

**AUDIT COMMITTEE
OCTOBER 15, 2009**

TAB	DESCRIPTION	ACTION
1	EXTENSION OF CONTRACT WITH MOSS ADAMS	Motion to approve
2	LEWIS-CLARK STATE COLLEGE REVISION TO FOUNDATION OPERATING AGREEMENT	Motion to approve

THIS PAGE INTENTIONALLY LEFT BLANK

AUDIT
OCTOBER 15, 2009

SUBJECT

Extension of External Audit Contract

REFERENCE

December 2004 Board ratified the Audit Committee's selection of Moss Adams for the contractor for auditing services

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education, Policies and Procedures, Section V.H.

BACKGROUND/DISCUSSION

According to the contract RFP, Section J Contract Term, the Board has the option to approve the extension of the contract term for an additional three (3) years and this option may be exercised twice for a total of six (6) extension years. In December 2004, the Board ratified the Audit Committee's selection of Moss Adams for the contractor for auditing services beginning with audit year 2005. The contract term terminates December 31, 2010.

Over the past year, the Audit Committee has reviewed the work of the external auditor with institution management and determined to exercise the first option to extend the contract for three years.

The Audit Committee and the external auditor, Moss Adams, have agreed to a three-year contract extension and to specific fee adjustments for audit years 2009 through 2012. The Committee approved the 4th Amendment for auditing services and is submitting the contract extension to the Board for ratification.

IMPACT

The contract extension will cover audit years 2010, 2011 and 2012. Negotiated audit fees include the following:

2009	-5%
2010	0%
2011	3%
2012	3%

ATTACHMENTS

Attachment 1 – 4th Amendment for Audit Services

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends ratification of the Audit Committee's extension to the contract with Moss Adams for three years and to approve the 4th amendment for audit services as submitted.

AUDIT
OCTOBER 15, 2009

BOARD ACTION

A motion to ratify and approve the contract extension with Moss Adams for three (3) years and to approve the 4th amendment for audit services as submitted.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**FOURTH AMENDMENT TO
AGREEMENT FOR AUDIT SERVICES**

THIS FOURTH AMENDMENT TO AGREEMENT FOR AUDIT SERVICES ("Fourth Amendment") is made and entered as of the _____, by and between **THE STATE OF IDAHO**, by and through the Department of Administration on behalf of the State Board of Education generally and in its capacity as the Regents of the University of Idaho, the Trustees of the Lewis-Clark State College, the Trustees of Boise State University, the Trustees of Idaho State University and the State Board for Professional -Technical Education, and **MOSS ADAMS LLP**, a Washington limited liability partnership.

RECITALS

- A. The Department of Administration, Division of Purchasing issued a Request for Proposal for Auditing Services Contract on July 21, 2004 as Request for Proposal number 01522 (the "RFP");
- B. Moss Adams LLP (the "Contractor") submitted the successful proposal in response to the RFP;
- C. The parties entered into an Agreement for Audit Services, which was issued under cover of Contract Purchase Order CPO01850 dated as of March 25, 2005 (collectively, the Contract Purchase Order and the Agreement for Audit Services are hereinafter called the "Agreement");
- D. The parties amended the Agreement on October 21, 2005, which was issued under cover of Contract Purchase Order CPO01850-01, again on August 4, 2006, which was issued under cover of Contract Purchase Order CP01850-02, and again on May 26, 2008, which was issued under cover of Contract Purchase Order CP01850-03;
- E. The parties desire to further amend the Agreement under the Conditions more particularly set forth in this Fourth Amendment.

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference and the mutual covenants contained herein, the parties agree as follows:

1. *Definitions.* Except as modified herein or where the context clearly requires otherwise, the definitions set forth in the Agreement, as amended, shall apply to the terms used in this Fourth Amendment.
2. *Term.* Pursuant to section III.J. of the RFP, the parties agree to renew and to extend the term of the Agreement for one (1) additional three (3) year period, ending with the audit of the fiscal period ending June 30, 2012.
3. *Inflation Fee Adjustment.* In the Third Amendment the parties agreed to modify Exhibit B, section B.i., to provide that the Contractor may request an inflationary fee increase not to exceed Fifty Percent (50%) of the published December to December Consumer Price Index, as published by the U.S. Department of Labor, Bureau of Labor Statistics ("Bureau"). The parties have agreed to a negotiated inflation fee increase for fiscal year 2009 and for each fiscal year during the extension period, as follows:

FY09	-5.00%
FY10	0.00%
FY11	3.00%
FY12	3.00%

4. *Agreement Remains in Effect.* Except as modified herein, the terms of the Agreement, as previously amended, remain enforceable and effective. The Agreement as modified by this Fourth Amendment supercedes all prior negotiations, understandings, and agreements between the parties, whether oral or written, and all such negotiations, understandings, and agreements are evidenced by the terms of the Agreement, as amended. The Agreement may not be further amended in any manner except by a writing signed by the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the first day set forth above.

Reviewed and Approved

State of Idaho, State Board of Education

By: _____

Its _____

Moss Adams LLP

State of Idaho, Department of Administration

By: _____

Division of Purchasing

Its _____

By: _____

Mark Little, CPPO, State Purchasing

AUDIT
OCTOBER 15, 2009

LEWIS-CLARK STATE COLLEGE

SUBJECT

Board approval of Lewis-Clark State College operating agreement with LCSC Foundation

REFERENCE

June 2008	Audit Committee meeting update to Board of Education
October 2008	Board approval of BSU, ISU, and UI Foundation Operating Agreements

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.E.

BACKGROUND/DISCUSSION

Lewis-Clark State College (LCSC) worked with the LCSC Foundation to draft a new operating agreement prior to the July 2008 implementation date of the Board's current policy and submitted an implementation plan to the Board staff in May 2008. The Audit Committee subsequently directed LCSC to defer submission of its revised operating agreement until the Committee had vetted the operating agreements for BSU, ISU, and UI. In the intervening period, LCSC has remained in contact with counterparts at the universities to identify terms and provisions in the agreements approved by the Board which might further improve the LCSC operating agreement. A revised draft of the LCSC operating agreement has been prepared and is now being presented to the Board for approval.

Notwithstanding its significant growth over the past eight years, the LCSC Foundation, with total assets of approximately \$5M, operates on a scale below that of the three universities, and its primary focus is on raising funds for scholarships. Because of the Foundation's limited resources, it depends upon LCSC for administrative "life support." Therefore, the intent of the Board's current policy is attained by procedural safeguards which preserve the independence of both the Foundation and the college in decision making. The Foundation receives administrative support provided by dual-hatted staff officers from the college. A careful separation of powers and responsibilities has been established in the operating agreement to ensure that no officer of either entity can commit the other to a course of action without the knowledge and full consent of the other entity. LCSC staff officers and administration officials working with or on the Foundation do not have voting rights, nor can they commit the Foundation. A "dual-key" approach is used to ensure full transparency and multilateral review of all significant proposals affecting the Foundation and college. The operating agreement also makes it clear that the Foundation is subject to the policy and oversight authority of the State Board, and that it operates solely to support the mission of the LCSC.

AUDIT
OCTOBER 15, 2009

IMPACT

According to Board Policy V.E.2.a.(2), the Foundation “shall be brought into substantial conformance with these policies, and, upon so doing; the institution shall provide prompt notice to the Board in order that the Board may recognize the affiliated foundation. Upon recognition by the Board, the organization of the nonprofit corporation is ratified, validated, and confirmed, and it shall be deemed to have been organized as if its organization had taken place under authority of this policy. Likewise, any new foundations established subsequent to implementation of this policy must be brought to the Board for formal recognition before such foundation begins operations.”

ATTACHMENTS

Attachment 1 – LCSC Foundation Operating Agreement	Page 3
Attachment 2 – LCSC Foundation Bylaws	Page 24
Attachment 3 – LCSC Foundation Articles of Incorporation	Page 37

STAFF COMMENTS AND RECOMMENDATIONS

The Audit Committee will be reviewing the Operating Agreement at its September 30, 2009 meeting and will forward its recommendations for ratification to the Board.

BOARD ACTION

A motion to approve the Operating Agreement between the LCSC Foundation and Lewis-Clark State College, and to recognize the LCSC Foundation as an affiliated foundation to benefit Lewis-Clark State College.

Motion by _____ Seconded by _____ Carried Yes ____ No ____

FOUNDATION OPERATING AGREEMENT

THIS OPERATING AGREEMENT, made and entered into this _____ day of _____ 2009, by and between LEWIS-CLARK STATE COLLEGE, hereinafter referred to as "College", and LEWIS-CLARK STATE COLLEGE FOUNDATION, INC., hereinafter referred to as "Foundation",

WHEREAS, the Foundation is a non-profit corporation incorporated on April 4, 1984 pursuant to the Idaho Nonprofit Corporation Act for the purpose of supporting Lewis-Clark State College, its students, staff, faculty and programs;

WHEREAS, the Foundation has been recognized as a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code;

WHEREAS, the parties hereby acknowledge that they will at all times conform to, and abide by, the Idaho State Board of Education's ("State Board") Governing Policy and Procedures, Gifts and Affiliated Foundations policy, Section V.E.; and

WHEREAS, the parties enter into this Agreement to establish the operating agreement between the parties, all as is required under Section V.E.2.c, of the State Board's Policies and Procedures.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties agree as follows:

ARTICLE I Foundation's Purposes

The Foundation is the primary affiliated foundation responsible for securing, managing and distributing private support for the College. Accordingly, to the extent consistent with the Foundation's Articles of Incorporation and Bylaws, and the State Board's Policies and Procedures, the Foundation shall:

1. solicit, receive and accept gifts, devises, bequests and other direct or indirect contributions of money and other property made for the benefit of the College from the general public (including individuals, corporations, other entities and other sources);
2. manage and invest the money and property it receives for the benefit of the College; and
3. support and assist the College in fundraising and donor relations. In carrying out its purposes the Foundation shall not engage in activities that conflict with:
 - a. federal or state laws, rules and regulations (including, but not limited to all applicable provisions of the Internal Revenue Code and corresponding Federal Treasury Regulations);

- b. applicable policies of the State Board; or
- c. the role and mission of the College.

ARTICLE II

Foundation's Organizational Documents

The Foundation shall provide copies of its current Articles of Incorporation and Bylaws to the College. All amendments of such documents shall also be provided to the College and State Board. Furthermore, the Foundation shall, to the extent practicable, provide the College with an advance copy of any proposed amendments to the Foundation's Articles of Incorporation and Bylaws.

Article III

Institutional Resources and Services

- 1. Staff.** The Director of College Advancement, an employee of the College, shall serve as Executive Director of the Foundation and shall supervise the College Advancement Staff who are likewise employees of the College and who will provide administrative services to the Foundation. The College is responsible for the employment and compensation of College Advancement Staff providing services to the Foundation, including the Director of College Advancement in his or her capacity as Executive Director of the Foundation. The Budget Director of the College shall serve as Treasurer of the Foundation and shall provide and/or supervise the provision of financial and accounting services for the Foundation. While providing services to the Foundation, College employees are subject to the oversight and direction of the Board of Directors of the Foundation.
- 2. Other Services.** The College shall provide the following additional services to the Foundation:
 - a. Access to the College's financial system to receive, disburse and account for funds of the Foundation. Except for funds transferred into Foundation's brokerage accounts, all funds received by the Foundation shall be deposited with the College and credited to one or more agency accounts established in the name of the Foundation within the College's financial system. In using the College's financial services, the Foundation shall comply with the College's financial and administrative policies and procedures.
 - b. Accounting services, to include cash receipts and disbursements, accounts receivable and payable, bank reconciliation, reporting and analysis, and internal auditing.
 - c. Investment, insurance, and similar services.
 - d. Development services, including research, information systems, donor records, communications and special events.

- 3. Facilities, Furnishings and Office Equipment.** The business office of the Foundation shall be located in the College Advancement Office at 500 8th Avenue, Lewiston, Idaho. The College will provide office space to the Foundation including providing all maintenance and utilities, and local and long-distance telephone service for use in the business of the Foundation. The furnishings, computers, copiers and other items of office equipment used in the Foundation's office are owned by the College but shall be made available for use in the business of the Foundation. The cost of repairing, maintaining and replacing such furnishings and equipment shall be paid by the College.
- 4. Reimbursement.** Except as otherwise provided in this Agreement, the Foundation shall have no obligation to reimburse the College for costs incurred by the College for personnel, use of facilities or equipment or for other services provided to the Foundation by the College. No payments shall be made directly from the Foundation to College employees in connection with resources or services provided to the Foundation under this Agreement.

Article IV Management and Operation of Foundation

1. Gift Solicitation.

- a. Form of Solicitation.** Any and all Foundation gift solicitations shall make clear to prospective donors that (1) the Foundation is a separate legal and tax entity organized for the purpose of encouraging voluntary, private gifts, trusts, and bequests for the benefit of the College; and (2) responsibility for the governance of the Foundation, including the investment of gifts and endowments, resides with the Foundation's Board of Directors.
- b. The Foundation is Primary Donee.** Absent unique circumstances, donors shall be requested to make gifts directly to the Foundation rather than to the College.
- c. Real Property.** No gifts, grants or transfers of real or personal property will be accepted by the Foundation which do not comply with state law, State Board and College policy.
- d.** The Foundation shall not accept gifts or grants containing a condition committing the College financially or contractually without prior written approval of the College President or VP for Finance and Administration.

2. Receiving, Depositing, Disbursing and Accounting for Funds.

- a. General.** College Advancement staff on behalf of the Foundation shall receive, accept and administer gifts in accordance with the Foundation's Gift Acceptance Policy and Policy for Accounting of Gift Revenue, copies of which are attached hereto as Exhibits A and B. The College's financial systems and administrative policies and procedures will be utilized in receiving, depositing, disbursing and accounting for funds of the Foundation.

- b. Funds Transferred to College.** Gifts designated by the donor to a specific College department or program will be transferred from the Foundation to the College as approved by the Foundation Board of Directors. The College official responsible for that department or program will be notified of the transfer and the purpose of the gift by the College Advancement Staff. The College official into whose department or program Foundation funds have been transferred shall be responsible to account for those funds in accordance with College policies and procedures, to use those funds for their designated purposes, and shall notify the Foundation of the use of those funds on a timely basis. Once funds have been transferred to the College, the transferred funds shall be the property of the College.
- 3. Signature Authority.** Regarding Foundation expenditures and financial transactions, no College employee in a key administrative or policy making position (including, but not limited to, a College Vice-President) shall have the authority to sign on behalf of the Foundation.
- 4. Investment Policies.** Gifts will be invested in accordance with the guidelines set out in the "Investment Policy Statement," a copy of which is attached hereto as Exhibit C.
- 5. Insurance.** To the extent that the Foundation is not covered by the State of Idaho Risk Management insurance, the Foundation shall maintain insurance to cover the operations and activities of its Board of Directors and Officers, attached as Exhibit D.
- 6. Separation of Foundation and College Funds.** Foundation and College funds will not be co-mingled. Foundation funds will be deposited in the College's financial system and credited to the appropriate agency account in the Foundation name. It shall be the responsibility of the Foundation Treasurer to reconcile the Foundation's agency accounts on a monthly basis. The Foundation Treasurer shall make a monthly written financial report to the Foundation Board in accordance with generally accepted accounting principles.
- 7. Description of Organizational Structure of Foundation.**
- a. Foundation Board of Directors.** The Foundation is a non-profit corporation organized under the laws of the State of Idaho. It is governed by a board of not more than thirty one (31) directors. One of these directors is the President of the LCSC Alumni Association Board of Directors who serves on the Foundation Board during the term of his/her Alumni Association office. The directors are elected by the Foundation Board members. Foundation Directors serve staggered terms of up to three (3) years. The President, the Provost and Vice President for Academic Affairs, the Vice President for Finance and Administration, the Budget Director of the College and the Faculty Senate Chair-Elect are Designated Members of the Foundation who are entitled to attend meetings of the Foundation Board of Directors but are not entitled to vote. Other College officials may serve as advisors to

Foundation's Board and may be invited to attend meetings of the Foundation Board on a case-by-case basis.

- b. Board Committees.** The standing committees of the Foundation Board of Directors shall be the Executive Committee, the Scholarship Committee, and the Finance and Investment Committee. The composition, duties and authority of each of those committees is set out on Exhibit E.
- c. Executive Director.** The chief operating officer of the Foundation is its Executive Director who is employed by the College as Director of College Advancement. In the performance of his or her duties with the Foundation, the Executive Director shall report to and be subject to the direction of the Foundation Board of Directors. The Executive Committee of the Foundation Board may prepare and provide to the College President an annual written job performance evaluation of the Executive Director.
- d. Officers.** The Chief Executive Officer of the Foundation is the President who is elected by the Board of Directors. The Foundation Board of Directors also elects a Vice President and Secretary. The Treasurer of the Foundation is the College Budget Officer. In the performance of his or her duties with the Foundation, the Treasurer shall report to and be subject to the direction of the Foundation Board of Directors.

Article V

Relationship between the Foundation and the College

1. Access to Foundation Books and Records.

- a.** The financial records of the Foundation shall be available to the College, its officers and representatives in accordance with the policies and procedures of the College. Other financial records of the Foundation shall be made available to the College at reasonable times upon written request of the College President or his or her designee.
- b.** Donor records containing information with respect to gifts to the Foundation are the property of the Foundation and shall be maintained and secured by the College. The Foundation and the College shall take the steps necessary to monitor and control access to donor records and to protect the security of the donor database. The College shall not access such information except in compliance with the Foundation's donor confidentiality policies. The College shall enforce policies that support the Foundation's ability to respect the privacy and preserve the confidentiality of donor records. The Foundation will provide information contained in donor records to College officials upon request in accordance with applicable laws, Foundation policies and guidelines. Such information may also be provided to Foundation officers and Foundation Board members.

- 2. Foundation Budget.** The Finance and Investment Committee of the Foundation Board shall, in consultation with the College President or his or her designee, develop a proposed annual operating budget and capital expenditure plan. After a final

review by College President, the budget and capital expenditure plan shall be presented to the full Foundation Board for approval.

- 3. Compensation to College Employees.** It is not anticipated that Foundation will provide supplementary compensation to College employees. The Foundation Board of Directors may provide funds to the College annually for Faculty and Staff Achievement Awards. The College identifies the faculty and staff members who will be recipients of those awards and disburses the funds to the recipients.

Article VI Audit and Reporting Requirements

- 1. Fiscal Year.** The Foundation and the College shall have the same fiscal year.
- 2. Independent Audit.** The business and affairs of the Foundation shall be audited annually as a component unit of the College by the independent certified public accountants who are the auditors for the College. Those accountants shall not be officers or directors of the Foundation. The audit shall be a full scope audit, performed in accordance with generally accepted auditing standards. The cost of the audit shall be paid by the College. A written report of the audit shall be provided to the Idaho State Board of Education.
- 3. Foundation Reports to the College President.** The Foundation shall provide the following reports to the President of the College. Except for the audit report prepared by College's independent auditor, these reports will be prepared by or under the direction of the Executive Director. Copies of each report shall be provided to the Foundation Board. The reports and their frequency are as follows:
 - a. Annual financial audit report;
 - b. Annual report of transfers made to the College, summarized by departments;
 - c. Annual report of unrestricted funds received, and of unrestricted funds available for use in that fiscal year;
 - d. A list of Foundation officers, directors, and employees shall be provided annually and the President shall be promptly notified of any changes in that list;
 - e. A list of any College employees for whom the Foundation made payments to College for supplemental compensation or any other approved purpose during the fiscal year, and the amount and nature of that payment
 - f. A list of all state and federal contracts and grants managed by the Foundation;
 - g. An annual report of the Foundation's major activities;
 - h. An annual report of each real estate purchase or material capital lease, investment, or financing arrangement entered into during the preceding Foundation fiscal year for the benefit of the College; and

- i. An annual report of any actual litigation involving the Foundation during its fiscal year, as well as legal counsel used by the Foundation for any purpose during such year. This report should also discuss any potential or threatened litigation involving the Foundation.

Article VII

Conflicts of Interest and Code of Ethics

1. Conflicts of Interest Policy Statements. The Foundation has adopted a written policy addressing the manner the Foundation will address conflict of interest situations. The Foundation's Conflict of Interest Policy is attached as Exhibit F.

2. Dual Representation. Under no circumstances may a College employee represent both the College and the Foundation in any negotiation, sign for both entities in transactions, or direct any other institution employee under their immediate supervision to sign for the related party in a transaction between the College and the Foundation. This shall not prohibit College employees from drafting transactional documents that are subsequently provided the Foundation for its independent review, approval and use.

3. Contractual Obligation of College. The Foundation shall not enter into any contract that would impose a financial or contractual obligation on the College without first obtaining the prior written approval of the College. College approval of any such contract shall comply with policies of the State Board with respect to approval of College contracts.

4. Acquisition or Development of Real Estate. The Foundation shall not acquire or development real estate or otherwise build facilities for the College's use without first obtaining approval of the State Board. In the event of a proposed purchase of real estate for such purposes by the Foundation, the College shall notify the State Board, at the earliest possible date, of such proposed purchase for such purposes. Furthermore, any such proposed purchase of real estate for the College's use shall be a coordinated effort of the College and the Foundation. Any notification to the State Board required pursuant to this paragraph may be made through the State Board's chief executive officer in executive session pursuant to Idaho Code Section 67-2345(1)(c).

Article VIII

General Terms

1. Effective Date. This Agreement shall be effective on the date set forth above.

2. Right to Terminate. This Operating Agreement shall terminate upon the mutual written agreement of both parties. In addition, either party may, upon 90 days prior written notice to the other, terminate this Operating Agreement, and either party may terminate this Operating Agreement in the event the other party defaults in the

performance of its obligations and fails to cure the default within 30 days after receiving written notice from the non-defaulting party specifying the nature of the default.

Should the College choose to terminate this Operating Agreement by providing 90 days written notice or in the event of a default by the Foundation that is not cured within the time frame set forth above, the Foundation may require the College to pay, within 180 days of written notice, all debt incurred by the Foundation on the College's behalf including, but not limited to, lease payments, advanced funds, and funds borrowed for specific initiatives.

Should the Foundation choose to terminate this Operating Agreement by providing 90 days written notice or in the event of a default by the College that is not cured within the time frame set forth above, the College may require the Foundation to pay any debt it holds on behalf of the Foundation in like manner.

The parties agree that in the event this Operating Agreement shall terminate, they shall cooperate with one another in good faith to negotiate a new agreement within six (6) months. In the event the parties are unable to negotiate a new agreement within the time period specified herein, they will refer the matter to the State Board for resolution. Termination of this Operating Agreement shall not constitute or cause dissolution of the Foundation.

3. **Board Approval of Operating Agreement.** Prior to the Parties' execution of this Operating Agreement, an unexecuted copy of this Operating Agreement must be approved to the State Board. Furthermore, this Operating Agreement, including any subsequent modifications and restatements of this Operating Agreement, shall be submitted to the State Board for review and approval no less frequently than once every two (2) years or more frequently if otherwise requested by the State Board.
4. **Modification.** Any modification to the Agreement or Exhibits hereto shall be in writing and signed by both Parties.
5. **Providing Document to and Obtaining Approval from the College.** Unless otherwise indicated herein, any time documents are to be provided to the College or any time the College's approval of any action is required, such documents shall be provided to, or such approval shall be obtained from, the College's President or an individual to whom such authority has been properly delegated by the College's President.
6. **Providing Documents to and Obtaining Approval from the Foundation.** Unless otherwise indicated herein, any time documents are to be provided to the Foundation or any time the Foundation's approval of any action is required, such document shall be provided to, or such approval shall be obtained from, the Foundation's Board of

Directors or an individual to whom such authority has been properly delegated by the Foundation's Board of Directors.

- 7. Notices.** Any notices required under this agreement may be mailed or delivered as follows:

To the College:

President
Lewis-Clark State College
500 8th Avenue
Lewiston, ID 83501

To the Foundation:

President
Lewis-Clark State College Foundation, Inc.
500 8th Avenue
Lewiston, ID 83501

- 8. No Joint Venture.** At all times and for all purposes of this Operating Agreement, the College and the Foundation shall act in an independent capacity and not as an agent or representative of the other party.
- 9. Liability.** The College and Foundation are independent entities and neither shall be liable for any of the other's contracts, torts, or other acts or omissions, or those of the other's trustees, directors, officers, members or employees.
- 10. Indemnification.** The College and the Foundation each agree to indemnify, defend and hold the other party, their officers, directors, agents and employees harmless from and against any and all losses, liabilities, and claims, including reasonable attorney's fees arising out of or resulting from the willful act, fault, omission, or negligence of the party, its employees, contractors, or agents in performing its obligations under this Operating Agreement. This indemnification shall include, but not be limited to, any and all claims arising from an employee of one party who is working for the benefit of the other party. Nothing in this Operating Agreement shall be construed to extend to the College's liability beyond the limits of the Idaho Tort Claims Act, Idaho Code §6-901 et seq.
- 11. Dispute Resolution.** The parties agree that in the event of any dispute arising from this Operating Agreement, they shall first attempt to resolve the dispute by working together with the appropriate staff members of each of the parties. If the staff cannot resolve the dispute, the dispute will be referred to the President of the Foundation and the College President. If the Foundation and the College President cannot resolve the dispute, then the dispute will be referred to the Foundation President and the State Board of Education for resolution. If they are unable to resolve the dispute, the parties shall submit the dispute to mediation by an impartial third party or

professional mediator mutually acceptable to the parties. If and only if all the above mandatory steps are followed in sequence and the dispute remains unsolved, then, in such case, either party shall have the right to initiate litigation arising from this Operating Agreement. In the event of litigation, the prevailing party shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs, attorney fees, and other professional expenses.

- 12. Dissolution of Foundation.** Consistent with provisions appearing in the Foundation's Bylaws and/or Articles of Incorporation, should the Foundation cease to exist or cease to qualify as an Internal Revenue Code §501(c)(3) organization, the Foundation will transfer its assets and property to the College, to a reincorporated successor Foundation organized to benefit the College, or to the State of Idaho for public purposes, in accordance with Idaho law.
- 13. Assignment.** This Operating Agreement is not assignable by either party, in whole or in part.
- 14. Governing Law.** This Operating Agreement shall be governed by the laws of the State of Idaho.
- 15. Severability.** If any provision of this Operating Agreement is held invalid or unenforceable to any extent, the remainder of this Operating Agreement is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.
- 16. Entire Operating Agreement.** This Operating Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof, and supersedes all prior agreements and understandings pertaining thereto.
- 17. List of Attachments**
 - Exhibit A – Gift Acceptance Policy
 - Exhibit B – Policy for Accounting for Gift Revenue
 - Exhibit C – Investment Policy Statement
 - Exhibit D – Directors and Officers Liability Insurance
 - Exhibit E – Committee Descriptions
 - Exhibit F – Policy on Conflict of Interest

IN WITNESS WHEREOF, the College and the Foundation have executed this agreement on the above specified date.

LEWIS-CLARK STATE COLLEGE

BY _____

COLLEGE

LEWIS-CLARK STATE COLLEGE
FOUNDATION, INC.

BY _____

FOUNDATION

EXHIBIT A

LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.

Gift Acceptance Policy

Gifts to Corporation

In General

Donors may make gifts to the corporation by naming or otherwise identifying the corporation. Gifts shall vest in the corporation upon receipt and acceptance by it, whether signified by a Director, officer, employee or agent of the corporation.

Acceptance of Governing Documents

Each donor, by making a gift to the corporation, accepts and agrees to all the provisions of the Articles of Incorporation and (the) Bylaws.

Split Interest Gifts

The corporation shall have the power and authority to arrange and administer deferred and other split-interest gifts, including, but not limited to, charitable lead and remainder unitrusts and annuity trusts, and charitable gift annuities, but only as permitted by the laws of the State of Idaho. If a gift is made to the corporation or a third party (in trust or otherwise) to make income or other payments for a period of a life or lives or other periods to any individuals or for noncharitable purposes, followed by payments to the corporation, or to make income or other payments to the corporation, followed by payments to any individuals or for noncharitable purposes, only the payments to the corporation shall be regarded as subject to the corporation's Articles of Incorporation and (the) Bylaws and then only when the corporation becomes entitled to their use. The Directors may take such actions as it, from time to time, deems necessary to protect the corporation's rights to receive such payments.

Restricted Gifts, Acceptance

Any donor may, with respect to a gift made by such donor to the corporation, provide at the time of the gifts restrictions or conditions which are not inconsistent with the charitable purposes of the corporation, as to (i) the manner of distribution, including amounts, times and conditions of payment and whether from principal or income, and (ii) the name, as a memorial or otherwise, for a fund given, or addition to a fund previously held, or anonymity for the gift. Restrictions involving the naming of a fund as a memorial or otherwise may be satisfied by keeping such name appropriate accounts reflecting the interest of such funds in a common investment. Nothing in the foregoing shall obligate the corporation to accept any gift or to perform any act, which, in the opinion of the Directors, will not be in the best interests of the corporation or which may jeopardize or cause it to lose its status as an exempt organization described in Section 501 (c) (3) of the Internal Revenue Code.

EXHIBIT B

LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.

Policy for Accounting of Gift Revenue

1. ***Fiduciary Responsibility.*** Each gift, regardless of value, form, or designated use, shall be accounted for at the time of receipt until used as directed by the donors in support of the mission of the Foundation and/or the College. During such time as funds are retained, they shall be invested in accordance with procedures of the Finance and Investment Committee. The development office shall be responsible for any reports to donors on the use of their funds, to be accomplished in concert with operating managers and the accounting department.
2. ***Allocation to Restricted Funds.*** Gifts received for restricted purposes (either temporarily restricted or permanently restricted) shall be separately accounted for in order to maintain stewardship of these funds as donors direct. The segregation of these funds is to be performed by the accounting department, who shall report to donors on their disposition and use through the development office.
3. ***Expenditure Controls.*** The uses of gift revenue, especially restricted gifts shall be fully accounted for, beginning with their deposit to temporarily restricted fund accounts, stewardship, disposition reports, and with expenditures only as directed by the donor in keeping with the mission of the College and/or the Foundation.
4. ***Allocation to Endowment.*** Funds restricted to endowment or so restricted by the Foundation Board shall be invested and accounted for in accord with policies of the Finance and Investment Committee.
5. ***Investment of Funds.*** All gifts received shall be invested until used in accord with donor wishes, using short-term or long-term investment plans as defined by the Finance and Investment Committee. Funds restricted to endowment or so restricted by the Foundation Board shall be invested and accounted for as directed by the Finance and Investment Committee. Investment earnings shall be used only for the purposes specified by the donor or the Board, with amounts as resolved by the Finance and Investment Committee.
6. ***Accounting Reports.*** Regular accounting reports will summarize the disposition of all money, illustrating their present disposition by source, purpose or use, and fundraising program, which shall be prepared for each Foundation Board meeting and distributed to the Board members.

EXHIBIT C**LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.
INVESTMENT POLICY STATEMENT****PURPOSE**

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding between the Lewis Clark State College Foundation ("Foundation") and the Foundation's professional "Advisor" as to the investment objectives and policies applicable to the Foundation's investment portfolio. This Investment Policy Statement will:

- establish reasonable expectations, objectives and guidelines in the investment of the Portfolio's assets
- set forth an investment structure detailing permitted asset classes and expected allocation among asset classes
- encourage effective communication between the Advisor and the Foundation.
- create the framework for a well-diversified asset mix that can be expected to generate acceptable long term returns at a level of risk suitable to the Foundation.

This IPS is not a contract. This IPS is intended to be a summary of an investment philosophy that provides guidance for the Advisor.

INVESTMENT OBJECTIVES

The primary investment objective for the Foundation's assets is to seek long term growth with current cash flow being secondary. However, the Foundation does intend to withdraw 4% annually to provide for required distribution. The cash flow intentions of the Foundation are detailed in the Foundation's Spending Policy.

TIME HORIZON

For the purposes of planning, the time horizon for investments is perpetuity. The Foundation recognizes that capital values fluctuate over shorter periods and the possibility of capital loss does exist. However, historical asset class return data suggest that the risk of principal loss over a holding period of at least ten years can be minimized with the long-term investment mix employed under this IPS.

RISK TOLERANCE

The Foundation is viewed as a moderate risk taker with regard to these investment assets. The Foundation recognizes that higher returns involve some volatility and has indicated a willingness to tolerate declines in the value of this portfolio of between 5% and 15% in a given year.

The Portfolio will be managed in a manner that seeks to minimize principal fluctuations over the established horizon and is consistent with the stated objectives. Financial research has demonstrated that risk is best minimized through diversification of assets.

ASSET ALLOCATION

Academic research suggests that the decision to allocate total assets among various asset classes will far outweigh security selection and other decisions that impact portfolio performance. After reviewing the long-term performance and risk characteristics of various asset classes and balancing the risks and rewards of market behavior, the following asset classes were selected to achieve the objectives of the Foundation's Portfolio.

Table 1-1

Asset Category	Initial Target Allocation	Acceptable Range
CASH	2%	1% - 10%
FIXED INCOME	28%	25% - 60%
U. S. Govt. Bonds	0%	0%-100%
Agency Bonds	12%	0%-100%
US Corporate Bonds	88%	0%-100%
TOTAL	100%	
STOCKS	70%	40%-70%
Large Growth Stocks	35%	15%-45%
Large Value Stocks	25%	15%-45%
Small Value Stocks	8%	2%-20%
Small Growth Stocks	8%	2%-20%
International Stocks	24%	Not to exceed 15% of total portfolio
TOTAL	100%	

Updated Allocations

From time to time it may be desirable to amend the basic allocation policy or calculations. When such changes are made, updates will be attached to this Investment Policy Statement as Appendix A and will be considered part of this Investment Policy Statement. The Advisor will provide to the Foundation the recommended or desired targeted allocation percentages. The recommendation will fall within the acceptable range as indicated in table I-I.

Portfolio Rebalancing

From time to time, market conditions may cause the Portfolio's investment in various asset classes to vary from the targeted allocation. To remain consistent with the asset allocation guidelines established by this IPS, each asset class in which the Portfolio invests shall be reviewed annually by the Advisor and rebalanced back to the recommended weighting if the actual weighting varies by 3% or more from the recommended weighting (e.g., if the targeted allocation for a particular asset class is 10% and the actual is less than 7% or more than 13%, that asset class will be adjusted back to the targeted 10% allocation by either adding assets or distributing assets to or from the other asset classes.)

DIVERSIFICATION

Investment of the Foundation's funds shall be limited to the following categories:

Permitted Investment Categories

1. Cash and cash equivalents, including money market funds
2. Fixed income assets
 - a) Bonds (corporate, U.S. government, or government agency).
 - b) Bank certificates of deposit
3. Stocks (Large and Small U.S. -based and Foreign companies)

Excluded Categories for Investment

1. Derivatives
2. Natural resources
3. Precious metals
4. Venture capital

Investment Concentration

At all times there must be a minimum of three investment categories represented among the Foundation's assets. There shall be no maximum limit to the number of categories. No individual security held shall represent more than 9% of the total portfolio.

INVESTMENT MONITORING AND CONTROL PROCEDURES

Reports

1. Advisor shall provide the Foundation with a report no less than monthly that lists all assets held by the Foundation, values for each asset and all transactions affecting assets within the portfolio, including additions and withdraws.
2. Advisor shall provide the Foundation no less frequently than on a quarterly basis and within 30 days of the end of each calendar quarter, the following reports:
 - a) Portfolio performance results over the last quarter, year, 3 years and 5 years
 - b) Performance results of comparative benchmarks for the same periods
 - c) Performance shall be reported on a time-weighted basis

Meeting

Advisor shall meet with the Foundation's Finance and Investment Committee at least annually (or semi-annually if the Foundation chooses) in order to give a detailed report as to activity in the investment account, manager selection, tactical changes in the asset allocation weightings or other information the Foundation shall require.

ADOPTION

Adopted by the Foundation's appointed representative on this 18th day of May, 2004.

LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.**Directors and Officers Liability Insurance**

Philadelphia Insurance Companies
One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax: 610.617.7940

FLEXIPLUS FIVE

NOT-FOR-PROFIT ORGANIZATION DIRECTORS & OFFICERS LIABILITY INSURANCE
 EMPLOYMENT PRACTICES LIABILITY INSURANCE
 FIDUCIARY LIABILITY INSURANCE
 WORKPLACE VIOLENCE INSURANCE
 INTERNET LIABILITY INSURANCE

☒ Philadelphia Indemnity Insurance Company

☐ Philadelphia Insurance Company

Policy Number: PHSD441186

DECLARATIONS

NOTICE: EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THIS POLICY IS WRITTEN ON A CLAIMS MADE BASIS AND COVERS ONLY THOSE CLAIMS FIRST MADE DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. THE AMOUNTS INCURRED FOR DEFENSE COST SHALL BE APPLIED AGAINST THE RETENTION.

Item 1. Parent Organization and Address:
 LEWIS-CLARK STATE COLLEGE FOUNDATIO
 500 8th Ave
 Lewiston, ID 83501-2691

Internet Address: www. icsc.edu

Item 2. Policy Period: From: 09/11/2009 To: 09/11/2010
 (12:01 A.M. local time at the address shown in Item 1.)

Item 3. Limits of Liability:

(A)	Part 1, D&O Liability:	\$	1,000,000	each Policy Period.
(B)	Part 2, Employment Practices:	\$		each Policy Period.
(C)	Part 3, Fiduciary Liability:	\$		each Policy Period.
(D)	Part 4, Workplace Violence:	\$		each Policy Period.
(E)	Part 5, Internet Liability:	\$		each Policy Period.
(F)	Aggregate, All Parts:	\$	1,000,000	each Policy Period.

Item 4. Retention:

(A)	Part 1, D&O Liability:	\$	2,500	for each Claim under Insuring Agreement B & C.
(B)	Part 2, Employment Practices:	\$		for each Claim.
(C)	Part 3, Fiduciary Liability:	\$		for each Claim.
(D)	Part 4, Workplace Violence:	\$		for each Workplace Violence Act.
(E)	Part 5, Internet Liability:	\$		for each Claim.

Item 5. Prior and Pending Date: Part 1 09/11/2008 Part 2 No Date Applies Part 3 No Date Applies
 Part 4 No Date Applies Part 5 No Date Applies

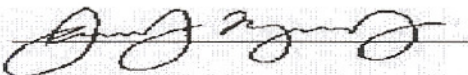
Item 6. Premium:

Part 1	\$	1,135.00	Part 2		Part 3
Part 4			Part 5		

Total Premium: \$ 1,135.00

Item 7. Endorsements: PER SCHEDULE ATTACHED

In witness whereof, the Insurer issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by the duly authorized representative of the Insurer.



Authorized Representative

Countersignature

Countersignature Date

EXHIBIT E**LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.
Committee or Task Force Descriptions****Executive Committee**

The Executive Committee is chaired by the President of the Foundation Board.

The members of the Executive Committee shall be: The officers of the Board, the Immediate Past President, all chairs of approved committees or task forces and other members as designated.

Responsibilities include:

- making interim decisions for the Board (to be ratified by the full Board at its subsequent meeting);
- overseeing the long-range and strategic planning of the organization;
- serving as a sounding board for new programs or policies that should come before the full Board eventually;
- enforcing membership responsibilities, including attendance policies and committee appointments;
- monitoring progress of Board and staff in achieving current year goals;
- scrutinizing budget performance;
- maintaining a close and candid relationship with the leadership of the College;
- following and evaluating the performance of the Foundation's Executive Director;
- evaluating Board performance by recognizing superior results or levels of service and by arranging for the departure of unproductive Board members;
- acting on behalf of the Board in times of emergency or necessary expediency.

The actions of the Executive Committee are subject to revision or alteration by the Board. Minutes of Executive Committee meetings are sent to each Board member. Membership in the Executive Committee will not exceed a quorum of the full Board. A quorum at any meeting of the Executive Committee shall consist of a simple majority of the members.

**Lewis-Clark State College Foundation
Other Committee or Task Force Descriptions****Finance and Investment Committee**

The Finance and Investment Committee shall oversee the Foundation's budget activities and expenses; monitor the flow of funds to determine consistency between expenditures and generated revenue; manage the investment portfolio; establish financial policies; oversee the buildings and grounds owned by the Foundation.

Scholarship Committee

The Scholarship Committee shall oversee the awarding of specific scholarships; establish scholarship policies and review the process; assist in the planning of three scholarship events annually.

Other Committees or Task Forces

The Directors may designate and appoint one or more standing committees or task forces, each of which shall consist of two (2) or more Directors. These committees, to the extent provided in such resolution, shall have and exercise the authority of the Directors in the management of the corporation.

EXHIBIT F

LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.

Policy on Conflict of Interest

CONFLICTS OF INTEREST POLICY

No board member shall use his or her position, or the knowledge gained therefrom, in such a manner that conflict between the interest of the organization or any of its affiliates and his or her personal interests arises.

Each board member has a duty to place the interest of the organization foremost in any dealings with the organization and has a continuing responsibility to comply with the requirements of this policy.

Board or committee members may not obtain for themselves, their relatives, or their friends a material interest of any kind from their association with the organization.

It is, nevertheless, recognized that transactions between Lewis-Clark State College Foundation ("Foundation") and a business or other organization with whom a board member is affiliated may be beneficial to the Foundation and that the Foundation should not be precluded from entering into that beneficial transaction so long as the board member does not participate in or otherwise influence the Foundation's decision regarding the transaction.

It shall be the policy of the Foundation to require that all new Board members, prior to assuming their positions, and all present Board members, as soon as practicable after the adoption of this policy, submit in writing to the President a list of all businesses or other organizations (other than the Foundation) of which he or she is an officer, member, owner (either as a sole practitioner or partner), shareholder with a five percent (5%) or greater interest in all outstanding voting shares, employee or agent, with which the Foundation has, or may reasonably in the future have, a relationship or transaction in which the Board member or officer would have conflicting interests. Each written statement shall be resubmitted each year with any necessary changes.

The President shall become familiar with the statements of all Board members and officers in order to guide their conduct should a conflict arise. The Vice-President shall be familiar with the statement filed by the President.

At such time as any matter comes before the Board in such a way as to give rise to conflict of interest, the affected Board member or officer shall make known the potential conflict, whether disclosed by written statement or not. After answering any questions that might be asked, the affected Board member shall withdraw from the meeting until the matter has been voted upon. In the event that the affected Board member or officer fails to withdraw voluntarily, the President is empowered to require withdrawal from the room during both discussion and vote on the matter. In the event the conflict of interest affects the President, the Vice-President is empowered to require that the President withdraw in the same manner, and for the duration of discussion and action on the matter the Vice-President shall preside.

If the matter about which a conflict has arisen is the item of business for which a special meeting of the Board was called, the affected member may be counted to establish a quorum, but shall not participate in the discussion or vote on it.

ADOPTED, this 15th day of December, 1998.

**AMENDED AND RESTATED BYLAWS
OF
LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.**

**ARTICLE I.
In General**

1.01 Nature of Bylaws. The following paragraphs contain provisions for the regulation and management of LEWIS-CLARK STATE COLLEGE FOUNDATION, INC., a nonprofit corporation organized and operating under the laws of the State of Idaho.

1.02 Conflicts. In the event that there is a conflict between a provision of these Bylaws and a mandatory provision of the laws of the State of Idaho, or the Articles of Incorporation of the corporation, then the mandatory provision of the laws of the State of Idaho, or the Articles of Incorporation shall control.

**ARTICLE II.
Principal Office**

2.01 Principal Office. The principal office of the corporation in the State of Idaho shall be located at Lewis-Clark State College, 500 8th Avenue Lewiston, ID 83501. The corporation may have such other offices, either within or without the State of Idaho, as the Directors may designate from time to time.

**ARTICLE III.
Non-Director Members**

3.01 Foundation Members. In addition to the Directors as defined in Article IV below, the corporation may recognize a class of benefactors and supporters designated as "Foundation Members", which class may be further subdivided into any number of subclasses as may be determined by the Directors.

3.02 No Management Authority or Voting Rights. Foundation Members, as described in 3.01 above, shall have no authority to manage the affairs of the corporation, and shall not be entitled to vote on any matter relating to the corporation. Foundation Members shall have the right to attend and participate in meetings of the Directors.

3.03 Rights and Privileges. Except as may be otherwise provided in these Bylaws or the Articles of Incorporation, Foundation Members shall have such recognition, rights,

privileges as may be determined by the Board of Directors. Foundation Members are invited to attend meetings of the Board of Directors.

3.04 Selection. Individuals or organizations who are interested in the objectives and purposes of the corporation may be admitted as Foundation Members by majority vote of the Directors upon meeting such qualifications as may be determined by the Directors.

3.05 Designated Members. The following individuals shall serve as Designated Members by virtue of their offices, to serve for the term of their respective offices. Designated Members do not have voting rights.

- a. The President of Lewis-Clark State College.
- b. The Provost and Vice President for Academic Affairs of Lewis-Clark State College.
- c. The Vice President for Finance and Administration of Lewis-Clark State College.
- d. The Budget Director of Lewis-Clark State College.
- e. The Faculty Senate Chair Elect of the Lewis-Clark State College.

3.06 Membership Roster and Certificates. The corporation shall maintain a roster of Foundation Members, and may issue certificates, cards, or other evidence of association.

3.07 Personal Status of Association. Association as a Foundation Member shall be personal to the associate admitted, and shall not survive the death of any individual associate nor be transferred by any means whatsoever.

3.08 Resignation. A Foundation Member may resign at any time by written notice to the corporation.

3.09 Removal. Association as a Foundation Member may be reviewed for any action which is detrimental to the best interests of the corporation, or for failure to actively support corporate purposes, or to actively participate in corporate activities. Removal shall require the affirmative vote of a majority of the Directors.

ARTICLE IV. Directors

4.01 General Powers. All corporate powers shall be exercised by or under the authority of the Board of Directors. The business and affairs of the corporation shall also be managed under the direction of the Board of Directors, except as otherwise provided in the Idaho Non-Profit Corporation Act or the Articles of Incorporation.

4.02 Presumption of Assent. A Director of the corporation who is present at a meeting of its Board of Directors at which any action on any corporate matter is taken shall be presumed to have assented to the action unless such Director's dissent shall be entered in the minutes of the meeting or unless such Director shall file such Director's written dissent to such action with the secretary of the meeting before the adjournment thereof or shall forward such dissent by certified or registered mail to the secretary of the corporation within three days after the adjournment of the meeting. Such right of dissent shall not apply to a Director who voted in favor of such action.

4.03 Qualification. Directors need not be officers of the corporation nor residents of the State of Idaho.

4.04 Elected Directors. The corporation shall have such Directors as may be elected by majority vote of the Directors, as then constituted, at the annual meeting of Directors. The number of such elected Directors serving at any time shall, in no event, exceed thirty (30). Each Director, including the Director whose terms are expiring, shall have the right to vote for as many persons as there are Directors to be elected, but no Director shall be entitled to cumulate his or her votes.

4.05 Designated Director. The Alumni Association Board President is a Designated Director to serve for the term of their respective office with the same voting rights as an elected director.

4.06 Terms of Elected Directors. The terms of the Elected Directors pursuant to Article 4.04 shall serve for a period of three (3) years until the annual meeting in the year in which their respective terms expire and until their successors are duly appointed or elected and qualified.

4.07 Resignation. Any Director may resign at any time giving written notice to the corporation. Any such resignation shall take effect at the time specified therein, or if the time be not specified, upon its acceptance by the corporation.

4.08 Removal. An elected or appointed Director may be removed from office prior to expiration of the term of office by the vote of at least two-thirds (2/3) of the Directors other than the Director voted upon, at any regular or special meeting of Directors.

Unexcused absences from two (2) consecutive meetings of the Directors shall be cause for consideration of removal of a Director. The Designated Director is not subject to removal.

4.09 Vacancies. A vacancy among the Directors shall be deemed to exist upon death, resignation or removal of a Director. The vacancy of a Director shall be filled by his or her successor in office at the time the office is assumed. The vacancy of a Designated Director shall be filled by appointment of the Executive Committee. A Director appointed or elected to fill a vacancy shall serve the unexpired term of his predecessor in office.

4.10 Place of Meetings. All meetings of the Directors shall be held at the principal office of the corporation or at such other place, either within or without the State of Idaho, as the Directors may, from time to time, direct.

4.11 Organization of Meeting. The president of the corporation shall act as chairman of meetings of Directors. In the absence of the president, the next Officer shall act as chairman: vice president, then secretary, respectively.

4.12 Annual Meetings. The annual meetings of the Directors shall be held in the spring each year. In the event that such annual meeting is omitted by oversight or otherwise, it may be held at a subsequent special meeting called in accordance with the provisions of these Bylaws and the laws of the State of Idaho, and any business transacted or elections held at such meetings shall be valid as if transacted or held at the annual meeting.

4.13 Special Meetings. A special meeting of the Directors may be called at any time by the president, and shall be called by the president upon the written request of a majority of the Directors.

4.14 Notice of Meetings. Written notice of each meeting of Directors stating the place, day or hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than two (2) days before the date of the meeting. Exceptions may occur with extenuating circumstances. If mailed, such notice shall be deemed to be delivered three (3) days after they are deposited in the United States Mail addressed to the Director at his or her address as it appears on the records of the corporation, with postage paid thereon.

Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. The Directors may waive notice of any meeting, and written waiver of notice executed either before or after the meeting shall be sufficient.

Any adjournment or adjournments of an annual or special meeting to another time and place may be held without new notice being given.

4.15 Quorum. A simple majority (defined as 51% or more) of the voting Directors shall constitute a quorum for the transaction of business. The act of a majority (defined as 51% or more) of the Directors present at a meeting at which a quorum is present shall be the act of the Directors.

Foundation Members and Designated Members shall not be considered to constitute a quorum and do not have voting rights.

If, at any meeting of the Directors, there shall be less than a quorum present, those present may adjourn the meeting without notice other than by announcement at the meeting. If, subsequently additional directors arrive and a quorum is present, such meeting can be re-convened and any business may be transacted which might have been transacted at the meeting as originally notified.

4.16 Action Without a Meeting. Any action required to be taken at a meeting of the Board of Directors, or any action that may be taken at a meeting of the Directors or of a committee, may be taken without a meeting if a consent in writing, setting forth the actions so taken, shall be signed by a simple majority of the Directors, or by a simple majority of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

4.17 Powers and Duties. The Directors shall establish policies and have the general management, control and direction of all the business and affairs of the corporation and of all its undertakings to the fullest extent permitted by law. In addition to all powers granted by law, Directors shall have power and authority:

- a. To call meetings of the Directors whenever deemed proper or necessary.
- b. To elect officers of the corporation, to appoint such employees or agents as they deem necessary or proper, to confer upon any officer the power to appoint, remove and suspend officers, employees and agents, and to similarly remove any officer, employee or agent with or without cause.
- c. To determine the policies of the corporation and to make such rules and regulations as may be deemed necessary or proper for the government and guidance of the officers, employees and Directors of the

corporation, not inconsistent with the laws of the State of Idaho, the Articles of Incorporation, these Bylaws or the Operating Agreement.

- d. To oversee the security and safekeeping of endowment funds to insure that the same are invested in accordance with the Uniform Prudent Management of Institutional Funds Act as adopted by the State of Idaho and in a manner consistent with the objectives of the corporation. These duties include cooperation with any investment committee or external investment advisors that may be designated by the Directors.
- e. To purchase or otherwise acquire, and to sell, convey, and otherwise dispose of assets on behalf of the corporation at such prices and upon which terms as the Directors may deem appropriate.
- f. To approve payment for such property, rights or privileges, in whole or in part, with money or other securities of the corporation, or by delivery of other property of the corporation.
- g. To approve an action to borrow money and incur indebtedness; to create, make and issue mortgages, deeds of trust, trust and annuity agreements and negotiable or transferable instruments and securities; to do every other act necessary to effectuate the same.
- h. To hold, operate, leave, invest, reinvest and otherwise manage real and personal property of every kind and description.
- i. To fix the compensation, fringe benefits and emoluments of officers and other employees in accordance with noted Article VI.
- j. To select one or more financial institutions to act as depositor of the funds of the corporation and to determine the manner of receiving, depositing and disbursing the funds of the corporation.
- k. To determine by whom and in what manner the corporation bills, notes, receipts, acceptances, endorsements, checks, releases, contracts or other documents shall be signed, and to confer and delegate such power.
- l. To do everything necessary or proper for the carrying out of the objects and purposes of the corporation as set forth in the Articles of Incorporation.

Notwithstanding the general delegation of authority granted, the Directors shall support and assist the College in fundraising and donor relations. In carrying out its purposes the Foundation Directors shall not engage in activities that conflict with federal or state laws, rules and regulations (including but not limited to all applicable provisions of the Internal Revenue Code and corresponding Federal Treasury Regulations), applicable policies of the Idaho State Board of Education or the role and mission of the College.

4.18 Executive Committee. There shall be an executive Committee which shall have and may exercise all of the authority of the Directors other than in reference to amendment of the Articles of Incorporation, adoption of a plan of merger or consolidation of the corporation, the sale, lease, exchange or other disposition of all or substantially all the assets of the corporation otherwise than in the usual and regular course of its activities, a voluntary dissolution of the corporation or a revocation thereof, or amendment of the Bylaws of the corporation. The members of this committee shall be: The officers of the Board, the Immediate Past President, all chairs of approved committees or task forces and other members as designated.

All action of the executive committee shall be reported to the Directors at its next meeting succeeding such action, and shall be subject to revision or alteration by the Directors, provided that no rights or acts of third parties shall be affected by any such revision or alteration.

A quorum at any meeting of the executive committee shall consist of a simple majority of the Executive Committee Members.

4.19 Scholarship Committee. The Directors may designate two or more members as a scholarship committee. These committees, to the extent provided in such resolution, shall have and exercise the authority of the Directors in the management of the corporation.

4.20 Finance & Investment Committee. The Directors may designate two more members as the Finance & Investment Committee. These committees, to the extent provided in such resolution, shall have and exercise the authority of the Directors in the management of the corporation.

4.21 Other Committees or Task Forces. The Directors may designate and appoint one or more standing committees or task forces, each of which shall consist of two (2) or more Directors. These committees, to the extent provided in such resolution, shall have and exercise the authority of the Directors in the management of the corporation.

ARTICLE V. Officers

5.01 Qualification. An Officer must be a Director of the corporation with the exception of the Treasurer, who may be a Designated Member as described in Section 3.05.

5.02 Offices. The offices of the corporation shall consist of president, vice president, secretary, and treasurer and such other offices as the Directors may choose to appoint.

5.03 Election. The officers of the corporation, with the exception of the Treasurer, shall be elected by the Directors at the organizational meeting of Directors and at such annual meeting of Directors thereafter. Officers shall be elected or appointed for a term extending for two years until the next annual meeting of the Directors and shall serve until their successors shall have been duly elected and qualified.

5.04 Duties of President. The president shall be the chief executive officer of the corporation and shall attend and preside at all meetings of the Directors and any executive committee of the Directors. The president shall have responsibility for the planning and implementation of the corporation's activities and the appointment of employees of the corporation, subject to the advisement and approval of the Directors. The president or vice-president, unless some other person is specifically authorized by vote of the Directors, shall sign all bonds, deeds, mortgages, contracts and other documents of the corporation. The president shall perform all the duties commonly incident to such office and shall perform such other duties as the Directors shall designate.

5.05 Duties of a Vice President. The vice president shall perform the duties and have the powers of the president during his or her absence or disability. A vice president shall perform such other duties and have such others powers as the Directors may designate.

5.06 Duties of the Secretary. The secretary shall ensure accurate minutes of all meetings of the foundation members and the Directors are maintained. The secretary shall attend to the giving and serving of all notices of the corporation, shall have custody of all the original records, papers, files and books of the corporation (except books of accounts and valuable papers properly in the custody of the treasurer); shall attest all instruments in writing executed in the name of the corporation and requiring his or her signature; and shall, in general, perform all the duties incident to the office of secretary and such other duties as the Directors shall designate. In the absence of the secretary, an assistant secretary or a secretary pro tempore shall perform such duties.

5.07 Duties of Treasurer. The treasurer, subject to the order of the Directors, shall have the care and custody of the funds and valuable papers of the corporation in such bank or banks as the Directors shall designate. The treasurer shall have and exercise,

under the supervision of the Directors, all the powers and duties commonly incident to such office and give bond in such form and with such sureties as may be required by the Directors. The treasurer shall keep accurate books of account of the corporation's transactions, which shall be the property of the corporation, and, together with all its property in his or her possession, shall be subject at all times to the inspection and control of the Directors.

5.08 Duties of Executive Director. The executive director shall be given the necessary authority and responsibility to operate the affairs of the corporation and all its activities subject to such policies as may be adopted and such orders as may be issued by the Directors or by any committee or task force to whom they have delegated power for such action. He or she shall act as the duly authorized representative of the Directors in all matters in which the Directors have not formally designated some other person to act.

The authorities and duties of the executive director shall include the responsibility for:

- a. Carrying out all policies established by the Directors.
- b. Developing and submitting to the Directors for approval of plans and strategies for the corporation's affairs, including public relations, soliciting donations, and other matters intended to carry out the objectives of the corporation.
- c. Preparing an annual budget showing the expected receipts and expenditures as required by the Directors.
- d. Selecting and managing staff and developing and maintaining personnel policies and practices.
- e. Presenting to the Directors, or their authorized committee, periodic reports reflecting the operating and financial activities of the corporation and the preparation and submission of such special reports as may be required by the Directors.
- f. Attending all meetings of the Directors and committees.
- g. Performing such other duties as may be necessary and in the best interest of the corporation.

5.09 Other Officers. The duties of the additional officers, other than as defined in the Bylaws of the corporation, shall be prescribed and defined by the Directors.

5.10 Authority to Sign Checks. All checks, drafts or other orders for payment of money, note or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation as provided in these Bylaws or in such manner as shall be determined by the Board of Directors.

5.11 Resignation. Any officer may resign at any time by giving written notice to the corporation, to the Directors, to the president, or to the secretary of the corporation. Any such resignation shall take effect at the time specified therein, or if the time be not specified, upon its acceptance.

5.12 Removal. Any officer or agent may be removed at any time by action of the Directors.

5.13 Vacancies. Any vacancy among the officers of the corporation shall be selected by the executive committee subject to the authority of the Directors to approve, disapprove or fill the vacancy themselves.

ARTICLE VI.

Compensation and Indemnification

6.01 Compensation of Directors. Directors shall not be compensated.

6.02 Compensation of Officers. The president, vice president, secretary and treasurer shall receive no compensation.

6.03 Repayment. Any payments made to an employee of the corporation for compensation, salary, bonus, interest, rent or expense incurred by him or her, which shall be determined to be unreasonable in whole or in part by the Internal Revenue Service pursuant to Section 4941(d) (2) (E) of the Internal Revenue Code shall be reimbursed by such employee to the corporation to the full extent of such determination of unreasonableness. It shall be the duty of the Directors to enforce repayment of each such amount. In lieu of repayment by the employee, subject to the determination of the Directors, amounts may be withheld from the employee's future compensation or expense reimbursement payments until the amount owed to the corporation shall have been recovered.

6.04 Indemnification. Any person who serves on behalf of the Foundation as a director, employee, chairperson or member of any committee, or as a director,

trustee or officer of another corporation, shall be deemed to be the Foundation's agent for purposes of this Article and shall be indemnified by the Foundation against expenses (including attorney's fees), judgments, fines, excise taxes and amounts paid in settlement actually and reasonably incurred by such person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or a derivative action, by reason of such service, provided such person acted in good faith and in a manner that he or she reasonably believe to be in the best interest of the foundation and, with respect to any criminal action proceeding, had no reasonable cause to believe his or her conduct was unlawful.

ARTICLE VII. Gifts to Corporation

7.01 In General. Donors may make gifts to the corporation by naming or otherwise identifying the corporation. Gifts shall vest in the corporation upon receipt and acceptance by it, whether signified by a Director, officer, employee or agent of the corporation.

7.02 Acceptance of Governing Documents. Each donor, by making a gift to the corporation, accepts and agrees to all of the provisions of the Articles of Incorporation and these Bylaws.

ARTICLE VIII. Miscellaneous

8.01 Books and Records. The corporation shall keep accurate and complete books and records of account and shall keep minutes of the proceedings of its Directors and committees having any authority of the Directors. All books and records of the corporation may be inspected by any Director for any proper purpose at any reasonable time.

8.02 Parliamentary Procedure. Parliamentary Procedure shall be the code that governs the procedures of the Foundation Board of Directors' meetings.

8.03 Corporate Seal. There shall be no seal of the corporation, and all contracts and other papers of the corporation shall be authenticated without any corporate seal.

8.04 Waiver of Notice. Whenever any notice whatsoever is required to be given by these Bylaws, or the Articles of Incorporation, or any of the nonprofit corporation laws of the State of Idaho, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice for all purposes.

8.05 Contracts and Conveyances. All contracts, deeds, conveyances, negotiable instruments and other instruments of like character which have first been approved by the Directors shall be signed by the president or vice president and the secretary or an assistant secretary, or otherwise as directed by the Directors. No contract of any officer of the corporation shall be valid without previous authorization or subsequent ratification of the Directors.

8.06 Fiscal Year. The Foundation shall operate on a fiscal year beginning July 1st and ending June 30th.

8.07 Dissolution. The corporation exists for the sole purpose of providing support to Lewis-Clark State College (the "College"). Given the significant administrative contribution provided to the corporation by the College, in the event that the corporation ceases to provide such support, the corporation may be dissolved and all assets and records will be distributed exclusively to the College or its successor in interest pursuant to the Articles of Incorporation.

8.08 Amendment. These bylaws may be altered, amended or repealed at any regular or special meeting of the Directors, provided a quorum is present and provided further that notice of the substance of the proposed amendment shall be submitted to each Director within the same time and in the same manner prescribed for notice of the meeting.

CERTIFICATION

We, the undersigned President, Vice President and Secretary of the Lewis-Clark State College Foundation, Inc. an Idaho Corporation, do hereby certify that the foregoing Bylaws supersede all prior Bylaws, amended or restated, were duly adopted as the restated Bylaws of said corporation at a duly constituted meeting of the members of the corporation at which a quorum was present, in person or by proxy, said meeting, held September 15, 2009 and that the same do now constitute the Bylaws of said corporation.

Robin Henderson
Robin Henderson, President

Mike Ripley
Mike Ripley, Vice President

Marsha Creason
Marsha Creason, Secretary

Amended and Approved 9/15/2009
Date

FILED/EFFECTIVE

01 MAR -9 AM 8:57 ARTICLES OF AMENDMENT
 SECRETARY OF STATE LEWIS-CLARK STATE COLLEGE
 STATE OF IDAHO EDUCATIONAL ASSISTANCE AND DEVELOPMENT FOUNDATION
 (now, LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.)

CLERK SECRETARY OF STATE

03/01/14/2001 09:00
 CT: 20457 BH: 3846
 30.00 = 30.00 NON PROF

C 75476

WHEREAS, the members of Lewis-Clark State College Educational Assistance and Development Foundation, Inc., at a duly called meeting, after proper notice, adopted the following resolution amending and restating the Articles of Incorporation to change the name of the corporation and to conform those Articles to the provisions of the Idaho Non-Profit Corporations Act by the affirmative vote of all members present at such meeting, constituting a majority of the voting power of the members of the corporation entitled to vote, to wit:

BE IT RESOLVED that the Articles of Incorporation of Lewis-Clark State College Educational Assistance and Development Foundation, Inc., be, and the same are hereby, amended and restated in their entirety as follows:

AMENDED AND RESTATED ARTICLES

ARTICLE I Preliminary Matters

- 1.01 **Name.** The name of this corporation is LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.
- 1.02 **Nonprofit Status.** This corporation is a nonprofit corporation.
- 1.03 **Duration.** The duration of this corporation shall be perpetual.

ARTICLE II Purposes

- 2.01 **Charitable Scope of Purposes.** This corporation is organized and shall be operated exclusively for charitable, scientific, literary, and educational purposes, within the meaning of §501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws (hereinafter called Internal Revenue Code"), and Treasury Regulations issued thereunder. This corporation shall serve the public interest, and no part of its assets or the income therefrom shall inure to the benefit of any private individual, except for payment of

reasonable compensation for services rendered to the corporation. No substantial part of the activities of this corporation shall directly or indirectly consist of attempting to influence legislation by propaganda or otherwise, and the corporation shall not directly or indirectly participate in, or intervene (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles of incorporation, this corporation shall not conduct or carry on any activities not permitted to be conducted or carried on (a) by a corporation exempt from federal tax under § 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under § 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

- 2.02 Higher Education.** In further limitation of the general charitable purposes set forth above, this corporation is organized and shall be operated for the purpose of advancing the goals of higher education. The goals of higher education shall be broadly construed to encompass the charitable, scientific, literary, artistic, educational, social and athletic objectives normally associated with nonsectarian institutions of higher education.
- 2.03 Lewis-Clark State College.** The purposes of this corporation shall be accomplished primarily by encouraging, promoting, supporting, performing and carrying out the functions, programs, operations and purposes of Lewis-Clark State College, an institution of higher education and an agency of the State of Idaho with its principal campus located in Lewiston, Idaho, so long as it is an institution of higher education and an agency of the State of Idaho or an organization described in § 501(c)(3) of the Internal Revenue Code, contributions to which are deductible under § 170(c)(2) of the Internal Revenue Code. By way of illustration and not limitation, it shall be within the purposes of this corporation to:
- a. Funds.** Coordinate fund raising activities on behalf of Lewis-Clark State College and receive, hold, invest and administer donations of every kind on its behalf.
 - b. Programs.** Promote, support, develop, perform, carry out and extend the educational undertakings of Lewis-Clark State College, and in furtherance thereof, to support and conduct any and all charitable, scientific, literary, artistic, educational, social and athletic activities relating thereto.

- c. **Facilities.** Support, conduct and operate such activities as may be designed or intended to facilitate or enhance the educational, cultural, living and operational conditions at Lewis-Clark State College; to provide support for, maintain, enlarge, and extend the curricula, services, faculty, staff, and real or personal properties of Lewis-Clark State College.
- d. **Financial Assistance.** To provide financial or other assistance to the students, faculty and staff of Lewis-Clark State College in their efforts to acquire new knowledge and to extend the educational endeavors of Lewis-Clark State College.
- e. **Cooperation.** Promote cooperation, coordination with, and assistance to other charities in the area of Lewiston, Idaho, particularly schools and hospitals.

ARTICLE III

Powers

- 3.01 **Statutory Powers.** This corporation shall have all rights and powers now given to nonprofit corporations generally under the laws of the State of Idaho, including those powers now set forth in § 30-3-23 of the Idaho Code, and all further and broader rights and powers which may in the future be given to nonprofit corporations generally under any subsequent laws of this state. No subsequent repeal or amendment of any such laws shall diminish or restrict those corporation's rights and powers.
- 3.02 **Activities.** In addition to raising funds and making grants, the corporation may, itself, actively conduct programs designed to accomplish the purposes set forth in Article II, above. Such activities may be engaged in for or on behalf of Lewis-Clark State College in order to assist it in performing its functions or carrying out its purposes.
- 3.03 **Limitations.** No part of the net earnings or assets of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof. No substantial part of the activities of the corporation shall be for the purpose of carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in, (including the publishing and distribution of statements) any political campaign on behalf of any candidate for

public office. Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under § 501(c)(3) of the Internal Revenue Code or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under § 170(c)(2) of the Internal Revenue Code or the corresponding section of any future federal tax code.

ARTICLE IV No Members

The corporation shall not have any members.

ARTICLE V Board of Directors

The affairs of the corporation shall be managed by a Board of Directors. The number of directors serving on the Board of Directors shall be fixed in accordance with the corporation's Bylaws. Other than the directors constituting the initial board of directors, who are designated in these articles, the Directors shall be elected, appointed or designated in the manner and for the term or terms provided in the Bylaws of the corporation.

The names and street addresses of the persons constituting the initial board of directors are:

Name	Address
Niel Zimmerman President - LCSC	500 Eighth Street Lewiston, ID 83501
Rita Morris Provost and Academic Vice-President - LCSC	500 Eighth Avenue Lewiston, ID 83501
Dean Froehlich Vice-President of Administrative Services - LCSC	500 Eighth Avenue Lewiston, ID 83501
Richard Meier Vice-President of Student Affairs - LCSC	500 Eighth Avenue Lewiston, ID 83501
Barbara Bowen President LCSC Alumni Association	601 Burrell Drive Lewiston, ID 83501

Gene Straughan Faculty Senate Chair Elect- LCSC	P. O. Box 189 Colton, WA 99113
Eugene Baldeck Appointed Director	2214 Vineyard Lewiston, ID 83501
Scott Arnone Appointed Director	1445 G Street, Suite 101 Lewiston, ID 83501
Charles Brown Appointed Director	322 Main Street Lewiston, ID 83501
Bob DeVleming Appointed Director	P.O. Box 57 Lewiston, ID 83501
Donna Doyle Appointed Director	566 Crestline Circle Drive Lewiston, ID 83501
Joe Hall Appointed Director	1617 21 st Street Lewiston, ID 83501
Harriet Husemann Appointed Director	523 Cedar Lewiston, ID 83501
Jackie McIver Appointed Director	835 Main Street Lewiston, ID 83501
Sam Penney Appointed Director	P.O. Box 305 Lapwai, ID 83540
Joe Stegner Appointed Director	216 Prospect Lewiston, ID 83501
A. L. Alford, Jr. Elected Director	505 C Street Lewiston, ID 83501
Howard Hayes Elected Director	P.O. Box 816 Lewiston, ID 83501

Darrel Inman
Elected Director

P.O. Box 856
Lewiston, ID 83501

Terry Kolb
Elected Director

P.O. Box 937
Lewiston, ID 83501

William Mannschreck
Elected Director

2956 Mayfair Ridge
Lewiston, ID 83501

Eadie Saxton
Elected Director

1035 29th Street
Lewiston, ID 83501

Marilyn Stonebraker
Elected Director

1224 Third Street
Lewiston, ID 83501

Charles F. Woods
Elected Director

308 Main Street
Lewiston, ID 83501

John Young
Elected Director

P.O. Box 917
Lewiston, ID 83501

ARTICLE VI

Registered Agent

- 6.01 Registered Office.** The street address of the initial registered office of this corporation is the office of the Vice-President for Administrative Services, Lewis-Clark State College, Eighth Avenue and Sixth Street, Lewiston, ID 83501.
- 6.02 Registered Agent.** The name and initial registered agent of the corporation at such street address is Dean A. Froehlich.

ARTICLE VII.

Distribution on Dissolution

Upon dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment of all debts and liabilities of this corporation shall be to the Idaho State Board of Education, as the Board of Trustees of Lewis-Clark State College; provided, however, that if at such time Lewis-Clark State College or its successor in interest is not an agency of the State of Idaho or an exempt organization described in § 501(c)(3) of the Internal Revenue Code or has substantially failed or abandoned its operations or been

dissolved, then the remaining assets of the corporation shall be distributed to such other agencies of the State of Idaho or non-profit fund foundation or corporation involved in higher education which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under § 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, as the Board of Directors may direct. Any such assets not distributed shall be distributed by the district court of the county in which the principal office of the corporation is then located, excluding for any purposes or to such organizations as the court shall determine to be consistent with the purposes of the corporation.

ARTICLE VIII. Bylaws

Provisions for the regulation of the internal affairs of the corporation shall be set forth in the Bylaws. The Board of Directors of the corporation shall be authorized to amend the corporation's Bylaws at a properly noticed special or regular meeting of the Board of Directors.

ARTICLE VIX. Amendment of Articles

This corporation reserves the right to amend, alter, change or repeal any provisions contained in these articles of incorporation in any manner now or hereafter prescribed or permitted by statute.

IN WITNESS WHEREOF, the duly undersigned officers have signed and attested these Articles of Amendment.

DATED this 20th day of February 2001.

LEWIS-CLARK STATE COLLEGE
EDUCATIONAL ASSISTANCE AND
DEVELOPMENT FOUNDATION

BY Edith K. Sayton
President

Attest:

John Young
Secretary

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

LEWIS-CLARK STATE COLLEGE EDUCATIONAL ASSISTANCE AND DEVELOPMENT FOUNDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of LEWIS-CLARK STATE COLLEGE EDUCATIONAL ASSISTANCE AND DEVELOPMENT FOUNDATION,

duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated April 4, 19 84.



Pete T. Cenarrusa

SECRETARY OF STATE

Denise Deuer

Corporation Clerk

APR 4 8 29 AM '84

LEWIS-CLARK STATE COLLEGE
EDUCATIONAL ASSISTANCE AND DEVELOPMENT FOUNDATION
ARTICLES OF INCORPORATION

APRIL 1984

LEWIS-CLARK STATE COLLEGE
EDUCATIONAL ASSISTANCE AND DEVELOPMENT FOUNDATION
ARTICLES OF INCORPORATION

Table of Contents

	<u>Page</u>
ARTICLE I Preliminary Matters -----	1
1.01 Name -----	1
1.02 Nonprofit status -----	1
1.03 Duration -----	1
ARTICLE II Purposes -----	1
2.01 Charitable scope of purposes -----	1
2.02 Higher education -----	2
2.03 Lewis-Clark State College -----	2
ARTICLE III Powers -----	3
3.01 Statutory powers -----	3
3.02 Activities -----	3
3.03 Limitations -----	3
ARTICLE IV Members -----	3
4.01 Management authority -----	3
4.02 Apportionment of voting rights among classes --	3
4.03 Compensation -----	3
4.04 Notice of organization meeting -----	4
ARTICLE V Directors -----	4
ARTICLE VI Principal Organizer -----	4
6.01 Name -----	4
6.02 Address -----	4
ARTICLE VII Registered Office and Registered Agent -----	4
7.01 Registered office -----	4
7.02 Registered agent -----	4
ARTICLE VIII Amendment of Articles -----	4
ARTICLE IX Dissolution -----	4
ARTICLE X Incorporator -----	5
10.01 Name -----	5
10.01 Address -----	5

LEWIS-CLARK STATE COLLEGE
EDUCATIONAL ASSISTANCE AND DEVELOPMENT FOUNDATION, Inc.
ARTICLES OF INCORPORATION

ROBERT P. BROWN, Esquire, being over the age of twenty-one (21) years, for the purpose of forming a corporation under the provisions of the Idaho Nonprofit Corporation Act, Title 30, Chapter 3 of the Idaho Code, hereby adopts these articles of incorporation:

ARTICLE I
Preliminary Matters

- 1.01 Name. The name of this corporation is LEWIS-CLARK STATE COLLEGE EDUCATIONAL ASSISTANCE AND DEVELOPMENT FOUNDATION, Inc.
- 1.02 Nonprofit status. This corporation is a nonprofit corporation.
- 1.03 Duration. The duration of this corporation shall be perpetual.

ARTICLE II
Purposes

- 2.01 Charitable scope of purposes. This corporation is organized and shall be operated exclusively for charitable, scientific, literary, or educational purposes, within the meaning of §501(c)(3) of the Internal Revenue Code of 1954, as amended, or corresponding provisions of any subsequent Federal tax laws (hereinafter called Internal Revenue Code"), and Treasury Regulations issued thereunder. This corporation shall serve the public interest, and no part of its assets or the income therefrom shall inure to the benefit of any private individual, except for payment of reasonable compensation for services rendered to the corporation. No substantial part of the activities of this corporation shall directly or indirectly consist of attempting to influence legislation by propaganda or otherwise, and the corporation shall not directly or indirectly participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles of incorporation, this corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an exempt organization described in §501(c)(3) of the Internal Revenue Code, contributions to which are deductible under §170(c)(2) of the Internal Revenue Code.

- 2.02 Higher education. In further limitation of the general charitable purposes set forth above, this corporation is organized and shall be operated for the purpose of advancing the goals of higher education. The goals of higher education shall be broadly construed to encompass the charitable, scientific, literary, artistic, educational, social and athletic objectives normally associated with nonsectarian institutions of higher education.
- 2.03 Lewis-Clark State College. The purposes of this corporation shall be accomplished primarily by encouraging, promoting, supporting, performing and carrying out the functions, programs, operations and purposes of Lewis-Clark State College, an institution of higher education and an agency of the State of Idaho with its principal campus located in Lewiston, Idaho, so long as it is an institution of higher education and an agency of the State of Idaho or an organization described in §501(c)(3) of the Internal Revenue Code, contributions to which are deductible under §170(c)(2) of the Internal Revenue Code. By way of illustration and not limitation, it shall be within the purposes of this corporation to:
- a. Funds. Coordinate fund raising activities on behalf of Lewis-Clark State College and receive, hold, invest and administer donations of every kind on its behalf.
 - b. Programs. Promote, support, develop, perform, carry out and extend the educational undertakings of Lewis-Clark State College, and in furtherance thereof, to support and conduct any and all charitable, scientific, literary, artistic, educational, social and athletic activities relating thereto.
 - c. Facilities. Support, conduct and operate such activities as may be designed or intended to facilitate or enhance the educational, cultural, living and operational conditions at Lewis-Clark State College; to provide support for, maintain, enlarge, and extend the curricula, services, faculty, staff, and real or personal properties of Lewis-Clark State College.
 - d. Financial assistance. To provide financial or other assistance to the students, faculty and staff of Lewis-Clark State College in their efforts to acquire new knowledge and to extend the educational endeavors of Lewis-Clark State College.
 - e. Cooperation. Promote cooperation, coordination with, and assistance to other charities in the area of Lewiston, Idaho, particularly schools and hospitals.

ARTICLE III
Powers

- 3.01 Statutory powers. This corporation shall have all rights and powers now given to nonprofit corporations generally under the laws of the State of Idaho, including those powers now set forth in §30-307 of the Idaho Code, and all further and broader rights and powers which may in the future be given to nonprofit corporations generally under any subsequent laws of this state. No subsequent repeal or amendment of any such laws shall diminish or restrict this corporation's rights and powers.
- 3.02 Activities. In addition to raising funds and making grants, the corporation may, itself, actively conduct programs designed to accomplish the purposes set forth in Article II, above. Such activities may be engaged in for or on behalf of Lewis-Clark State College in order to assist it in performing its functions or carrying out its purposes.
- 3.03 Limitations. No power or authority shall be exercised by this corporation in any manner or for any purpose which is not permitted for an exempt organization described in §501(c)(3) of the Internal Revenue Code, contributions to which are deductible under §170(c)(2) of the Internal Revenue Code.

ARTICLE IV
Members

- 4.01 Management authority. The management of the affairs of this corporation shall be vested in its members pursuant to Section 30-314(c) of the Idaho Code.
- 4.02 Apportionment of voting rights among classes. All voting rights shall be exercised by a single class of membership designated "trustee members", with each trustee member entitled to one (1) vote on each matter submitted to a vote at a meeting of such members. The bylaws of the corporation may provide for the designation of any one or more classes of nonvoting members. Except as set forth in these Articles of Incorporation, the designation, number, qualifications, terms of office, manner of selection, time and place of meetings, rights, powers, and duties of the members of each class shall be prescribed in the bylaws of the corporation.
- 4.03 Compensation. No member of the corporation shall receive any compensation for his or her services as a member of the corporation, but the corporation may pay reasonable compensation to any person, including a member of the corporation, for other services actually rendered to the corporation.

- 4.04 Notice of organization meeting. Actual personal notice of the organization meeting of the members of the corporation shall be sufficient notice pursuant to Section 30-324(b) of the Idaho Code.

ARTICLE V Directors

There shall be no directors of the corporation, the management of the affairs of the corporation being vested in the trustee members pursuant to Section 30-314 of the Idaho Code.

ARTICLE VI Principal Organizer

- 6.01 Name. The name of the principal organizer of this corporation is LEE A. VICKERS, who is over the age of twenty-one (21) years.
- 6.02 Address. The street address of the principal organizer is Office of the President, 8th Avenue and 6th Street, Lewiston, Idaho 83501.

ARTICLE VII Registered Office and Registered Agent

- 7.01 Registered office. The street address of the initial registered office of this corporation is Office of the President, Lewis-Clark State College, 8th Avenue and 6th Street, Lewiston, Idaho 83501.
- 7.02 Registered agent. The name of the initial registered agent at such street address is LEE A. VICKERS.

ARTICLE VIII Amendment of Articles

This corporation reserves the right to amend, alter, change or repeal any provisions contained in these articles of incorporation in any manner now or hereafter prescribed or permitted by statute.

ARTICLE IX Dissolution

In the event of termination, dissolution or liquidation of this corporation, the net assets remaining after payment of all debts and obligations of the corporation shall be transferred and conveyed exclusively to Lewis-Clark State College or its successors-in-interest; provided, however, that if at such time Lewis-Clark State College or its successor-in-interest is not an agency of the State of Idaho or an exempt organization described in §501(c)(3) of the Internal Revenue Code, or has substantially failed or abandoned its operations or been dissolved, then the

THIS PAGE INTENTIONALLY LEFT BLANK