whom shall be chosen by and from the members of the Board at the first regular meeting of the Board after each annual meeting of the members, or in the case of the first meeting of the Foundation Board at that first meeting. The same person may hold any number of offices required or permitted by this Article, except that the Secretary/Treasurer may not serve concurrently as the Chairperson. Officers shall be chosen for a one (1) year term and may serve no more than three (3) consecutive terms in the same office, including any appointed terms less than one (1) year in duration.

**Section 2. Permitted Officers.** Notwithstanding Article VI, Section 1, of these Bylaws, the Board may name such officers as the business of the Foundation may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may determine.

**Section 3. Removal of Officers.** Any officer may be removed at any time with cause and with or without notice by the vote of two-thirds (2/3) of the Board.

**Section 4. Resignation.** Any officer may resign at any time giving written notice to the Foundation. The resignation shall be effective without acceptance when notice is given to the Foundation, unless a later effective date is given in the notice.

**Section 5. Vacancies.** Any vacancy in an office because of death, resignation, removal, disqualification, or other cause, must be filled for the unexpired part of the term at that next regular meeting of the of the Board or within one hundred twenty (120) days, whichever is later.

**Section 6. Chairman.** Subject to the control of the Board, the Chairman shall be the chief executive officer of the Foundation and shall have general supervision, direction and control over the affairs and property of the Foundation and over its several officers, and shall have such other powers and perform such other duties as may be delegated by the Board from time to time. If the Foundation has no Chairman, then the Vice Chairman shall preside at all meetings of the Board.

**Section 7. Vice Chairman.** The Vice Chairman shall perform all of the duties of the Chairman at his or her request or in his or her absence or disability. When so acting, the Vice Chairman shall have all the powers of and be subject to all of the restrictions upon the Chairman. The Vice Chairman shall have such other powers and perform such other duties as may be delegated by the Board.

**Section 8. Secretary/Treasurer.** The Secretary/Treasurer shall be the custodian of the seal of the Foundation and of the books, records, and files of the Foundation. The Secretary/Treasurer shall affix the seal of the Foundation to all papers and instruments required to be sealed. The Secretary/Treasurer shall keep or cause to be kept, at the principal office or such other place as the Board may order, a minute book of all meetings of the Board and its committees. The Secretary/Treasurer shall also keep, or cause to be kept, at the principal office in the State of Minnesota the original or a copy of the Articles of Incorporation and Bylaws of the Foundation, as amended. The Secretary/Treasurer shall give, or cause to be given, notice of all meetings of the Board and any committee required by these Bylaws or by law to be given, and shall have such other powers and perform such other duties as may be delegated by the Board. Any Assistant Secretary/Treasurer appointed by the Board to hold office at the pleasure of the Board, may have the same powers as the Secretary/Treasurer.

The Secretary/Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Foundation, including, without limitation, accounts of its assets, liabilities, receipts and disbursements, and shall send or cause to be sent to the directors of the Foundation such financial statements and reports as are by law or these Bylaws required to be sent to them. The Secretary/Treasurer shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the Foundation and

such depositaries as may be designated by the Board. The Secretary/Treasurer shall disburse the funds of the Foundation as may be ordered by the Board, shall render to the Chairman or the directors, whenever requested, an account of all transactions and of the financial condition of the Foundation, and shall have such other powers and perform such other duties as may be delegated by the Board.

## **ARTICLE VII. INDEMNIFICATION**

The Foundation shall have the power to indemnify directors, officers, employees and agents to the extent permitted by Law and Chapter 42 of the United States Internal Revenue Code of 1986 (if applicable), as amended or superseded. The Foundation may obtain insurance coverage for Directors and Officers of the Foundation.

## **ARTICLE VIII. REPORTS**

The Foundation shall furnish to all of the directors for each regularly scheduled meeting a report containing the following information in reasonable detail:

1. The assets and liabilities, including the trust funds, of the Foundation as of the end of the preceding fiscal year.
2. The principal changes in assets and liabilities, including trust funds, during the preceding fiscal year.
3. The revenue or receipts of the Foundation, both unrestricted and restricted to particular purposes, for the preceding fiscal year.
4. The expenses or disbursements of the Foundation, for both general and restricted purposes, during the preceding fiscal year.
5. Any information which the Foundation is required to report periodically to State or federal officials, with respect to the preceding fiscal year.

The report required by this Article shall be accompanied by any report of independent accountants, or if there is no such report, by the certificate of an authorized officer of the Foundation that such reports were prepared without audit from the books and records of the Foundation.

## **ARTICLE IX. STANDARD OF CARE AND CONFLICTS OF INTEREST**

Section 1. Standard of Care. It is the responsibility of the director and officer of the Foundation to discharge his or her duties in good faith, in a manner the person reasonably

believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

Section 2. Conflicts of Interest. The following conflicts of interest provisions shall apply to the Foundation.

2.1. Contracts With Interested Persons. A proposed contract or transaction between the Foundation and any Interested Person, or between the Foundation and any Organization in which an Interested Person serves as a member of the governing board, or as an officer or legal representative or has a Material Financial Interest, may not be entered into until and unless:

(a) the material facts as to the contract or transaction and as to the interest of an Interested Person are fully disclosed or known to the Board or a committee, as the case may be; and

(b) a majority of the Board or such committee in good faith authorizes and approves the contract or transaction, but the Interested Person shall not be counted in determining the presence of a quorum and shall not vote.

2.2. Definitions. For purposes of this Article XI, the following terms shall have the meanings indicated:

(a) "Interested Persons" means and includes members of the Board and officers.

(b) "Organization" means a nonprofit or business corporation, partnership, joint venture, association, trust, estate, enterprise, or other legal or commercial entity, including a governmental unit.

(c) An Interested Person has a "Material Financial Interest" in an Organization in which the Interested Person, or the spouse, parents, children and spouses of children, brothers and sisters or spouses of brothers and sisters, of the Interested Person have a material financial interest.

**Section 3. Ratification.** If a Director discovers that he or she (or another Interested Person) has entered into a contract or transaction with this Foundation without the authorization and approval of the Board (or a committee designated by the Board), the Director shall immediately disclose the material facts regarding the contract or transaction to the Board (or a committee designated by the Board). Thereupon the Board (or committee) shall review the contract or transaction to determine whether the contract or transaction should be ratified, but only to the extent permitted by law.

## ARTICLE X. OTHER PROVISIONS

**Section 1. Inspection of Articles and Bylaws.** The Foundation shall keep in its principal office in the State of Minnesota the original copy of its Articles of Incorporation and of these Bylaws, as amended to date, which shall be open to inspection by the directors and such other persons as required by law, at all reasonable times during office hours.

**Section 2. Sources of Support.** The Foundation may accept contributions from any source approved by the Board.

**Section 3. Accounting Year.** The accounting year for the Foundation shall be the calendar year.

**Section 4. Endorsement of Documents; Contracts.** Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Foundation and any other person, when signed by the Chairperson, Vice-Chairperson and the Secretary/Treasurer of the Foundation, shall be valid and binding on the Foundation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, but, unless so authorized by the Board, no such person or persons shall have any power or authority to bind the Foundation by any contract or engagement to pledge its credit or to render it liable for any purpose or amount.

**Section 5. Representation of Shares of Other Corporations.** The Chairman or any other officer or officers authorized by the Board are each authorized to vote, represent, and exercise on behalf of the Foundation all rights incident to any and all shares of any other Foundation or Corporation. The authority herein granted may be exercised either by any such officer in person or by any person authorized so to do by proxy or power of attorney duly executed by said officer.

**Section 6. Construction and Definitions.** Unless the context otherwise requires, the general provisions, rules of construction, and definitions the Minnesota Nonprofit Corporation Law shall govern the construction of these Bylaws.

**Section 7. Amendments.** These Bylaws may be amended or repealed by a vote of the majority of the Board present at any regular or special meeting of the Board called for the purpose of amending the Bylaws.

**Section 8. Dissolution.** The Foundation shall use its funds only to accomplish the objectives and purposes specified in these Bylaws and no part of said funds shall inure, or be distributed, to the members of the Foundation. On dissolution of the Foundation, any funds remaining shall be distributed to one or more regularly organized and qualified 501(c) charitable, education, scientific or philanthropic organizations to be selected by the Board.

**Section 9. Rules of Order.** The rules contained in the current edition of ROBERT'S RULES OF ORDER shall govern the conduct of meetings of the Foundation in all cases to which they are applicable and in which they are not consistent with the Restated Bylaws and any special rules the corporation may adopt.

## **ARTICLE XI. CORPORATE SEAL**

The corporate seal shall be circular in form, and shall have inscribed thereon the name of the Foundation, the date of incorporation and the words "Members Cooperative Credit Union Community Youth Foundation."

THIS IS TO CERTIFY: That these Bylaws were duly adopted as the Bylaws of the Members Cooperative Credit Union Community Youth Foundation by the Board of Directors of the Foundation on the 6th day of October 2009.

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Board of Directors