

**BUSINESS AFFAIRS AND HUMAN RESOURCES
NOVEMBER 20, 2025**

TAB	DESCRIPTION	ACTION
1	BOARD POLICY V.E. - GIFTS AND AFFILIATED FOUNDATIONS – FIRST READING	Action Item
2	POLICY V.K. CONSTRUCTION PROJECTS – FIRST READING	Action Item
3	FRIENDS OF IDAHO PUBLIC TELEVISION – OPERATING AGREEMENT UPDATE	Action Item

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SUBJECT

Board Policy V.E. – Gifts and Affiliated Foundations – First Reading

REFERENCE:

February 2006	Board approved the second reading of amendments to Board Policy V.E.
December 2017	Board approved the first reading of amendments to Board Policy V.E., requiring Board approval of affiliated foundation operating agreements.
February 2018	Board approved second reading of amendments to Board Policy V.E., requiring Board approval of affiliated foundation operating agreements.
April 2019	Board approved first reading of amendments to Board Policy V.E.
June 2019	Board approved second reading of amendments to Board Policy V.E.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.E., Idaho Code Title 67, Chapter 7

BACKGROUND/DISCUSSION

Policy V.E. sets out how state-governed agencies and institutions may accept private gifts and work with affiliated non-profit foundations in Idaho, ensuring that contributions supplement but do not supplant state funding, that the foundations are properly organized, transparent and accountable, operate under appropriate agreements and comply with laws.

Board Policy V.E. names the foundation Friends of Idaho Public Television, Inc. (Friends) as the recognized affiliated foundation for Idaho Public Television (IPTV) and requires that this foundation's operating agreement and spending authority conform to Federal Communications Commission (FCC) regulations and the Board's policy on gifts and foundations. The policy provides the structural and governance framework under which IPTV can legally, ethically, and transparently receive and manage private gifts through its affiliated foundation, thereby supporting IPTV's mission while staying compliant with state and federal requirements.

On October 6, 2025, the Legislative Services Office (LSO) informed IPTV that it does not have statutory authority to audit the Friends of Idaho Public Television (Friends), a 501(c)(3) nonprofit organization, as a separate legal entity. LSO's authority extends only to audits of state agencies or entities established by the Legislature.

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Historically, both IPTV and the Friends organization were audited annually by the State Legislative Auditor to meet Corporation for Public Broadcasting (CPB) requirements. Since CPB's dissolution, IPTV has transitioned to a three-year audit cycle, but the Friends organization must continue to complete an annual independent audit to satisfy IRS and governance requirements.

The current Operating Agreement between IPTV and the Friends requires the use of the "State Legislative Auditor." Because LSO cannot perform this audit, IPTV must engage an independent certified public accounting firm to perform the Friends' annual audit beginning in November 2025. This will ensure compliance with IRS deadlines for the Friends' Form 990 filing in May 2026 and requires an update to Board Policy V.E.

IMPACT

To align with current legal and operational requirements, it is proposed that the Operating Agreement between Idaho Public Television, an entity of the Idaho State Board of Education and the Friends of Idaho Public Television be updated as follows:

Current Language: "The Friends of IPTV shall annually conduct an audit consistent with GAAP and GASB requirements through the services of the State Legislative Auditor. No individual designated by the State Legislative Auditor shall be a member of the board of the Friends of IPTV. The annual audit shall be a full scope audit, performed in accordance with GAAP."

Proposed Revised Language: "The Friends of IPTV shall annually engage an independent certified public accountant or audit firm to conduct a full-scope audit of its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB). No individual employed by or affiliated with the engaged audit firm shall serve as a member or director of the Board of the Friends of IPTV. The annual audit shall be comprehensive and performed in accordance with GAAP standards."

This revision requires an update to Board Policy V.E. to allow the Board to approve and update the Operating Agreement between Idaho Public Television, an entity of the Idaho State Board of Education, and Friends of Idaho Public Television, Inc. This will ensure that policy and the operating agreement are in alignment.

ATTACHMENTS

Attachment 1 – Proposed Amendment to Policy V.E. – Gifts and Affiliated Foundations – Clean Version
Attachment 2 – Proposed Amendment to Policy V.E. – Gifts and Affiliated Foundations – Redline Version

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STAFF COMMENTS AND RECOMMENDATIONS

This is an administrative update to bring Board Policy V.E. into alignment with changes to the updated Operating Agreement between Idaho Public Television, an entity of the State Board of Education, and Friends of Idaho Public Television, Inc. and associated statutory requirement and audit practices.

Board staff recommends approval.

BOARD ACTION

I move to approve the first reading of proposed amendment to Board Policy V.E. - Gifts and Affiliated Foundations, as presented in Attachment 1.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

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1. Purpose of the Policy

- a. The Board recognizes the importance of voluntary private support and encourages grants and contributions for the benefit of the institutions and agencies under its governance. Private support for public education is an accepted and firmly established practice throughout the United States. Tax-exempt foundations are one means of providing this valuable support to help the institutions and agencies under the Board's governance raise money through private contributions. Foundations are separate, legal entities, tax-exempt under Section 501(c) of the United States Internal Revenue Code of 1986, as amended, associated with the institutions and agencies under the Board's governance. Foundations are established for the purpose of raising, receiving, holding, and/or using funds from the private sector for charitable, scientific, cultural, educational, athletic, or related endeavors that support, enrich, and improve the institutions or agencies. The Board wishes to encourage a broad base of support from many sources, particularly increased levels of voluntary support. To achieve this goal, the Board will cooperate in every way possible with the work and mission of recognized affiliated foundations
- b. The Board recognizes that foundations:
 - i. Provide an opportunity for private individuals and organizations to contribute to the institutions and agencies under the Board's governance with the assurance that the benefits of their gifts supplement, not supplant, state appropriations to the institutions and agencies;
 - ii. Provide assurance to donors that their contributions will be received, distributed, and utilized as requested for specified purposes, to the extent legally permissible, and that donor records will be kept confidential to the extent requested by the donor and as allowed by law;
 - iii. Provide an instrument through which alumni and community leaders can help strengthen the institutions and agencies through participation in the solicitation, management, and distribution of private gifts; and
 - iv. Aid and assist the Board in attaining its approved educational, research, public service, student loan and financial assistance, alumni relations, and financial development program objectives.
- c. The Board, aware of the value of tax-exempt foundations to the well being of the institutions and agencies under the Board's governance, adopts this policy with the following objectives:

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- i. To preserve and encourage the operation of recognized foundations associated with the institutions and agencies under the Board's governance; and
- ii. To ensure that the institutions and agencies under the Board's governance work with their respective affiliated foundations to make certain that business is conducted responsibly and according to applicable laws, rules, regulations, and policies, and that such foundations fulfill their obligations to contributors, to those who benefit from their programs, and to the general public.

2. Institutional Foundations**a. General Provisions Applicable to all Affiliated Foundations**

- i. All private support of an institution not provided directly to such institution shall be through a Board approved affiliated foundation. While an institution may accept gifts made directly to the institution or directly to the Board, absent unique circumstances making a direct gift to the institution more appropriate, donors shall be requested to make gifts to the Board approved affiliated foundations.
- ii. Each affiliated foundation shall operate as an Idaho nonprofit corporation that is legally separate from the institution and is recognized as a 501(c)(3) public charity by the Internal Revenue Service. The management and control of a foundation shall rest with its governing board. All correspondence, solicitations, activities, and advertisements concerning a particular foundation shall be clearly discernible as from that foundation, and not the institution.
- iii. The institutions and foundations are independent entities and neither will 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 staff.
- iv. It is the responsibility of the foundation to support the institution at all times in a cooperative, ethical, and collaborative manner; to engage in activities in support of the institution; and, where appropriate, to assist in securing resources, to administer assets and property in accordance with donor intent, and to manage its assets and resources.
- v. Foundation funds shall be kept separate from institution funds. No institutional funds, assets, or liabilities may be transferred directly or indirectly to a foundation without the prior approval of the Board except as provided herein. Funds may be transferred from an institution to a foundation without prior Board approval when:

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- 1) A donor inadvertently directs a contribution to an institution that is intended for the foundation. If an affiliated foundation is the intended recipient of funds made payable to the Board or to an institution, then such funds may be deposited with or transferred to the affiliated foundation, provided that accompanying documents demonstrate that the foundation is the intended recipient. Otherwise, the funds shall be deposited in an institutional account, and Board approval will be required prior to transfer to an affiliated foundation; or
 - 2) The institution has gift funds that were transferred from and originated in an affiliated foundation, and the institution wishes to return a portion of funds to the foundation for reinvestment consistent with the original intent of the gift.
 - 3) The transfer is of a *de minimis* amount not to exceed \$10,000 from the Institution to the Foundation and the transferred funds are for investment by the Foundation for scholarship or other general Institution/Agency support purposes.
 - 4) The transfer is of funds raised by the institution for scholarship or program support and the funds are deposited with the affiliated foundation for investment and distribution in accordance with the purpose for which the funds were raised.
- vi. Transactions between an institution and an affiliated foundation shall meet the normal tests for ordinary business transactions, including proper documentation and approvals. Special attention shall be given to avoiding direct or indirect conflicts of interest between the institution and the affiliated foundation and those with whom the foundation does business. Under no circumstances shall an institution employee represent both the institution and foundation in any negotiation, sign for both the institution and foundation in a particular transaction, or direct any other institution employee under their immediate supervision to sign for the related party in a transaction between the institution and the foundation.
 - vii. Prior to the start of each fiscal year, an affiliated foundation must provide the institution chief executive officer with the foundation's proposed annual budget, as approved by the foundation's governing board.
 - viii. Each foundation shall conduct its fiscal operations to conform to the institution's fiscal year. Each foundation shall prepare its annual financial statements in accordance with Government Accounting Standards Board (GASB) or Financial Accounting Standards Board (FASB) principles, as appropriate.

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- ix. Institution chief executive officers shall be invited to attend all meetings of an affiliated foundation's governing board in an advisory role. On a case by case basis, other institution employees may also serve as advisors to an affiliated foundation's governing board, as described in the written foundation operating agreement approved by the Board.
- x. Although foundations are private entities and are not subject to the Idaho Public Records Law, foundations, while protecting personal and private information related to private individuals, are encouraged, to the extent reasonable, to be open to public inquiries related to revenue, expenditure policies, investment performance and/or similar non-personal and non-confidential financial or policy information.
- xi. A foundation's enabling documents (e.g., articles of incorporation and bylaws) and any amendments are to be provided to the institution. These documents must include a clause requiring that in the event of the dissolution of a foundation, its assets and records will be distributed to the Board or the affiliated institution. To the extent practicable, the foundation shall provide the institution with an advance copy of any proposed amendments, additions, or deletions to its articles of incorporation or bylaws. The institution shall be responsible for providing all of the foregoing documents to the Board.
- xii. Foundations may not engage in activities that conflict with federal or state laws, rules and regulations; or cause an institution to be in violation of Board policy; or the role and mission of the institutions. Foundations shall comply with applicable Internal Revenue Code provisions and regulations and all other applicable policies and guidelines.
- xiii. Fund-raising campaigns and solicitations of major gifts for the benefit of an institution by its affiliated foundation shall be developed cooperatively between the institution and its affiliated foundation. Before accepting contributions or grants for restricted or designated purposes that may require administration or direct expenditure by an institution, a foundation will obtain the prior approval of the institution chief executive officer or a designee.
- xiv. Foundations shall obtain prior approval in writing from the institution chief executive officer or a designee if gifts, grants, or contracts include a financial or contractual obligation binding upon the institution.
- xv. Foundations 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 institution; and

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- 2) Responsibility for the governance of the foundation, including investment of gifts and endowments, resides in the foundation's governing board.

xvi. Institutions shall ensure that foundation controlled resources are not used to acquire or develop real estate or to build facilities for the institution's use without prior Board approval. The institution shall notify the Board, at the earliest possible date, of any proposed purchase of real estate for such purposes, and in such event should ensure that the foundation coordinates its efforts with those of the institution. Such notification to the Board may be through the institution's chief executive officer in executive session pursuant to Idaho Code, Section 74-206(1)(c).

b. Foundation Operating Agreements

Each institution shall enter into a written operating agreement with each of its affiliated foundations that ensures compliance with this Policy.

Board approval of affiliated foundation operating agreements is required if an affiliated foundation will receive donations, membership dues, gifts or other funds (collectively "funds") and delivers those funds directly to the institution. If an affiliated foundation will not receive or maintain funds, or if it routes all funds received to the institution through another Board-approved affiliated foundation, Board approval of the operating agreement is not required. In such cases, the institution shall ensure that services provided by a Board approved affiliated foundation to another affiliated foundation are provided pursuant to a service agreement between the affiliated foundations which complies with Board policy, a copy of which is available to the institution and to the Board.

Operating agreements must be signed by the chairman or president of the foundation's governing board, and by the institution chief executive officer. Operating agreements requiring Board approval must be approved by the Board prior to execution and must be re-submitted to the Board for re-approval every three (3) years, or as otherwise requested by the Board. Operating agreements shall follow the operating agreement template approved by the Board and found at <http://boardofed.idaho.gov/>. When an operating agreement is presented to the Board for review, an institution must include a redline to the Board's operating agreement template, as well as a redline to the previously Board approved version of the operating agreement, if there is one.

Foundation operating agreements shall establish the operating relationship between the parties, and shall, at a minimum, address the following topics:

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- i. Institution Resources and Services.
 - 1) Whether, and how, an institution intends to provide contract administrative and/or support staff services to an affiliated foundation. When it is determined that best practices call for an institution employee to serve in a capacity that serves both the institution and an affiliated foundation, then the operating agreement must clearly define the authority and responsibilities of this position within the foundation. Notwithstanding, no employee of an institution who functions in a key administrative or policy making capacity (including, but not limited to, any institution vice-president or equivalent position) shall be permitted to have responsibility or authority for foundation policy making, financial oversight, spending authority, investment decisions, or the supervision of foundation employees. The responsibility of this position within the foundation that is performed by an institution employee in a key administrative or policy making capacity shall be limited to the coordination of institution and affiliated foundation fundraising efforts, and the provision of administrative support to foundation fundraising activities.
 - 2) Whether, and how, an institution intends to provide other resources and services to an affiliated foundation, which are permitted to include:
 - a) Access to the institution's financial systems to receive, disburse, and account for funds held (with respect to transactions processed through the institution's financial system, the foundation shall comply with the institution's financial and administrative policies and procedures manuals);
 - b) Accounting services, to include cash disbursements and receipts, accounts receivable and payable, bank reconciliation, reporting and analysis, auditing, payroll, and budgeting;
 - c) Investment, management, insurance, benefits administration, and similar services; and
 - d) Development services, encompassing research, information systems, donor records, communications, and special events.
 - 3) Whether the foundation will be permitted to use any of the institution's facilities and/or equipment, and if so, the details of such arrangements.
 - 4) Whether the institution intends to recover its costs incurred for personnel, use of facilities or equipment, or other services provided to the foundation. If so, then payments for such costs shall be made directly to the institution.

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No payments shall be made directly from a foundation to institution employees in connection with resources or services provided to a foundation pursuant to this policy.

ii. Management and Operation of Foundations.

- 1) Guidelines for receiving, depositing, disbursing and accounting for all funds, assets, or liabilities of a foundation, including any disbursements/transfers of funds to an institution from an affiliated foundation. Institution officials into whose department or program foundation funds are transferred shall be informed by the foundation of the restrictions, if any, on such funds and shall be responsible both to account for them in accordance with institution policies and procedures, and to notify the foundation on a timely basis regarding the use of such funds.
- 2) Procedures with respect to foundation expenditures and financial transactions, which must ensure that no person with signature authority shall be an institution employee in a key administrative or policy making capacity (including, but not limited to, an institution vice-president or equivalent position).
- 3) The liability insurance coverage the foundation will have in effect to cover its operations and the activities of its directors, officers, and employees.
- 4) Description of the investment policies to be utilized by the foundation, which shall be conducted in accordance with prudent, sound practice to ensure that gift assets are protected and enhanced, and that a reasonable return is achieved, with due regard for the fiduciary responsibilities of the foundation's governing board. Moreover, such investments must be consistent with the terms of the gift instrument.
- 5) Procedures that will be utilized to ensure that institution and foundation funds are kept separate.
- 6) Detailed description of the organization structure of the foundation, which addresses conflict of interest in management of funds and any foundation data.

iii. Foundation Relationships with the Institutions

- 1) The institution's ability to access foundation books and records.
- 2) The process by which the institution chief executive officer, or designee, shall interact with the foundation's board regarding the proposed annual

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operating budget and capital expenditure plan prior to approval by the foundation's governing board.

- 3) Whether, and how, supplemental compensation from the foundation may be made to institutional employees. Any such payments must have prior Board approval, and shall be paid by the foundations to the institutions, which in turn will make payments to the employee in accordance with normal practice. Employees shall not receive any payments or other benefits directly from the foundations.

iv. Audits and Reporting Requirements.

- 1) The procedure foundations will utilize for ensuring that regular audits are conducted and reported to the Board. Unless provided for otherwise in the written operating agreement, such audits must be conducted by an independent certified public accountant, who is not a director or officer of the foundation. The independent audit shall be a full scope audit, performed in accordance with generally accepted auditing standards.
- 2) The procedure foundations will use for reporting to the institution chief executive officer the following items:
 - a) Regular financial audit report;
 - b) Annual report of transfers made to the institution, summarized by department;
 - 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;
 - e) A list of institution employees for whom the foundation made payments to the institution 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; and
 - 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

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foundation fiscal year for the benefit of the institution; 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.

v. Conflict of Interest and Code of Ethics and Conduct.

A description of the foundation's conflict of interest policy approved by the foundation's governing board and applicable to all foundation directors, officers, and staff members, and which shall also include a code of ethics and conduct. Such policy must assure that transactions involving the foundation and the personal or business affairs of a trustee, director, officer, or staff member should be approved in advance by the foundation's governing board. In addition, such policy must provide that directors, officers, and staff members of a foundation disqualify themselves from making, participating, or influencing a decision in which they have or would have a financial interest. Finally, such policy must assure that no director, trustee, officer, or staff member of a foundation shall accept from any source any material gift or gratuity in excess of fifty dollars (\$50.00) that is offered, or reasonably appears to be offered, because of the position held with the foundation; nor should an offer of a prohibited gift or gratuity be extended by such an individual on a similar basis.

vi. Affiliated Research Foundations and Technology Transfer Organization for Institutions of Higher Education

The Board wishes to encourage research and technology transfer and the corresponding economic development potential for the state of Idaho. The Board acknowledges that independent, affiliated foundations operating to support an institution's research and technology transfer efforts can be useful tools to provide institutions with avenues for engagement with the private sector as well as with public and private entities interested in funding research, funding technology transfer and promoting spin-off enterprises arising from institutional intellectual property and technology. Such affiliated foundations should operate substantially within the framework for affiliated foundations set out in paragraph 1 and 2 of this policy, with such variances as are reasonable based on the nature of the anticipated function of the specific foundation.

- 1) The institutions under the Board's governance may affiliate with non-profit entities which generally meet the criteria set forth in paragraph 2.b. of this policy and which operate for the purpose of supporting the research and technology transfer efforts of one or more of the institutions.

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- 2) Research and Technology Transfer Foundation Operating Agreements. The requirement of a foundation operating agreement under paragraph 2.b. of this policy shall also apply to foundations supporting research and technology transfer. Institutions proposing to affiliate with a particular foundation may propose reasonable variances from specific requirements under paragraph 2.b. based upon the anticipated function of the foundation, provided that any such variances are specifically identified by the institution in materials presented to the Board when requesting approval of the foundation.

3. Foundations for Other Agencies

Other agencies under the Board's jurisdiction may establish foundations to accept gifts made for the benefit of the agencies' operating purposes. These agencies are subject to the same policies as the institutional foundations. However, agency foundations with annual revenues less than \$100,000 are not required to obtain an independent audit. These agencies must instead submit an annual report to the Board of gifts received and the disposition of such gifts.

4. Idaho Public Television Foundation

- a. Foundations that exist for the benefit of Idaho Public Television (IPTV) are required by Federal Communications Commission (FCC) regulations to have specific spending authority designated by the Board. The Friends of IPTV Foundation shall annually engage an independent certified public accountant or audit firm to conduct a full-scope audit of its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB). No individual employed by or affiliated with the engaged audit firm shall serve as a member or director of the Board of the Friends of IPTV. The annual audit shall be comprehensive and performed in accordance with GAAP standards.
- b. By action of the Board, the Friends of Idaho Public Television, Inc., has been designated to accept gifts made for the benefit of public television in the state of Idaho. The Foundation will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

5. Acceptance of Direct Gifts

Notwithstanding the Board's desire to encourage the solicitation and acceptance of gifts through affiliated foundations, the Board may accept donations of gifts, legacies, and devises (hereinafter "gifts") of real and personal property on behalf of the state of Idaho that are made directly to the Board or to an institution or agency under its

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governance. Gifts worth more than \$250,000 must be reported to and approved by the executive director of the Board before such gift may be expended or otherwise used by the institution or agency. Gifts worth more than \$500,000 must be approved by the Board. The chief executive officer of any institution or agency is authorized to receive, on behalf of the Board, gifts that do not require prior approval by the executive director or the Board and that are of a routine nature. This provision does not apply to transfers of gifts to an institution or agency from an affiliated foundation (such transfers shall be in accordance with the written operating agreement between the institution or agency and an affiliated foundation, as described more fully herein).

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1. Purpose of the Policy

- a. The Board recognizes the importance of voluntary private support and encourages grants and contributions for the benefit of the institutions and agencies under its governance. Private support for public education is an accepted and firmly established practice throughout the United States. Tax-exempt foundations are one means of providing this valuable support to help the institutions and agencies under the Board's governance raise money through private contributions. Foundations are separate, legal entities, tax-exempt under Section 501(c) of the United States Internal Revenue Code of 1986, as amended, associated with the institutions and agencies under the Board's governance. Foundations are established for the purpose of raising, receiving, holding, and/or using funds from the private sector for charitable, scientific, cultural, educational, athletic, or related endeavors that support, enrich, and improve the institutions or agencies. The Board wishes to encourage a broad base of support from many sources, particularly increased levels of voluntary support. To achieve this goal, the Board will cooperate in every way possible with the work and mission of recognized affiliated foundations
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 - iii. Provide an instrument through which alumni and community leaders can help strengthen the institutions and agencies through participation in the solicitation, management, and distribution of private gifts; and
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- 1) A donor inadvertently directs a contribution to an institution that is intended for the foundation. If an affiliated foundation is the intended recipient of funds made payable to the Board or to an institution, then such funds may be deposited with or transferred to the affiliated foundation, provided that accompanying documents demonstrate that the foundation is the intended recipient. Otherwise, the funds shall be deposited in an institutional account, and Board approval will be required prior to transfer to an affiliated foundation; or
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- vii. Prior to the start of each fiscal year, an affiliated foundation must provide the institution chief executive officer with the foundation's proposed annual budget, as approved by the foundation's governing board.
- viii. Each foundation shall conduct its fiscal operations to conform to the institution's fiscal year. Each foundation shall prepare its annual financial statements in accordance with Government Accounting Standards Board (GASB) or Financial Accounting Standards Board (FASB) principles, as appropriate.

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- ix. Institution chief executive officers shall be invited to attend all meetings of an affiliated foundation's governing board in an advisory role. On a case by case basis, other institution employees may also serve as advisors to an affiliated foundation's governing board, as described in the written foundation operating agreement approved by the Board.
- x. Although foundations are private entities and are not subject to the Idaho Public Records Law, foundations, while protecting personal and private information related to private individuals, are encouraged, to the extent reasonable, to be open to public inquiries related to revenue, expenditure policies, investment performance and/or similar non-personal and non-confidential financial or policy information.
- xi. A foundation's enabling documents (e.g., articles of incorporation and bylaws) and any amendments are to be provided to the institution. These documents must include a clause requiring that in the event of the dissolution of a foundation, its assets and records will be distributed to the Board or the affiliated institution. To the extent practicable, the foundation shall provide the institution with an advance copy of any proposed amendments, additions, or deletions to its articles of incorporation or bylaws. The institution shall be responsible for providing all of the foregoing documents to the Board.
- xii. Foundations may not engage in activities that conflict with federal or state laws, rules and regulations; or cause an institution to be in violation of Board policy; or the role and mission of the institutions. Foundations shall comply with applicable Internal Revenue Code provisions and regulations and all other applicable policies and guidelines.
- xiii. Fund-raising campaigns and solicitations of major gifts for the benefit of an institution by its affiliated foundation shall be developed cooperatively between the institution and its affiliated foundation. Before accepting contributions or grants for restricted or designated purposes that may require administration or direct expenditure by an institution, a foundation will obtain the prior approval of the institution chief executive officer or a designee.
- xiv. Foundations shall obtain prior approval in writing from the institution chief executive officer or a designee if gifts, grants, or contracts include a financial or contractual obligation binding upon the institution.
- xv. Foundations 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 institution; and

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- 2) Responsibility for the governance of the foundation, including investment of gifts and endowments, resides in the foundation's governing board.

xvi. Institutions shall ensure that foundation controlled resources are not used to acquire or develop real estate or to build facilities for the institution's use without prior Board approval. The institution shall notify the Board, at the earliest possible date, of any proposed purchase of real estate for such purposes, and in such event should ensure that the foundation coordinates its efforts with those of the institution. Such notification to the Board may be through the institution's chief executive officer in executive session pursuant to Idaho Code, Section 74-206(1)(c).

b. Foundation Operating Agreements

Each institution shall enter into a written operating agreement with each of its affiliated foundations that ensures compliance with this Policy.

Board approval of affiliated foundation operating agreements is required if an affiliated foundation will receive donations, membership dues, gifts or other funds (collectively "funds") and delivers those funds directly to the institution. If an affiliated foundation will not receive or maintain funds, or if it routes all funds received to the institution through another Board-approved affiliated foundation, Board approval of the operating agreement is not required. In such cases, the institution shall ensure that services provided by a Board approved affiliated foundation to another affiliated foundation are provided pursuant to a service agreement between the affiliated foundations which complies with Board policy, a copy of which is available to the institution and to the Board.

Operating agreements must be signed by the chairman or president of the foundation's governing board, and by the institution chief executive officer. Operating agreements requiring Board approval must be approved by the Board prior to execution and must be re-submitted to the Board for re-approval every three (3) years, or as otherwise requested by the Board. Operating agreements shall follow the operating agreement template approved by the Board and found at <http://boardofed.idaho.gov/>. When an operating agreement is presented to the Board for review, an institution must include a redline to the Board's operating agreement template, as well as a redline to the previously Board approved version of the operating agreement, if there is one.

Foundation operating agreements shall establish the operating relationship between the parties, and shall, at a minimum, address the following topics:

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- i. Institution Resources and Services.
 - 1) Whether, and how, an institution intends to provide contract administrative and/or support staff services to an affiliated foundation. When it is determined that best practices call for an institution employee to serve in a capacity that serves both the institution and an affiliated foundation, then the operating agreement must clearly define the authority and responsibilities of this position within the foundation. Notwithstanding, no employee of an institution who functions in a key administrative or policy making capacity (including, but not limited to, any institution vice-president or equivalent position) shall be permitted to have responsibility or authority for foundation policy making, financial oversight, spending authority, investment decisions, or the supervision of foundation employees. The responsibility of this position within the foundation that is performed by an institution employee in a key administrative or policy making capacity shall be limited to the coordination of institution and affiliated foundation fundraising efforts, and the provision of administrative support to foundation fundraising activities.
 - 2) Whether, and how, an institution intends to provide other resources and services to an affiliated foundation, which are permitted to include:
 - a) Access to the institution's financial systems to receive, disburse, and account for funds held (with respect to transactions processed through the institution's financial system, the foundation shall comply with the institution's financial and administrative policies and procedures manuals);
 - b) Accounting services, to include cash disbursements and receipts, accounts receivable and payable, bank reconciliation, reporting and analysis, auditing, payroll, and budgeting;
 - c) Investment, management, insurance, benefits administration, and similar services; and
 - d) Development services, encompassing research, information systems, donor records, communications, and special events.
 - 3) Whether the foundation will be permitted to use any of the institution's facilities and/or equipment, and if so, the details of such arrangements.
 - 4) Whether the institution intends to recover its costs incurred for personnel, use of facilities or equipment, or other services provided to the foundation. If so, then payments for such costs shall be made directly to the institution.

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No payments shall be made directly from a foundation to institution employees in connection with resources or services provided to a foundation pursuant to this policy.

ii. Management and Operation of Foundations.

- 1) Guidelines for receiving, depositing, disbursing and accounting for all funds, assets, or liabilities of a foundation, including any disbursements/transfers of funds to an institution from an affiliated foundation. Institution officials into whose department or program foundation funds are transferred shall be informed by the foundation of the restrictions, if any, on such funds and shall be responsible both to account for them in accordance with institution policies and procedures, and to notify the foundation on a timely basis regarding the use of such funds.
- 2) Procedures with respect to foundation expenditures and financial transactions, which must ensure that no person with signature authority shall be an institution employee in a key administrative or policy making capacity (including, but not limited to, an institution vice-president or equivalent position).
- 3) The liability insurance coverage the foundation will have in effect to cover its operations and the activities of its directors, officers, and employees.
- 4) Description of the investment policies to be utilized by the foundation, which shall be conducted in accordance with prudent, sound practice to ensure that gift assets are protected and enhanced, and that a reasonable return is achieved, with due regard for the fiduciary responsibilities of the foundation's governing board. Moreover, such investments must be consistent with the terms of the gift instrument.
- 5) Procedures that will be utilized to ensure that institution and foundation funds are kept separate.
- 6) Detailed description of the organization structure of the foundation, which addresses conflict of interest in management of funds and any foundation data.

iii. Foundation Relationships with the Institutions

- 1) The institution's ability to access foundation books and records.
- 2) The process by which the institution chief executive officer, or designee, shall interact with the foundation's board regarding the proposed annual

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operating budget and capital expenditure plan prior to approval by the foundation's governing board.

- 3) Whether, and how, supplemental compensation from the foundation may be made to institutional employees. Any such payments must have prior Board approval, and shall be paid by the foundations to the institutions, which in turn will make payments to the employee in accordance with normal practice. Employees shall not receive any payments or other benefits directly from the foundations.

iv. Audits and Reporting Requirements.

- 1) The procedure foundations will utilize for ensuring that regular audits are conducted and reported to the Board. Unless provided for otherwise in the written operating agreement, such audits must be conducted by an independent certified public accountant, who is not a director or officer of the foundation. The independent audit shall be a full scope audit, performed in accordance with generally accepted auditing standards.
- 2) The procedure foundations will use for reporting to the institution chief executive officer the following items:
 - a) Regular financial audit report;
 - b) Annual report of transfers made to the institution, summarized by department;
 - 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;
 - e) A list of institution employees for whom the foundation made payments to the institution 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; and
 - g) An annual report of the foundation's major activities;

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- 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 institution; 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.

v. Conflict of Interest and Code of Ethics and Conduct.

A description of the foundation's conflict of interest policy approved by the foundation's governing board and applicable to all foundation directors, officers, and staff members, and which shall also include a code of ethics and conduct. Such policy must assure that transactions involving the foundation and the personal or business affairs of a trustee, director, officer, or staff member should be approved in advance by the foundation's governing board. In addition, such policy must provide that directors, officers, and staff members of a foundation disqualify themselves from making, participating, or influencing a decision in which they have or would have a financial interest. Finally, such policy must assure that no director, trustee, officer, or staff member of a foundation shall accept from any source any material gift or gratuity in excess of fifty dollars (\$50.00) that is offered, or reasonably appears to be offered, because of the position held with the foundation; nor should an offer of a prohibited gift or gratuity be extended by such an individual on a similar basis.

vi. Affiliated Research Foundations and Technology Transfer Organization for Institutions of Higher Education

The Board wishes to encourage research and technology transfer and the corresponding economic development potential for the state of Idaho. The Board acknowledges that independent, affiliated foundations operating to support an institution's research and technology transfer efforts can be useful tools to provide institutions with avenues for engagement with the private sector as well as with public and private entities interested in funding research, funding technology transfer and promoting spin-off enterprises arising from institutional intellectual property and technology. Such affiliated foundations should operate substantially within the framework for affiliated foundations set out in paragraph 1 and 2 of this policy, with such variances as are reasonable based on the nature of the anticipated function of the specific foundation.

- 1) The institutions under the Board's governance may affiliate with non-profit entities which generally meet the criteria set forth in paragraph 2.b. of this

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policy and which operate for the purpose of supporting the research and technology transfer efforts of one or more of the institutions.

- 2) Research and Technology Transfer Foundation Operating Agreements. The requirement of a foundation operating agreement under paragraph 2.b. of this policy shall also apply to foundations supporting research and technology transfer. Institutions proposing to affiliate with a particular foundation may propose reasonable variances from specific requirements under paragraph 2.b. based upon the anticipated function of the foundation, provided that any such variances are specifically identified by the institution in materials presented to the Board when requesting approval of the foundation.

3. Foundations for Other Agencies

Other agencies under the Board's jurisdiction may establish foundations to accept gifts made for the benefit of the agencies' operating purposes. These agencies are subject to the same policies as the institutional foundations. However, agency foundations with annual revenues less than \$100,000 are not required to obtain an independent audit. These agencies must instead submit an annual report to the Board of gifts received and the disposition of such gifts.

4. Idaho Public Television Foundation

- a. Foundations that exist for the benefit of Idaho Public Television (IPTV) are required by Federal Communications Commission (FCC) regulations to have specific spending authority designated by the Board. ~~Audits of the IPTV Foundation will be conducted by the State Legislative Auditor.~~ The Friends of IPTV Foundation shall annually engage an independent certified public accountant or audit firm to conduct a full-scope audit of its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB). No individual employed by or affiliated with the engaged audit firm shall serve as a member or director of the Board of the Friends of IPTV. The annual audit shall be comprehensive and performed in accordance with GAAP standards.
- b. By action of the Board, the Friends of Idaho Public Television, Inc., has been designated to accept gifts made for the benefit of public television in the state of Idaho. The Foundation will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

5. Acceptance of Direct Gifts

Notwithstanding the Board's desire to encourage the solicitation and acceptance of gifts through affiliated foundations, the Board may accept donations of gifts, legacies, and devises (hereinafter "gifts") of real and personal property on behalf of the state of Idaho that are made directly to the Board or to an institution or agency under its

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governance. Gifts worth more than \$250,000 must be reported to and approved by the executive director of the Board before such gift may be expended or otherwise used by the institution or agency. Gifts worth more than \$500,000 must be approved

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by the Board. The chief executive officer of any institution or agency is authorized to receive, on behalf of the Board, gifts that do not require prior approval by the executive director or the Board and that are of a routine nature. This provision does not apply to transfers of gifts to an institution or agency from an affiliated foundation (such transfers shall be in accordance with the written operating agreement between the institution or agency and an affiliated foundation, as described more fully herein).

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NOVEMBER 20, 2025

SUBJECT

Idaho State Board of Education (Board) Policy Section V.K. Construction Projects
– First Reading

REFERENCE

April 2014	Board approved first reading of proposed amendments to policy V.K.
June 2014	Board approved second reading of proposed amendments to policy V.K.
June 2015	Board approved first reading of proposed amendments to policy V.K.
August 2015	Board approved second reading of proposed amendments to policy V.K.
August 2023	Board approved first reading of proposed amendments to policy V.K.
October 2023	Board approved second reading of proposed amendments to policy V.K.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

At the October 2025 BAHHR Committee meeting, members requested that Board staff review and clarify Policy V.K. – Construction Projects, particularly the sequencing in Section 3.a related to planning and design. The current policy requires institutions to submit a preliminary project budget and financing plan before issuing a Request for Qualifications (RFQ) for design professionals. Members of the BAHHR Committee expressed concern that this sequencing can inadvertently inflate project bids, increase administrative delay, and limit flexibility in early project planning.

The proposed revisions to Policy V.K. address these issues by:

1. Clarifying that institutions should issue an RFQ solely to identify qualified design professionals before Board approval of a project budget or financing plan, provided no contracts are executed and no expenditures occur prior to formal Board approval.
2. Adding explicit language prohibiting institutions from executing design contracts or initiating any design work until the Board has approved the project's planning and design phase.
3. Requiring institutions to submit a preliminary project scope identifying the project need, anticipated funding sources, and an estimated cost range when requesting planning and design approval.
4. Clarifying sequencing and allowing certain approvals to be sought concurrently, including when planning/design approval may accompany requests for construction authorization or budget/financing approval.

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5. Aligning procedures for design-build project delivery, including explicit requirements for Board approval before issuing design-build solicitations.
6. Strengthening fiscal revision requirements, including more clearly defined reporting obligations when project costs exceed previously approved amounts or when scope changes occur.
7. Improving consistency, terminology, and readability throughout Policy V.K., including authorization limits, project planning, design-build processes, and master planning requirements.

These updates ensure institutions can follow standard architectural procurement practices while maintaining strong Board oversight of project scope, costs, and financing.

IMPACT

The proposed amendments streamline the approval process for capital construction projects by better aligning procedural steps with standard design and procurement practices. This change reduces administrative delays, improves cost accuracy, and mitigates the potential for inflated bids while preserving Board oversight of project budgets and financing plans. The revisions are expected to improve efficiency and transparency without reducing fiscal or procedural accountability for institutions and agencies under Board governance.

The amendments also clarify that no design contracts may be executed or design work initiated until the Board formally approves the planning and design phase. Institutions must provide a preliminary project scope including project need, anticipated funding sources, and an estimated cost range, when requesting planning/design approval. The revisions further clarify when approvals may be sought concurrently, outline procedural expectations for design-build delivery methods, and refine requirements for reporting fiscal revisions to previously approved projects.

ATTACHMENTS

- Attachment 1 – Proposed Policy Amendments to V.K. Construction Projects – Redline Version
- Attachment 2 – Proposed Policy Amendments to V.K. Construction Projects – Clean Version

STAFF COMMENTS AND RECOMMENDATIONS

Board staff have reviewed the proposed amendments in collaboration with institutions to ensure alignment with state procurement rules, state statutes, the Department of Public Works (DPW) policies and best practices in capital project management. The changes address institutional concerns raised in recent meetings, clarify procedural sequencing, and maintain appropriate levels of Board control and reporting.

Staff recommends approval.

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BOARD ACTION

I move to approve the first reading of proposed amendments to Policy V.K.-
Construction Projects, as provided in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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1. Authorization Limits

Before any institution or agency under the governance of the Board begins to make capital improvements, either in the form of alteration and repair to existing facilities or construction of new facilities, it must be authorized based on the limits listed below. "Alteration" means a limited construction project for an existing facility that comprises the modification or replacement of one or a number of existing building systems or components. "Repair" means work that corrects deterioration or damage to a facility or to existing building systems or components in order to restore it to its condition prior to the deterioration or damage.

Projects requiring executive director or Board approval must include a project budget detailing the estimated project costs, including costs for architects, engineers, and construction managers and engineering services. Alteration and repair projects funded entirely by an appropriation through the permanent building fund are approved through the Board's annual approval of an institution's or agency's operating budget and do not require separate approval under this policy, except as may be required under Paragraph 5.

For purposes of selecting professional design services, institutions shall issue a Request for Qualifications (RFQ) prior to submission of a formal project budget under this policy, provided that no contractual commitment or expenditure occurs until required approvals are obtained under Section 3.

Project Originally Authorized By	Original Project Cost	Cumulative Value of Change(s)	Aggregate Revised Project Cost	Change Authorized By
Local Agency	< \$1 million	Any	< \$1 million	Local Agency
Local Agency	< \$1 million	Any	\$1 – 2 million	Executive Director
Local Agency	<\$1 million	Any	> \$2 million	SBOE
Executive Director	\$1 -\$2 million	<= \$1 million	<= \$2 million	Local Agency
Executive Director	\$1 – 2 million	Any	>\$2 million	SBOE
SBOE	> \$2 million	<\$1 million	Any	Local Agency
SBOE	> \$2 million ,	\$1-\$2 million	Any	Executive Director
SBOE	> \$2 million	>\$2 million	Any	SBOE

2. Major Projects - Capital Construction Plans

- a. Institutions and agencies under the governance of the Board wishing to undertake construction projects involving construction of new facilities or significant, long-term renewal improvements to existing facilities shall submit annually to the Board for its approval a six-year capital construction plan (the "Plan"). The Plan shall

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span six fiscal years going forward starting at the fiscal year next. The Plan shall include only capital construction projects for which the total cost is estimated to exceed two million dollars (\$2,000,000) ("Major Projects"), without regard to the source of funding. Alteration and repair to existing facilities are not required to be included on the Plan but such projects shall be reported to the Board when undertaken. Inclusion on the Plan shall constitute notice to the Board that an institution or agency may bring a request at a later date for Board approval of one or more of the projects included in its approved Plan. Board approval of a Plan shall not constitute approval of a project included in the Plan.

b. If a Major Project is not included in a Plan and an institution or agency under the governance of the Board desires to obtain approval of the Major Project, before seeking approval, it shall first bring an amended Plan to the Board for approval at a regularly scheduled meeting of the Board. If a potential donor offers an unsolicited gift to an institution or its affiliated foundation in support of a Major Project which is not in an institution's or agency's Plan, prior to acceptance of the gift, the institution or agency shall notify the Board's executive director in writing of the offer, which notice shall include a detailed statement of purpose and fiscal impact, and a summary of the terms and conditions of the gift. This notice shall also certify to the executive director that the donor understands and acknowledges that construction of the Major Project is subject to the review and approval of the Board.

3. Major Projects Approval Process - Design-Bid-Build Projects

a. Planning and Design

Institutions and agencies under the governance of the Board shall issue a Request for Qualifications (RFQ) for professional design services on a Major Project prior to obtaining formal Board approval for the planning and design phase, for the limited purpose of selecting qualified architects, engineers, or design teams. Institutions and agencies may seek Board approvals for planning and design or construction prior to the completion of the RFQ process.

No contract for design services may be executed, and no planning or design work may commence, until the Board has granted approval of the project's planning and design phase.

As part of the request for Board approval of the planning and design phase, the institution or agency shall provide a preliminary scope identifying the project need, anticipating funding sources and an estimated project cost range. The Board's approval shall include the authorization of the project budget and financing plan as described in subsection (b).

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b. Project Budget and Financing Plan

Board approval of a project budget and financing plan (including pro forma financials, debt/operating expenses ratios, pledges, strategic facilities fees, and other material financial information) is required for a design-bid-build Major Project. This approval may be requested only after approval of the design and planning process and may be requested concurrently with approval for construction.

c. Construction

Board approval is required to proceed with the construction of a Major Project. In order to obtain Board approval for construction of a Major Project, the Board must approve the project budget and financing plan. Construction approval may be requested concurrently with approval of the project's budget and financing plan.

d. Financing and Incurrence of Debt

Board approval for the financing of Major Projects via the issuance of bonds, or incurrence of any other indebtedness, is required pursuant to Board policy V.F. This approval may be requested concurrently with approval of the project's budget and financing plan and construction approval.

4. Major Projects Approval Process - Design-Build Projects

Although design--build projects are performed by one team, design-build contracts can also allow a series of options to proceed (or not) after completion of the design phase and before construction. For design-build Major Projects, Board approval shall be required prior to issuance of a design-build solicitation, including approval to utilize the design-build method. The approval process for major projects using a design-build contract shall be the same as the approval process required for a design-bid-build contract. For purposes of such approval, a preliminary project budget and financing plan shall be submitted. No additional approval shall be required unless the preliminary budget and financing plan is exceeded. Approval of debt issuance as part of the financing plan is required as provided in Policy V.F. An institution may seek approval from the permanent building fund advisory council for use of design-build delivery method prior to or following Board approval, as long as both agencies approve, if required, prior to issuance of a bid.

5. Fiscal Revisions to Previously Approved Projects

If a project budget increases above the total Board or executive director-authorized amount by 5% or more, then the institution or agency shall be required to seek further authorization based on the limits established in paragraph 1, above. Regardless of the authorization level required, the institution shall provide the Board with the amount and reason(s) for the cost overruns and the source of funds.

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6. Project Acceptance

Projects under the supervision of the Department of Administration are accepted by the Department on behalf of the Board and the State of Idaho and all contracts and acquisition of goods and services are acquired through the Department of Administration as applicable. Projects conducted through the Department of Administration shall not require approval other than as required under this Policy V.K. Projects under the supervision of an institution or agency are accepted on behalf of the Board and the State of Idaho by the institution or agency and the project architect. Projects under the supervision of the University of Idaho are accepted by the University on behalf of the Board of Regents.

7. Statute and Code Compliance

- a. All projects must be in compliance with Section 504 of the Rehabilitation Act of 1973 and must provide access to all persons. All projects must be in compliance with applicable state and local building and life-safety codes as provided in Chapter 41, Title 39, and applicable local land-use regulations as provided in Section 67- 6528, Idaho Code.
- b. In designing and implementing construction projects, due consideration must be given to energy conservation and long-term maintenance and operation savings versus short-term capital costs.

8. Campus Master Plans

Each institution shall develop a seven (7) to fifteen (15) year Campus Master Plan (CMP). The CMP shall serve as a planning framework to guide the orderly and strategic growth and physical development of an institution's campus. The CMP shall be consistent with and support the institution's current mission, core themes, strategic plan, and six-year capital construction plan. The CMP and substantive updates thereto must be approved by the Board.

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1. Authorization Limits

Before any institution or agency under the governance of the Board begins to make capital improvements, either in the form of alteration and repair to existing facilities or construction of new facilities, it must be authorized based on the limits listed below. "Alteration" means a limited construction project for an existing facility that comprises the modification or replacement of one or a number of existing building systems or components. "Repair" means work that corrects deterioration or damage to a facility or to existing building systems or components in order to restore it to its condition prior to the deterioration or damage.

Projects requiring executive director or Board approval must include a project budget detailing the estimated project costs, including costs for architects, engineers, and construction managers and engineering services. Alteration and repair projects funded entirely by an appropriation through the permanent building fund are approved through the Board's annual approval of an institution's or agency's operating budget and do not require separate approval under this policy, except as may be required under Paragraph 5.

For purposes of selecting professional design services, institutions shall issue a Request for Qualifications (RFQ) prior to submission of a formal project budget under this policy, provided that no contractual commitment or expenditure occurs until required approvals are obtained under Section 3.

Project Originally Authorized By	Original Project Cost	Cumulative Value of Change(s)	Aggregate Revised Project Cost	Change Authorized By
Local Agency	< \$1 million	Any	< \$1 million	Local Agency
Local Agency	< \$1 million	Any	\$1 – 2 million	Executive Director
Local Agency	<\$1 million	Any	> \$2 million	SBOE
Executive Director	\$1 - \$2 million	<= \$1 million	<= \$2 million	Local Agency
Executive Director	\$1 – 2 million	Any	>\$2 million	SBOE
SBOE	> \$2 million	<\$1 million	Any	Local Agency
SBOE	> \$2 million ,	\$1-\$2 million	Any	Executive Director
SBOE	> \$2 million	>\$2 million	Any	SBOE

2. Major Projects - Capital Construction Plans

- a. Institutions and agencies under the governance of the Board wishing to undertake construction projects involving construction of new facilities or significant, long-term renewal improvements to existing facilities shall submit annually to the Board for its approval a six-year capital construction plan (the "Plan"). The Plan shall

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span six fiscal years going forward starting at the fiscal year next. The Plan shall include only capital construction projects for which the total cost is estimated to exceed two million dollars (\$2,000,000) ("Major Projects"), without regard to the source of funding. Alteration and repair to existing facilities are not required to be included on the Plan but such projects shall be reported to the Board when undertaken. Inclusion on the Plan shall constitute notice to the Board that an institution or agency may bring a request at a later date for Board approval of one or more of the projects included in its approved Plan. Board approval of a Plan shall not constitute approval of a project included in the Plan.

b. If a Major Project is not included in a Plan and an institution or agency under the governance of the Board desires to obtain approval of the Major Project, before seeking approval, it shall first bring an amended Plan to the Board for approval at a regularly scheduled meeting of the Board. If a potential donor offers an unsolicited gift to an institution or its affiliated foundation in support of a Major Project which is not in an institution's or agency's Plan, prior to acceptance of the gift, the institution or agency shall notify the Board's executive director in writing of the offer, which notice shall include a detailed statement of purpose and fiscal impact, and a summary of the terms and conditions of the gift. This notice shall also certify to the executive director that the donor understands and acknowledges that construction of the Major Project is subject to the review and approval of the Board.

3. Major Projects Approval Process - Design-Bid-Build Projects

a. Planning and Design

~~Board approval is required before any institution or agency begins planning and design on a Major Project carried out under the traditional "design-bid-build" method. For design-bid-build projects, planning and design encompasses the preparation of architectural and engineering documents and associated budget and schedule information through the completion of the construction documents for bidding. As part of the Board's approval process for planning and design, the institution or agency may submit a preliminary project budget and financing plan (including pro forma financials, debt/operating expenses ratios, pledges, strategic facilities fees, and other material financial information).~~

Institutions and agencies under the governance of the Board shall issue a Request for Qualifications (RFQ) for professional design services on a Major Project prior to obtaining formal Board approval for the planning and design phase, for the limited purpose of selecting qualified architects, engineers, or design teams. Institutions and agencies may seek Board approvals for planning and design or construction prior to the completion of the RFQ process.

No contract for design services may be executed, and no planning or design work

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

SUBSECTION: K. Construction Projects

~~October 2023~~ December 2025

may commence, until the Board has granted approval of the project's planning and design phase.

As part of the request for Board approval of the planning and design phase, the institution or agency shall provide a preliminary scope identifying the project need, anticipating funding sources and an estimated project cost range. The Board's approval shall include the authorization of the project budget and financing plan as described in subsection (b).

b. Project Budget and Financing Plan

Board approval of a project budget and financing plan (including pro forma financials, debt/operating expenses ratios, pledges, strategic facilities fees, and other material financial information) is required for a design-bid-build Major Project. This approval may be requested only after ~~completion~~ approval of the design and planning process ~~but~~ and may be requested concurrently with approval for construction.

c. Construction

Board approval is required to proceed with the construction of a Major Project. In order to obtain Board approval for construction of a Major Project, the Board must approve the project budget and financing plan. Construction approval may be requested concurrently with approval of the project's budget and financing plan.

d. Financing and Incurrence of Debt

Board approval for the financing of Major Projects via the issuance of bonds, or incurrence of any other indebtedness, is required pursuant to Board policy V.F. This approval may be requested concurrently with approval of the project's budget and financing plan and construction approval.

4. Major Projects Approval Process - Design-Build Projects

Although design-build projects are performed by one team, design-build contracts can also allow a series of options to proceed (or not) after completion of the design phase and before construction. For design-build Major Projects, Board approval shall be required prior to issuance of a design-build solicitation, including approval to utilize the design-build method. The approval process for major projects using a design-build contract shall be the same as the approval process required for a design-bid-build contract. For purposes of such approval, a preliminary project budget and financing plan shall be submitted. No additional approval shall be required unless the preliminary budget and financing plan is exceeded. Approval of debt issuance as part of the financing plan is required as provided in Policy V.F. An institution may seek approval from the permanent building fund advisory council for use of design-build delivery method prior to or following Board approval, as long as both agencies approve, if required, prior to issuance of a bid.

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5. Fiscal Revisions to Previously Approved Projects

If a project budget increases above the total Board or executive director-authorized amount by 5% or more, then the institution or agency shall be required to seek further authorization based on the limits established in paragraph 1, above. Regardless of the authorization level required, the institution shall provide the Board with the amount and reason(s) for the cost overruns and the source of funds.

6. Project Acceptance

Projects under the supervision of the Department of Administration are accepted by the Department on behalf of the Board and the State of Idaho and all contracts and acquisition of goods and services are acquired through the Department of Administration as applicable. Projects conducted through the Department of Administration shall not require approval other than as required under this Policy V.K. Projects under the supervision of an institution or agency are accepted on behalf of the Board and the State of Idaho by the institution or agency and the project architect. Projects under the supervision of the University of Idaho are accepted by the University on behalf of the Board of Regents.

7. Statute and Code Compliance

- a. All projects must be in compliance with Section 504 of the Rehabilitation Act of 1973 and must provide access to all persons. All projects must be in compliance with applicable state and local building and life-safety codes as provided in Chapter 41, Title 39, and applicable local land-use regulations as provided in Section 67- 6528, Idaho Code.
- b. In designing and implementing construction projects, due consideration must be given to energy conservation and long-term maintenance and operation savings versus short-term capital costs.

8. Campus Master Plans

Each institution shall develop a seven (7) to fifteen (15) year Campus Master Plan (CMP). The CMP shall serve as a planning framework to guide the orderly and strategic growth and physical development of an institution's campus. The CMP shall be consistent with and support the institution's current mission, core themes, strategic plan, and six-year capital construction plan. The CMP and substantive updates thereto must be approved by the Board.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
NOVEMBER 20, 2025**

IDAHO PUBLIC TELEVISION

SUBJECT

Update to Operating Agreement Between Idaho Public Television and Friends of Idaho Public Television, Inc. – Audit Procedure

REFERENCE:

April 2022 Board approved updated Idaho Public Television and Friends of Idaho Public Television, Inc. Operating Agreement

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

On October 6, 2025, the Legislative Services Office (LSO) informed Idaho Public Television (IPTV) that it does not have statutory authority to audit the Friends of Idaho Public Television (Friends), a 501(c)(3) nonprofit organization, as a separate legal entity. LSO's statutory authority extends only to audits of state entities established by the Legislature.

Historically, both IPTV and the Friends organization were audited annually by the State Legislative Auditor in order to meet Corporation for Public Broadcasting (CPB) requirements. Since CPB's dissolution, IPTV is now audited on a three-year cycle. However, the Friends organization must continue to complete an annual independent audit to maintain compliance with IRS and financial accountability standards.

The current Operating Agreement between Idaho Public Television, an entity under the Idaho State Board of Education, and the Friends of Idaho Public Television, Inc., specifies that the Friends must utilize the "State Legislative Auditor" for its annual audit. Because LSO cannot legally perform this function, an update to the Operating Agreement is necessary to ensure compliance with state law and continuity of proper financial oversight.

To meet IRS deadlines for filing the Friends' Form 990 by May 2026, IPTV requested from OSBE to engage an independent certified public accounting firm in November 2025. Due to the time sensitive nature of this request, OSBE CFO received approval from the BAHHR Committee Chair for IPTV to proceed on October 28, 2025. This approval was necessary as by the time the request reached the Board for full approval, the audit process would potentially not be completed by the May 2026 deadline.

To align the Operating Agreement with this change, it is proposed that Article V – Audits and Reporting, Section A – Procedure for Conducting Audits be revised as follows:

BUSINESS AFFAIRS AND HUMAN RESOURCES
NOVEMBER 20, 2025

Existing Language: "The Friends of IPTV shall annually conduct an audit consistent with GAAP and GASB requirements through the services of the State Legislative Auditor. No individual designated by the State Legislative Auditor shall be a member of the board of the Friends of IPTV. The annual audit shall be a full scope audit, performed in accordance with GAAP."

Proposed Revision: "The Friends of IPTV shall annually engage an independent certified public accountant or audit firm to conduct a full-scope audit of its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB). No individual employed by or affiliated with the engaged audit firm shall serve as a member or director of the Board of the Friends of IPTV. The annual audit shall be comprehensive and performed in accordance with GAAP standards."

Board Policy V.E. also requires both IPTV and the IPTV Foundation (Friends) to be audited by "State Legislative Auditor." Since the earliest a policy amendment can be finalized is at the Board's December meeting, it is necessary to waive Board Policy V.E. if the Board intends to approve the revised Operating Agreement.

IMPACT

Waiving Board Policy V.E. will allow the Board to consider approval of the revised Operating Agreement. The waiver is only necessary until the Board approves revision of Policy V.E. to address the present misalignment.

Approval of the revision to the Operating Agreement will result in updates to reflect current legal authority and operational practice and ensure annual audits of the Friends organization remain compliant with state law and consistent with accepted accounting standards. This change maintains financial transparency and supports timely submission of required IRS filings.

ATTACHMENTS

Attachment 1 – Proposed Amendments to Operating Agreement (Article V – Audits and Reporting, Section A) – Clean Version

Attachment 2 – Proposed Amendments to Operating Agreement (Article V – Audits and Reporting, Section A) – Redline Version

STAFF COMMENTS AND RECOMMENDATIONS

This is an administrative update to bring the Operating Agreement into compliance with statutory audit authority and federal reporting timelines. The revision preserves the intent of the original agreement while modernizing language to reflect current auditing procedures.

Board staff recommends approval.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
NOVEMBER 20, 2025**

BOARD ACTION

I move to waive the requirement for Idaho Public Television's foundation, Friends of Idaho Public Television, Inc., to use the State Legislative Auditor for audits, as outlined in Board Policy V.E. subsection 4.a.. This waiver shall be in effect until the Board approves an appropriate policy revision.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the proposed revision of the Operating Agreement between Idaho Public Television and the Friends of Idaho Public Television, Inc., as provided in Attachment 1, and to authorize the General Manager of Idaho Public Television to execute the updated agreement on behalf of the Board.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**OPERATING AGREEMENT BETWEEN THE FRIENDS OF IDAHO
PUBLIC TELEVISION, INC.**

AND

**IDAHO PUBLIC TELEVISION, AN ENTITY OF THE STATE BOARD OF
EDUCATION OF THE STATE OF IDAHO**



Boise • Ketchum • Pocatello • Reno
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Edited from original

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OPERATING AGREEMENT

ARTICLE I PURPOSE

The Idaho State Board of Education ("SBOE"), acting pursuant to its constitutional authority and authority otherwise delegated by the State of Idaho has adopted policies regarding gifts to public entities and affiliated foundations with the express objective of preserving and encouraging the operation of recognized foundations associated with the institutions, schools and entities under the Board's governance. Idaho Public Television ("IPTV") is one such entity under the SBOE's governance. The Friends of Idaho Public Television, Inc. ("Friends of IPTV") maintains an endowment and operating funds, hereby referred to as "Endowment" affiliated with IPTV, and otherwise enjoys an ongoing working relationship with IPTV intended to enhance and promote the mission of IPTV in the state of Idaho and throughout its service area. IPTV and the Friends of IPTV adopt this Operating Agreement (the "Agreement") with the intent of complying with the SBOE policies regarding gifts and affiliated foundations and support groups in a manner consistent with State and Federal law and regulations, including applicable Federal Communications Commission ("FCC") regulations.

ARTICLE II INSTITUTIONAL RESOURCES AND SERVICES

A. Administrative and Staff Support

IPTV shall provide to the Friends of IPTV support staff and administrative services for the general purpose of facilitating the organization and conduct of regular and special board and committee meetings, including administrative support for the preparation of agendas, gathering and distribution of materials in advance of such meetings, minute keeping and organization for such meetings and logistical support including the organization of travel arrangements and accommodations when required. All out of pocket costs for such administrative services shall be borne by the Friends of IPTV, which shall either pay these items directly or reimburse IPTV upon presentation of receipt therefor.

1. Specific Administrative Support Designations

IPTV will provide the specific administrative and support staff services by the employees in the capacities detailed on Schedule I to this Agreement.

2. Restriction on IPTV Responsibility

No employee of IPTV in a key administrative or policy making capacity (including but not limited to the General Manager of IPTV) shall be permitted to have responsibility or authority for Friends of IPTV policy making, financial oversight, spending authority, or investment decisions unless specifically approved in writing by the Friends of IPTV and the Audit Committee of the State Board of Education. The Friends of IPTV maintains no employees.

3. Limitation on Functions of General Manager with Respect to the Friends of IPTV

Unless specifically agreed in writing by the Friends of IPTV and the Audit Committee of the State Board of Education, the responsibilities of any function performed by the General Manager of IPTV with respect to the Friends of IPTV or by any IPTV employee relating to a key administrative or policy making capacity shall be limited to the coordination of institution and affiliated endowment fundraising efforts, and the provision of administrative support to endowment fundraising activities.

B. Other Institution Resources and Services

IPTV will provide the Friends of IPTV with the following resources and services through the employees in the capacities identified in Article II.A.1 including the following:

- i. Access via reporting functions to IPTV's financial systems to receive, disburse, and account for funds held (with respect to transactions processed through IPTV's financial system, the Friends of IPTV shall comply with the institution's financial and administrative policies and procedures manuals);

ii. Accounting services, to include cash disbursements and receipts, accounts receivable and payable, bank reconciliation, reporting and analysis, auditing, payroll, and budgeting; iii. Investment, management, insurance, benefits administration, and similar services; iv. Development services, encompassing research, information systems, donor records, communications, and special events.

C. Use of Facilities and Equipment

IPTV will provide the Friends of IPTV meeting rooms and other logistical support for the conduct of regular and special meetings of the Friends of IPTV board and committees, including the use of telecommunications equipment such as video microwave interconnect and teleconferencing facilities.

D. Terms for Institution Cost Recovery

Except as provided herein, IPTV does not intend to recover from the Friends of IPTV any costs associated with the provision of personnel, use of facilities or equipment. All personnel, facilities and equipment provided by third parties at an expense to IPTV will be billed to the Friends of IPTV for reimbursement. No payments shall be made directly from the Friends of IPTV directly to IPTV employees in connection with resources or services provided pursuant to this Agreement.

ARTICLE III OPERATION OF ENDOWMENT

A. The Friends of IPTV Endowment

The Friends of IPTV maintains an endowment fund (the "IPTV Endowment") recognized by the Internal Revenue Service as a tax-exempt entity pursuant to section 501(c)(3) of the Internal Revenue Code. All operations of the Friends of IPTV regarding its IPTV Endowment shall comply with the SBOE's general guidelines for foundations found at SBOE Policies and Procedures Section V.E.2.b. as adopted effective July 1, 2008.

B. Guidelines for Receiving, Depositing, Disbursing and Accounting for All Funds, Assets, or Liabilities of the Endowment

The Friends of IPTV maintains guidelines for the IPTV Endowment regarding the receipt, deposit, disbursement and accounting for all fund assets and liabilities consistent with generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). These policies provide that when endowment funds are transferred to IPTV, institution officials into whose department or program endowment funds are transferred shall be informed by the Friends of IPTV of the restrictions, if any, on such funds and shall be responsible both to account for them in accordance with institution policies and procedures, Federal Communications Commission regulations and requirements, and to notify the Friends of IPTV on a timely basis regarding the use of such funds.

C. Procedures for IPTV Endowment Expenditures and Financial Transactions

The Friends of IPTV will comply with its written procedures described in Schedule II hereto for all expenditures and financial transactions with IPTV, including the disbursement or disposition of any endowment funds. Except as specifically agreed in writing by the Friends of IPTV, no person with signature authority shall be an IPTV employee in a key administrative or policy making capacity (including, but not limited to, the General Manager or an institution vice president or equivalent position).

D. Liability Insurance Coverage

The Friends of IPTV maintains comprehensive general liability insurance including D&O coverage for the acts and omissions of its Board members, officers and employees as described in the policy attached as Schedule III.

E. Endowment Investment Policies

The Friends of IPTV maintains a written Endowment Fund Statement of Investment Policy and Fiduciary Management, which is revised from time to time at the direction of the Friends of IPTV board and its

standing endowment committee. The current investment policy is attached as Schedule IV. All investment policies adopted by the Friends of IPTV board and endowment committee are designed to and shall be conducted in accordance with prudent, sound practice to ensure that gift assets are protected and enhanced, and that a reasonable return is achieved, with due regard for the fiduciary responsibilities of the Friends of IPTV board. Moreover, all such investments are and must be consistent with the terms of the gift instrument.

F. Separation of Funds

At no time shall the funds of the IPTV Endowment and IPTV be commingled but to the contrary shall at all times be kept separate in accounts reflecting the ownership of the respective entities.

G. Organizational Structure of the Friends of IPTV

The Friends of IPTV, Inc. is a corporation duly organized and validly existing under the nonprofit corporation act of the State of Idaho. Copies of the Articles of Incorporation and Bylaws of the Friends of IPTV, Inc., are attached hereto as Schedule V.

ARTICLE IV IPTV ENDOWMENT RELATIONSHIPS WITH IPTV

At all times the relationship between the Friends of IPTV and IPTV shall be arms-length and conducted with recognition of the fiduciary duties of the Friends of IPTV to its constituents, and of the IPTV Endowment with regard to State, Federal and FCC laws and regulations.

A. Access to Friends of IPTV Endowment Books and Records

IPTV may access the endowment books and records of the Friends of IPTV solely for the purpose of carrying out the administrative assistance described in Article II.A.1 of this Agreement.

B. IPTV Input to Friends of IPTV Endowment Payout Operating Budget and Capital Expenditures

The General Manager of IPTV, or other institution chief executive officer or designee, shall provide recommendations to the Friends of IPTV board for the proposed expenditures from the endowment payout prior to their approval by the Friends of IPTV board. In no event shall these recommendations be deemed binding or controlling on the actions of the Friends of IPTV board.

C. Supplemental Compensation to Employees of IPTV

The Friends of IPTV shall make no supplemental compensation to any employee of IPTV.

ARTICLE V AUDITS AND REPORTING

A. Procedure for Conducting Audits

The Friends of IPTV shall annually engage an independent certified public accountant or audit firm to conduct a full-scope audit of its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB). No individual employed by or affiliated with the engaged audit firm shall serve as a member or director of the Board of the Friends of IPTV. The annual audit shall be comprehensive and performed in accordance with GAAP standards.

B. Reporting to IPTV General Manager

The Friends of IPTV shall no less frequently than annually report directly in writing to the IPTV General Manager or his designee the following items: Regular financial audit report; Annual report of transfers made to the institution, summarized by department; Annual report of unrestricted funds received, and of unrestricted funds available for use in that fiscal year; A list of Friends of IPTV officers, directors, and employees; Confirmation that no payments were made to any IPTV employee for supplemental compensation or otherwise; A list of all State and Federal contracts and grants managed by the Friends of IPTV; a report of the Friends of IPTV's major activities; a report of each real estate purchase or material capital lease, investment, or financing arrangement entered into during the preceding fiscal year of the

Friends of IPTV for the benefit of the institution; a report of any actual litigation involving the Friends of IPTV during its fiscal year, as well as legal counsel used by the Friends of IPTV for any purpose during such year, including a discussion of any potential or threatened litigation involving the Friends of IPTV or the IPTV Endowment.

ARTICLE VI CONFLICTS OF INTEREST AND CODE OF ETHICS AND CONDUCT

A copy of the Friends of IPTV Conflicts of Interest policy is found under Schedule III.

ARTICLE VII GENERAL PROVISIONS

A. Notices

All notices and other communications ("Notices") shall be in writing and may be delivered (i) in person, with the date of notice being the date of personal delivery, (ii) by United States Mail, postage prepaid for certified or registered mail, return receipt requested, with the date of notice being the date of the postmark on the return receipt, (iii) by fax, with confirmation of the transmittal of the fax and a copy of the fax deposited on the same day in the United States Mail, with the date of notice being the date of the fax, (iv) by e-mail, with confirmation of sending of the e-mail and a copy of the e-mail deposited on the same day in the United States Mail, with the date of notice being the date of the e-mail, (v) by nationally recognized delivery service such as Federal Express, with the date of notice being the date of delivery as shown on the confirmation provided by the delivery service.

B. Severability

The invalidity of any portion of this Agreement shall not affect the validity of any other portion of this Agreement.

C. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

D. Governing Law

This Agreement shall be governed by the substantive laws of the State of Idaho and Federal law and regulations consistent with Federal Communication Commission guidelines applicable to licensees of public television broadcast services.

IDAHO PUBLIC TELEVISION

Dated: 11/4/25

By: [Signature]

Jeff Tucker, General Manager

FRIENDS OF IDAHO PUBLIC TELEVISION, INC.

Dated: 4 November 2025

By: [Signature]

Jenny Emery Davidson, President

SCHEDULE I

**Services Provided by Idaho Public Television to the Friends of Idaho Public
Television, Inc.**

Administrative Support: Provide administrative support to Friends Board of Directors relating to their activities of compliance with state, federal and private guidelines and regulations.

General Clerical Support: Provide general clerical support for board and committee meetings.

Technical: Provide meeting space and technical support for board and committee meetings.

Financial: Provide support for fund-raising deposits and payment of related expenses including board member travel and meeting expenses.

Coordinate and provide administrative support for the annual audit.

Maintain financial records as required by state, federal and private entities.

Other: Provide additional support services as mutually agreed upon outside these parameters.

SCHEDULE II

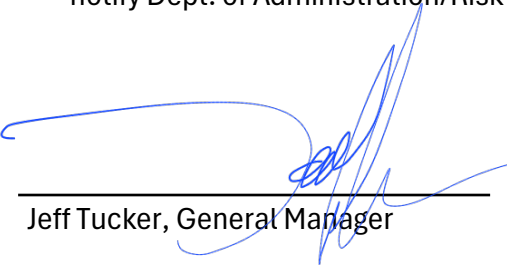
Procedures for IPTV Endowment Expenditures and Financial Transactions

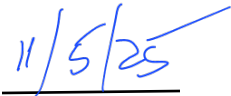
1. The Friends of IPTV will establish a budget plan on an annual basis for the unrestricted Operating funds. The budget will include any distributions authorized to be made from the Endowment for the fiscal year.
2. Once a budget has been established and authorized by the Friends of IPTV, the Fiscal Affairs manager of IPTV, or designee providing administrative assistance as provided in
3. Article II.A.1, shall have authority to authorize and make expenditures to the extent they fall within the budget and are not unusual in nature. Items that arise during the year under \$100,000 that are not budgeted or that vary significantly from the budget will require approval of the President of the Friends of IPTV. Unexpected costs above \$100,000 will require approval from the Executive Committee of the Friends of IPTV.
4. Quarterly financial reports will be provided to the Treasurer and Executive Committee within 30 days of the close of the period. Detailed budget reports will be provided to the Board of Directors at each board meeting. Budget variances of 10% or more will be referenced on budget reports.
5. All checks will require two signatures.

STATE OF IDAHO
STATE AGENCY INDEMNITY HOLD HARMLESS
MEMORANDUM OF UNDERSTANDING

The Idaho State Board of Education and Idaho Public Television understand that each is insured with respect to tort liability by the State of Idaho Retained Risk Account, a statutory system of self-insurance, and are subject to the Idaho Tort Claims Act.

1. Liability coverage. The parties understand that each is covered with respect to tort liability by the State of Idaho, Department of Administration, Risk Management Program utilizing the Retained Risk Account. This is a plan of liability coverage provided by and subject to provisions of the Idaho Tort Claims Act, and the Department of Administration, Risk Management statutes.
2. Liability allocation of loss history and assessments. The parties agree that any tort liability claim, suit or loss resulting from or arising out of the parties' performance of any activities under this Memorandum of Understanding (MOU) shall be allocated to one or both parties by the Department of Administration, Risk Management Program for purposes of loss experience and subsequent allocation of agency premium assessments. Each party to this contract agrees to notify the Department of Administration, Risk Management Program and the other party in the event it receives notice or knowledge of any claims arising out of the performance of, or the parties' activities under this contract.
3. If damaged property or vehicle is covered by property or auto coverage through Dept. of Administration/ Risk Management, the loss will be charged to the agency that caused the damage and will be responsible for the deductible. If the property is not covered Dept. of Administration/Risk Management Program, the agencies will have to negotiate the issue. Each agency will agree to handle damage to its own property regardless of which agency caused the damage for all losses, or for any in which it was not clear who was at fault. Both agencies will notify Dept. of Administration/Risk Management similar to that for third party liability claims.



Jeff Tucker, General Manager

Date

SBOE Board President

Date

NonProfit ExecShield®

Management Liability Insurance Policy

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS SUBJECT TO ITS TERMS. THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

IF INDICATED IN ITEM 4. A. BELOW, THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE COMPLETELY EXHAUSTED BY AMOUNTS INCURRED AS LEGAL DEFENSE COSTS. THE INSURER SHALL NOT BE LIABLE FOR LEGAL COSTS OF DEFENSE OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT AFTER EXHAUSTION OF THE LIMIT OF LIABILITY.

Whenever printed in this Declarations Page, the boldface type terms shall have the same meanings as indicated in the **Policy**.

Item 1. Name and Address of Named Insured: **Policy Number: DCP-898834-P17**
Friends of Idaho Public Television, Inc.
1455 North Orchard Street
Boise, ID 83706

Item 2. Policy Period: From April 29, 2025 (inception date) to April 29, 2026 (expiration date)
(Both dates at 12:01 a.m. Standard Time at the address of the **Named Insured**)

Item 3. Purchased Coverage Sections:

i. Directors, Officers and Organization Liability Insurance Coverage Section:	☒ Yes	☐ No
ii. Employment Practices Liability Insurance Coverage Section:	☒ Yes	☐ No
Third Party Wrongful Act Liability Coverage included:	☒ Yes	☐ No
iii. Fiduciary Liability Insurance Coverage Section:	☐ Yes	☒ No

Item 4. Cost of Defense for the Policy Period:

☐ A. **Costs of Defense** Reduce the Limit of Liability in Item 5. below

☒ B. **Costs of Defense** in Addition the Limit of Liability in Item 5. below

Item 5. Limits of Liability for the Policy Period:

A. Shared Policy Aggregate Limit of Liability for all **Coverage Sections** purchased as indicated above. Not Applicable

OR

B. Separate Aggregate Limit of Liability for each **Coverage Sections**:

1. Directors, Officers and Organization Liability Insurance Coverage Section:	\$2,000,000
2. Employment Practices Liability Insurance Coverage Section:	\$2,000,000
3. Fiduciary Liability Insurance Coverage Section:	Not Applicable

Item 6. Applicable Deductibles:

- i. Directors, Officers and Organization Liability Insurance Coverage Section:
 - A. **Insured Person** Non-Indemnifiable: \$0
 - B. **Insured Person** Indemnifiable: \$0
 - C. **Insured Entity** Liability: \$1,000
- ii. Employment Practices Liability Insurance Coverage Section: \$1,000
- iii. Fiduciary Liability Insurance Coverage Section: Not Applicable

Item 7. Premium:

\$2,301

Terrorism coverage is included for \$0

Broker Fee: \$200.00

Item 8. Prior Acts Dates:

- i. Directors, Officers and Organization Liability Insurance Coverage Section Prior Acts Date: Not Applicable
- ii. Employment Practices Liability Insurance Coverage Section Prior Acts Date: Not Applicable
- iii. Fiduciary Liability Insurance Coverage Section Prior Acts Date: Not Purchased

Item 9. Forms and Endorsements attached at inception:

Policy Form: NP 23300- rev0417 / CT 22330- rev0417; EPL 23300- rev0417

- | | | | |
|----|-------------|---------|---|
| 1 | 265- | 0220 | Policyholder Disclosure – Notice of Terrorism Insurance Coverage |
| 2 | 266- | (02/20) | Cap on Losses from Certified Acts of Terrorism |
| 3 | 701-CR- | 0419 | CLAIM REPORTING PROCEDURES |
| 4 | CT 230903- | rev0417 | Identity Theft Expense Supplemental Coverage |
| 5 | CT 230906- | rev0417 | Kidnap Expense Supplemental Coverage |
| 6 | CT 230913- | rev0417 | Failed Donation Claim Supplemental Coverage |
| 7 | CT 232041- | rev0417 | Modification to Automatic Extended Reporting Period |
| 8 | CT 233093- | 0417 | Acquisition or Creation of a Subsidiary |
| 9 | CT 234302- | rev0417 | Prior and Pending Litigation Exclusion Increased Limit of Liability |
| 10 | CT 234322- | rev0417 | Interested Party Exclusion |
| 11 | CT 235014- | rev0417 | Waiver of Deductible if No Liability |
| 12 | EPL 233102- | rev0923 | Privacy Violation Coverage Sub-Limit for Loss |
| 13 | EPL 233630- | rev0622 | Costs of Defense Sub-Limit for Wage and Hour Wrongful Acts |
| 14 | ID-PHN- | 1019 | IDAHO POLICY HOLDER NOTICE |
| 15 | NP 233045- | rev0417 | Excess Benefit Penalty Coverage |
| 16 | NP 234354- | rev0417 | Professional Services Exclusion |
| 17 | NP 234400- | rev0417 | Intellectual Property Exclusion |
| 18 | NP-ID- | 0417 | Idaho Amendatory Endorsement |

The Nonprofit Management Liability Insurance **Policy** shall constitute the contract between the **Insureds** and the **Insurer**.

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism, as defined in the Terrorism Risk Insurance Act, as amended, (the "Act"), is included in your policy. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Act. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Act contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism as defined in the Act is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

DIRECTORS, OFFICERS AND CORPORATE LIABILITY INSURANCE COVERAGE SECTION
DIRECTORS, OFFICERS AND ORGANIZATION LIABILITY INSURANCE COVERAGE SECTION
FIDUCIARY LIABILITY INSURANCE COVERAGE SECTION
EXCESS INSURANCE POLICY
GENERAL LIABILITY COVERAGE PART
COMMUNITY ASSOCIATION LEADERS PROFESSIONAL LIABILITY INSURANCE POLICY – DIRECTORS AND OFFICERS LIABILITY COVERAGE
EMERGENCY MEDICAL SERVICES GENERAL LIABILITY COVERAGE PART

In consideration of the premium paid for this Policy, it is amended as follows:

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and the insurer has met its insurer deductible under the Terrorism Risk Insurance Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss that is otherwise excluded under this Policy.

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BERKLEY SELECT**CLAIM REPORTING
PROCEDURES**

In the event of an incident which may result in a claim, an actual claim or your receipt of suit papers, please follow the procedures outlined below:

NOTICE OF EACH INCIDENT, CLAIM OR SUIT SHOULD IMMEDIATELY BE REPORTED TO:

BERKLEY SELECT CLAIMS DEPARTMENT
on behalf of Carolina Casualty Insurance Company
550 W. Jackson Blvd., Suite 500
Chicago, IL 60661
Fax: (312) 207-1933
E-mail: newclaim@berkleyselect.com
Online: www.berkleyselect.com/claims/report-claim

TO ENABLE US TO RESPOND MORE QUICKLY AND EFFICIENTLY, please fax or email any pertinent details of the claim directly to our attention.

PLEASE BE SURE TO INCLUDE:

- **Your Name, Address and Phone Number;**
- **Your Policy Number and the Policy Period;**
- **A written narrative of the circumstances surrounding the claim or potential claim;**
- **Names and addresses of the claimant;**
- **Details of the any underlying claim, including current status and the amount in controversy or relief demanded.**
- **If you are submitting the report by mail or fax, please also include any letters of demand or any legal papers which you have received regarding the claim.**

Please provide your professional liability insurance agent a copy of all claim notices and correspondence sent to Berkley Select.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Identity Theft Expense Supplemental Coverage

In consideration of the premium paid for this **Policy**, it is amended by the addition of the following:

1. **Identity Theft Expense Coverage**

The **Insurer** shall reimburse any present director, trustee or officer of the **Named Insured** up to a maximum aggregate limit of \$10,000 per **Policy Period**, for **Identity Theft Expense** incurred in specific response to an **Identity Theft** first discovered and reported to the **Insurer** during the **Policy Period** pursuant to paragraph 4. below, provided; however, that the **Identity Theft** began to occur after the inception date of the first Nonprofit Management Liability Insurance Policy issued by the **Insurer** to the **Named Insured**.

No Deductible shall apply to this coverage and any payments made hereunder shall not reduce the Limits of Liability stated in Item 5. of the Declarations.

2. Solely for purpose of the coverage provided by this endorsement for **Identity Theft Expense**, section III. Definitions of the Common Policy Terms and Conditions Section of this Policy is amended by the addition of the following:

Identity Theft means the act of knowingly transferring or using, without lawful authority, personally identifiable information of a present director, trustee or officer (or spouse thereof) of the **Named Insured** with the intent to commit, aid, or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

Identity Theft Expense means:

1. the expenses incurred to notarize affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies, or
2. the expenses incurred for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors, or
3. loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

3. Solely for purpose of the coverage provided by this endorsement for **Identity Theft Expense**, section V. Limits of Liability and Deductibles of the Common Policy Terms and Conditions Section of this Policy is amended by the addition of the following:

V. If any **Identity Theft Expense** is covered under this endorsement and under any other **Coverage Section** or endorsement to this **Policy**, the largest applicable limit shall apply. In no event shall multiple limits apply to coverage which may be duplicated within this **Policy**. Additionally, if this **Policy** and any other policy or coverage issued by the **Insurer** or any affiliate of the **Insurer**, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limit of liability or coverage under all such policies and coverage combined shall not exceed the highest applicable limit under any one policy or coverage.

V. The coverage provided by this endorsement shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise. The coverage provided by this **Policy** shall be excess over any other policy under which another insurer has a duty to defend a claim for which this **Policy** may be obligated to pay as a result of loss.

4. As a condition precedent to their rights to coverage under this endorsement for **Identity Theft Expense**, the Insured shall give the **Insurer** written notice of any **Identity Theft** first discovered by the **Insureds** during the **Policy Period**, as soon as practicable, but in no event later than 30 days after the discovery of the **Identity Theft**. Further, the **Insured** shall furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, no later than 90 days after discovery of such **Identity Theft**.

5. The coverage provided by this endorsement for **Identity Theft Expense** does not include any claim adjustment costs incurred by any Insured, including any fees incurred by retaining counsel, a public adjuster or appraiser.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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**Kidnap Expense
Supplemental Coverage**

In consideration of the premium paid for this **Policy**, it is amended by the addition of the following:

1. **Kidnap Expense Coverage**

The **Insurer** shall reimburse the **Insured Entity** up to a maximum aggregate limit of \$50,000 per **Policy Period** for **Kidnap Expense** incurred by the **Insured Entity** or any **Insured Person** as a direct result of a **Kidnapping** that occurs during the **Policy Period** and is reported to the **Insurer** pursuant to paragraph 4. below.

No Deductible shall apply to this coverage and any payments made hereunder shall not reduce the Limits of Liability stated in Item 5. of the Declarations.

2. Solely for purpose of the coverage provided by this endorsement for **Kidnap Expense**, section III. Definitions of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

Insured Person means any present or future duly elected or appointed director, trustee or officer of an **Insured Entity**. The term **Insured Person** shall include the parent, child, spouse or **Domestic Partner** of an **Insured Person**.

Kidnap Expense means the reasonable fees and expenses for, or the cost of:

1. an independent negotiator or security consultant retained with prior written approval of the **Insurer**, or
2. interest on any loan taken by the **Named Insured** for property or other consideration surrendered as payment of a **Kidnapping** demand, or
3. travel and accommodations incurred by the **Insured Entity** which become necessary due to the applicable **Kidnapping**, or
4. a reward paid by the **Insured Entity**, which is pre-approved by the **Insurer**, to an informant for information not otherwise available which leads to the arrest and conviction of persons responsible for the applicable **Kidnapping**, or
5. the current salary of an **Insured Person** who is **Kidnapped**, provided, however, that they are held for more than 30 days. Salary shall be paid for a period commencing upon the abduction and ceasing upon the earliest of either the release of the employee or discovery of death of the employee, or 120 days after the **Insurer** receives the last credible evidence that the employee is still alive, or 12 months after the date of **Kidnapping**, or the exhaustion of the Kidnap Expense Coverage limit, whichever comes first.

Kidnapping or **Kidnapped** means the wrongful abduction and holding, under duress or by fraudulent means, of an **Insured Person** by a person or group, whether acting alone or in collusion with others, that includes a demand for payment by an **Insured** in exchange for the release of the **Insured Person**. **Kidnapping** shall not include the wrongful abduction of any **Insured Person** by or at the direction of any present or former family member of any **Insured Person**.

3. Solely for purpose of the coverage provided by this endorsement for **Kidnap Expense**, section V. Limits of Liability and Deductibles of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

- V. If any **Kidnap Expense** is covered under this endorsement and under any other **Coverage Section** or endorsement to this **Policy**, the largest applicable limit shall apply. In no event shall multiple limits apply to coverage which may be duplicated within this **Policy**. Additionally, if this **Policy** and any other policy or coverage issued by the **Insurer** or any affiliate of the **Insurer**, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limit of liability or coverage under all such policies and coverage combined shall not exceed the highest applicable limit under any one policy or coverage.
- V. The coverage provided by this endorsement shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise. The coverage provided by this **Policy** shall be excess over any other policy under which another insurer has a duty to defend a claim for which this **Policy** may be obligated to pay as a result of loss.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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4. As a condition precedent to their rights to coverage under this endorsement for **Kidnap Expense**, the **Insured** shall give the **Insurer** written notice of any **Kidnapping** which occurs during the **Policy Period**, as soon as practicable, but in no event later than 30 days after the occurrence of the **Kidnapping**. Further, the **Insured** shall furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, no later than 90 days after the occurrence of such **Kidnapping**.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Failed Donation Claim Supplemental Coverage

In consideration of the premium paid for this **Policy**, it is amended by the addition of the following:

1. Failed Donation Claim Coverage

The **Insurer** shall reimburse the **Insured Entity** up to a maximum aggregate limit of \$10,000 per **Policy Period** for all **Failed Donation Claims** received by the **Insured Entity** during the **Policy Period** and reported to the **Insurer** pursuant to item 4. below.

Coverage for any **Failed Donation Claim** shall not apply to any pledge for funds or other measurable tangible property made to the **Insured Entity** dated prior to April 29, 2009.

Coverage for any **Failed Donation Claim** shall not apply if the donor has been in bankruptcy, or has filed for bankruptcy or reorganization prior to the time the applicable pledge was made to the **Insured Entity**.

Coverage for any **Failed Donation Claim** shall not apply if either the natural person donor or any **Insureds** had or should have had any reason to believe the natural donor person would become unemployed or incapacitated subsequent to the donation date.

No Deductible shall apply to this coverage and any payments made hereunder shall not reduce the Limits of Liability stated in Item 5. of the Declarations.

2. Solely for purpose of the coverage provided by this endorsement for any **Failed Donation Claim**, section III. Definitions of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

Failed Donation Claim means a written notice to the **Insured Entity** during the **Policy Period** of:

1. the bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable tangible property to the **Insured Entity**; or
2. the unemployment or incapacitation of a natural person donor lasting at least 60 days and preventing the donor from honoring a pledge made prior to said unemployment or incapacitation of funds or other measurable tangible property to the **Insured Entity**.

3. Solely for purpose of the coverage provided by this endorsement for any **Failed Donation Claim**, section V. Limits of Liability and Deductibles of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

- V. Any coverage for any **Failed Donation Claim** for non-cash donations shall be based on the fair market value of the non-cash donation on the date the **Failed Donation Claim** is received. Any donation amount which is to be collected by the **Insured Entity** over more than a 12 month period shall be deemed to be a single donation.
- V. If any **Failed Donation Claim** is covered under this endorsement and under any other **Coverage Section** or endorsement to this **Policy**, the largest applicable limit shall apply. In no event shall multiple limits apply to coverage which may be duplicated within this **Policy**. Additionally, if this **Policy** and any other policy or coverage issued by the **Insurer** or any affiliate of the **Insurer**, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limit of liability or coverage under all such policies and coverage combined shall not exceed the highest applicable limit under any one policy or coverage.
- V. The coverage provided by this endorsement shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise. The coverage provided by this **Policy** shall be excess over any other policy under which another insurer has a duty to defend a claim for which this **Policy** may be obligated to pay as a result of loss.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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4. As a condition precedent to their rights to coverage under this endorsement for any **Failed Donation Claim**, the **Insured** shall give the **Insurer** written notice of any **Failed Donation Claim** received by the **Insured Entity** during the **Policy Period**, as soon as practicable, but in no event later than 30 days after receipt of the **Failed Donation Claim** by the **Insured**. Further, the **Insured** shall furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, no later than 90 days after the occurrence of such **Failed Donation Claim**.
5. The coverage provided by this endorsement for any **Failed Donation Claim** does not include any claim adjustment costs incurred by any **Insured**, including any fees incurred by retaining counsel, a public adjuster or appraiser.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Modification to Automatic Extended Reporting Period

In consideration of the premium paid for this **Policy**, section II. B. Automatic Extended Reporting Period sub-paragraph 1 of the Common Policy Terms and Conditions Section this **Policy** is deleted in its entirety and replaced with the following:

- II. B. 1. If the **Named Insured** cancels or if the **Insurer** or the **Named Insured** refuses to renew this **Policy** and the **Named Insured** has not purchased any similar insurance policy(ies) there shall be a 90 day automatic extension of the reporting period of this **Policy** for any **Claim** first made against an **Insured** and reported during such 90 day period after the date upon which the **Policy Period** ends, but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and otherwise covered by this **Policy**. 90 day period shall be referred to as the Automatic Extended Reporting Period. There shall be no additional premium for the Automatic Extended Reporting Period.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Acquisition or Creation of a Subsidiary

In consideration of the premium paid for this **Policy**, sub-paragraphs 1. and 2. of the defined term **Subsidiary** in section III. Definitions of the Common Policy Terms and Conditions Section of this **Policy** are deleted in their entirety and replaced with the following:

1. Automatically for a **Subsidiary**, whose assets are less than fifty percent (50%) of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date; or
2. If the assets of such **Subsidiary** are equal to or greater than fifty percent (50%) of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date, then only upon the condition that within ninety (90) days of it becoming a **Subsidiary**, the **Named Insured** provides the **Insurer** in writing with full particulars of the new **Subsidiary** and agrees to any additional premium and/or amendment of the provisions of this **Policy** required by the **Insurer** related to such new **Subsidiary**. Further, coverage as shall be afforded to the new **Subsidiary** is conditioned upon the **Named Insured** paying when due any additional premium required by the **Insurer** relating to such new **Subsidiary**.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Prior and Pending Litigation Exclusion
Increased Limit of Liability

In consideration of the premium paid for this **Policy**, solely with respect to the Directors and Officers and Employment Practices Liability Limit of Liability of \$2,000,000 excess of \$1,000,000, section IV. Exclusions of the Directors and Officers and Employment Practices Liability of this **Policy** is amended by the addition of the following:

- IV. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
- any prior or pending litigation, investigation, administrative or arbitration proceeding as of 4/29/2022, or
 - any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, investigation, administrative or arbitration proceeding,
- regardless of the legal theory upon which such **Claim** is predicated.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Interested Party Exclusion

In consideration of the premium paid for this **Policy**, section IV. Exclusions of the Common Terms of this **Policy** is amended by the addition of the following:

- IV. brought or maintained by or on behalf of Idaho Public Television and/or Idaho State Board of Education and/or its subsidiaries and/or its affiliates and/or its directors and/or officers.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Waiver of Deductible if No Liability

In consideration of the premium paid for this **Policy** it is amended as follows:

1. Section III. Definitions of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

No Liability means with respect to a **Claim** made against the **Insured**:

1. a final judgment of no liability obtained prior to trial, in favor of all **Insureds**, with respect to the entire **Claim**, by reason of a motion to dismiss or a motion for summary judgment, after the exhaustion of all appeals, if any, or
2. a final judgment of no liability obtained after trial, in favor of all **Insureds**, with respect to the entire **Claim**, after the exhaustion of appeals, if any.

In no event shall the term **No Liability** apply to a **Claim** made against an **Insured** for which a settlement has occurred.

2. Section V. D. Deductibles of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

V. D. No Deductible shall apply, even as to **Costs of Defense**, to any **Claim** which is in the form of a civil action for monetary relief, in which:

- a. there is a determination of **No Liability**; or
- b. the **Claim** is dismissed or stipulated dismissed without prejudice and without any payment of any consideration by any **Insured**.

If there is a determination of **No Liability** in a **Claim**, the **Insurer** shall reimburse **Costs of Defense** paid by the **Insured** in such **Claim**.

If a **Claim** is dismissed or stipulated dismissed without prejudice and without any payment of any consideration by any **Insured**, the **Insurer** shall reimburse **Costs of Defense** paid by the **Insured** in such **Claim** 90 days after the date of the dismissal or stipulation so long as (i) the **Claim** (or any other **Claim** which together with such **Claim** would be deemed a single **Claim**) is not brought again within such 90 day period and (ii) the **Insured Entity** provides the **Insurer** with a written undertaking in a form satisfactory to the **Insurer** to repay the **Insurer** for such reimbursement in the event the **Claim** (or any other **Claim** which together with such **Claim** would be deemed a single **Claim**) is brought again after such 90 day period and before the expiration of the statute of limitations for such **Claim**.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Privacy Violation Coverage Sub-Limit for Loss

In consideration of the premium paid for this **Policy** it is amended as follows:

1. Section I. Insuring Agreement of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
 - I. **Privacy Violation Coverage**
 This **Policy** shall pay on behalf of the **Insureds** all **Loss** up to the maximum sub-limit of liability of **\$25,000** based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving a **Privacy Violation Claim** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for or arising from any actual or alleged **Privacy Violation Wrongful Act** committed subsequent to the **Prior Acts Date**.
 Such sub-limit shall be part of, and not in addition to, the Limit of Liability applicable to the Employment Practices Liability Coverage Section.
2. Section III. Definitions **Claim** of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
 - III. **Claim** means a **Privacy Violation Claim**.
3. Section III. Definitions **Wrongful Act** of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
 - III. **Wrongful Act** means a **Privacy Violation Wrongful Act**.
4. Section III. Definitions **Wrongful Employment Act** of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
 - III. **Wrongful Employment Act** shall not include any **Privacy Violation Wrongful Act**.
5. Section III. Definitions of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
 - III. **Biometric Identifiers** means any physical, genetic, physiological, biological, or behavioral characteristic or attribute that allows an individual to be identified, including but not limited to the following: (a) retina or iris scan; (b) fingerprint; (c) voiceprint; (d) DNA; (e) finger, hand, or palm scan; (f) scan of hand or face geometry; (g) vein patterns; (h) voice recordings; (i) keystroke patterns or rhythms; (j) gait patterns or rhythms; (k) sleep, health, or exercise data that contain identifying information; or (l) any other biometric algorithm or measurement of (a) through (k) or any other physical, genetic, physiological, biological or behavioral characteristic or attribute which allows an individual to be identified.
 - III. **Biometric Information** means any information, regardless of how it is captured, converted, stored, or shared, that is based on, or includes, any **Biometric Identifiers**.
 - III. **Personal Information** means an Individual's name in combination with one or more of the following:
 1. information concerning that individual that constitutes "non-public personal information" as defined in the Gramm-Leach-Bliley Act of 1999, including amendments thereto; or
 2. medical or health care information concerning that individual, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, including amendments thereto, or
 3. that individual's social security number, driver's license or state identification number, credit, debit or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers; or
 4. **Biometric Information**, or

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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5. information concerning that individual that is defined as private personal information under any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder.
- III. **Privacy Policy** means the internal or publicly accessible written documents that set forth the **Insured Entity's** policies, standards and procedures for obtaining, gathering, collecting, sharing, disclosing, transmitting, distributing, selling, accessing, using, storing, retaining, safeguarding, alteration of, converting, destroying, or disposal of **Personal Information**.
- III. **Privacy Violation Claim** means:
1. a written demand for monetary or non-monetary relief, including but not limited to, any demand for mediation, arbitration arising from a **Privacy Violation Wrongful Act**; or
 2. a civil, administrative or regulatory investigation or proceeding arising from a **Privacy Violation Wrongful Act**; or
 3. a written request made to the **Named Insured** to toll or waive the statute of limitations for any **Privacy Violation Wrongful Act**; or
 4. **Privacy Violation Claim** shall not include any grievance or arbitration based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving a collective bargaining agreement.
- III. **Privacy Violation Wrongful Act** means:
1. an **Insured's** failure to prevent theft, unauthorized access, unauthorized dissemination, publication or disclosure of **Personal Information** that is in the care, custody or control of the **Insured Entity**, or an independent contractor that is holding or processing such information on behalf of the **Insured Entity**; or
 2. the **Insured Entity's** failure to timely disclose an incident or event triggering a violation of any Breach Notice Law requiring notice to individuals whose **Personal Information** was accessed or may reasonably have been accessed by an unauthorized person; or
 3. failure by an **Insured** to comply with its **Privacy Policy** including that part which:
 - a. prohibits or restricts the **Insured Entity's** disclosure, sharing or selling of **Personal Information**;
 - b. requires the **Insured Entity** to provide access to **Personal Information** or to correct incomplete or inaccurate **Personal Information** after a request is made by an individual; or
 - c. mandates procedures and requirements to prevent the loss of **Personal Information**.
6. Section IV. Exclusions of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
- IV. based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving:
1. denial of service attack upon or directed at any computer system; or
 2. malicious use of computer code or any computer virus created or transmitted by, or introduced into any computer system; or
 3. loss of, loss of use of, corruption of, damage to, disruption of, or inability to access or alter electronic data;
- provided, however, this exclusion shall not apply to the Privacy Violation Coverage provided by this endorsement.
7. Section V. Other Insurance of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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- V. Unless specifically stated otherwise, the coverage afforded under this endorsement for a **Privacy Violation Claim** shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section), regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Costs of Defense Sub-Limit for Wage and Hour Wrongful Acts

In consideration of the premium paid for this **Policy**, it is amended as follows:

1. Section I. Insuring Agreements of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
 - I. **Costs of Defense for Wage and Hour Claims**
 This **Policy** shall pay on behalf of the **Insureds** the **Costs of Defense** up to the maximum aggregate sub-limit of liability of \$100,000 arising from any **Wage and Hour Claim** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wage and Hour Wrongful Act** committed subsequent to the **Prior Acts Date**.

 Such aggregate sub-limit shall be part of, and not in addition to, the Limit of Liability applicable to the Employment Practices Liability Coverage Section stated in Item 5. of the Declarations.

 With respect to a **Wage and Hour Claim**, the **Insurer** shall not be liable for any **Loss** other than **Costs of Defense**.
2. For the purpose of the coverage provided by this endorsement, section III. Definitions **Claim** of the Employment Practices Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:
 - III. **Claim** means a **Wage and Hour Claim**.
3. For the purpose of the coverage provided by this endorsement, section III. Definitions **Employee** of the Employment Practices Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:
 - III. **Employee** means an individual whose labor or service is engaged by and directed by an **Insured Entity**, including any full-time, part-time, leased, seasonal or temporary individual. **Employee** shall not include equity partners or shareholders, owners, Limited Liability Company members, volunteers, interns or independent contractors.
4. For the purpose of the coverage provided by this endorsement, section III. Definitions **Loss** of the Common Policy Terms and Conditions Section of this **Policy** is deleted in its entirety and replaced with the following:
 - III. **Loss** means **Costs of Defense**.
5. For the purpose of the coverage provided by this endorsement, section III. Definitions **Wrongful Act** of the Employment Practices Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:
 - III. **Wrongful Act** means **Wage and Hour Wrongful Act**.
6. For the purpose of the coverage provided by this endorsement, section III. Definitions of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
 - III. **Wage and Hour Claim** means:
 1. a written demand for monetary or non-monetary relief which is brought and maintained by an **Employee** against an **Insured**, arising from a **Wage and Hour Wrongful Act**; or
 2. an administrative or regulatory investigation or proceeding commenced by or before a federal, state, local or foreign agency which is brought and maintained by an **Employee** against an **Insured**, arising from a **Wage and Hour Wrongful Act**;
 provided, however, the term **Wage and Hour Claim** shall not include any grievance or arbitration based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving a collective bargaining agreement.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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- III. **Wage and Hour Wrongful Act** means any actual or alleged violation by the **Insured** of any federal, state, local, or foreign wage and hour laws whether statutory or common law, including without limitation, the Fair Labor Standards Act or the Families First Coronavirus Response Act; including any amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law, and/or any payroll policies, practices and procedures, including the reimbursement of claimed business expenses arising from an actual employment relationship with an **Employee**.
7. For the purpose of the coverage provided by this endorsement section IV. Exclusions F. (inclusive of the first paragraph of section IV.) of the Employment Practices Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:
- IV. F. The **Insurer** shall not be liable to make any payment, other than **Costs of Defense** for **Wage and Hour Claims** provided by this endorsement, in connection with a **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving any actual or alleged violations of any federal, state, local or foreign laws regulating wage and hour practices such as unpaid wages, unreimbursed expenses, improper payroll deductions, improper employee classification, failure to maintain or provide accurate time records, failure to grant meal and rest periods, whether statutory or common law, including without limitation, the Fair Labor Standards Act or the Families First Coronavirus Response Act; including any amendments thereto or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of the **Employee** by the **Insured** on account of the **Employee's** exercise of rights pursuant to any such law for any amounts owed under the Equal Pay Act of 1963.
8. For the purpose of the coverage provided by this endorsement, section V. Limits of Liability and Deductibles D. of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:
- V. D. The **Insurer** shall only be liable for the amount of **Costs of Defense** arising from a **Claim** arising from any actual or alleged **Wage and Hour Wrongful Act** which is in excess of the Deductible amount of \$1,000. Such Deductible amount shall be borne by the **Named Insured** with regard to all **Costs of Defense** arising thereunder.
9. For the purpose of the coverage provided by this endorsement, section V. General Conditions Other Insurance of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
- V. a **Wage and Hour Claim** shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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IDAHO
IMPORTANT POLICYHOLDER NOTICE

If you have been unable to contact or obtain satisfaction from your agent or the Insurer, you may contact the Idaho Department of Insurance to obtain information or make a complaint at:

Idaho Department of Insurance Consumer Affairs
700 W State Street, 3rd Floor
PO BOX 83720
Boise ID 83720-003
1-800-721-3272 or 208-334-4250
www.DOI.Idaho.gov

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Excess Benefit Penalty Coverage

In consideration of the premium paid for this **Policy**, the defined term **Damages** in section III. Definitions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:

Damages means:

1. a monetary judgment, award or settlement; or
2. pre-judgment interest and post-judgment interest;

provided, however, **Damages** shall not include:

- a. taxes, civil or criminal fines, sanctions or penalties imposed by law; provided, however, that the **Insurer** will reimburse an **Insured Entity**:
 - i. for any employer share of payroll taxes on any portion of damages or settlements which constitute backpay otherwise considered **Damages**, or
 - ii. for any 10 percent (10%) excess benefit tax penalty assessed by the Internal Revenue Service on any organization manager who participates in an excess benefit transaction, as defined by the Taxpayer Bill of Rights 2. H.R. 2337, up to a maximum limit of \$25,000 per **Policy Period** for all **Insureds**, which amount shall be part of and not in addition to the Limits of Liability set forth in Item 4. of the Declarations;
- b. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person; or
- c. commissions, bonuses, deferred compensation, profit sharing or severance payments; or
- d. disgorgement or restitution payment by or on behalf of any **Insured**, including disgorgement or restitution of amounts retained, obtained, or acquired by an **Insured** and any settlement payment arising from any actual or alleged amount that an **Insured** improperly retained, obtained, or acquired; or
- e. any matter deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

It is further understood and agreed that the **Insurer** shall not be liable for any **Loss** attributable to, or a part of, the 200 percent (200%) tax penalty assessed by the Internal Revenue Service for failure to correct the award of an excess benefit tax penalty, and the assessment of a 200 percent (200%) tax penalty shall void any coverage extended by this endorsement.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Professional Services Exclusion

In consideration of the premium paid for this **Policy**, section IV. Exclusions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:

IV. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the performance of any professional services for others, and caused by any act, error or omission.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Intellectual Property Exclusion

In consideration of the premium paid for this **Policy** it is amended as follows:

- Section IV. Exclusions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
 - based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged:
 - plagiarism or piracy;
 - infringement of copyright, patent, title or slogan;
 - idea misappropriation; and/or
 - intellectual property rights.
- The defined term **Personal Injury** in Section III. Definitions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:

Personal Injury means any actual or alleged defamation, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, or malicious prosecution.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Idaho Amendatory Endorsement

In consideration of the premium paid for this **Policy**, this **Policy** is amended to the extent necessary and supersedes anything to the contrary.

1. Section VIII. B. Application is amended by the addition of the following:
VIII. B. Provided, however, any misrepresentations, omissions, concealment of facts, and incorrect statements shall not prevent recovery under the Policy unless they are:
 1. fraudulent;
 2. material either to the acceptance of the risk, or to the hazard assumed by the **Insurer**; or
 3. the **Insurer** in good faith would either not have issued the Policy, or would not have issued it at the same premium rate or would not have issued the Policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the **Insurer** as required by the Application for the Policy or otherwise.
2. Section III. Definitions **Insured Person** paragraph 2. is amended by deleting the following sentence:
"As used herein, spouse shall include a person that is party to a civil union with the **Insured Person** if they establish such civil union under the licensing process established by the applicable jurisdiction."

IMPORTANT NOTICE TO IDAHO POLICYHOLDERS

If you have been unable to contact or obtain satisfaction from your agent or the **Insurer**, you may contact the Idaho Department of Insurance to obtain information or make a complaint at:

Idaho Department of Insurance
Consumer Affairs
700 W State Street, 3rd Floor
PO BOX 83720
Boise ID 83720-003
1-800-721-3272 or 208-334-4250 or www.DOI.Idaho.gov

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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NonProfit ExecShield®

Common Policy Terms and Conditions Section

CLAIMS MADE NOTICE FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Application** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Common Policy Terms and Conditions Section

The Common Policy Terms and Conditions Section of this **Policy** shall apply to all **Coverage Sections** and endorsements. Unless stated to the contrary in any **Coverage Section** or endorsement, the terms and conditions of each **Coverage Section** of this **Policy** shall apply only to that **Coverage Section** and shall not apply to any other **Coverage Section** of this **Policy**. If any provision in the Common Policy Terms and Conditions Section is inconsistent or in conflict with the terms and conditions of any **Coverage Section** or endorsement, the terms and conditions of such **Coverage Section** or endorsement shall control for the purposes of that **Coverage Section** or endorsement. Any defined term referenced in this Common Policy Terms and Conditions Section and also defined in a **Coverage Section** or endorsement shall, for the purposes of coverage under that **Coverage Section** or endorsement, have the meaning set forth in that **Coverage Section** or endorsement.

II. Extended Reporting Periods

A. Optional Extended Reporting Period

1. If this **Policy** is cancelled or non-renewed by the **Insurer** for reason other than non-payment of premium, or if the **Named Insured** elects to cancel or non-renew this **Policy**, then the **Named Insured** shall have the right, upon payment of the additional premium described in sub-paragraph 5. below, to purchase an extension of the reporting period of this **Policy** for any **Claim** that is first made against the **Insured** during such period but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and which is otherwise covered by this **Policy**. Such period of time shall be referred to as the Optional Extended Reporting Period.
2. The right to purchase the Optional Extended Reporting Period must be exercised by the **Named Insured** within thirty (30) days of the end of the **Policy Period** by providing written notice to the **Insurer** along with the additional premium.
3. If purchased, the Optional Extended Reporting Period shall begin on the date the **Policy Period** ends.
4. As a condition precedent to the right to purchase the Optional Extended Reporting Period, the total premium for the **Policy** must have been paid and any deductible obligations met by the **Insureds**.
5. The additional premium for the Optional Extended Reporting Period shall be based upon the annual premium for the **Policy** in effect on the date this **Policy** was issued or last renewed and shall be: fifty percent (50%) of such annual premium for one (1) year; seventy five percent (75%) of such annual premium for two (2) years; or one hundred percent (100%) of such annual premium for three (3) years.
6. In the event of a Transaction described in Section VIII. D. of the Common Policy Terms and Conditions Section, the **Named Insured** has the right to purchase a Run-off Period pursuant to the terms of Section II. C. below.
7. The entire premium for the Optional Extended Reporting Period shall be deemed fully earned at its commencement.
8. The Limit of Liability for the Optional Extended Reporting Period shall be part of, and not in addition to, the Limits of Liability stated in Item 5. of the Declarations for this **Policy**.

B. Automatic Extended Reporting Period

1. If the **Named Insured** cancels or if the **Insurer** or the **Named Insured** refuses to renew this **Policy** and the **Named Insured** has not purchased any similar insurance policy(ies) there shall be a sixty (60) day automatic extension of the reporting period of this **Policy** for any **Claim** first made against an **Insured** and reported during such sixty (60) day period after the date upon which the **Policy Period** ends, but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and otherwise covered by this **Policy**. This sixty (60) day period shall be referred to as the Automatic Extended Reporting Period. There shall be no additional premium for the Automatic Extended Reporting Period.
2. The Limit of Liability for the Automatic Extended Reporting Period shall be part of, and not in addition to, the Limits of Liability stated in Item 5. of the Declarations for this **Policy**.

C. Run-Off Period in the Event of a Transaction

1. In the event of a Transaction described in section VIII. D. of the Common Policy Terms and Conditions Section, the **Named Insured** shall have the right, upon payment of the additional premium described in sub-paragraph 5. below, to purchase an extension of the reporting period of this **Policy** for any **Claim** that is first made against the **Insured** during such period but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and which is otherwise covered by this **Policy**. Such period of time shall be referred to as the Run-off Period.
2. The right to purchase the Run-Off Period must be exercised by the **Named Insured** within sixty (60) days of the end of the **Policy Period** by providing written notice to the **Insurer** along with the additional premium.
3. If purchased, the Run-Off Period shall begin on the date the **Policy Period** ends.
4. As a condition precedent to the right to purchase the Run-Off Period, the total premium for the **Policy** must have been paid and any deductible obligations met by the **Insureds**.
5. The additional premium for the Run-Off Period shall be based upon the annual rates for the **Policy** in effect on the date this **Policy** was issued or last renewed and shall be: seventy five percent (75%) of such annual premium for one (1) year; one hundred percent (100%) of such annual premium for two (2) years; one hundred twenty five percent (125%) of such annual premium for three (3) years; or two hundred twenty five percent (225%) of such annual premium for six (6) years.
6. The entire premium for the Run-Off Period shall be deemed fully earned at its commencement.
7. The Limit of Liability for the Run-off Period shall be part of, and not in addition to, the Limits of Liability stated in Item 5. of the Declarations for this **Policy**.

III. Definitions

Whenever printed in boldface type and whether in the singular or plural form in this **Policy**, the following terms shall have the meanings indicated below.

Application means the Application Form(s) and any material submitted therewith.

Claim shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

Costs of Defense shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

Coverage Section means, individually or collectively, the purchased **Coverage Sections** listed in Item 3. of the Declarations and attached to this **Policy**.

Damages shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

Where insurable, **Damages** also means: liquidated, punitive, or exemplary damages, or any multiplied damages award in excess of the amount so multiplied. Such coverage for liquidated, punitive, exemplary or multiplied damages is part of and not in addition to the Limit of Liability, and any payment of such **Damages** shall serve to reduce the Limit of Liability. Only for the purpose of resolving any dispute between the **Insurer** and the **Insured** regarding whether such liquidated, punitive, exemplary or multiplied damages are insurable under this **Policy**, the law of the jurisdiction most favorable to the insurability of those damages shall control, provided that such jurisdiction is where:

1. those damages were awarded or imposed; or
2. any **Wrongful Act** occurred for which such damages were awarded or imposed; or
3. the **Insured** resides, is incorporated or has its principal place of business; or
4. the **Insurer** is incorporated or has its principal place of business.

Domestic Partner means any person who qualifies as a **Domestic Partner** under the provisions of any federal, state or local statute or regulation (whether such status is derived by reason of statutory law, common law or otherwise, of any applicable jurisdiction in the world), or under the terms and provisions of any employee benefit or other program established by the **Named Insured**.

Insured means:

1. any duly elected or appointed director, trustee or officer of an **Insured Entity**, or
2. any **Insured Entity**;

unless modified by an applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

Insured Entity means the **Named Insured** and any **Subsidiary**.

Insured Person shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

This **Policy** shall cover **Costs of Defense** and **Damages** arising from a **Claim** made against:

1. the heirs, executors, administrators, and legal representatives of an **Insured Person** in the event of death, incapacity or bankruptcy, but solely with respect to the liability of an **Insured Person** as otherwise covered by this **Policy**; or
2. the lawful spouse or **Domestic Partner** of an **Insured Person** for a **Claim** arising solely out of his or her status as the spouse or **Domestic Partner** of an **Insured Person**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the **Insured Person** and the spouse or **Domestic Partner**, or property transferred from the **Insured Person** to the spouse or **Domestic Partner**. As used herein, spouse shall include a person that is party to a civil union with the **Insured Person** if they establish such civil union under the licensing process established by the applicable jurisdiction. However, this extension shall not afford coverage for any **Claim** for any **Wrongful Act** of the spouse or **Domestic Partner**, but shall apply only to **Claims** arising out of any **Wrongful Act** of an **Insured Person**.

Insurer means the entity issuing this **Policy** as listed on the Declarations Page.

Loss means **Damages** and **Costs of Defense**.

Named Insured means the entity designated in Item 1. of the Declarations.

Policy means, collectively, the Declarations, the Common Policy Terms and Conditions Section, the **Coverage Sections**, and the **Application**.

Policy Period means the period of time from the inception date shown in Item 2. of the Declarations to the earlier of the expiration date shown in Item 2. of the Declarations or the effective date of cancellation of this **Policy**.

Related Wrongful Acts means **Wrongful Acts** which are the same as, related or continuous or that are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

Subsidiary means an entity which qualifies as a nonprofit organization under Section 501(c)(3), (c)(4), (c)(6), (c)(7), (c)(8), (c)(10), or (c)(13) of the Internal Revenue Code of 1986, including amendments thereto and which the **Named Insured** has or controls the right to elect or appoint more than 50 percent of the Board of Directors (or other governing body) on or before the inception of the **Policy Period**.

The term **Subsidiary** shall not mean any political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971, including amendments thereto.

In all events, coverage as is afforded with respect to a **Claim** made against a **Subsidiary** shall only apply for **Wrongful Acts** committed or allegedly committed after the effective time that such **Subsidiary** became a **Subsidiary** and prior to the time that such **Subsidiary** ceased to be a **Subsidiary**.

An entity ceases to be a **Subsidiary** when the **Named Insured** ceases to control the right to elect or appoint more than 50 percent of the Board of Directors (or other governing body), or ceases to continue as an ongoing entity.

If during the **Policy Period** the **Insured Entity** forms or acquires a **Subsidiary**, this **Policy** shall apply:

1. Automatically for a **Subsidiary**, whose assets are less than thirty five percent (35%) of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date; or
2. If the assets of such **Subsidiary** are equal to or greater than thirty five percent (35%) of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date, then only upon the condition that within ninety (90) days of it becoming a **Subsidiary**, the **Named Insured** provides the **Insurer** in writing with full particulars of the new **Subsidiary** and agrees to any additional premium and/or amendment of the provisions of this **Policy** required by the **Insurer** related to such new **Subsidiary**. Further, coverage as shall be afforded to the new **Subsidiary** is conditioned upon the **Named Insured** paying when due any additional premium required by the **Insurer** relating to such new **Subsidiary**.

Wrongful Act shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

IV. Exclusions

The **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged nuclear reaction, radiation or contamination, regardless of cause;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged seepage, pollution or contamination of any kind;
- C. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 1. any **Wrongful Act** alleged in any claim which has been reported, or in any circumstance of which notice has been given, prior to the **Policy Period** under any other policy; or
 2. any other **Wrongful Act** whenever occurring, which together with a **Wrongful Act** which has been the subject of such claim or notice, would constitute **Related Wrongful Acts**.

V. Limits of Liability and Deductibles

A. Limits of Liability

1. Costs of Defense Reduce the Limit of Liability

If **Costs of Defense** Reduce the Limit of Liability is purchased, as stated in Item 4. A. of the Declarations, then **Costs of Defense** are part of **Loss** and payment thereof will reduce the Limit of Liability available to pay **Damages**. **Costs of Defense** are not payable by the **Insurer** in addition to any applicable Limit of Liability stated in Item 5. of the Declarations. The **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. Notice of Claims of this **Policy** shall not exceed the amount(s) stated in Item 5. of the Declarations for the purchased **Coverage Section(s)**.

2. Costs of Defense in Addition to the Limit of Liability

If **Costs of Defense** in Addition to the Limit of Liability is purchased, as stated in Item 4. B. of the Declarations, **Costs of Defense** shall be separate and in addition to the applicable Limits of Liability stated in Item 5. of the Declarations. Payment of **Costs of Defense** shall not reduce the applicable Limits of Liability stated in Item 5. of the Declarations.

The **Insurer's** liability for all **Damages** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. Notice of Claims of this **Policy** shall not exceed the amount(s) stated in Item 5. of the Declarations for the purchased **Coverage Section(s)**.

In the event the applicable Limit(s) of Liability stated in Item 5. of the Declarations is exhausted by payment of **Damages**, or has been tendered to or on behalf of the **Insured**, then any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished.

3. Shared Policy Limit of Liability

If Shared Policy Limit of Liability for all **Coverage Sections** is purchased, as stated in Item 5. A. of the Declarations, then the **Insurer's** liability for all **Claims** covered by the **Coverage Sections** purchased shall not exceed the Aggregate Limit of Liability stated in Item 5. A. of the Declarations.

4. Separate Limit of Liability

If Separate Limit of Liability for each **Coverage Section** is purchased, as stated in Item 5. B. of the Declarations, then the **Insurer's** liability for all **Claims** covered by each **Coverage Section** purchased shall not exceed the Separate Aggregate Limit of Liability stated in Item 5. B. of the Declarations.

B. Exhaustion of Limit of Liability

1. In the event the applicable Limit of Liability stated in Item 5. of the Declarations, or any applicable sub-limit stated in this **Policy**, is exhausted by payment of **Costs of Defense** and/or **Damages**, or has been offered or tendered to, or on behalf of, the **Insured**, or to a court of competent jurisdiction, then any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished.
2. Unless otherwise stated, all Limits of Liability for this **Policy**, including any sub-limit(s), will apply in the aggregate to all covered **Claims**. In no event shall the **Insurer** be liable to make any payment for **Costs of Defense** and/or **Damages** in excess of the Limit(s) of Liability stated in Item 5. of the Declarations or any applicable sub-limit stated in this **Policy**.
3. The **Insurer** is not obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle a **Claim** after the applicable limit of the **Insurer's** liability has been exhausted by payment of **Damages** or **Costs of Defense** or by any combination thereof or after the **Insurer** has deposited the remaining available Limit of Liability into a court of competent jurisdiction. In such case, the **Insurer** shall have the right to withdraw from the further investigation, defense, payment or settlement of such **Claim** by tendering control of said investigation, defense or settlement of the **Claim** to the **Insured**.

C. Multiple Coverage Sections or Endorsements

In the event a **Claim** is covered under more than one **Coverage Section** or endorsement and such **Coverage Sections** or endorsements are not subject to a Shared Policy Limit of Liability, the **Insurer** shall pay covered **Damages** based on the terms of each applicable **Coverage Section** or endorsement and allocated to each applicable **Coverage Section** or endorsement on the basis of the relative legal and financial exposures of the parties pursuant to the applicable **Coverage Sections** or endorsements, as determined by the **Insurer**. The **Insurer** shall pay covered **Costs of Defense** based on the terms of each applicable **Coverage Section** or endorsement, to be distributed equally against all applicable **Coverage Sections** or endorsements. Any **Costs of Defense** and/or **Damages** paid shall reduce the applicable sub-limit or Limit of Liability of such **Coverage Sections** or endorsements. In no event shall the **Insurer** be liable to pay **Costs of Defense** and/or **Damages** for such **Claim** in excess of the largest Limit of Liability available under the **Coverage Sections** or endorsements applicable to such **Claim**.

D. Deductibles

1. The **Insurer** shall only be liable for the amount of **Loss** arising from a **Claim** which is in excess of the applicable Deductible amount stated in Item 6. of the Declarations. Such Deductible amount shall be borne by the **Named Insured** and shall apply to each and every **Claim**. In the event a **Claim** is covered under more than one **Coverage Section** or endorsement, the largest applicable Deductible shall apply. If the **Named Insured** fails to pay the Deductible, then all **Insureds** shall be jointly and severally obligated to pay the Deductible.
2. If the **Insurer** advances any **Loss** within the applicable Deductible, the **Named Insured** shall, upon written demand, reimburse the **Insurer** for such amounts within thirty (30) days. Any funds so advanced by the **Insurer** at its option, shall serve to reduce the Limit of Liability to the extent that they are not repaid to the **Insurer**. If the **Insurer** brings suit to collect the Deductible, then the **Insured** responsible to pay the applicable Deductible also shall pay the legal fees, costs and expenses incurred by the **Insurer** to collect the Deductible.

VI. Defense, Cooperation and Settlements

A. Consent

No **Insured** shall admit or assume liability, enter into any settlement agreement, make any offer of settlement or compromise, stipulate to any judgment, agree to arbitration, or incur **Costs of Defense** without the **Insurer's** prior written consent. The **Insurer's** consent shall not be unreasonably withheld, provided that the **Insurer** shall be entitled to full information and all particulars it may request in order to reach a decision regarding such consent. Any **Costs of Defense** and/or **Damages** incurred and settlements agreed to prior to the **Insurer** giving its consent shall not be covered hereunder.

B. Defense of Claims

1. The **Insurer** shall have the right and the duty to defend any **Claims** which are covered by this **Policy**. The **Insurer** shall have the right to select defense counsel. The **Insurer** has no obligation to provide **Costs of Defense** for any **Claim** not covered by this **Policy**.
2. The **Insurer** has no obligation to pay any amounts incurred by any **Insured** in any way involving the interpretation or applicability of the terms and conditions of this **Policy**.

C. Cooperation

Each **Insured** shall cooperate with the **Insurer** in the defense and settlement of any **Claim**, and in enforcing any right of contribution or indemnity against any person or organization that may be liable to the **Insured**, at no cost to the **Insurer**. Upon the request of the **Insurer**, the **Insured** shall submit to examination and interrogation, under oath if required by a representative of the **Insurer**, and shall attend hearings, depositions and trials, assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, as well as giving written statements to the **Insurer's** representatives, and meeting with such representatives for purposes of investigation or defense, all without charge to the **Insurer**.

D. Settlements

The **Insurer** shall not settle any **Claim** without the **Named Insured's** consent. If, however, the **Named Insured** shall refuse to consent to any settlement recommended by the **Insurer**, which is acceptable to the claimant, and shall elect to contest the **Claim**, or continue any civil, criminal, administrative, or arbitration proceedings in connection with such **Claim**, then the **Insurer's** liability for the **Claim** shall be the amount for which the **Claim** could have been settled, including **Costs of Defense** incurred up to the date of such refusal, and eighty percent (80%) of such **Loss** excess of the amount for which the **Claim** could have been settled. It is a condition of this insurance that the remaining twenty percent (20%) of such **Loss** shall be borne by the **Insureds** at their own risk. Such amounts are subject to the provisions of section V. of the Common Policy Terms and Conditions Section of this **Policy**.

E. Allocation

If a **Claim** made against an **Insured** pursuant to any **Coverage Sections** contains both covered and uncovered matters, then the **Named Insured** and the **Insurer** will allocate any amount incurred with respect to such **Claim** as follows:

1. one hundred percent (100%) of **Costs of Defense** incurred will constitute covered **Loss**; and
2. **Damages** will be allocated on the basis of the relative legal and financial exposures of the parties as to covered and uncovered matters pursuant to the applicable **Coverage Sections**.

If a **Claim** made against an **Insured** pursuant to any **Coverage Sections** contains both covered and uncovered parties, then the **Named Insured** and the **Insurer** will allocate any amounts incurred on behalf of any uncovered parties with respect to such **Claim** on the basis of the relative legal and financial exposures of the parties of such covered and uncovered parties pursuant to the applicable **Coverage Sections**.

The **Insurer** shall not be liable under this **Policy** for the portion of such amount allocated to non-covered **Loss**. In the event that the parties cannot reach a mutually agreeable allocation, the **Insurer** will determine the appropriate allocation at its discretion.

VII. Notice of Claims

A. Notice of Claim

As a condition precedent to their rights under this **Policy**, an **Insured** shall give the **Insurer** written notice of any **Claim** first made against the **Insureds** during the **Policy Period**, as soon as practicable, but in no event later than sixty (60) days after such **Claim** is first made.

B. Notice of Circumstance

If during the **Policy Period** or any Extended Reporting Period or Run-off Period that may apply, the **Insureds** become aware of any fact, circumstance or situation which may reasonably be expected to give rise to a **Claim** being made against any **Insured** and the **Insured** gives written notice to the **Insurer**, as soon as practicable (but prior to the expiration of or cancellation of the **Policy**), of:

1. the specific fact, circumstance or situation, with full details as to dates, persons, and entities involved; and
2. the injury or damages which may result therefrom; and
3. the circumstances by which the **Insured** first became aware thereof;

then any **Claim** subsequently made arising out of such fact, circumstance or situation shall be deemed to have been made when notice was first given to the **Insurer**.

C. Related Wrongful Acts

All **Claims** based upon or arising out of the same **Wrongful Act** or any **Related Wrongful Acts**, or one or more in a series of any similar, repeated or continuous **Wrongful Acts** or **Related Wrongful Acts**, shall be considered a single **Claim**. Each **Claim** shall be deemed to be first made at the earliest of the following times:

1. when the earliest **Claim** arising out of such **Wrongful Act** or **Related Wrongful Acts** is first made, or
2. when notice pursuant to section VII. B. above of a fact, circumstance or situation giving rise to such **Claim** is given.

D. Information and Cooperation

In addition to furnishing the notice as provided in sections VII. A. and VII. B. above, the **Insureds** shall give the **Insurer** such information and cooperation as it may reasonably require and shall, as soon as practicable, furnish the **Insurer** with copies of reports, investigations, pleadings and other papers in connection therewith.

VIII. General Conditions

A. Cancellation or Non-Renewal of Policy

1. Cancellation

- a. The **Named Insured** may cancel this **Policy** at any time by sending written notice to the **Insurer**.
- b. The **Insurer** may not cancel this **Policy** except for non-payment of any premium when due.
- c. The **Insurer** shall provide at least twenty (20) days written notice to the **Named Insured** prior to any cancellation for non-payment of any premium and such cancellation shall not be effective less than twenty (20) days after such notice is mailed.
- d. If this **Policy** is cancelled by the **Named Insured**, the **Insurer** shall retain the customary short rate proportion of the premium herein. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

2. Nonrenewal

If the **Insurer** decides not to renew this **Policy**, the **Insurer** shall provide written notice to the **Named Insured** at least sixty (60) days prior to the end of the **Policy Period**. The notice shall include the reason for such non-renewal.

3. Notice

The **Insurer** shall send all notices required under this Section VIII.A. by first-class mail to the **Named Insured** at the address last known to the **Insurer**. Proof of mailing of such notice by the United States Postal Service certificate of mailing shall be sufficient proof of notice.

B. Application

The **Application** is the basis of this **Policy** and is incorporated in and constitutes a part of this **Policy**. Any material submitted with the **Application(s)** shall be maintained on file with the **Insurer** and shall be deemed to be attached hereto as if physically attached. It is agreed by the **Insureds** that the statements in the **Application** are their representations, that they are material and that this **Policy** is issued in reliance upon the truth of such representations. With respect to such statements and representations, no knowledge or information possessed by any **Insureds** shall be imputed to any other **Insureds**.

If any person or persons knew as of the **Policy** inception date that such declarations and statements contained in the **Application(s)** were untrue, inaccurate or incomplete, then this **Policy** shall not apply to that person or persons.

However, if the signer of the **Application** knew as of the **Policy** inception date that such representations and statements contained in the **Application(s)** were untrue, inaccurate or incomplete, then this **Policy** shall not apply to that person or persons and the **Insured Entity**.

C. Action Against the Insurer

No action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this **Policy**, and the amount of the **Insureds'** obligation to pay shall have been finally determined either by judgment against the **Insureds** after actual trial or by written agreement of the **Insureds**, the claimant and the **Insurer**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this **Policy** to the extent of the insurance afforded by this **Policy**. No person or organization shall have any right under this **Policy** to join the **Insurer** as party to any action against the **Insureds** to determine the **Insureds'** liability, nor shall the **Insurer** be impleaded by the **Insureds** or their legal representatives.

D. Change in Control of the Named Insured

1. If during this **Policy Period** the **Named Insured**:
 - a. ceases to continue as an ongoing entity; or
 - b. sells all or substantially all of its assets, or consolidates, or merges with or into any other person, group, entity or organization; who then controls the right to elect or appoint more than 50 percent of the Board of Directors or other governing body of the **Named Insured**;

(either of the above events herein referred to as "Transaction")

then, this **Policy** shall continue in full force and effect as to any **Wrongful Acts** fully occurring prior to the Transaction, but there shall be no coverage afforded by any provision of this **Policy** for any actual or alleged **Wrongful Acts** occurring after the Transaction.
2. This **Policy** may not be cancelled following a Transaction and the entire premium for this **Policy** shall be deemed fully earned as of the effective date of the Transaction.
3. The **Named Insured** shall give the **Insurer** written notice of the Transaction as soon as practicable but not later than sixty (60) days after the Transaction and prior to the expiration of the **Policy Period**. In the event of a Transaction, the **Named Insured** shall have the right to purchase the Run-Off Period described in section II. C. of this Common Policy Terms and Conditions Section.

E. Subrogation

In the event of any payment under this **Policy**, the **Insurer** shall be subrogated to the extent of such payment to all the **Insureds'** rights of recovery thereof, and the **Insureds** shall execute all papers required and shall do everything that may be necessary to secure such rights including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of the **Insureds**. In no event, however, shall the **Insurer** exercise its rights of subrogation against an **Insured** under this **Policy** unless such **Insured** has been convicted of a criminal act, or been judicially determined to have committed a deliberate fraudulent act, or obtained any profit or advantage to which such **Insured** was not legally entitled.

F. Assignment

This **Policy** and any and all rights hereunder are not assignable without the written consent of the **Insurer**.

G. Entire Agreement

By acceptance of this **Policy**, the **Insureds** and the **Insurer** agree that this **Policy** and any written endorsements attached hereto constitute the entire agreement between the parties.

H. Representation by Named Insured

It is agreed that the **Named Insured** shall act on behalf of its **Subsidiaries** and all **Insureds** with respect to the giving and receiving of notices, the payment of premiums and the receiving of any return premiums that may become due under this **Policy**, the receipt and acceptance of any endorsements issued to form a part of this **Policy** and the exercising or declining to exercise any right to an Extended Reporting Period or Run-off Period.

I. Coverage Territory

This **Policy** applies to any **Wrongful Act** taking place anywhere in the world. In the event that the **Insured Entity** operates outside the United States, then the term **Insured Person** also means those titles, positions or capacities in such foreign **Insured Entity** which is equivalent to the position of **Insured Person** in an entity incorporated and/or formed within the United States.

J. Bankruptcy

Bankruptcy or insolvency of the **Insureds** or of their estates shall not relieve the **Insurer** of any of its obligations hereunder. In the event a liquidation or reorganization proceeding is commenced by or against the **Insured Entity** pursuant to the United States Bankruptcy Code, including amendments thereto, or any similar state or local law. The **Insured Entity** and the **Insured Persons** hereby: (1) agree to waive and release any automatic stay or injunction which may apply in such proceeding to this **Policy** or its proceeds under such Bankruptcy Code or law; and (2) agree not to oppose or object to any efforts by the **Insurer**, the **Insured Entity** or any **Insured Persons** to obtain relief from any such stay or injunction.

K. Trade and Economic Sanctions

This **Policy** does not provide coverage for **Insureds**, transactions or that part of **Damages** or **Costs of Defense** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

NonProfit ExecShield®

Directors, Officers and Organization Liability Insurance Coverage Section

CLAIMS MADE NOTICE FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Application** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Insuring Agreements

Directors, Officers and Organization Liability Coverage

- A. This **Policy** shall pay on behalf of the **Insureds** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Claim** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wrongful Act** committed subsequent to the **Prior Acts Date**; except and to the extent that the **Insured Entity** has indemnified the **Insured Persons**.
- B. This **Policy** shall pay on behalf of the **Insured Entity** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Claim** that is first made against the **Insured Persons** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wrongful Act** committed subsequent to the **Prior Acts Date**; but only to the extent that the **Insured Entity** has indemnified the **Insured Persons** for such **Costs of Defense** and/or **Damages** as permitted by law.
- C. This **Policy** shall pay on behalf of the **Insured Entity** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Claim** that is first made against the **Insured Entity** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wrongful Act** committed subsequent to the **Prior Acts Date**.

II. Priority of Payments

In the event of **Costs of Defense** and/or **Damages** arising from any **Claim** for which payment is due under the provisions of this coverage section, then the **Insurer** shall:

1. first, pay such non-indemnifiable **Costs of Defense** and/or **Damages** for which coverage is provided under Insuring Agreement I. A. of this coverage section; and
2. then, with respect to whatever remaining amount of the applicable Limit of Liability stated in Item 5. of the Declarations is available after payment of such non-indemnifiable **Costs of Defense** and/or **Damages**, at the written request of the Chief Executive Officer of the **Named Insured**, either pay or withhold payment of such other **Costs of Defense** and/or **Damages** for which coverage is provided under this coverage section.

In the event the **Insurer** withholds payment pursuant to sub-paragraph 2. above, then the **Insurer** shall at such time and in such manner as shall be set forth in written instructions of the Chief Executive Officer of the **Named Insured**, remit such payment to the **Named Insured** or directly to the **Insured Persons**.

III. Definitions

In addition to the Definitions listed in section III. of the Common Policy Terms and Conditions Section, whenever printed in boldface type, and whether in the singular or plural form, in this coverage section the following terms shall have the meanings indicated below.

Claim means:

1. a written demand for monetary or non-monetary relief including, but not limited to, a civil, criminal, administrative, or arbitration proceeding arising from a **Wrongful Act**;
2. a civil, criminal, administrative, or arbitration proceeding for monetary or non-monetary relief filed against an **Insured** arising from a **Wrongful Act** which is commenced by: (a) service of a complaint or similar pleading; (b) return of an indictment, information or similar document; or (c) receipt or filing of a notice of charges; or

3. a written request made by a claimant to the **Named Insured** to toll or waive the statute of limitations for any **Wrongful Act**;

provided, however, the term **Claim** shall not include any grievance or arbitration subject to a collective bargaining agreement with respect to Insuring Agreement I. C. of this coverage section. A **Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.

Costs of Defense means reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of a covered **Claim** against the **Insureds**, but excluding salaries, wages, overhead or benefit expenses associated with any **Insured**, or any amount covered by the duty to defend obligation of any other insurer.

Damages means:

1. a monetary judgment, award or settlement; or
2. pre-judgment interest and post-judgment interest;

provided, however, **Damages** shall not include:

- a. taxes, civil or criminal fines, sanctions or penalties imposed by law; or
- b. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person; or
- c. commissions, bonuses, deferred compensation, profit sharing or severance payments; or
- d. disgorgement or restitution payment by or on behalf of any **Insured**, including disgorgement or restitution of amounts retained, obtained, or acquired by an **Insured** and any settlement payment arising from any actual or alleged amount that an **Insured** improperly retained, obtained, or acquired; or
- e. any matter deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

Insured Person means any past, present or future duly elected or appointed directors, trustees, officers, employees (including part time, seasonal and temporary individuals), volunteers, or committee or staff members of the **Insured Entity**. An independent contractor is not an **Insured Person** under this coverage section.

Insured means any **Insured Person** or any **Insured Entity**.

Loss means **Damages** and **Costs of Defense**.

Outside Entity means:

1. a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code of 1986, including amendments thereto; or
2. any other entity organized for a religious or charitable purpose under any nonprofit organization act or statute; or
3. any other entity, partnership, joint venture or other organization listed by endorsement to this **Policy**.

Personal Injury means any actual or alleged defamation, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, infringement of copyright or trademark, unauthorized use of title, plagiarism, or misappropriation of ideas.

Prior Acts Date means the date stated in Item 8. i. of the Declarations.

Wrongful Act means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act, including **Personal Injury**, by:

1. any **Insured Person** in their respective capacities as such, or any matter claimed against them by reason of their status as **Insured Persons** with the **Insured Entity**;
2. any **Insured Person** arising out of their serving as a director, officer, trustee, or governor of an **Outside Entity** in such capacity, but only if such service is at the specific request or direction of the **Insured Entity**; or
3. the **Insured Entity**.

IV. Exclusions

In addition to the Exclusions listed in section IV. of the Common Policy Terms and Conditions Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the actual or alleged gaining of any profit or advantage to which an **Insured** was not legally entitled; provided, however, this exclusion shall not apply unless a judgment or other final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** gained such profit or advantage to which an **Insured** was not legally entitled;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged criminal or deliberate fraudulent act; provided, however, this exclusion shall not apply unless a judgment or other final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** committed such criminal or deliberate fraudulent act;

- C. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged payments to an **Insured** of any remuneration without the previous approval of the governing bodies of the **Insured Entity**, which payment without such previous approval shall be held to have been illegal; provided, however, this exclusion shall not apply unless a judgment or other final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** received such payments;

Solely with respect to Exclusions A., B., and C. of this coverage section, the **Insurer** will provide a defense for any such **Claims**, without any liability by the **Insurer** to pay such sums that any **Insured** shall become legally obligated to pay as **Damages**.

- D. for:
1. physical damage to or destruction of any tangible property, including the loss of use thereof; or
 2. bodily injury, sickness, disease, death, assault or battery of any person;
- E. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974, including amendments thereto;
- F. by, on behalf of, or in the right of any **Insured** in any capacity; provided, however, this exclusion does not apply to:
1. any **Claim** that is a derivative action brought or maintained on behalf of the **Insured Entity**, and only if such **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or participation of, or intervention of any **Insured**; or
 2. any **Claim** by any **Insured Person** pursuant to any federal or state whistleblower protection statute or any regulation promulgated thereunder; provided, however, this exception does not apply to any **Claim** arising from any actual or potential employment relationship with the **Insured Entity**;
- G. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** of an **Insured Person** serving in the capacity as a director, officers, trustee, employee, member or governor of any other entity other than an **Insured Entity** or an **Outside Entity**, or by reason of their status as a director, officer, trustee, employee, member or governor of such other entity;
- H. for any **Wrongful Act** arising out of an **Insured** serving as a director, officer, trustee, employee, member or governor of an **Outside Entity**:
1. if such **Claim** is brought by the **Outside Entity** or any of its directors or officers, or by any security holder of the **Outside Entity**, whether directly or derivatively, unless such security holder's **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or participation of, or intervention of the **Outside Entity**, any of its directors or officers, or any **Insured**; or
 2. if such **Wrongful Act** occurred prior to the inception date of the first Nonprofit Directors, Officers and Organization Liability Insurance Policy issued by the **Insurer** to the **Named Insured**, which has been continuously renewed and maintained in effect prior to the inception of this **Policy Period**; or
 3. to the extent such **Insured** is indemnified for such **Costs of Defense** and **Damages** by the **Outside Entity**, and/or to the extent that there is coverage in whole or in part under any policy issued to or for the benefit of any **Outside Entity** or its directors or officers, then this **Policy** shall apply only to **Loss** excess over such indemnification and insurance(if applicable);
- I. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged employment-related torts, including but not limited to: failure to hire; wrongful dismissal; wrongful discharge; wrongful termination; retaliation; harassment; discrimination; violation of civil rights; or violation of any federal, state, local or foreign laws, whether statutory or common law, concerning discrimination or harassment;
- J. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any federal, state, local or foreign wage and hour laws, whether statutory or common law, including, without limitation, the Fair Labor Standards Act;
- K. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged breach of any oral or written contract or agreement; provided, however, this exclusion shall not apply to the extent that an **Insured Entity** would have been liable in the absence of the contract or agreement.

The **Wrongful Act** of an **Insured** shall not be imputed to any other **Insured** for the purpose of determining the applicability of the Exclusions.

V. Other Insurance

Unless specifically stated otherwise, the coverage afforded under this coverage section shall apply only as excess over any other valid and collectible insurance, unless such other insurance is specifically written as excess insurance over the Separate Limit of Liability or Shared Limit of Liability applicable to this coverage section. This coverage section shall be excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this coverage section may be obligated to pay **Costs of Defense** and/or **Damages**.

NonProfit ExecShield®

Employment Practices Liability Insurance Coverage Section

CLAIMS MADE NOTICE FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Application** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Insuring Agreements

A. Wrongful Employment Acts Coverage

This **Policy** shall pay on behalf of the **Insureds** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Employment Claim** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wrongful Employment Act** committed subsequent to the **Prior Acts Date**.

B. Third Party Wrongful Acts Coverage

If purchased as indicated in Item 3. ii. of the Declarations, this **Policy** shall pay on behalf of the **Insureds** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Third Party Claim** that is first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Third Party Wrongful Act** committed subsequent to the **Prior Acts Date**.

II. Automatic Extended Reporting Period for Former Directors or Officers

In addition to section II. Extended Reporting Periods of the Common Policy Terms and Conditions Section, the following shall apply:

1. If the **Named Insured** cancels or refuses to renew this coverage section and the **Named Insured** has not purchased any similar insurance policy(ies), Optional Extended Reporting Period or Run-Off Period from the **Insurer** or any other insurance carrier, there shall be a three (3) year automatic extension of the reporting period for this coverage section for any **Claim** that is first made against any **Former Director or Officer** during such three (3) year period but only with respect to any **Wrongful Act** of any **Former Director or Officer** fully occurring prior to the end of the **Policy Period** and which is otherwise covered by this coverage section. Such three (3) year period of time shall be referred to as the Automatic Extended Reporting Period for Former Directors and Officers. There shall be no additional premium for the Automatic Extended Reporting Period for Former Directors and Officers.
2. The Limit of Liability for the Automatic Extended Reporting Period for Former Directors and Officers shall be part of, and not in addition to, the Limit of Liability stated in Item 5. of the Declarations for this coverage section.

III. Definitions

In addition to the Definitions listed in section III. of the Common Policy Terms and Conditions Section, whenever printed in boldface type, and whether in the singular or plural form, in this coverage section the following terms shall have the meanings indicated below.

Claim means:

1. an **Employment Claim**; or
2. if purchased as indicated in Item 3. ii. of the Declarations, a **Third Party Claim**.

A **Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.

Claimant means:

1. a past or present **Employee** of, or applicant for employment with, an **Insured Entity**; or
2. a governmental entity or agency, including the Equal Employment Opportunity Commission or similar federal, state or local or foreign agency, when acting on behalf of or for the benefit of a past or present **Employee** or applicant for employment with an **Insured Entity**.

Costs of Defense means reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of a covered **Claim** against the **Insureds**, but excluding salaries, wages, overhead or benefit expenses associated with any **Insured**, or any amount covered by the duty to defend obligation of any other insurer.

Damages means:

1. a monetary judgment, award or settlement, including front pay, back pay, emotional distress; or
2. pre-judgment interest and post-judgment interest;

provided, however, **Damages** shall not include:

- a. taxes (provided, however, that the **Insurer** will reimburse an **Insured Entity** for any employer share of payroll taxes on any portion of damages or settlements which constitute back pay otherwise considered **Damages**), civil or criminal fines, or penalties imposed by law; or
- b. payment of insurance, disability, pension, health or other plan benefits claimed by or on behalf of any former or current **Employee**, or that an **Employee** would have been entitled to as an **Employee** had the **Insured Entity** provided the **Employee** with a continuation of insurance; or
- c. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person; or
- d. commissions, bonuses, profit sharing or severance payments, unpaid wages, or amounts due pursuant to any federal, state, local or foreign wage and hour laws whether statutory or common law, including without limitation, the Fair Labor Standards Act, including any amendments thereto, and/or any payroll policies, practices and procedures, including the reimbursement of claimed business expenses; or
- e. future wages or benefits of any reinstated **Employee** or wages or benefits associated with the continued employment of an **Employee**; or
- f. any matter deemed uninsurable under the law pursuant to which this **Policy** is construed.

Employee means an individual whose labor or service is engaged by and directed by an **Insured Entity**, including any: part-time, volunteer, intern, leased, seasonal or temporary individual; or committee or staff member. An independent contractor is not an **Employee**. An individual's employment status shall be determined as of the date of the **Wrongful Act**.

Employment Claim means:

1. a written demand for monetary or non-monetary relief, including but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process, brought by or on behalf of a **Claimant**, arising from a **Wrongful Employment Act**;
2. a civil, administrative, regulatory investigation or arbitration proceeding brought by or on behalf of a **Claimant**, arising from a **Wrongful Employment Act**; or
3. a written request made by a **Claimant** to an **Insured** to toll or waive the statute of limitations for any **Wrongful Employment Act**;

provided, however, the term **Employment Claim** shall not include any grievance or arbitration based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving a collective bargaining agreement.

Former Director or Officer means any duly elected or appointed director, trustee or officer of an **Insured Entity** solely while acting within such capacity for an **Insured Entity**; who did not serve as a duly elected or appointed director or officer at the time of the cancellation or non-renewal of this **Policy**.

Harassment means unwelcome sexual or non-sexual advances, requests for sexual or non-sexual favors or other verbal, visual or physical conduct of a sexual or non-sexual nature that:

1. are explicitly or implicitly made a condition of employment;
2. are used as a basis for employment decisions; or
3. create a work environment that interferes with performance.

Harassment also means assault or battery, but only if related to a charge of sexual harassment.

Insured means any **Insured Person** or any **Insured Entity**.

Insured Person means:

1. any past, present or future duly elected or appointed director, trustee or officer of an **Insured Entity** while acting solely within the course and scope of employment with an **Insured Entity**;
2. an **Employee** while acting solely within the course and scope of employment with an **Insured Entity**; or
3. an independent contractor for an **Insured Entity**, but only if the **Insured Entity** provides indemnification to such individual in the same manner as that provided to the **Insured Entity's** employees.

Loss means **Damages** and **Costs of Defense**.

Prior Acts Date means the date stated in Item 8. ii. of the Declarations.

Retaliation means any actual or alleged retaliatory act of an **Insured** alleged to be in response to the actual or attempted exercise by an **Employee** or applicant for employment with the **Insured Entity**, of any right that such **Employee** or applicant has under law, including without limitation, any of the following activities:

1. the disclosure or threat of disclosure by an **Employee** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
2. the exercise of rights under workers' compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights;
3. the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign whistle-blower law;
4. strikes of an **Employee** or applicant, or any legally-protected work stoppage or slowdown; or
5. assisting, cooperating or testifying in any proceeding or investigation into whether an **Insured** violated any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder.

Third Party Claim means:

1. a written demand for monetary or non-monetary relief, including but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process; arising from a **Third Party Wrongful Act**, which is solely brought and maintained by or on behalf of a **Third Party Claimant** against an **Insured**;
2. a civil proceeding which is: (a) brought against an **Insured**; and (b) arising from a **Third Party Wrongful Act**; and (c) which is solely brought and maintained by or on behalf of a **Third Party Claimant** against whom a **Third Party Wrongful Act** is alleged to have been committed; or
3. a written request made by or on behalf of a **Third Party Claimant** to an **Insured** to toll or waive the statute of limitations for any **Third Party Wrongful Act**.

Third Party Claimant means any natural person(s) who is a client, customer, vendor, service provider or other business invitee of any **Insured Entity**, other than an **Employee** or applicant for employment with the **Insured Entity**.

Third Party Wrongful Act means any actual or alleged:

1. discrimination prohibited by applicable law;
2. harassment on the basis of race, color, religion, age, gender, disability, pregnancy, national origin, sexual orientation, gender identity or expression, or marital status; or
3. harassment in the form of unwelcome sexual advances, requests for sexual favors or other verbal, visual or physical conduct of a sexual nature;

committed by an **Insured**.

Workplace Bullying means verbal, written or visual intimidation, harassment or threats by an **Insured** while acting solely within the course and scope of employment with an **Insured Entity**, including but not limited to, an **Insured's** use of social media to intimidate, harass or threaten.

Wrongful Act means:

1. a **Wrongful Employment Act**;
2. if purchased as indicated in Item 3. ii. of the Declarations, a **Third Party Wrongful Act**.

Wrongful Employment Act means any actual or alleged:

1. wrongful dismissal, discharge or termination of employment (either actual or constructive), including breach of an implied agreement to employ;
2. **Harassment**;
3. harassment on the basis of race, color, religion, age, gender, disability, pregnancy, national origin, sexual orientation, gender identity or expression, or marital status (including but not limited to: **Workplace Bullying**);
4. discrimination (including, but not limited to, discrimination based upon age, gender, gender identity or expression, race, color, national origin, religion, sexual orientation or preference, genetic information, pregnancy, marital status, military status or disability or any other basis prohibited by law);
5. **Retaliation**;
6. employment-related misrepresentation;
7. employment-related libel, slander, humiliation or defamation or invasion of privacy;
8. false arrest or false imprisonment;
9. wrongful failure to employ or promote;
10. wrongful deprivation of career opportunity, wrongful demotion or negligent evaluation, including the giving of negative or defamatory statements in connection with an employee reference;

11. wrongful discipline;
 12. failure to grant tenure; or
 13. negligent hiring, retention, training or supervision, infliction of emotional distress or mental anguish, failure to provide or enforce adequate or consistent employment-related corporate policies and procedures, or violation of an individual's civil rights;
- committed by an **Insured**.

IV. Exclusions

In addition to the Exclusions listed in section IV. of the Common Policy Terms and Conditions Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. for:
 1. damage to or destruction of any tangible property, including the loss of use thereof, or
 2. bodily injury, sickness, disease, and death; provided, however, solely with respect to a **Claim** for a **Wrongful Employment Act**, this exclusion shall not apply to: emotional distress, mental anguish, defamation, invasion of privacy or humiliation;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974, including amendments thereto; or any similar provisions of state statutory law or common law;
- C. for any actual or alleged breach of any oral or written contract or agreement; or for any amounts owed pursuant to an oral or written contract or agreement; whether brought as breach of contract, misrepresentation or otherwise;
- D. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Worker's Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, the National Labor Relations Act, or the Health Insurance Portability and Accountability Act of 1996, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of an **Employee** by the **Insured** on account of the **Employee's** exercise of rights pursuant to any such law;
- E. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged obligations under any workers' compensation, social security, disability benefits, or unemployment compensation law, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of an **Employee** by the **Insured** on account of the **Employee's** exercise of rights pursuant to any such law;
- F. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violations of any federal, state, local or foreign wage and hour laws, whether statutory or common law, including, without limitation, the Fair Labor Standards Act including any amendments thereto; provided, however, this exclusion shall not apply to any **Claim** for any amounts owed under the Equal Pay Act of 1963, or any similar provisions of any federal, state, local or foreign law prohibiting pay discrimination or for any actual or alleged retaliatory treatment of an **Employee** by the **Insured** on account of the **Employee's** exercise of rights pursuant to any such law or amounts owed under the Equal Pay Act of 1963.

V. General Conditions

Other Insurance

Unless specifically stated otherwise, the coverage afforded under this coverage section for:

1. an **Employment Claim** shall be primary to any other valid and collectible insurance policy (including coverage afforded by any other **Coverage Section**), provided that with respect to that portion of an **Employment Claim** made against any leased or temporary employee or independent contractor, **Costs of Defense** and/or **Damages** payable on behalf of such leased or temporary employee or independent contractor under this coverage section shall be excess of, and shall not contribute with, any other valid and collectible policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section), regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise; and
2. a **Third Party Claim** shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.



EMPLOYMENT PRACTICES LIABILITY RISK MANAGEMENT RESOURCES

THE HR HOTLINE

844.4HR.LINE (844.447.5463) | Monday - Friday | 8:00am - 5:00pm | Central

As your insurance provider, Berkley Select has partnered with Zywave to offer a hotline staffed by HR professionals to answer your employment law questions. In addition, these professionals will refer you to relevant content that can help you execute on their expertise.

The day your policy is active, you have access to the HR hotline. Please have your company name and insurance policy number available when you call.

Topics you can ask about include, but are not limited to:

- Discipline and terminations
- Employee benefits
- Employee relations
- Federal compliance
- Investigations
- Leaves of absence
- Performance management
- Recruiting and hiring
- State employment law
- Wage and hour issues
- Workers' compensation

THE SELF SERVICE PORTAL

berkleyselect.portal.zywave.com

As an Employment Practices Liability policyholder, you have access to the Self Service portal. An invitation to set up your account will be sent to the email provided on your application. This comprehensive resource tool is designed to help you understand, prevent, and manage potential workplace-related issues. Some of those valuable resources include:

STATE-SPECIFIC HANDBOOK AND POLICY BUILDER

Can be used to create a complete handbook or a single policy. All pre-set policies are drafted to be compliant with federal and state guidelines.

JOB DESCRIPTION BUILDER

This customizable tool can create job descriptions for various industries and skill levels.

WEBINARS AND ONLINE TRAINING COURSES

Topics for these courses include, but are not limited to: Sexual Harassment, Discrimination Prevention, and HIPAA Compliance. Courses can be assigned to supervisors or employees. CE credits are available for HR personnel.

ADA COMPLIANCE TOOLS

View a checklist and fact sheet regarding organization-wide ADA compliance. Access free, online tools that evaluate website accessibility. Recommendations help maintain online ADA compliance.

EMPLOYMENT PRACTICES LIABILITY RISK MANAGEMENT RESOURCES

WAYS TO ACCESS THE SELF SERVICE PORTAL

Invitation

Once your policy is effective, be on the lookout for an email coming from the Zywave team to activate your account.

Online

Visit www.berkleyselect.com/risk-management-solutions/ and proceed to the Employment Practices Risk Management section

WAYS TO REPORT A CLAIM

ONLINE	EMAIL	FAX	MAIL
www.berkleyselect.com/claims/report-a-claim/	newclaim@berkleyselect.com	312.207.1933	Berkley Select Claims Department 550 W. Jackson Boulevard Suite 500 Chicago, IL 60661

BERKLEY SELECT & ZYWAVE

Partners You Can Count On

Berkley Select specializes in executive and professional liability insurance. Berkley Select underwrites on behalf of Berkley member insurance companies that are rated A+ (Superior), Financial Size Category XV by AM Best Company. As part of Berkley Select's mission to provide industry-leading service to our policyholders, we have partnered with Zywave, an EPL risk management expert. Zywave delivers strategic and client-centric engagement solutions designed to assist with HR, employment law, and ongoing employee issues.



**OPERATING AGREEMENT BETWEEN THE FRIENDS OF
IDAHO PUBLIC TELEVISION, INC.**

AND

**IDAHO PUBLIC TELEVISION, AN ENTITY OF THE STATE
BOARD OF EDUCATION OF THE STATE OF IDAHO**



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www.hteh.com

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OPERATING AGREEMENT

**ARTICLE I
PURPOSE**

The Idaho State Board of Education ("SBOE"), acting pursuant to its constitutional authority and authority otherwise delegated by the State of Idaho has adopted policies regarding gifts to public entities and affiliated foundations with the express objective of preserving and encouraging the operation of recognized foundations associated with the institutions, schools and entities under the Board's governance. Idaho Public Television ("IPTV") is one such entity under the SBOE's governance. The Friends of Idaho Public Television, Inc. ("Friends of IPTV") maintains an endowment and operating funds, hereby referred to as "Endowment" affiliated with IPTV, and otherwise enjoys an ongoing working relationship with IPTV intended to enhance and promote the mission of IPTV in the state of Idaho and throughout its service area. IPTV and the Friends of IPTV adopt this Operating Agreement (the "Agreement") with the intent of complying with the SBOE policies regarding gifts and affiliated foundations and support groups in a manner consistent with State and Federal law and regulations, including applicable Federal Communications Commission ("FCC") regulations.

**ARTICLE II
INSTITUTIONAL RESOURCES AND SERVICES**

A. Administrative and Staff Support

IPTV shall provide to the Friends of IPTV support staff and administrative services for the general purpose of facilitating the organization and conduct of regular and special board and committee meetings, including administrative support for the preparation of agendas, gathering and distribution of materials in advance of such meetings, minute keeping and organization for such meetings and logistical support including the organization of travel arrangements and accommodations when required. All out of pocket costs for such administrative services shall be borne by the Friends of IPTV, which shall either pay these items directly or reimburse IPTV upon presentation of receipt therefor.

1. Specific Administrative Support Designations

IPTV will provide the specific administrative and support staff services by the employees in the capacities detailed on Schedule I to this Agreement.

2. Restriction on IPTV Responsibility

No employee of IPTV in a key administrative or policy making capacity (including, but not limited to the General Manager of IPTV) shall be permitted to have responsibility or authority for Friends of IPTV policy making, financial oversight, spending authority, or investment decisions unless specifically approved in writing by the Friends of IPTV and the Audit Committee of the State Board of Education. The Friends of IPTV maintain no employees.

3. Limitation on Functions of General Manager with Respect to the Friends of IPTV

Unless specifically agreed in writing by the Friends of IPTV and the Audit Committee of the State Board of Education, the responsibilities of any function performed by the General Manager of IPTV with respect to the Friends of IPTV or by any IPTV employee relating to a key

administrative or policy making capacity shall be limited to the coordination of institution and affiliated endowment fundraising efforts, and the provision of administrative support to endowment fundraising activities.

B. Other Institution Resources and Services

IPTV will provide to the Friends of IPTV the following resources and services through the employees in the capacities identified in Article II.A.1 including the following: i. Access via reporting functions to IPTV's financial systems to receive, disburse, and account for funds held (with respect to transactions processed through IPTV's financial system, the Friends of IPTV shall comply with the institution's financial and administrative policies and procedures manuals); ii. Accounting services, to include cash disbursements and receipts, accounts receivable and payable, bank reconciliation, reporting and analysis, auditing, payroll, and budgeting; iii. Investment, management, insurance, benefits administration, and similar services; iv. Development services, encompassing research, information systems, donor records, communications, and special events.

C. Use of Facilities and Equipment

IPTV will provide to the Friends of IPTV meeting rooms and other logistical support for the conduct of regular and special meetings of the Friends of IPTV board and committees, including the use of telecommunications equipment such as video microwave interconnect and teleconferencing facilities.

D. Terms for Institution Cost Recovery

Except as provided herein, IPTV does not intend to recover from the Friends of IPTV any costs associated with the provision of personnel, use of facilities or equipment. All personnel, facilities and equipment provided by third parties at an expense to IPTV will be billed to the Friends of IPTV for reimbursement. No payments shall be made directly from the Friends of IPTV directly to IPTV employees in connection with resources or services provided pursuant to this Agreement.

ARTICLE III OPERATION OF ENDOWMENT

A. The Friends of IPTV Endowment

The Friends of IPTV maintains an endowment fund (the "IPTV Endowment") recognized by the Internal Revenue Service as a tax exempt entity pursuant to section 501(c)(3) of the Internal Revenue Code. All operations of the Friends of IPTV regarding its IPTV Endowment shall comply with the SBOE's general guidelines for foundations found at SBOE Policies and Procedures Section V.E.2.b. as adopted effective July 1, 2008.

B. Guidelines for Receiving, Depositing, Disbursing and Accounting for All Funds, Assets, or Liabilities of the Endowment

The Friends of IPTV maintains guidelines for the IPTV Endowment regarding the receipt, deposit, disbursement and accounting for all fund assets and liabilities consistent with generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). These policies provide that when endowment funds are transferred to IPTV, institution officials into whose department or program endowment funds are transferred shall be informed by the Friends of IPTV of the restrictions, if any, on such funds and shall be

responsible both to account for them in accordance with institution policies and procedures, Federal Communications Commission regulations and requirements, and to notify the Friends of IPTV on a timely basis regarding the use of such funds.

C. Procedures for IPTV Endowment Expenditures and Financial Transactions

The Friends of IPTV will comply with its written procedures described in Schedule II hereto for all expenditures and financial transactions with IPTV, including the disbursement or disposition of any endowment funds. Except as specifically agreed in writing by the Friends of IPTV, no person with signature authority shall be an IPTV employee in a key administrative or policy making capacity (including, but not limited to, the General Manager or an institution vice president or equivalent position).

D. Liability Insurance Coverage

The Friends of IPTV maintains comprehensive general liability insurance including D&O coverage for the acts and omissions of its Board members, officers and employees as described in the policy attached as Schedule III.

E. Endowment Investment Policies

The Friends of IPTV maintains a written Endowment Fund Statement of Investment Policy and Fiduciary Management, which is revised from time to time at the direction of the Friends of IPTV board and its standing endowment committee. The current investment policy is attached as Schedule IV. All investment policies adopted by the Friends of IPTV board and endowment committee are designed to and shall be conducted in accordance with prudent, sound practice to ensure that gift assets are protected and enhanced, and that a reasonable return is achieved, with due regard for the fiduciary responsibilities of the Friends of IPTV board. Moreover, all such investments are and must be consistent with the terms of the gift instrument.

F. Separation of Funds

At no time shall the funds of the IPTV Endowment and IPTV be commingled but to the contrary shall at all times be kept separate in accounts reflecting the ownership of the respective entities.

G. Organizational Structure of the Friends of IPTV

The Friends of IPTV, Inc. is a corporation duly organized and validly existing under the nonprofit corporation act of the State of Idaho. Copies of the Articles of Incorporation and Bylaws of the Friends of IPTV, Inc., are attached hereto as Schedule V.

ARTICLE IV IPTV ENDOWMENT RELATIONSHIPS WITH IPTV

At all times the relationship between the Friends of IPTV and IPTV shall be arms-length and conducted with recognition of the fiduciary duties of the Friends of IPTV to its constituents, and of the IPTV Endowment with regard to State, Federal and FCC laws and regulations.

A. Access to Friends of IPTV Endowment Books and Records

IPTV may access the endowment books and records of the Friends of IPTV solely for the purpose of carrying out the administrative assistance described in Article II.A.1 of this Agreement.

B. IPTV Input to Friends of IPTV Endowment Payout Operating Budget and Capital Expenditures

The General Manager of IPTV, or other institution chief executive officer or designee, shall provide recommendations to the Friends of IPTV board for the proposed expenditures from the endowment payout prior to their approval by the Friends of IPTV board. In no event shall these recommendations be deemed binding or controlling on the actions of the Friends of IPTV board.

C. Supplemental Compensation to Employees of IPTV

The Friends of IPTV shall make no supplemental compensation to any employee of IPTV.

**ARTICLE V
AUDITS AND REPORTING****A. Procedure for Conducting Audits**

The Friends of IPTV shall annually conduct an audit consistent with GAAP and GASB requirements through the services of the State Legislative Auditor. No individual designated by the State Legislative Auditor shall be a member of the board of the Friends of IPTV. The annual audit shall be a full scope audit, performed in accordance with GAAP. The Friends of IPTV shall annually engage an independent certified public accountant or audit firm to conduct a full-scope audit of its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB). No individual employed by or affiliated with the engaged audit firm shall serve as a member or director of the Board of the Friends of IPTV. The annual audit shall be comprehensive and performed in accordance with GAAP standards.

B. Reporting to IPTV General Manager

The Friends of IPTV shall no less frequently than annually report directly in writing to the IPTV General Manager or his designee the following items: Regular financial audit report; Annual report of transfers made to the institution, summarized by department; Annual report of unrestricted funds received, and of unrestricted funds available for use in that fiscal year; A list of Friends of IPTV officers, directors, and employees; Confirmation that no payments were made to any IPTV employee for supplemental compensation or otherwise; A list of all State and Federal contracts and grants managed by the Friends of IPTV; a report of the Friends of IPTV's major activities; a report of each real estate purchase or material capital lease, investment, or financing arrangement entered into during the preceding fiscal year of the Friends of IPTV for the benefit of the institution; a report of any actual litigation involving the Friends of IPTV during its fiscal year, as well as legal counsel used by the Friends of IPTV for any purpose during such year, including a discussion of any potential or threatened litigation involving the Friends of IPTV or the IPTV Endowment.

**ARTICLE VI
CONFLICTS OF INTEREST AND CODE OF ETHICS AND CONDUCT**

A copy of the Friends of IPTV Conflicts of Interest policy is found under Schedule VI.

ARTICLE VII
GENERAL PROVISIONS

A. Notices

All notices and other communications ("Notices") shall be in writing and may be delivered (i) in person, with the date of notice being the date of personal delivery, (ii) by United States Mail, postage prepaid for certified or registered mail, return receipt requested, with the date of notice being the date of the postmark on the return receipt, (iii) by fax, with confirmation of the transmittal of the fax and a copy of the fax deposited on the same day in the United States Mail, with the date of notice being the date of the fax, (iv) by e-mail, with confirmation of sending of the e-mail and a copy of the e-mail deposited on the same day in the United States Mail, with the date of notice being the date of the e-mail, (v) by nationally recognized delivery service such as Federal Express, with the date of notice being the date of delivery as shown on the confirmation provided by the delivery service.

B. Severability

The invalidity of any portion of this Agreement shall not affect the validity of any other portion of this Agreement.

C. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

D. Governing Law

This Agreement shall be governed by the substantive laws of the State of Idaho and Federal law and regulations consistent with Federal Communication Commission guidelines applicable to licensees of public television broadcast services.

IDAHO PUBLIC TELEVISION

Dated: 2 1 2, 2022

By:

Jeff Tucker
General Manager

FRIENDS OF IDAHO PUBLIC TELEVISION, INC.

Dated: 2 1 2, 2022

By:

—eraig Mead s
President

SCHEDULE I

Services Provided by Idaho Public Television to the Friends of Idaho Public Television, Inc.

Administrative Support:

Provide administrative support to Friends Board of Directors relating to their activities of compliance with state, federal and private guidelines and regulations.

General Clerical Support:

Provide general clerical support for board and committee meetings.

Technical:

Provide meeting space and technical support for board and committee meetings.

Financial:

Provide support for fund raising, deposits and payment of related expenses including board member travel and meeting expenses.

Coordinate and provide administrative support for the annual audit as conducted by the Legislative Auditor.

Maintain financial records as required by state, federal and private entities.

Other:

Provide additional support services as mutually agreed upon outside these parameters.

SCHEDULE II

Procedures for IPTV Endowment Expenditures and Financial Transactions

1. The Friends of IPTV will establish a budget plan on an annual basis for the unrestricted Operating funds. The budget will include any distributions authorized to be made from the Endowment for the fiscal year.
2. Once a budget has been established and authorized by the Friends of IPTV, the Fiscal Affairs manager of IPTV, or designee providing administrative assistance as provided in Article II.A.1, shall have authority to authorize and make expenditures to the extent they fall within the budget and are not unusual in nature. Items that arise during the year under \$100,000 that are not budgeted or that vary significantly from the budget will require approval of the President of the Friends of IPTV. Unexpected costs above \$100,000 will require approval from the Executive Committee of the Friends of IPTV.
3. Quarterly financial reports will be provided to the Treasurer and Executive Committee within 30 days of the close of the period. Detailed budget reports will be provided to the Board of Directors at each board meeting. Budget variances of 10% or more will be referenced on budget reports.
4. All checks will require two signatures.

Carolina Casualty Insurance Company

NonProfit ExecShield®

Management Liability Insurance Policy

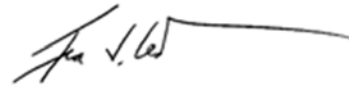
This Policy consists of:

- Declarations Page
- Common Policy Terms and Conditions Section
- Applicable Coverage Sections
- Endorsements

In witness whereof, the **Insurer** has caused this **Policy** to be signed by its President and Chief Executive Officer and Secretary.



President and Chief Executive Officer



Secretary

Service Office:

550 W. Jackson Blvd., Suite 500
Chicago, IL 60661
Toll Free (844) 465-6256

Fax (312) 207-1933

Administrative Office:

5011 Gate Parkway, Building 200, Suite 200
Jacksonville, FL 32256
Telephone (480) 951-0905

Fax (480) 951-9730



NP 23302-0417

NonProfit ExecShield®

Management Liability Insurance Policy

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS SUBJECT TO ITS TERMS. THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

IF INDICATED IN ITEM 4. A. BELOW, THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE COMPLETELY EXHAUSTED BY AMOUNTS INCURRED AS LEGAL DEFENSE COSTS. THE INSURER SHALL NOT BE LIABLE FOR LEGAL COSTS OF DEFENSE OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT AFTER EXHAUSTION OF THE LIMIT OF LIABILITY.

Whenever printed in this Declarations Page, the boldface type terms shall have the same meanings as indicated in the **Policy**.

Item 1. Name and Address of Named Insured: **Policy Number: DCP-898834-P13**

Friends of Idaho Public Television, Inc.
1455 North Orchard Street
Boise, ID 83706

Item 2. Policy Period: From April 29, 2021 (inception date) to April 29, 2022 (expiration date)
(Both dates at 12:01 a.m. Standard Time at the address of the **Named Insured**)

Item 3. Purchased Coverage Sections:

- | | | |
|---|---|--|
| i. Directors, Officers and Organization Liability Insurance Coverage Section: | ☒ Yes | ☐ No |
| ii. Employment Practices Liability Insurance Coverage Section: | ☒ Yes | ☐ No |
| Third Party Wrongful Act Liability Coverage included: | ☒ Yes | ☐ No |
| iii. Fiduciary Liability Insurance Coverage Section: | ☐ Yes | ☒ No |

Item 4. Cost of Defense for the Policy Period:

- ☐ A. **Costs of Defense** Reduce the Limit of Liability in Item 5. below
- ☒ B. **Costs of Defense** in Addition the Limit of Liability in Item 5. below

Item 5. Limits of Liability for the Policy Period:

- A. Shared Policy Aggregate Limit of Liability for all **Coverage Sections** purchased as indicated above. Not Applicable

OR

- B. Separate Aggregate Limit of Liability for each **Coverage Sections**:
- | | |
|---|----------------|
| 1. Directors, Officers and Organization Liability Insurance Coverage Section: | \$1,000,000 |
| 2. Employment Practices Liability Insurance Coverage Section: | \$1,000,000 |
| 3. Fiduciary Liability Insurance Coverage Section: | Not Applicable |

			Summary of Charges	
Item 6.	Applicable Deductibles:		Premium	\$1,379.00
			CRC Broker fee	\$200.00
			Total	\$1,579.00
			Zip Code	83706
i.	Directors, Officers and Organization Liability Insurance Coverage Section:			
	A.	Insured Person Non-Indemnifiable:	\$0	
	B.	Insured Person Indemnifiable:	\$0	
	C.	Insured Entity Liability:	\$500	
ii.			Employment Practices Liability Insurance Coverage Section:	\$1,000
iii.			Fiduciary Liability Insurance Coverage Section:	Not Applicable
Item 7.	Premium:			\$1,379
Terrorism coverage is included for \$0				
Item 8.	Prior Acts Dates:			
i.	Directors, Officers and Organization Liability Insurance Coverage Section Prior Acts Date:			Not Applicable
ii.			Employment Practices Liability Insurance Coverage Section Prior Acts Date:	Not Applicable
iii.			Fiduciary Liability Insurance Coverage Section Prior Acts Date:	Not Purchased
Item 9.	Forms and Endorsements attached at inception:			
Policy Form: NP 23300- rev0417 / CT 22330- rev0417; EPL 23300- rev0417				
1	265-	0220	Policyholder Disclosure – Notice of Terrorism Insurance Coverage	
2	266-	0220	Cap on Losses from Certified Acts of Terrorism	
3	701-CR-	0419	CLAIM REPORTING PROCEDURES	
4	CT 230903-	rev0417	Identity Theft Expense Supplemental Coverage	
5	CT 230906-	rev0417	Kidnap Expense Supplemental Coverage	
6	CT 230913-	rev0417	Failed Donation Claim Supplemental Coverage	
7	CT 232041-	rev0417	Modification to Automatic Extended Reporting Period	
8	CT 233093-	0417	Acquisition or Creation of a Subsidiary	
9	CT 234322-	rev0417	Interested Party Exclusion	
10	CT 235014-	rev0417	Waiver of Deductible if No Liability	
11	EPL 233630-	rev0417	Costs of Defense Sub-Limit for Wage and Hour Wrongful Acts	
12	ID-PHN-	1019	IDAHO POLICY HOLDER NOTICE	
13	NP 233045-	rev0417	Excess Benefit Penalty Coverage	
14	NP 234354-	rev0417	Professional Services Exclusion	
15	NP 234400-	rev0417	Intellectual Property Exclusion	
16	NP-ID-	0417	Idaho Amendatory Endorsement	
Item 10.	Notice to the Insurer as provided in section VII. A. and B. shall be sent to:		All other notices to be given to the Insurer shall be sent to:	
Berkley Select Claims Department on behalf of Carolina Casualty Insurance Company 550 W. Jackson Blvd, Suite 500, Chicago, IL 60661 Toll Free: (844) 465-6256 Fax: (312) 207-1933 Email: newclaim@berkleyselect.com			Berkley Select on behalf of Carolina Casualty Insurance Company 550 W. Jackson Blvd, Suite 500, Chicago, IL 60661 Toll Free: (800) 446-2100	

The Nonprofit Management Liability Insurance **Policy** shall constitute the contract between the **Insureds** and the **Insurer**.

NOVEMBER 20, 2025

Carolina Casualty Insurance Company

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism, as defined in the Terrorism Risk Insurance Act, as amended, (the "Act"), is included in your policy. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Act. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Act contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism as defined in the Act is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Friends of Idaho Public Television, Inc.		Policy Number DCP-898834-P13
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Carolina Casualty Insurance Company

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

DIRECTORS, OFFICERS AND CORPORATE LIABILITY INSURANCE COVERAGE SECTION

DIRECTORS, OFFICERS AND ORGANIZATION LIABILITY INSURANCE COVERAGE SECTION

FIDUCIARY LIABILITY INSURANCE COVERAGE SECTION

EXCESS INSURANCE POLICY

GENERAL LIABILITY COVERAGE PART

COMMUNITY ASSOCIATION LEADERS PROFESSIONAL LIABILITY INSURANCE POLICY – DIRECTORS AND OFFICERS LIABILITY COVERAGE

EMERGENCY MEDICAL SERVICES GENERAL LIABILITY COVERAGE PART

In consideration of the premium paid for this Policy, it is amended as follows:

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and the insurer has met its insurer deductible under the Terrorism Risk Insurance Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss that is otherwise excluded under this Policy.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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BERKLEY SELECT

CLAIM REPORTING PROCEDURES

In the event of an incident which may result in a claim, an actual claim or your receipt of suit papers, please follow the procedures outlined below:

NOTICE OF EACH INCIDENT, CLAIM OR SUIT SHOULD IMMEDIATELY BE REPORTED TO:

BERKLEY SELECT CLAIMS DEPARTMENT
on behalf of Carolina Casualty Insurance Company
550 W. Jackson Blvd., Suite 500
Chicago, IL 60661
Fax: (312) 207-1933
E-mail: newclaim@berkleyselect.com
Online: www.berkleyselect.com/claims/report-claim

TO ENABLE US TO RESPOND MORE QUICKLY AND EFFICIENTLY, please fax or email any pertinent details of the claim directly to our attention.

PLEASE BE SURE TO INCLUDE:

- Your Name, Address and Phone Number;
- Your Policy Number and the Policy Period;
- A written narrative of the circumstances surrounding the claim or potential claim;
- Names and addresses of the claimant;
- Details of the any underlying claim, including current status and the amount in controversy or relief demanded.
- If you are submitting the report by mail or fax, please also include any letters of demand or any legal papers which you have received regarding the claim.

Please provide your professional liability insurance agent a copy of all claim notices and correspondence sent to Berkley Select.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Carolina Casualty Insurance Company

Identity Theft Expense Supplemental Coverage

In consideration of the premium paid for this **Policy**, it is amended by the addition of the following:

1. **Identity Theft Expense Coverage**

The **Insurer** shall reimburse any present director, trustee or officer of the **Named Insured** up to a maximum aggregate limit of \$10,000 per **Policy Period**, for **Identity Theft Expense** incurred in specific response to an **Identity Theft** first discovered and reported to the **Insurer** during the **Policy Period** pursuant to paragraph 4. below, provided; however, that the **Identity Theft** began to occur after the inception date of the first Nonprofit Management Liability Insurance Policy issued by the **Insurer** to the **Named Insured**.

No Deductible shall apply to this coverage and any payments made hereunder shall not reduce the Limits of Liability stated in Item 5. of the Declarations.

2. Solely for purpose of the coverage provided by this endorsement for **Identity Theft Expense**, section III. Definitions of the Common Policy Terms and Conditions Section of this Policy is amended by the addition of the following:

Identity Theft means the act of knowingly transferring or using, without lawful authority, personally identifiable information of a present director, trustee or officer (or spouse thereof) of the **Named Insured** with the intent to commit, aid, or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

Identity Theft Expense means:

1. the expenses incurred to notarize affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies, or
2. the expenses incurred for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors, or
3. loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

3. Solely for purpose of the coverage provided by this endorsement for **Identity Theft Expense**, section V. Limits of Liability and Deductibles of the Common Policy Terms and Conditions Section of this Policy is amended by the addition of the following:

V. If any **Identity Theft Expense** is covered under this endorsement and under any other **Coverage Section** or endorsement to this **Policy**, the largest applicable limit shall apply. In no event shall multiple limits apply to coverage which may be duplicated within this **Policy**. Additionally, if this **Policy** and any other policy or coverage issued by the **Insurer** or any affiliate of the **Insurer**, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limit of liability or coverage under all such policies and coverage combined shall not exceed the highest applicable limit under any one policy or coverage.

V. The coverage provided by this endorsement shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise. The coverage provided by this **Policy** shall be excess over any other policy under which another insurer has a duty to defend a claim for which this **Policy** may be obligated to pay as a result of loss.

4. As a condition precedent to their rights to coverage under this endorsement for **Identity Theft Expense**, the Insured shall give the **Insurer** written notice of any **Identity Theft** first discovered by the **Insureds** during the **Policy Period**, as soon as practicable, but in no event later than 30 days after the discovery of the **Identity Theft**. Further, the **Insured** shall furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, no later than 90 days after discovery of such **Identity Theft**.

5. The coverage provided by this endorsement for **Identity Theft Expense** does not include any claim adjustment costs incurred by any Insured, including any fees incurred by retaining counsel, a public adjuster or appraiser.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Carolina Casualty Insurance Company

Kidnap Expense
Supplemental Coverage

In consideration of the premium paid for this **Policy**, it is amended by the addition of the following:

1. **Kidnap Expense Coverage**

The **Insurer** shall reimburse the **Insured Entity** up to a maximum aggregate limit of \$50,000 per **Policy Period** for **Kidnap Expense** incurred by the **Insured Entity** or any **Insured Person** as a direct result of a **Kidnapping** that occurs during the **Policy Period** and is reported to the **Insurer** pursuant to paragraph 4. below.

No Deductible shall apply to this coverage and any payments made hereunder shall not reduce the Limits of Liability stated in Item 5. of the Declarations.

2. Solely for purpose of the coverage provided by this endorsement for **Kidnap Expense**, section III. Definitions of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

Insured Person means any present or future duly elected or appointed director, trustee or officer of an **Insured Entity**. The term **Insured Person** shall include the parent, child, spouse or **Domestic Partner** of an **Insured Person**.

Kidnap Expense means the reasonable fees and expenses for, or the cost of:

1. an independent negotiator or security consultant retained with prior written approval of the **Insurer**, or
2. interest on any loan taken by the **Named Insured** for property or other consideration surrendered as payment of a **Kidnapping** demand, or
3. travel and accommodations incurred by the **Insured Entity** which become necessary due to the applicable **Kidnapping**, or
4. a reward paid by the **Insured Entity**, which is pre-approved by the **Insurer**, to an informant for information not otherwise available which leads to the arrest and conviction of persons responsible for the applicable **Kidnapping**, or
5. the current salary of an **Insured Person** who is **Kidnapped**, provided, however, that they are held for more than 30 days. Salary shall be paid for a period commencing upon the abduction and ceasing upon the earliest of either the release of the employee or discovery of death of the employee, or 120 days after the **Insurer** receives the last credible evidence that the employee is still alive, or 12 months after the date of **Kidnapping**, or the exhaustion of the Kidnap Expense Coverage limit, whichever comes first.

Kidnapping or **Kidnapped** means the wrongful abduction and holding, under duress or by fraudulent means, of an **Insured Person** by a person or group, whether acting alone or in collusion with others, that includes a demand for payment by an **Insured** in exchange for the release of the **Insured Person**. **Kidnapping** shall not include the wrongful abduction of any **Insured Person** by or at the direction of any present or former family member of any **Insured Person**.

3. Solely for purpose of the coverage provided by this endorsement for **Kidnap Expense**, section V. Limits of Liability and Deductibles of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

- V. If any **Kidnap Expense** is covered under this endorsement and under any other **Coverage Section** or endorsement to this **Policy**, the largest applicable limit shall apply. In no event shall multiple limits apply to coverage which may be duplicated within this **Policy**. Additionally, if this **Policy** and any other policy or coverage issued by the **Insurer** or any affiliate of the **Insurer**, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limit of liability or coverage under all such policies and coverage combined shall not exceed the highest applicable limit under any one policy or coverage.
- V. The coverage provided by this endorsement shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise. The coverage provided by this **Policy** shall be excess over any other policy under which another insurer has a duty to defend a claim for which this **Policy** may be obligated to pay as a result of loss.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Carolina Casualty Insurance Company

4. As a condition precedent to their rights to coverage under this endorsement for **Kidnap Expense**, the **Insured** shall give the **Insurer** written notice of any **Kidnapping** which occurs during the **Policy Period**, as soon as practicable, but in no event later than 30 days after the occurrence of the **Kidnapping**. Further, the **Insured** shall furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, no later than 90 days after the occurrence of such **Kidnapping**.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Carolina Casualty Insurance Company

Failed Donation Claim Supplemental Coverage

In consideration of the premium paid for this **Policy**, it is amended by the addition of the following:

1. Failed Donation Claim Coverage

The **Insurer** shall reimburse the **Insured Entity** up to a maximum aggregate limit of \$10,000 per **Policy Period** for all **Failed Donation Claims** received by the **Insured Entity** during the **Policy Period** and reported to the **Insurer** pursuant to item 4. below.

Coverage for any **Failed Donation Claim** shall not apply to any pledge for funds or other measurable tangible property made to the **Insured Entity** dated prior to April 29, 2009.

Coverage for any **Failed Donation Claim** shall not apply if the donor has been in bankruptcy, or has filed for bankruptcy or reorganization prior to the time the applicable pledge was made to the **Insured Entity**.

Coverage for any **Failed Donation Claim** shall not apply if either the natural person donor or any **Insureds** had or should have had any reason to believe the natural donor person would become unemployed or incapacitated subsequent to the donation date.

No Deductible shall apply to this coverage and any payments made hereunder shall not reduce the Limits of Liability stated in Item 5. of the Declarations.

2. Solely for purpose of the coverage provided by this endorsement for any **Failed Donation Claim**, section III. Definitions of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

Failed Donation Claim means a written notice to the **Insured Entity** during the **Policy Period** of:

1. the bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable tangible property to the **Insured Entity**; or
2. the unemployment or incapacitation of a natural person donor lasting at least 60 days and preventing the donor from honoring a pledge made prior to said unemployment or incapacitation of funds or other measurable tangible property to the **Insured Entity**.

3. Solely for purpose of the coverage provided by this endorsement for any **Failed Donation Claim**, section V. Limits of Liability and Deductibles of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

- V. Any coverage for any **Failed Donation Claim** for non-cash donations shall be based on the fair market value of the non-cash donation on the date the **Failed Donation Claim** is received. Any donation amount which is to be collected by the **Insured Entity** over more than a 12 month period shall be deemed to be a single donation.
- V. If any **Failed Donation Claim** is covered under this endorsement and under any other **Coverage Section** or endorsement to this **Policy**, the largest applicable limit shall apply. In no event shall multiple limits apply to coverage which may be duplicated within this **Policy**. Additionally, if this **Policy** and any other policy or coverage issued by the **Insurer** or any affiliate of the **Insurer**, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limit of liability or coverage under all such policies and coverage combined shall not exceed the highest applicable limit under any one policy or coverage.
- V. The coverage provided by this endorsement shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise. The coverage provided by this **Policy** shall be excess over any other policy under which another insurer has a duty to defend a claim for which this **Policy** may be obligated to pay as a result of loss.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Friends of Idaho Public Television, Inc.		Policy Number DCP-898834-P13	
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4. As a condition precedent to their rights to coverage under this endorsement for any **Failed Donation Claim**, the **Insured** shall give the **Insurer** written notice of any **Failed Donation Claim** received by the **Insured Entity** during the **Policy Period**, as soon as practicable, but in no event later than 30 days after receipt of the **Failed Donation Claim** by the **Insured**. Further, the **Insured** shall furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, no later than 90 days after the occurrence of such **Failed Donation Claim**.
5. The coverage provided by this endorsement for any **Failed Donation Claim** does not include any claim adjustment costs incurred by any **Insured**, including any fees incurred by retaining counsel, a public adjuster or appraiser.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Carolina Casualty Insurance Company

Modification to
Automatic Extended Reporting Period

In consideration of the premium paid for this **Policy**, section II. B. Automatic Extended Reporting Period sub-paragraph 1 of the Common Policy Terms and Conditions Section this **Policy** is deleted in its entirety and replaced with the following:

- II. B. 1. If the **Named Insured** cancels or if the **Insurer** or the **Named Insured** refuses to renew this **Policy** and the **Named Insured** has not purchased any similar insurance policy(ies) there shall be a 90 day automatic extension of the reporting period of this **Policy** for any **Claim** first made against an **Insured** and reported during such 90 day period after the date upon which the **Policy Period** ends, but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and otherwise covered by this **Policy**. 90 day period shall be referred to as the Automatic Extended Reporting Period. There shall be no additional premium for the Automatic Extended Reporting Period.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Interested Party Exclusion

In consideration of the premium paid for this **Policy**, section IV. Exclusions of the Common Terms of this **Policy** is amended by the addition of the following:

- IV. brought or maintained by or on behalf of Idaho Public Television and/or Idaho State Board of Education and/or its subsidiaries and/or its affiliates and/or its directors and/or officers.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Waiver of Deductible if No Liability

In consideration of the premium paid for this **Policy** it is amended as follows:

1. Section III. Definitions of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

No Liability means with respect to a **Claim** made against the **Insured**:

1. a final judgment of no liability obtained prior to trial, in favor of all **Insureds**, with respect to the entire **Claim**, by reason of a motion to dismiss or a motion for summary judgment, after the exhaustion of all appeals, if any, or
2. a final judgment of no liability obtained after trial, in favor of all **Insureds**, with respect to the entire **Claim**, after the exhaustion of appeals, if any.

In no event shall the term **No Liability** apply to a **Claim** made against an **Insured** for which a settlement has occurred.

2. Section V. D. Deductibles of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

V. D. No Deductible shall apply, even as to **Costs of Defense**, to any **Claim** which is in the form of a civil action for monetary relief, in which:

- a. there is a determination of **No Liability**; or
- b. the **Claim** is dismissed or stipulated dismissed without prejudice and without any payment of any consideration by any **Insured**.

If there is a determination of **No Liability** in a **Claim**, the **Insurer** shall reimburse **Costs of Defense** paid by the **Insured** in such **Claim**.

If a **Claim** is dismissed or stipulated dismissed without prejudice and without any payment of any consideration by any **Insured**, the **Insurer** shall reimburse **Costs of Defense** paid by the **Insured** in such **Claim** 90 days after the date of the dismissal or stipulation so long as (i) the **Claim** (or any other **Claim** which together with such **Claim** would be deemed a single **Claim**) is not brought again within such 90 day period and (ii) the **Insured Entity** provides the **Insurer** with a written undertaking in a form satisfactory to the **Insurer** to repay the **Insurer** for such reimbursement in the event the **Claim** (or any other **Claim** which together with such **Claim** would be deemed a single **Claim**) is brought again after such 90 day period and before the expiration of the statute of limitations for such **Claim**.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Carolina Casualty Insurance Company

Costs of Defense Sub-Limit for Wage and Hour Wrongful Acts

In consideration of the premium paid for this **Policy**:

- Section I. Insuring Agreement of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:

I. Costs of Defense for Wage and Hour Claims

This **Policy** shall pay on behalf of the **Insureds** the **Costs of Defense** up to the maximum sub-limit of liability of \$100,000 arising from any **Wage and Hour Claim** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wage and Hour Wrongful Act** committed subsequent to the **Prior Acts Date**.

Such sub-limit shall be part of, and not in addition to, the Limit of Liability applicable to the Employment Practices Liability Coverage Section stated in Item 5. of the Declarations.

With respect to a **Wage and Hour Claim**, the **Insurer** shall not be liable for any **Loss** other than **Costs of Defense**.

- Solely with respect to the coverage provided by this endorsement for **Costs of Defense** for **Wage and Hour Claims**, the defined terms **Claim**, **Employee**, **Loss** and **Wrongful Act** of section III. Definitions of the Employment Practices Liability Insurance Coverage Section of this **Policy** are deleted in their entirety and replaced with the following:

Claim means a **Wage and Hour Claim**.

Employee means an individual whose labor or service is engaged by and directed by an **Insured Entity**, including any full-time, part-time, leased, seasonal or temporary individual. **Employee** shall not include equity partners or shareholders, owners, Limited Liability Company members, volunteers, interns or independent contractors.

Loss means **Costs of Defense**.

Wrongful Act means **Wage and Hour Wrongful Act**.

- Solely with respect to the coverage provided by this endorsement **Costs of Defense** for **Wage and Hour Claims**, the section III. Definitions of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:

Wage and Hour Claim means:

- a written demand for monetary or non-monetary relief which is brought and maintained by an **Employee** against an **Insured**, arising from a **Wage and Hour Wrongful Act**; or
- an administrative or regulatory investigation or proceeding commenced by or before a federal, state, local or foreign agency which is brought and maintained by an **Employee** against an **Insured**, arising from a **Wage and Hour Wrongful Act**;

provided, however, the term **Wage and Hour Claim** shall not include any grievance or arbitration based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving a collective bargaining agreement.

Wage and Hour Wrongful Act means any actual or alleged violation by the **Insured** of any federal, state, local or foreign wage and hour laws whether statutory or common law, including without limitation, the Fair Labor Standards Act, arising from an actual employment relationship with an **Employee**.

- Solely for the purpose of the coverage provided by this endorsement for **Costs of Defense** for **Wage and Hour Claims**,

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Carolina Casualty Insurance Company

section IV. Exclusions F. of the Employment Practices Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:

IV. F. based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving any actual or alleged violations of any federal, state, local or foreign wage and hour laws whether statutory or common law, including without limitation, the Fair Labor Standards Act, including any amendments thereto; provided, however, this exclusion shall not apply to any **Claim** for any amounts owed under the Equal Pay Act of 1963, or any similar provisions of any federal, state, local or foreign law prohibiting pay discrimination.

5. Solely with respect to coverage provided by this endorsement for **Costs of Defense** for **Wage and Hour Claims**, section V. Limits of Liability and Deductibles D. of the Common Policy Terms and Conditions Section of this **Policy** is replaced with the following:

V. D. The **Insurer** shall only be liable for the amount of **Loss** arising from a **Wage and Hour Claim** which is in excess of the Deductible amount of \$1,000. Such Deductible amount shall be borne by the **Named Insured** with regard to all **Loss** arising thereunder. One Deductible will apply to all **Wage and Hour Claims** arising from the same **Wrongful Acts** or **Related Wrongful Acts**.

6. Solely for the purpose of coverage provided by this endorsement for **Costs of Defense** for **Wage and Hour Claims**, section V. Other Insurance of the Employment Practices Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:

V. a **Wage and Hour Claim** shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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IDAHO

If you have been unable to contact or obtain satisfaction from your agent or the Insurer, you may contact the Idaho Department of Insurance to obtain information or make a complaint at:

Idaho Department of Insurance Consumer Affairs

700 W State Street, 3rd Floor

PO BOX 83720

Boise ID 83720-003

1-800-721-3272 or 208-334-4250

www.DOI.Idaho.gov

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Excess Benefit Penalty Coverage

In consideration of the premium paid for this **Policy**, the defined term **Damages** in section III. Definitions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:

Damages means:

1. a monetary judgment, award or settlement; or
2. pre-judgment interest and post-judgment interest;

provided, however, **Damages** shall not include:

- a. taxes, civil or criminal fines, sanctions or penalties imposed by law; provided, however, that the **Insurer** will reimburse an **Insured Entity**:
 - i. for any employer share of payroll taxes on any portion of damages or settlements which constitute backpay otherwise considered **Damages**, or
 - ii. for any 10 percent (10%) excess benefit tax penalty assessed by the Internal Revenue Service on any organization manager who participates in an excess benefit transaction, as defined by the Taxpayer Bill of Rights 2, H.R. 2337, up to a maximum limit of \$25,000 per **Policy Period** for all **Insureds**, which amount shall be part of and not in addition to the Limits of Liability set forth in Item 4. of the Declarations;
- b. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person; or
- c. commissions, bonuses, deferred compensation, profit sharing or severance payments; or
- d. disgorgement or restitution payment by or on behalf of any **Insured**, including disgorgement or restitution of amounts retained, obtained, or acquired by an **Insured** and any settlement payment arising from any actual or alleged amount that an **Insured** improperly retained, obtained, or acquired; or
- e. any matter deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

It is further understood and agreed that the **Insurer** shall not be liable for any **Loss** attributable to, or a part of, the 200 percent (200%) tax penalty assessed by the Internal Revenue Service for failure to correct the award of an excess benefit tax penalty, and the assessment of a 200 percent (200%) tax penalty shall void any coverage extended by this endorsement.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Professional Services Exclusion

In consideration of the premium paid for this **Policy**, section IV. Exclusions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:

IV. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the performance of any professional services for others, and caused by any act, error or omission.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Intellectual Property Exclusion

In consideration of the premium paid for this **Policy** it is amended as follows:

- Section IV. Exclusions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
 - based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged:
 - plagiarism or piracy;
 - infringement of copyright, patent, title or slogan;
 - idea misappropriation; and/or
 - intellectual property rights.
- The defined term **Personal Injury** in Section III. Definitions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:

Personal Injury means any actual or alleged defamation, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, or malicious prosecution.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Idaho Amendatory Endorsement

In consideration of the premium paid for this **Policy**, this **Policy** is amended to the extent necessary and supersedes anything to the contrary.

1. Section VIII. B. Application is amended by the addition of the following:

VIII. B. Provided, however, any misrepresentations, omissions, concealment of facts, and incorrect statements shall not prevent recovery under the Policy unless they are:

1. fraudulent;
2. material either to the acceptance of the risk, or to the hazard assumed by the **Insurer**; or
3. the **Insurer** in good faith would either not have issued the Policy, or would not have issued it at the same premium rate or would not have issued the Policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the **Insurer** as required by the Application for the Policy or otherwise.

2. Section III. Definitions **Insured Person** paragraph 2. is amended by deleting the following sentence:

"As used herein, spouse shall include a person that is party to a civil union with the **Insured Person** if they establish such civil union under the licensing process established by the applicable jurisdiction."

IMPORTANT NOTICE TO IDAHO POLICYHOLDERS

If you have been unable to contact or obtain satisfaction from your agent or the **Insurer**, you may contact the Idaho Department of Insurance to obtain information or make a complaint at:

Idaho Department of Insurance
Consumer Affairs
700 W State Street, 3rd Floor
PO BOX 83720
Boise ID 83720-003
1-800-721-3272 or 208-334-4250 or www.DOI.Idaho.gov

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Common Policy Terms and Conditions Section

CLAIMS MADE NOTICE FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Application** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Common Policy Terms and Conditions Section

The Common Policy Terms and Conditions Section of this **Policy** shall apply to all **Coverage Sections** and endorsements. Unless stated to the contrary in any **Coverage Section** or endorsement, the terms and conditions of each **Coverage Section** of this **Policy** shall apply only to that **Coverage Section** and shall not apply to any other **Coverage Section** of this **Policy**. If any provision in the Common Policy Terms and Conditions Section is inconsistent or in conflict with the terms and conditions of any **Coverage Section** or endorsement, the terms and conditions of such **Coverage Section** or endorsement shall control for the purposes of that **Coverage Section** or endorsement. Any defined term referenced in this Common Policy Terms and Conditions Section and also defined in a **Coverage Section** or endorsement shall, for the purposes of coverage under that **Coverage Section** or endorsement, have the meaning set forth in that **Coverage Section** or endorsement.

II. Extended Reporting Periods

A. Optional Extended Reporting Period

1. If this **Policy** is cancelled or non-renewed by the **Insurer** for reason other than non-payment of premium, or if the **Named Insured** elects to cancel or non-renew this **Policy**, then the **Named Insured** shall have the right, upon payment of the additional premium described in sub-paragraph 5. below, to purchase an extension of the reporting period of this **Policy** for any **Claim** that is first made against the **Insured** during such period but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and which is otherwise covered by this **Policy**. Such period of time shall be referred to as the Optional Extended Reporting Period.
2. The right to purchase the Optional Extended Reporting Period must be exercised by the **Named Insured** within thirty (30) days of the end of the **Policy Period** by providing written notice to the **Insurer** along with the additional premium.
3. If purchased, the Optional Extended Reporting Period shall begin on the date the **Policy Period** ends.
4. As a condition precedent to the right to purchase the Optional Extended Reporting Period, the total premium for the **Policy** must have been paid and any deductible obligations met by the **Insureds**.
5. The additional premium for the Optional Extended Reporting Period shall be based upon the annual premium for the **Policy** in effect on the date this **Policy** was issued or last renewed and shall be: fifty percent (50%) of such annual premium for one (1) year; seventy five percent (75%) of such annual premium for two (2) years; or one hundred percent (100%) of such annual premium for three (3) years.
6. In the event of a Transaction described in Section VIII. D. of the Common Policy Terms and Conditions Section, the **Named Insured** has the right to purchase a Run-off Period pursuant to the terms of Section II. C. below.
7. The entire premium for the Optional Extended Reporting Period shall be deemed fully earned at its commencement.
8. The Limit of Liability for the Optional Extended Reporting Period shall be part of, and not in addition to, the Limits of Liability stated in Item 5. of the Declarations for this **Policy**.

B. Automatic Extended Reporting Period

1. If the **Named Insured** cancels or if the **Insurer** or the **Named Insured** refuses to renew this **Policy** and the **Named Insured** has not purchased any similar insurance policy(ies) there shall be a sixty (60) day automatic extension of the reporting period of this **Policy** for any **Claim** first made against an **Insured** and reported during such sixty (60) day period after the date upon which the **Policy Period** ends, but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and otherwise covered by this **Policy**. This sixty (60) day period shall be referred to as the Automatic Extended Reporting Period. There shall be no additional premium for the Automatic Extended Reporting Period.
2. The Limit of Liability for the Automatic Extended Reporting Period shall be part of, and not in addition to, the Limits of Liability stated in Item 5. of the Declarations for this **Policy**.

C. Run-Off Period in the Event of a Transaction

1. In the event of a Transaction described in section VIII. D. of the Common Policy Terms and Conditions Section, the **Named Insured** shall have the right, upon payment of the additional premium described in sub-paragraph 5. below, to purchase an extension of the reporting period of this **Policy** for any **Claim** that is first made against the **Insured** during such period but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and which is otherwise covered by this **Policy**. Such period of time shall be referred to as the Run-off Period.
2. The right to purchase the Run-Off Period must be exercised by the **Named Insured** within sixty (60) days of the end of the **Policy Period** by providing written notice to the **Insurer** along with the additional premium.
3. If purchased, the Run-Off Period shall begin on the date the **Policy Period** ends.
4. As a condition precedent to the right to purchase the Run-Off Period, the total premium for the **Policy** must have been paid and any deductible obligations met by the **Insureds**.
5. The additional premium for the Run-Off Period shall be based upon the annual rates for the **Policy** in effect on the date this **Policy** was issued or last renewed and shall be: seventy five percent (75%) of such annual premium for one (1) year; one hundred percent (100%) of such annual premium for two (2) years; one hundred twenty five percent (125%) of such annual premium for three (3) years; or two hundred twenty five percent (225%) of such annual premium for six (6) years.
6. The entire premium for the Run-Off Period shall be deemed fully earned at its commencement.
7. The Limit of Liability for the Run-off Period shall be part of, and not in addition to, the Limits of Liability stated in Item 5. of the Declarations for this **Policy**.

III. Definitions

Whenever printed in boldface type and whether in the singular or plural form in this **Policy**, the following terms shall have the meanings indicated below.

Application means the Application Form(s) and any material submitted therewith.

Claim shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

Costs of Defense shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

Coverage Section means, individually or collectively, the purchased **Coverage Sections** listed in Item 3. of the Declarations and attached to this **Policy**.

Damages shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

Where insurable, **Damages** also means: liquidated, punitive, or exemplary damages, or any multiplied damages award in excess of the amount so multiplied. Such coverage for liquidated, punitive, exemplary or multiplied damages is part of and not in addition to the Limit of Liability, and any payment of such **Damages** shall serve to reduce the Limit of Liability. Only for the purpose of resolving any dispute between the **Insurer** and the **Insured** regarding whether such liquidated, punitive, exemplary or multiplied damages are insurable under this **Policy**, the law of the jurisdiction most favorable to the insurability of those damages shall control, provided that such jurisdiction is where:

1. those damages were awarded or imposed; or
2. any **Wrongful Act** occurred for which such damages were awarded or imposed; or
3. the **Insured** resides, is incorporated or has its principal place of business; or
4. the **Insurer** is incorporated or has its principal place of business.

Domestic Partner means any person who qualifies as a **Domestic Partner** under the provisions of any federal, state or local statute or regulation (whether such status is derived by reason of statutory law, common law or otherwise, of any applicable jurisdiction in the world), or under the terms and provisions of any employee benefit or other program established by the **Named Insured**.

Insured means:

1. any duly elected or appointed director, trustee or officer of an **Insured Entity**, or
 2. any **Insured Entity**;
- unless modified by an applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

Insured Entity means the **Named Insured** and any **Subsidiary**.

Insured Person shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

This **Policy** shall cover **Costs of Defense** and **Damages** arising from a **Claim** made against:

1. the heirs, executors, administrators, and legal representatives of an **Insured Person** in the event of death, incapacity or bankruptcy, but solely with respect to the liability of an **Insured Person** as otherwise covered by this **Policy**; or
2. the lawful spouse or **Domestic Partner** of an **Insured Person** for a **Claim** arising solely out of his or her status as the spouse or **Domestic Partner** of an **Insured Person**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the **Insured Person** and the spouse or **Domestic Partner**, or property transferred from the **Insured Person** to the spouse or **Domestic Partner**. As used herein, spouse shall include a person that is party to a civil union with the **Insured Person** if they establish such civil union under the licensing process established by the applicable jurisdiction. However, this extension shall not afford coverage for any **Claim** for any **Wrongful Act** of the spouse or **Domestic Partner**, but shall apply only to **Claims** arising out of any **Wrongful Act** of an **Insured Person**.

Insurer means the entity issuing this **Policy** as listed on the Declarations Page.

Loss means **Damages** and **Costs of Defense**.

Named Insured means the entity designated in Item 1. of the Declarations.

Policy means, collectively, the Declarations, the Common Policy Terms and Conditions Section, the **Coverage Sections**, and the **Application**.

Policy Period means the period of time from the inception date shown in Item 2. of the Declarations to the earlier of the expiration date shown in Item 2. of the Declarations or the effective date of cancellation of this **Policy**.

Related Wrongful Acts means **Wrongful Acts** which are the same as, related or continuous or that are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

Subsidiary means an entity which qualifies as a nonprofit organization under Section 501(c)(3), (c)(4), (c)(6), (c)(7), (c)(8), (c)(10), or (c)(13) of the Internal Revenue Code of 1986, including amendments thereto and which the **Named Insured** has or controls the right to elect or appoint more than 50 percent of the Board of Directors (or other governing body) on or before the inception of the **Policy Period**.

The term **Subsidiary** shall not mean any political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971, including amendments thereto.

In all events, coverage as is afforded with respect to a **Claim** made against a **Subsidiary** shall only apply for **Wrongful Acts** committed or allegedly committed after the effective time that such **Subsidiary** became a **Subsidiary** and prior to the time that such **Subsidiary** ceased to be a **Subsidiary**.

An entity ceases to be a **Subsidiary** when the **Named Insured** ceases to control the right to elect or appoint more than 50 percent of the Board of Directors (or other governing body), or ceases to continue as an ongoing entity.

If during the **Policy Period** the **Insured Entity** forms or acquires a **Subsidiary**, this **Policy** shall apply:

1. Automatically for a **Subsidiary**, whose assets are less than thirty five percent (35%) of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date; or
2. If the assets of such **Subsidiary** are equal to or greater than thirty five percent (35%) of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date, then only upon the condition that within ninety (90) days of it becoming a **Subsidiary**, the **Named Insured** provides the **Insurer** in writing with full particulars of the new **Subsidiary** and agrees to any additional premium and/or amendment of the provisions of this **Policy** required by the **Insurer** related to such new **Subsidiary**. Further, coverage as shall be afforded to the new **Subsidiary** is conditioned upon the **Named Insured** paying when due any additional premium required by the **Insurer** relating to such new **Subsidiary**.

Wrongful Act shall have the meaning set forth in each applicable **Coverage Section** or any applicable endorsement attached to this **Policy**.

IV. Exclusions

The **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged nuclear reaction, radiation or contamination, regardless of cause;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged seepage, pollution or contamination of any kind;
- C. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 1. any **Wrongful Act** alleged in any claim which has been reported, or in any circumstance of which notice has been given, prior to the **Policy Period** under any other policy; or
 2. any other **Wrongful Act** whenever occurring, which together with a **Wrongful Act** which has been the subject of such claim or notice, would constitute **Related Wrongful Acts**.

V. Limits of Liability and Deductibles

A. Limits of Liability

1. Costs of Defense Reduce the Limit of Liability

If **Costs of Defense** Reduce the Limit of Liability is purchased, as stated in Item 4. A. of the Declarations, then **Costs of Defense** are part of **Loss** and payment thereof will reduce the Limit of Liability available to pay **Damages**. **Costs of Defense** are not payable by the **Insurer** in addition to any applicable Limit of Liability stated in Item 5. of the Declarations. The **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. Notice of Claims of this **Policy** shall not exceed the amount(s) stated in Item 5. of the Declarations for the purchased **Coverage Section(s)**.

2. Costs of Defense in Addition to the Limit of Liability

If **Costs of Defense** in Addition to the Limit of Liability is purchased, as stated in Item 4. B. of the Declarations, **Costs of Defense** shall be separate and in addition to the applicable Limits of Liability stated in Item 5. of the Declarations. Payment of **Costs of Defense** shall not reduce the applicable Limits of Liability stated in Item 5. of the Declarations.

The **Insurer's** liability for all **Damages** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. Notice of Claims of this **Policy** shall not exceed the amount(s) stated in Item 5. of the Declarations for the purchased **Coverage Section(s)**.

In the event the applicable Limit(s) of Liability stated in Item 5. of the Declarations is exhausted by payment of **Damages**, or has been tendered to or on behalf of the **Insured**, then any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished.

3. Shared Policy Limit of Liability

If Shared Policy Limit of Liability for all **Coverage Sections** is purchased, as stated in Item 5. A. of the Declarations, then the **Insurer's** liability for all **Claims** covered by the **Coverage Sections** purchased shall not exceed the Aggregate Limit of Liability stated in Item 5. A. of the Declarations.

4. Separate Limit of Liability

If Separate Limit of Liability for each **Coverage Section** is purchased, as stated in Item 5. B. of the Declarations, then the **Insurer's** liability for all **Claims** covered by each **Coverage Section** purchased shall not exceed the Separate Aggregate Limit of Liability stated in Item 5. B. of the Declarations.

B. Exhaustion of Limit of Liability

1. In the event the applicable Limit of Liability stated in Item 5. of the Declarations, or any applicable sub-limit stated in this **Policy**, is exhausted by payment of **Costs of Defense** and/or **Damages**, or has been offered or tendered to, or on behalf of, the **Insured**, or to a court of competent jurisdiction, then any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished.
2. Unless otherwise stated, all Limits of Liability for this **Policy**, including any sub-limit(s), will apply in the aggregate to all covered **Claims**. In no event shall the **Insurer** be liable to make any payment for **Costs of Defense** and/or **Damages** in excess of the Limit(s) of Liability stated in Item 5. of the Declarations or any applicable sub-limit stated in this **Policy**.
3. The **Insurer** is not obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle a **Claim** after the applicable limit of the **Insurer's** liability has been exhausted by payment of **Damages** or **Costs of Defense** or by any combination thereof or after the **Insurer** has deposited the remaining available Limit of Liability into a court of competent jurisdiction. In such case, the **Insurer** shall have the right to withdraw from the further investigation, defense, payment or settlement of such **Claim** by tendering control of said investigation, defense or settlement of the **Claim** to the **Insured**.

C. Multiple Coverage Sections or Endorsements

In the event a **Claim** is covered under more than one **Coverage Section** or endorsement and such **Coverage Sections** or endorsements are not subject to a Shared Policy Limit of Liability, the **Insurer** shall pay covered **Damages** based on the terms of each applicable **Coverage Section** or endorsement and allocated to each applicable **Coverage Section** or endorsement on the basis of the relative legal and financial exposures of the parties pursuant to the applicable **Coverage Sections** or endorsements, as determined by the **Insurer**. The **Insurer** shall pay covered **Costs of Defense** based on the terms of each applicable **Coverage Section** or endorsement, to be distributed equally against all applicable **Coverage Sections** or endorsements. Any **Costs of Defense** and/or **Damages** paid shall reduce the applicable sub-limit or Limit of Liability of such **Coverage Sections** or endorsements. In no event shall the **Insurer** be liable to pay **Costs of Defense** and/or **Damages** for such **Claim** in excess of the largest Limit of Liability available under the **Coverage Sections** or endorsements applicable to such **Claim**.

D. Deductibles

1. The **Insurer** shall only be liable for the amount of **Loss** arising from a **Claim** which is in excess of the applicable Deductible amount stated in Item 6. of the Declarations. Such Deductible amount shall be borne by the **Named Insured** and shall apply to each and every **Claim**. In the event a **Claim** is covered under more than one **Coverage Section** or endorsement, the largest applicable Deductible shall apply. If the **Named Insured** fails to pay the Deductible, then all **Insureds** shall be jointly and severally obligated to pay the Deductible.
2. If the **Insurer** advances any **Loss** within the applicable Deductible, the **Named Insured** shall, upon written demand, reimburse the **Insurer** for such amounts within thirty (30) days. Any funds so advanced by the **Insurer** at its option, shall serve to reduce the Limit of Liability to the extent that they are not repaid to the **Insurer**. If the **Insurer** brings suit to collect the Deductible, then the **Insured** responsible to pay the applicable Deductible also shall pay the legal fees, costs and expenses incurred by the **Insurer** to collect the Deductible.

VI. Defense, Cooperation and Settlements

A. Consent

No **Insured** shall admit or assume liability, enter into any settlement agreement, make any offer of settlement or compromise, stipulate to any judgment, agree to arbitration, or incur **Costs of Defense** without the **Insurer's** prior written consent. The **Insurer's** consent shall not be unreasonably withheld, provided that the **Insurer** shall be entitled to full information and all particulars it may request in order to reach a decision regarding such consent. Any **Costs of Defense** and/or **Damages** incurred and settlements agreed to prior to the **Insurer** giving its consent shall not be covered hereunder.

B. Defense of Claims

1. The **Insurer** shall have the right and the duty to defend any **Claims** which are covered by this **Policy**. The **Insurer** shall have the right to select defense counsel. The **Insurer** has no obligation to provide **Costs of Defense** for any **Claim** not covered by this **Policy**.
2. The **Insurer** has no obligation to pay any amounts incurred by any **Insured** in any way involving the interpretation or applicability of the terms and conditions of this **Policy**.

C. Cooperation

Each **Insured** shall cooperate with the **Insurer** in the defense and settlement of any **Claim**, and in enforcing any right of contribution or indemnity against any person or organization that may be liable to the **Insured**, at no cost to the **Insurer**. Upon the request of the **Insurer**, the **Insured** shall submit to examination and interrogation, under oath if required by a representative of the **Insurer**, and shall attend hearings, depositions and trials, assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, as well as giving written statements to the **Insurer's** representatives, and meeting with such representatives for purposes of investigation or defense, all without charge to the **Insurer**.

D. Settlements

The **Insurer** shall not settle any **Claim** without the **Named Insured's** consent. If, however, the **Named Insured** shall refuse to consent to any settlement recommended by the **Insurer**, which is acceptable to the claimant, and shall elect to contest the **Claim**, or continue any civil, criminal, administrative, or arbitration proceedings in connection with such **Claim**, then the **Insurer's** liability for the **Claim** shall be the amount for which the **Claim** could have been settled, including **Costs of Defense** incurred up to the date of such refusal, and eighty percent (80%) of such **Loss** excess of the amount for which the **Claim** could have been settled. It is a condition of this insurance that the remaining twenty percent (20%) of such **Loss** shall be borne by the **Insureds** at their own risk. Such amounts are subject to the provisions of section V. of the Common Policy Terms and Conditions Section of this **Policy**.

E. Allocation

If a **Claim** made against an **Insured** pursuant to any **Coverage Sections** contains both covered and uncovered matters, then the **Named Insured** and the **Insurer** will allocate any amount incurred with respect to such **Claim** as follows:

1. one hundred percent (100%) of **Costs of Defense** incurred will constitute covered **Loss**; and
2. **Damages** will be allocated on the basis of the relative legal and financial exposures of the parties as to covered and uncovered matters pursuant to the applicable **Coverage Sections**.

If a **Claim** made against an **Insured** pursuant to any **Coverage Sections** contains both covered and uncovered parties, then the **Named Insured** and the **Insurer** will allocate any amounts incurred on behalf of any uncovered parties with respect to such **Claim** on the basis of the relative legal and financial exposures of the parties of such covered and uncovered parties pursuant to the applicable **Coverage Sections**.

The **Insurer** shall not be liable under this **Policy** for the portion of such amount allocated to non-covered **Loss**. In the event that the parties cannot reach a mutually agreeable allocation, the **Insurer** will determine the appropriate allocation at its discretion.

VII. Notice of Claims

A. Notice of Claim

As a condition precedent to their rights under this **Policy**, an **Insured** shall give the **Insurer** written notice of any **Claim** first made against the **Insureds** during the **Policy Period**, as soon as practicable, but in no event later than sixty (60) days after such **Claim** is first made.

B. Notice of Circumstance

If during the **Policy Period** or any Extended Reporting Period or Run-off Period that may apply, the **Insureds** become aware of any fact, circumstance or situation which may reasonably be expected to give rise to a **Claim** being made against any **Insured** and the **Insured** gives written notice to the **Insurer**, as soon as practicable (but prior to the expiration of or cancellation of the **Policy**), of:

1. the specific fact, circumstance or situation, with full details as to dates, persons, and entities involved; and
2. the injury or damages which may result therefrom; and
3. the circumstances by which the **Insured** first became aware thereof;

then any **Claim** subsequently made arising out of such fact, circumstance or situation shall be deemed to have been made when notice was first given to the **Insurer**.

C. Related Wrongful Acts

All **Claims** based upon or arising out of the same **Wrongful Act** or any **Related Wrongful Acts**, or one or more in a series of any similar, repeated or continuous **Wrongful Acts** or **Related Wrongful Acts**, shall be considered a single **Claim**. Each **Claim** shall be deemed to be first made at the earliest of the following times:

1. when the earliest **Claim** arising out of such **Wrongful Act** or **Related Wrongful Acts** is first made, or
2. when notice pursuant to section VII. B. above of a fact, circumstance or situation giving rise to such **Claim** is given.

D. Information and Cooperation

In addition to furnishing the notice as provided in sections VII. A. and VII. B. above, the **Insureds** shall give the **Insurer** such information and cooperation as it may reasonably require and shall, as soon as practicable, furnish the **Insurer** with copies of reports, investigations, pleadings and other papers in connection therewith.

VIII. General Conditions

A. Cancellation or Non-Renewal of Policy

1. Cancellation

- a. The **Named Insured** may cancel this **Policy** at any time by sending written notice to the **Insurer**.
- b. The **Insurer** may not cancel this **Policy** except for non-payment of any premium when due.
- c. The **Insurer** shall provide at least twenty (20) days written notice to the **Named Insured** prior to any cancellation for non-payment of any premium and such cancellation shall not be effective less than twenty (20) days after such notice is mailed.
- d. If this **Policy** is cancelled by the **Named Insured**, the **Insurer** shall retain the customary short rate proportion of the premium herein. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

2. Nonrenewal

If the **Insurer** decides not to renew this **Policy**, the **Insurer** shall provide written notice to the **Named Insured** at least sixty (60) days prior to the end of the **Policy Period**. The notice shall include the reason for such non-renewal.

3. Notice

The **Insurer** shall send all notices required under this Section VIII.A. by first-class mail to the **Named Insured** at the address last known to the **Insurer**. Proof of mailing of such notice by the United States Postal Service certificate of mailing shall be sufficient proof of notice.

B. Application

The **Application** is the basis of this **Policy** and is incorporated in and constitutes a part of this **Policy**. Any material submitted with the **Application(s)** shall be maintained on file with the **Insurer** and shall be deemed to be attached hereto as if physically attached. It is agreed by the **Insureds** that the statements in the **Application** are their representations, that they are material and that this **Policy** is issued in reliance upon the truth of such representations. With respect to such statements and representations, no knowledge or information possessed by any **Insureds** shall be imputed to any other **Insureds**.

If any person or persons knew as of the **Policy** inception date that such declarations and statements contained in the **Application(s)** were untrue, inaccurate or incomplete, then this **Policy** shall not apply to that person or persons.

However, if the signer of the **Application** knew as of the **Policy** inception date that such representations and statements contained in the **Application(s)** were untrue, inaccurate or incomplete, then this **Policy** shall not apply to that person or persons and the **Insured Entity**.

C. Action Against the Insurer

No action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this **Policy**, and the amount of the **Insureds'** obligation to pay shall have been finally determined either by judgment against the **Insureds** after actual trial or by written agreement of the **Insureds**, the claimant and the **Insurer**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this **Policy** to the extent of the insurance afforded by this **Policy**. No person or organization shall have any right under this **Policy** to join the **Insurer** as party to any action against the **Insureds** to determine the **Insureds'** liability, nor shall the **Insurer** be impleaded by the **Insureds** or their legal representatives.

D. Change in Control of the Named Insured

1. If during this **Policy Period** the **Named Insured**:
 - a. ceases to continue as an ongoing entity; or
 - b. sells all or substantially all of its assets, or consolidates, or merges with or into any other person, group, entity or organization; who then controls the right to elect or appoint more than 50 percent of the Board of Directors or other governing body of the **Named Insured**;

(either of the above events herein referred to as "Transaction")

then, this **Policy** shall continue in full force and effect as to any **Wrongful Acts** fully occurring prior to the Transaction, but there shall be no coverage afforded by any provision of this **Policy** for any actual or alleged **Wrongful Acts** occurring after the Transaction.
2. This **Policy** may not be cancelled following a Transaction and the entire premium for this **Policy** shall be deemed fully earned as of the effective date of the Transaction.
3. The **Named Insured** shall give the **Insurer** written notice of the Transaction as soon as practicable but not later than sixty (60) days after the Transaction and prior to the expiration of the **Policy Period**. In the event of a Transaction, the **Named Insured** shall have the right to purchase the Run-Off Period described in section II. C. of this Common Policy Terms and Conditions Section.

E. Subrogation

In the event of any payment under this **Policy**, the **Insurer** shall be subrogated to the extent of such payment to all the **Insureds'** rights of recovery thereof, and the **Insureds** shall execute all papers required and shall do everything that may be necessary to secure such rights including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of the **Insureds**. In no event, however, shall the **Insurer** exercise its rights of subrogation against an **Insured** under this **Policy** unless such **Insured** has been convicted of a criminal act, or been judicially determined to have committed a deliberate fraudulent act, or obtained any profit or advantage to which such **Insured** was not legally entitled.

F. Assignment

This **Policy** and any and all rights hereunder are not assignable without the written consent of the **Insurer**.

G. Entire Agreement

By acceptance of this **Policy**, the **Insureds** and the **Insurer** agree that this **Policy** and any written endorsements attached hereto constitute the entire agreement between the parties.

H. Representation by Named Insured

It is agreed that the **Named Insured** shall act on behalf of its **Subsidiaries** and all **Insureds** with respect to the giving and receiving of notices, the payment of premiums and the receiving of any return premiums that may become due under this **Policy**, the receipt and acceptance of any endorsements issued to form a part of this **Policy** and the exercising or declining to exercise any right to an Extended Reporting Period or Run-off Period.

I. Coverage Territory

This **Policy** applies to any **Wrongful Act** taking place anywhere in the world. In the event that the **Insured Entity** operates outside the United States, then the term **Insured Person** also means those titles, positions or capacities in such foreign **Insured Entity** which is equivalent to the position of **Insured Person** in an entity incorporated and/or formed within the United States.

J. Bankruptcy

Bankruptcy or insolvency of the **Insureds** or of their estates shall not relieve the **Insurer** of any of its obligations hereunder. In the event a liquidation or reorganization proceeding is commenced by or against the **Insured Entity** pursuant to the United States Bankruptcy Code, including amendments thereto, or any similar state or local law. The **Insured Entity** and the **Insured Persons** hereby: (1) agree to waive and release any automatic stay or injunction which may apply in such proceeding to this **Policy** or its proceeds under such Bankruptcy Code or law; and (2) agree not to oppose or object to any efforts by the **Insurer**, the **Insured Entity** or any **Insured Persons** to obtain relief from any such stay or injunction.

K. Trade and Economic Sanctions

This **Policy** does not provide coverage for **Insureds**, transactions or that part of **Damages** or **Costs of Defense** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

NonProfit ExecShield®

Directors, Officers and Organization Liability Insurance Coverage Section

CLAIMS MADE NOTICE FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Application** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Insuring Agreements

Directors, Officers and Organization Liability Coverage

- A. This **Policy** shall pay on behalf of the **Insureds** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Claim** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wrongful Act** committed subsequent to the **Prior Acts Date**; except and to the extent that the **Insured Entity** has indemnified the **Insured Persons**.
- B. This **Policy** shall pay on behalf of the **Insured Entity** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Claim** that is first made against the **Insured Persons** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wrongful Act** committed subsequent to the **Prior Acts Date**; but only to the extent that the **Insured Entity** has indemnified the **Insured Persons** for such **Costs of Defense** and/or **Damages** as permitted by law.
- C. This **Policy** shall pay on behalf of the **Insured Entity** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Claim** that is first made against the **Insured Entity** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wrongful Act** committed subsequent to the **Prior Acts Date**.

II. Priority of Payments

In the event of **Costs of Defense** and/or **Damages** arising from any **Claim** for which payment is due under the provisions of this coverage section, then the **Insurer** shall:

1. first, pay such non-indemnifiable **Costs of Defense** and/or **Damages** for which coverage is provided under Insuring Agreement I. A. of this coverage section; and
2. then, with respect to whatever remaining amount of the applicable Limit of Liability stated in Item 5. of the Declarations is available after payment of such non-indemnifiable **Costs of Defense** and/or **Damages**, at the written request of the Chief Executive Officer of the **Named Insured**, either pay or withhold payment of such other **Costs of Defense** and/or **Damages** for which coverage is provided under this coverage section.

In the event the **Insurer** withholds payment pursuant to sub-paragraph 2. above, then the **Insurer** shall at such time and in such manner as shall be set forth in written instructions of the Chief Executive Officer of the **Named Insured**, remit such payment to the **Named Insured** or directly to the **Insured Persons**.

III. Definitions

In addition to the Definitions listed in section III. of the Common Policy Terms and Conditions Section, whenever printed in boldface type, and whether in the singular or plural form, in this coverage section the following terms shall have the meanings indicated below.

Claim means:

1. a written demand for monetary or non-monetary relief including, but not limited to, a civil, criminal, administrative, or arbitration proceeding arising from a **Wrongful Act**;
2. a civil, criminal, administrative, or arbitration proceeding for monetary or non-monetary relief filed against an **Insured** arising from a **Wrongful Act** which is commenced by: (a) service of a complaint or similar pleading; (b) return of an indictment, information or similar document; or (c) receipt or filing of a notice of charges; or

3. a written request made by a claimant to the **Named Insured** to toll or waive the statute of limitations for any **Wrongful Act**;

provided, however, the term **Claim** shall not include any grievance or arbitration subject to a collective bargaining agreement with respect to Insuring Agreement I. C. of this coverage section. A **Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.

Costs of Defense means reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of a covered **Claim** against the **Insureds**, but excluding salaries, wages, overhead or benefit expenses associated with any **Insured**, or any amount covered by the duty to defend obligation of any other insurer.

Damages means:

1. a monetary judgment, award or settlement; or
2. pre-judgment interest and post-judgment interest;

provided, however, **Damages** shall not include:

- a. taxes, civil or criminal fines, sanctions or penalties imposed by law; or
- b. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person; or
- c. commissions, bonuses, deferred compensation, profit sharing or severance payments; or
- d. disgorgement or restitution payment by or on behalf of any **Insured**, including disgorgement or restitution of amounts retained, obtained, or acquired by an **Insured** and any settlement payment arising from any actual or alleged amount that an **Insured** improperly retained, obtained, or acquired; or
- e. any matter deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

Insured Person means any past, present or future duly elected or appointed directors, trustees, officers, employees (including part time, seasonal and temporary individuals), volunteers, or committee or staff members of the **Insured Entity**. An independent contractor is not an **Insured Person** under this coverage section.

Insured means any **Insured Person** or any **Insured Entity**.

Loss means **Damages** and **Costs of Defense**.

Outside Entity means:

1. a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code of 1986, including amendments thereto; or
2. any other entity organized for a religious or charitable purpose under any nonprofit organization act or statute; or
3. any other entity, partnership, joint venture or other organization listed by endorsement to this **Policy**.

Personal Injury means any actual or alleged defamation, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, infringement of copyright or trademark, unauthorized use of title, plagiarism, or misappropriation of ideas.

Prior Acts Date means the date stated in Item 8. i. of the Declarations.

Wrongful Act means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act, including **Personal Injury**, by:

1. any **Insured Person** in their respective capacities as such, or any matter claimed against them by reason of their status as **Insured Persons** with the **Insured Entity**;
2. any **Insured Person** arising out of their serving as a director, officer, trustee, or governor of an **Outside Entity** in such capacity, but only if such service is at the specific request or direction of the **Insured Entity**; or
3. the **Insured Entity**.

IV. Exclusions

In addition to the Exclusions listed in section IV. of the Common Policy Terms and Conditions Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the actual or alleged gaining of any profit or advantage to which an **Insured** was not legally entitled; provided, however, this exclusion shall not apply unless a judgment or other final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** gained such profit or advantage to which an **Insured** was not legally entitled;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged criminal or deliberate fraudulent act; provided, however, this exclusion shall not apply unless a judgment or other final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** committed such criminal or deliberate fraudulent act;

- C. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged payments to an **Insured** of any remuneration without the previous approval of the governing bodies of the **Insured Entity**, which payment without such previous approval shall be held to have been illegal; provided, however, this exclusion shall not apply unless a judgment or other final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** received such payments;

Solely with respect to Exclusions A., B., and C. of this coverage section, the **Insurer** will provide a defense for any such **Claims**, without any liability by the **Insurer** to pay such sums that any **Insured** shall become legally obligated to pay as **Damages**.

- D. for:

1. physical damage to or destruction of any tangible property, including the loss of use thereof; or
2. bodily injury, sickness, disease, death, assault or battery of any person;

- E. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974, including amendments thereto;

- F. by, on behalf of, or in the right of any **Insured** in any capacity; provided, however, this exclusion does not apply to:

1. any **Claim** that is a derivative action brought or maintained on behalf of the **Insured Entity**, and only if such **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or participation of, or intervention of any **Insured**; or
2. any **Claim** by any **Insured Person** pursuant to any federal or state whistleblower protection statute or any regulation promulgated thereunder; provided, however, this exception does not apply to any **Claim** arising from any actual or potential employment relationship with the **Insured Entity**;

- G. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** of an **Insured Person** serving in the capacity as a director, officers, trustee, employee, member or governor of any other entity other than an **Insured Entity** or an **Outside Entity**, or by reason of their status as a director, officer, trustee, employee, member or governor of such other entity;

- H. for any **Wrongful Act** arising out of an **Insured** serving as a director, officer, trustee, employee, member or governor of an **Outside Entity**:

1. if such **Claim** is brought by the **Outside Entity** or any of its directors or officers, or by any security holder of the **Outside Entity**, whether directly or derivatively, unless such security holder's **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or participation of, or intervention of the **Outside Entity**, any of its directors or officers, or any **Insured**; or
2. if such **Wrongful Act** occurred prior to the inception date of the first Nonprofit Directors, Officers and Organization Liability Insurance Policy issued by the **Insurer** to the **Named Insured**, which has been continuously renewed and maintained in effect prior to the inception of this **Policy Period**; or
3. to the extent such **Insured** is indemnified for such **Costs of Defense** and **Damages** by the **Outside Entity**, and/or to the extent that there is coverage in whole or in part under any policy issued to or for the benefit of any **Outside Entity** or its directors or officers, then this **Policy** shall apply only to **Loss** excess over such indemnification and insurance(if applicable);

- I. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged employment-related torts, including but not limited to: failure to hire; wrongful dismissal; wrongful discharge; wrongful termination; retaliation; harassment; discrimination; violation of civil rights; or violation of any federal, state, local or foreign laws, whether statutory or common law, concerning discrimination or harassment;

- J. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any federal, state, local or foreign wage and hour laws, whether statutory or common law, including, without limitation, the Fair Labor Standards Act;

- K. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged breach of any oral or written contract or agreement; provided, however, this exclusion shall not apply to the extent that an **Insured Entity** would have been liable in the absence of the contract or agreement.

The **Wrongful Act** of an **Insured** shall not be imputed to any other **Insured** for the purpose of determining the applicability of the Exclusions.

V. Other Insurance

Unless specifically stated otherwise, the coverage afforded under this coverage section shall apply only as excess over any other valid and collectible insurance, unless such other insurance is specifically written as excess insurance over the Separate Limit of Liability or Shared Limit of Liability applicable to this coverage section. This coverage section shall be excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this coverage section may be obligated to pay **Costs of Defense** and/or **Damages**.

NonProfit ExecShield®

Employment Practices Liability Insurance Coverage Section

CLAIMS MADE NOTICE FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Application** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Insuring Agreements

A. Wrongful Employment Acts Coverage

This **Policy** shall pay on behalf of the **Insureds** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Employment Claim** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Wrongful Employment Act** committed subsequent to the **Prior Acts Date**.

B. Third Party Wrongful Acts Coverage

If purchased as indicated in Item 3. ii. of the Declarations, this **Policy** shall pay on behalf of the **Insureds** all **Costs of Defense** and/or **Damages** up to the Limit of Liability applicable to this coverage section arising from any **Third Party Claim** that is first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in accordance with section VII. of the Common Policy Terms and Conditions Section of this **Policy**, for any actual or alleged **Third Party Wrongful Act** committed subsequent to the **Prior Acts Date**.

II. Automatic Extended Reporting Period for Former Directors or Officers

In addition to section II. Extended Reporting Periods of the Common Policy Terms and Conditions Section, the following shall apply:

1. If the **Named Insured** cancels or refuses to renew this coverage section and the **Named Insured** has not purchased any similar insurance policy(ies), Optional Extended Reporting Period or Run-Off Period from the **Insurer** or any other insurance carrier, there shall be a three (3) year automatic extension of the reporting period for this coverage section for any **Claim** that is first made against any **Former Director or Officer** during such three (3) year period but only with respect to any **Wrongful Act** of any **Former Director or Officer** fully occurring prior to the end of the **Policy Period** and which is otherwise covered by this coverage section. Such three (3) year period of time shall be referred to as the Automatic Extended Reporting Period for Former Directors and Officers. There shall be no additional premium for the Automatic Extended Reporting Period for Former Directors and Officers.
2. The Limit of Liability for the Automatic Extended Reporting Period for Former Directors and Officers shall be part of, and not in addition to, the Limit of Liability stated in Item 5. of the Declarations for this coverage section.

III. Definitions

In addition to the Definitions listed in section III. of the Common Policy Terms and Conditions Section, whenever printed in boldface type, and whether in the singular or plural form, in this coverage section the following terms shall have the meanings indicated below.

Claim means:

1. an **Employment Claim**; or
2. if purchased as indicated in Item 3. ii. of the Declarations, a **Third Party Claim**.

A **Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.

Claimant means:

1. a past or present **Employee** of, or applicant for employment with, an **Insured Entity**; or
2. a governmental entity or agency, including the Equal Employment Opportunity Commission or similar federal, state or local or foreign agency, when acting on behalf of or for the benefit of a past or present **Employee** or applicant for employment with an **Insured Entity**.

Costs of Defense means reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of a covered **Claim** against the **Insureds**, but excluding salaries, wages, overhead or benefit expenses associated with any **Insured**, or any amount covered by the duty to defend obligation of any other insurer.

Damages means:

1. a monetary judgment, award or settlement, including front pay, back pay, emotional distress; or
2. pre-judgment interest and post-judgment interest;

provided, however, **Damages** shall not include:

- a. taxes (provided, however, that the **Insurer** will reimburse an **Insured Entity** for any employer share of payroll taxes on any portion of damages or settlements which constitute back pay otherwise considered **Damages**), civil or criminal fines, or penalties imposed by law; or
- b. payment of insurance, disability, pension, health or other plan benefits claimed by or on behalf of any former or current **Employee**, or that an **Employee** would have been entitled to as an **Employee** had the **Insured Entity** provided the **Employee** with a continuation of insurance; or
- c. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person; or
- d. commissions, bonuses, profit sharing or severance payments, unpaid wages, or amounts due pursuant to any federal, state, local or foreign wage and hour laws whether statutory or common law, including without limitation, the Fair Labor Standards Act, including any amendments thereto, and/or any payroll policies, practices and procedures, including the reimbursement of claimed business expenses; or
- e. future wages or benefits of any reinstated **Employee** or wages or benefits associated with the continued employment of an **Employee**; or
- f. any matter deemed uninsurable under the law pursuant to which this **Policy** is construed.

Employee means an individual whose labor or service is engaged by and directed by an **Insured Entity**, including any: part-time, volunteer, intern, leased, seasonal or temporary individual; or committee or staff member. An independent contractor is not an **Employee**. An individual's employment status shall be determined as of the date of the **Wrongful Act**.

Employment Claim means:

1. a written demand for monetary or non-monetary relief, including but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process, brought by or on behalf of a **Claimant**, arising from a **Wrongful Employment Act**;
2. a civil, administrative, regulatory investigation or arbitration proceeding brought by or on behalf of a **Claimant**, arising from a **Wrongful Employment Act**; or
3. a written request made by a **Claimant** to an **Insured** to toll or waive the statute of limitations for any **Wrongful Employment Act**;

provided, however, the term **Employment Claim** shall not include any grievance or arbitration based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving a collective bargaining agreement.

Former Director or Officer means any duly elected or appointed director, trustee or officer of an **Insured Entity** solely while acting within such capacity for an **Insured Entity**; who did not serve as a duly elected or appointed director or officer at the time of the cancellation or non-renewal of this **Policy**.

Harassment means unwelcome sexual or non-sexual advances, requests for sexual or non-sexual favors or other verbal, visual or physical conduct of a sexual or non-sexual nature that:

1. are explicitly or implicitly made a condition of employment;
2. are used as a basis for employment decisions; or
3. create a work environment that interferes with performance.

Harassment also means assault or battery, but only if related to a charge of sexual harassment.

Insured means any **Insured Person** or any **Insured Entity**.

Insured Person means:

1. any past, present or future duly elected or appointed director, trustee or officer of an **Insured Entity** while acting solely within the course and scope of employment with an **Insured Entity**;
2. an **Employee** while acting solely within the course and scope of employment with an **Insured Entity**; or
3. an independent contractor for an **Insured Entity**, but only if the **Insured Entity** provides indemnification to such individual in the same manner as that provided to the **Insured Entity's** employees.

Loss means **Damages** and **Costs of Defense**.

Prior Acts Date means the date stated in Item 8. ii. of the Declarations.

Retaliation means any actual or alleged retaliatory act of an **Insured** alleged to be in response to the actual or attempted exercise by an **Employee** or applicant for employment with the **Insured Entity**, of any right that such **Employee** or applicant has under law, including without limitation, any of the following activities:

1. the disclosure or threat of disclosure by an **Employee** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
2. the exercise of rights under workers' compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights;
3. the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign whistle-blower law;
4. strikes of an **Employee** or applicant, or any legally-protected work stoppage or slowdown; or
5. assisting, cooperating or testifying in any proceeding or investigation into whether an **Insured** violated any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder.

Third Party Claim means:

1. a written demand for monetary or non-monetary relief, including but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process; arising from a **Third Party Wrongful Act**, which is solely brought and maintained by or on behalf of a **Third Party Claimant** against an **Insured**;
2. a civil proceeding which is: (a) brought against an **Insured**; and (b) arising from a **Third Party Wrongful Act**; and (c) which is solely brought and maintained by or on behalf of a **Third Party Claimant** against whom a **Third Party Wrongful Act** is alleged to have been committed; or
3. a written request made by or on behalf of a **Third Party Claimant** to an **Insured** to toll or waive the statute of limitations for any **Third Party Wrongful Act**.

Third Party Claimant means any natural person(s) who is a client, customer, vendor, service provider or other business invitee of any **Insured Entity**, other than an **Employee** or applicant for employment with the **Insured Entity**.

Third Party Wrongful Act means any actual or alleged:

1. discrimination prohibited by applicable law;
 2. harassment on the basis of race, color, religion, age, gender, disability, pregnancy, national origin, sexual orientation, gender identity or expression, or marital status; or
 3. harassment in the form of unwelcome sexual advances, requests for sexual favors or other verbal, visual or physical conduct of a sexual nature;
- committed by an **Insured**.

Workplace Bullying means verbal, written or visual intimidation, harassment or threats by an **Insured** while acting solely within the course and scope of employment with an **Insured Entity**, including but not limited to, an **Insured's** use of social media to intimidate, harass or threaten.

Wrongful Act means:

1. a **Wrongful Employment Act**;
2. if purchased as indicated in Item 3. ii. of the Declarations, a **Third Party Wrongful Act**.

Wrongful Employment Act means any actual or alleged:

1. wrongful dismissal, discharge or termination of employment (either actual or constructive), including breach of an implied agreement to employ;
2. **Harassment**;
3. harassment on the basis of race, color, religion, age, gender, disability, pregnancy, national origin, sexual orientation, gender identity or expression, or marital status (including but not limited to: **Workplace Bullying**);
4. discrimination (including, but not limited to, discrimination based upon age, gender, gender identity or expression, race, color, national origin, religion, sexual orientation or preference, genetic information, pregnancy, marital status, military status or disability or any other basis prohibited by law);
5. **Retaliation**;
6. employment-related misrepresentation;
7. employment-related libel, slander, humiliation or defamation or invasion of privacy;
8. false arrest or false imprisonment;
9. wrongful failure to employ or promote;
10. wrongful deprivation of career opportunity, wrongful demotion or negligent evaluation, including the giving of negative or defamatory statements in connection with an employee reference;

11. wrongful discipline;
 12. failure to grant tenure; or
 13. negligent hiring, retention, training or supervision, infliction of emotional distress or mental anguish, failure to provide or enforce adequate or consistent employment-related corporate policies and procedures, or violation of an individual's civil rights;
- committed by an **Insured**.

IV. Exclusions

In addition to the Exclusions listed in section IV. of the Common Policy Terms and Conditions Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. for:
 1. damage to or destruction of any tangible property, including the loss of use thereof, or
 2. bodily injury, sickness, disease, and death; provided, however, solely with respect to a **Claim** for a **Wrongful Employment Act**, this exclusion shall not apply to: emotional distress, mental anguish, defamation, invasion of privacy or humiliation;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974, including amendments thereto; or any similar provisions of state statutory law or common law;
- C. for any actual or alleged breach of any oral or written contract or agreement; or for any amounts owed pursuant to an oral or written contract or agreement; whether brought as breach of contract, misrepresentation or otherwise;
- D. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Worker's Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, the National Labor Relations Act, or the Health Insurance Portability and Accountability Act of 1996, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of an **Employee** by the **Insured** on account of the **Employee's** exercise of rights pursuant to any such law;
- E. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged obligations under any workers' compensation, social security, disability benefits, or unemployment compensation law, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of an **Employee** by the **Insured** on account of the **Employee's** exercise of rights pursuant to any such law;
- F. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violations of any federal, state, local or foreign wage and hour laws, whether statutory or common law, including, without limitation, the Fair Labor Standards Act including any amendments thereto; provided, however, this exclusion shall not apply to any **Claim** for any amounts owed under the Equal Pay Act of 1963, or any similar provisions of any federal, state, local or foreign law prohibiting pay discrimination or for any actual or alleged retaliatory treatment of an **Employee** by the **Insured** on account of the **Employee's** exercise of rights pursuant to any such law or amounts owed under the Equal Pay Act of 1963.

V. General Conditions

Other Insurance

Unless specifically stated otherwise, the coverage afforded under this coverage section for:

1. an **Employment Claim** shall be primary to any other valid and collectible insurance policy (including coverage afforded by any other **Coverage Section**), provided that with respect to that portion of an **Employment Claim** made against any leased or temporary employee or independent contractor, **Costs of Defense** and/or **Damages** payable on behalf of such leased or temporary employee or independent contractor under this coverage section shall be excess of, and shall not contribute with, any other valid and collectible policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section), regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise; and
2. a **Third Party Claim** shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

Friends of Idaho Public Television, Inc.

FRIENDS OF IDAHO PUBLIC TELEVISION, INC.
ENDOWMENT FUND

Statement of Investment Policy and Fiduciary Management



Approved by
Friends of Idaho Public Television, Inc.
February 20, 2018

BACKGROUND

On September 23, 1985, the Idaho Public Television Foundation, Inc. (IdahoPTV Foundation) was incorporated under the laws of the State of Idaho as a nonprofit organization exempt from Federal tax under section 501(c)(3) of the Internal Revenue Code. The Idaho Public Television Foundation's exclusive purposes are:

- to benefit Idaho Public Television (IdahoPTV), an agency of the state of Idaho, directly responsible to the Idaho State Board of Education, which holds the licenses for five analog and five digital public television stations in Idaho: KAID, Boise; KISU, Pocatello; KUID, Moscow; KIPT, Twin Falls; and KCDT, Coeur d'Alene and 43 rural television translators;
- to provide an annual scholarship to a student studying broadcasting at an Idaho state college or university; and
- to solicit, receive, and expend funds and property to carry out any or all purposes of the IdahoPTV Foundation.

The IdahoPTV Foundation endeavors and is empowered to solicit financial support for IdahoPTV. This includes the management and investment of the securities, monies, and real and personal property it receives. When necessary, the IdahoPTV Foundation shall expend its resources, beyond that required to cover the costs of its operation, to and for the benefit of IdahoPTV. The IdahoPTV Foundation is governed by a Board of Directors.

IdahoPTV is a multimedia, statewide television network. The Idaho State Board of Education is the licensee board for Idaho Public Television and has statutory responsibility for all programming and other operating decisions. In addition, IdahoPTV has three regional, non-profit designation corporation boards, the Friends of Idaho Public Television: KAID/KIPT, Inc.; the Friends of Idaho Public Television: KISU, Inc.; and the Friends of Idaho Public Television: KUID/KCDT, Inc., each with a separate Board of Directors.

In 1989, the IdahoPTV Foundation began discussions about establishing an endowment, to recognize the importance of long-term financial vitality and stability for IdahoPTV. By 1991, the IdahoPTV Foundation created the Endowment, and on October 30, 1992, adopted amendments to a previously presented Endowment resolution. The IdahoPTV Foundation set aside an Endowment to receive, invest, and expend various gifts and other income for the benefit of IdahoPTV and its support of local productions, programming, and capital needs. The initial goal was to raise \$3,000,000 by the end of the year 2000. Due to drastic reduction in federal (Corporation for Public Broadcasting) funding and flat state operational funding, the initial deadline goal was moved up to June 30, 1999, and the initial fund's goal was successfully raised by that date.

On March 27, 2008, the Friends of Idaho Public Television, KAID/KIPT, Inc., together with the Friends of Idaho Public Television, KISU, Inc., and the Friends of Idaho Public Television, KUID/KCDT, Inc., merged with the Idaho Public Television Foundation, Inc.

Also on this date, the Idaho Public Television Foundation, Inc. was renamed Friends of Idaho Public Television, Inc. (Friends).

INTRODUCTION

The Friends Board of Directors (Board) approved this policy through careful study and consideration of the returns and risks associated with investment strategies in relation to the current and projected income needs of Idaho Public Television and activities, which are supported by the Friends. This policy provides a structure within which the Endowment may be managed to achieve the long-term

investment and financial objectives of the Friends. The Friends is committed to ensuring the assets

of the Endowment are fully diversified into appropriate and viable asset categories, which are managed efficiently and prudently by qualified investment personnel.

The assets are intended to be held as a permanent endowment.

The responsibility for implementation of the investment policy shall be delegated to the Endowment Committee appointed by the Board.

MISSION

The mission of the Friends is to provide sustainable annual support for special projects, student scholarships, and programming initiatives that surpass general operating expenditures of Idaho Public Television provided by the State of Idaho. This annual support will be funded by a combination of capital appreciation of the Endowment and by annual fundraising efforts. The Friends endeavors that:

1. Gifts and other support designated by donors to the Friends shall be so honored.
2. The Board shall approve a Spending Policy regarding the amount of financial support it will provide to IdahoPTV on an annual basis.
3. The Board shall encourage funding opportunities to benefit IdahoPTV.

RESPONSIBILITIES

Board

1. The Board shall approve all investment policies.
2. The Board President shall select board members to serve on the Endowment Committee.
3. The Board may hire an Investment Consultant¹, or other experts, to advise in stated responsibilities.
4. The Endowment Committee shall recommend to the Board, for the Board's approval, the hiring of Investment Managers² or other experts.

Friends Endowment Committee (Endowment Committee)

1. The Endowment Committee's primary responsibilities are to ensure compliance with the approved investment policies, to determine the optimum asset allocation of the investment portfolio and to select, monitor and evaluate Investment Managers. The Endowment Committee will meet quarterly to review the status of investments and Investment Manager performance.

¹ An **Investment Consultant** does not manage assets, but rather oversees the Investment Managers, develops strategies and monitors results. Investment Consultants also provide a third party, objective analysis of all issues relating to the investments.

² An **Investment Manager** is responsible for day to day management of assets through buying and selling of securities.

2. The Endowment Committee will be responsible for reviewing, implementing, and monitoring existing policies, but must have approval from the Board for any changes in existing policy or adoption of new policies.
3. The Endowment Committee will have the authority to carry out Investment Manager terminations for reasons identified within this policy. Any Investment Manager terminations for reasons outside this policy will be brought before the Board for approval.
4. The Endowment Committee will be allowed to reinvest proceeds from a terminated Investment Manager into an index fund or ETF of the same asset class for a period of up to one year until the Board of Directors ratifies a new Investment Manager. The Board of Directors must approve an extension of the one-year Investment Manager search while said funds remain in the index fund or the same asset class ETF.

Investment Consultant

The Investment Consultant will assist in developing the Investment Policy Statement, provide potential model asset allocation strategies, monitor all Investment Manager activities, prepare performance reports and communicate with the Board through the Endowment Committee on all aspects of the portfolio.

Investment Manager

1. Investment Managers are responsible for the day-to-day investment management of assets in accordance with this Statement of Investment Policy and Fiduciary Management.
2. All Investment Managers are expected to conform to all State and Federal laws governing the practice of investment management.

General

1. The master schedule for Board and Endowment Committee meetings may be adopted on or before December 31st for the upcoming calendar year. The IdahoPTV General Manager will provide a copy of the meeting schedule to the Investment Consultant. The Endowment Committee may meet no sooner than four weeks following the end of the quarter.
2. All communication³ regarding the Endowment and including the Investment Consultant shall be copied to (at the minimum) the Investment Consultant, the Board President, the Board Treasurer, the Endowment Committee, the IdahoPTV General Manager, and the IdahoPTV Director of Fiscal Affairs.
3. The IdahoPTV General Manager will be responsible for communicating any changes to the distribution list.

³ **Communication** shall be defined as information, data, and correspondence that is essential to the Client/Investment Consultant relationship. This includes the distribution of performance reports, asset allocation studies, manager research, and any other documents that affect the implementation of existing policy or adoption of new policy. In addition, this includes any organizational changes of the **Friends of Idaho Public Television, Inc.** that could affect investment procedures, contact lists, or meeting schedules.

INVESTMENT OBJECTIVES

In recognition of the importance of a strong Endowment for the long-term financial vitality and stability of Idaho Public Television, the Friends of Idaho Public Television, Inc. has set aside a permanent Endowment to receive, invest, and expend various gifts and other income for the benefit of IdahoPTV and its support of local productions, programming, and capital needs. The objectives are:

1. Maximize the Endowment's total returns within appropriate risk constraints to support the mission of the Friends of Idaho Public Television, Inc.
2. Maintain the Endowment's purchasing power in perpetuity to ensure spending rates that keep pace with inflation.
3. The annual target return shall be to exceed the policy portfolio benchmark, net of fees over a trailing 5-year period.

Time Horizon

The Friends established a perpetual endowment and has no fixed investment time horizon. As such, the assets within the Endowment will be managed with a long term focus that will emphasize a total return philosophy.

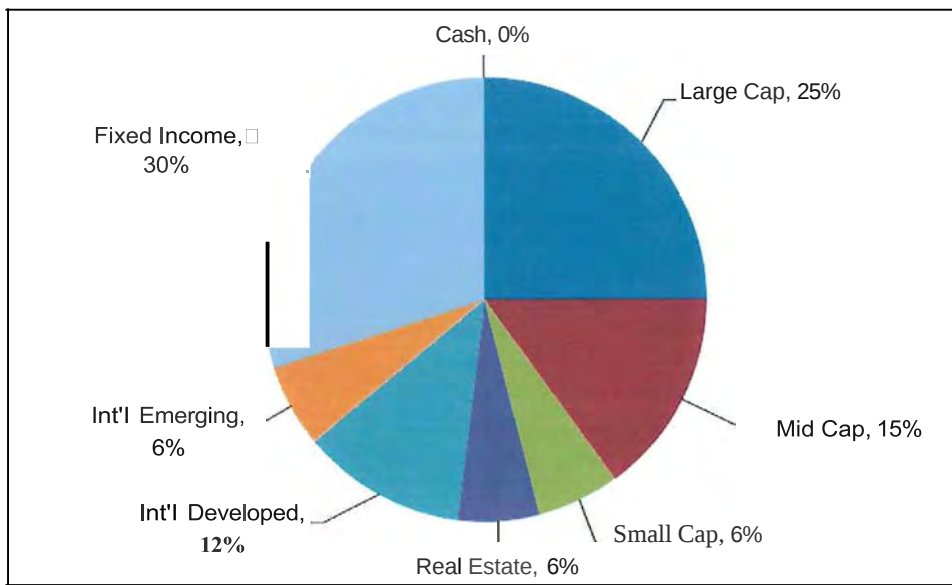
Risk Tolerance

The Board recognizes that assumption of risk is warranted in order to achieve the stated objectives, accommodate the spending policy and keep pace with inflation. The Board shall determine how much risk can be tolerated by assessing the probability of achieving, exceeding, or falling short of these objectives.

ASSET ALLOCATION

The Endowment Committee worked with the Investment Consultant to review various asset allocation models to determine the most optimal diversification relative to the stated goals and objectives of the Friends. As such, both passive and active management styles may be employed in all asset classes.

The Strategic Asset Allocation model will be reviewed every three years to determine its continued relevance to the goals and objectives of the Friends.



The following will provide the policy percentages for the Endowment asset allocation and limits on upper and lower constraints:

Strategic Asset Allocation

Asset Class	Lower Limit		Policy		Upper Limit
US Large Cap Equity	21%		25%		29%
US Mid Cap Equity	12%		15%		18%
US Small Cap Equity	4%		6%		8%
Real Estate	4%		6%		8%
Int'l Equity Developed	9%		12%		15%
Int'l Equity Emerging	4%		6%		8%
US Fixed Income	22%		30%		38%
Cash Equivalents	N/A		0%		3%

The Endowment Committee shall determine that each asset class included in the Strategic Allocation has a separate set of security selection guidelines and performance benchmarks, which are approved by the Board and issued to the Investment Managers responsible for each segment of the Endowment portfolio. The Endowment Committee will review security selection guidelines and performance benchmarks every three years during any regular or special meeting. The Endowment Committee will annually review the strategic asset allocation.

Rebalancing Policy

It is the goal of the Friends to maintain the Strategic Asset Allocation long term to achieve the stated investment objectives. Over time, certain assets will perform better or worse than others, which will create an imbalance in the allocation. Therefore, upper and lower

constraints have been established to allow for variations in asset performance. Once an asset class has breached an upper or lower limit for ten consecutive business days, the Investment Consultant will notify, within the next three business days, the Endowment Committee Chair to discuss a recommendation. Typically, when a limit has been breached, the Investment Consultant will rebalance the portfolio within the approved policy allocation.

Cash Flows

Cash inflows and outflows of the Endowment shall be designated as opportunities for rebalancing. By way of example, cash inflows shall be allocated to the asset class or classes that are the most underweighted relative to policy allocation (see page 6). Cash outflows shall be taken from the asset class or classes that are the most over weighted relative to policy allocation (see page 6).

Performance Benchmarks

The performance benchmarks that will be used in order to evaluate manager return for the asset classes are as follows:

<i>Asset Class</i>	<i>Index</i>	<i>McMillen Universe</i>
US Large Cap Equity	Russell 1000 ⁴	Large Cap
US Mid Cap Equity	Russell Mid Ca ⁵	Mid Cap
US Small Cap Equity	Russell 2000 ⁶	Small Ca
Real Estate	NAREIT ⁷	Real Estate
US Fixed Income	Barclav's A ate ⁸	Intermediate Fixed
Int'l Equity Developed	MSCI EAFE ⁹	Developed International
Int'l Equity Emerging	MSCI Emerninn ¹⁰	Emerging International

⁴ The Russell 1000 includes the largest 1000 securities in the Russell 3000. The Russell 1000 Index offers investors access to the extensive large-cap segment of the U.S. equity universe representing approximately 92% of the U.S. market

⁵ The Russell Mid Cap Index is comprised of the 800 smallest stocks from the Russell 1000 Index, representing approximately 22% of the U.S. equity market capitalization.

⁶ The Russell 2000 index represents the smallest 2000 stocks within the Russell 3000 index. As of September 30, 2017, the weighted average market capitalization for a company in the index is around \$2.2 billion; the median market cap is \$854 million.

⁷ A real estate index that includes both all equity properties plus all properties, which have been de-leveraged making it a large universe of properties.

⁸ Covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities and commercial mortgage-based securities. To qualify for inclusion, a bond or security must have at least one year to final maturity, rated investment grade Baa3 or better, dollar denominated, non-convertible, fixed rate and be publicly issued.

⁹ A free float-adjusted market capitalization index that is designed to measure developed market equity performance excluding the U.S. and Canada. As of April 2002, the MSCI EAFE index consisted of 21 developed countries in Europe Australasia and the Far East.

¹⁰ A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

	#1 52% R3000 30% Barclay's Aggregate 18% MSCI EAFE #2 25% Russell 1000 15% Russell Mid Cap 6% Russell 2000 6% NAREIT Equity 30% Barclay's Aggregate 12% MSCI EAFE 6% MSCI Emerging	
Total Portfolio Benchmark/Policy¹¹		N/A

INVESTMENT MANAGER EXPECTATIONS

Each Investment Manager will be measured by the Investment Consultant against their asset class benchmark and universe. Active management will provide a varied level of relative performance. Therefore, a trailing 5-year period will be given to each Investment Manager in order to measure their return relative to their assigned benchmark. In certain instances, such as an Investment Manager drifting from the stated asset class or basic philosophy, a review may be required within a market cycle. The Endowment Committee will review the performance results quarterly and make any recommended changes deemed necessary to the Board for approval.

Additionally, all active Investment Managers will be expected to achieve and maintain the following relative performance over a trailing 5-year period:

Asset Class	Return Above Benchmark	<u>Minimum Universe¹²</u>	<u>Ranking</u>
US Equity	75 basis points*, net of fees		40 th percentile
Fixed Income	25 basis points*, net of fees		40 th percentile
International Equity	75 basis points*, net of fees		40 th percentile

* 100 basis points= 1.00%

INVESTMENT MANAGER GUIDELINES

The managed portfolios will be well diversified and consist of readily marketable securities in the open market. Investments may consist of short, medium and/or long-term securities. All Investment Managers are expected to conform to all State and Federal laws governing the practice of investment management. Each Investment Manager will be provided with this Statement of Investment Policy and will be expected to return a signed copy to the Investment Consultant. The Investment Consultant will provide a copy to the IdahoPTV General Manager. Additionally, Investment Managers are expected to use prudence in their decision making for Endowment assets and adhere to the investment mandate as agreed to.

¹¹ The Total Portfolio Benchmark/Policy is the return of the weighted sub asset class benchmarks at the portfolio level.

¹² A universe is a group of Investment Managers managing assets within the same asset class. This group is used to compare how hired Investment Managers are performing relative to their peer group, or Universe.

Allowable Investments

All securities are expected to be publicly traded and may consist of:

1. Common stocks
2. Preferred stocks
3. REITs
4. International stocks
5. U.S. Corporate bonds and notes
6. U.S. Government T-bill, notes, bonds and TIPS
7. U.S. Agency bonds
8. Commercial paper or other money market instruments
9. ETF and ETNs (passive investments)
10. Warrants that are received by an issuer but not purchased by an Investment Manager.

Concentration

Investment Managers will be allowed to purchase up to 5%, at cost, of their portfolio's current value in any one security. Positions may not grow beyond 8% of the total value of their portfolio at any time unless authorization is provided by the Investment Consultant. The Investment Consultant will notify the Investment Committee Chair if any deviation of this Concentration policy has been allowed.

Proxy Voting

Investment Managers are authorized by the Board to vote all proxies held by them. It is expected that Investment Managers vote in a manner that represents the interests of the Friends as defined within this policy.

Fixed Income

Holdings will consist primarily of investment grade securities. These may include, but are not limited to, U.S. Treasury or federal agency obligations, corporate debt instruments, or first mortgage loans. A minimum of 50% of investments will be rated Aaa (Moody's rating) or AAA (S&P). In the event that both Moody's and S&P downgrade U.S. Treasury debt below AAA, the minimum AAA weighting will be equal to the Barclay's Aggregate index. In addition, a minimum of 85% will be rated A by Moody's or A S&P's. A maximum of 5% of fixed income assets may be invested in less than investment grade (Baa) or (BBB) bonds. ETFs will also be allowable investments for fixed income assets.

Duration

The Fixed Income Investment Manager will be allowed to manage the portfolio's effective duration but will be limited to + or - 1/2 year of the Barclay's Aggregate Bond Index duration. If the portfolio moves outside these parameters due to market conditions or if the Investment Manager wants to change the duration outside of + or - 1/2 year, the Investment Manager will contact the Investment Consultant for review.

The Investment Consultant will notify the Endowment Committee Chair if any deviation of this Duration policy has been allowed.

Cash and Equivalents

All cash investments will be limited to bank CDs, U.S. Government securities, commercial paper rated A-1 (S&P) or P-1 (Moody's), and repurchase agreements collateralized by U.S. Government securities. Additionally, cash may be placed with the Master Custodian¹³ in a money market fund.

Restricted Securities

The following list of securities or transactions are not allowed to be held or conducted without the Board's prior written approval:

1. Hedge Funds
2. Private Equity Funds or investments
3. Venture Capital Funds or investments
4. Direct Real Estate investments
5. Short sales
6. Commodities
7. Private placements
8. Any use of leverage
9. Derivative transactions
10. Options contracts

Investment Manager Controls

Each Investment Manager will be monitored by the Investment Consultant on an ongoing basis, including both performance measurement and material changes within the investment management company. The Endowment Committee, for reasons stated below, may terminate the Investment Manager without the Board's approval:

1. Returns below the 40th percentile in universe over a trailing 5-year period
2. Equity returns that do not produce an additional 75 basis points net of fees (0.75%) above benchmark over a trailing 5-year period
3. Fixed Income returns that do not produce an additional 25 basis points net of fees (0.25%) above benchmark over a trailing 5-year period
4. Key personnel changes
5. Firm sale, merger or change of management control
6. Significant style shift
7. Regulatory action
8. Changes within the Friends

INVESTMENT PERFORMANCE REVIEW

1. At least quarterly, the Endowment Committee will meet to review portfolio performance presented by the Investment Consultant.
2. All investments must comply with a donor's requirements and restrictions.

¹³ A Master Custodian is a bank, agent, trust company, or other organization responsible for safeguarding financial assets.

3. Quarterly the Endowment Committee Chair or Investment Consultant will present an overview of investment performance to the Board.
4. The Endowment Committee Chair and Investment Consultant will meet with the Board at least once annually to review the status of investments and Investment Manager performance.
5. Review will consist of measurement of Investment Manager performance compared to benchmarks and universes. In addition, a review of material changes with Investment Managers will be discussed.

CLASSIFICATION OF CONTRIBUTIONS

According to GASS and *FASB: Accounting for Contributions Received and Contributions Made*, there are three types of contributions - permanently restricted, temporarily restricted, and unrestricted - determination of classification is based on the existence or absence of donor-imposed restrictions.

1. **Permanently Restricted** - Contributions and other inflows of assets whose use by the Friends is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.
2. **Temporarily Restricted** - Contributions and other inflows of assets whose use by the Friends is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Friends pursuant to those stipulations.
3. **Unrestricted** - Contributions and other inflows of assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

All cash contributions received that are designated to be Endowment assets shall be deposited into the contributions bank account. The non-cash assets received as contributions should be monetized as soon as possible and the sale proceeds deposited into the contributions bank account. It is the intent of this policy that the proceeds residing in the contributions bank account are transferred to the cash account of the Endowment investment portfolio (Investment Cash Account) to be allocated in accordance with this policy.

SPENDING POLICY

The Friends set aside an Endowment to receive, invest, and expend various gifts and other income for the benefit of IdahoPTV and its support of local productions, programming, and capital needs.

The Friends intends to distribute up to 5% of the total fair market value of the Endowment annually to benefit IdahoPTV. The final distribution shall be rounded down to the nearest one hundred dollars. Funds will be distributed from the unrestricted portion of the Endowment. The annual value of the portfolio will be determined by averaging the balance over the prior three years. December 31st will be the determination date for such valuations. This averaging of the portfolio balance will smooth the annual distributions and help achieve predictable spending levels. Proposals for use of Endowment assets shall be presented to the Board by IdahoPTV for determination. In addition, the Board will recommend recipients of the Endowment proceeds in accordance with the Spending Policy. As part of this annual budget process beginning in April, the actual percentage will be recommended each year by the Endowment Committee and approved by the Board.

If the dollars approved are not spent within the fiscal year they are made available, the Board may choose to:

1. Roll unspent dollars into the next fiscal year and add them to the new funds allowable for spending, or
2. Absorb unspent dollars into the Endowment, which will not be added to next year's spending balance.

ANNUAL AUDIT

The Friends is required to have an independent audit conducted by the Legislative Auditor, State of Idaho for each fiscal year.

The final annual audited financial statements and auditor's letter to management will be distributed annually to the Board, by the IdahoPTV Director of Fiscal Affairs, within 60 days of Legislature approval.

ACCEPTANCE

This Statement of Investment Policy and Fiduciary Management will be reviewed and reconfirmed or revised on an annual basis by the Board.

The Board hereby approves this Statement of Investment Policy and Fiduciary Management on February 20, 2018.

Authorized Signature:

Signp
J-r?lf lb-
 Printed Name

Friends of Idaho Public Television, Inc. Board President
 Title

Friends of Idaho Public Television, Inc.
 Exact Name on Account

- ADOPTED October 30, 1992
- 2nd Revision - February 20, 2002
- 3rd Revision - January 8, 2007
- 4th Revision - February 6, 2009
- 5th Revision - January 27, 2010
- 6th Revision - February 15, 2011
- 7th Revision - November 16, 2011
- 8th Revision - February 7, 2012
- 9th Revision - February 18, 2014
- 10th Revision - February 20 2018

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
FRIENDS OF IDAHO PUBLIC TELEVISION, INC.

Pursuant to the provisions of Section 30-30-702(2) of the Idaho Nonprofit Corporation Act, the undersigned corporation adopts the following Articles of Amendment to the Articles of Incorporation:

The following Amendments to Articles of Incorporation were adopted by the Board of Directors of the corporation on _____, 2022, in the manner prescribed by the Idaho Nonprofit Corporation Act. These amendments to the corporation's articles of incorporation do not require approval by members or any persons other than the Board of Directors.

Article II of the Articles of Incorporation is amended to read as follows:

ARTICLE II

The location and post office address of this nonprofit corporation shall be at:

1455 N Orchard St.
Boise ID 83706

The registered agent shall be the General Manager of Idaho Public Television.

Article IX of the Articles of Incorporation is amended to read as follows:

ARTICLE IX

The incorporators and initial board of directors were the same consisting of the following persons:

Ralph J. McAdams
1718 N. 17th Street
Boise ID 83702

Jack A. Schlaefle
2863 N. Mountain Road
Boise ID 83703

Larry G. Selland
2902 Lancaster Drive
Boise ID 83702

Janet S. Hay
328 Winther Blvd.
Nampa ID 83651

Scott R. Simplot
577 W. Curling Drive
Boise ID 83702

The current board of directors consists of the following persons:

Katherine Aiken 799 Indian Hills Dr Moscow ID 83843	Diane Bilyeu 514 Featherie Dr Pocatello ID 83204	Todd Christensen Meridian ID todd.christensen@capedcu.com
Trent Clark 90 N 2nd E Soda Springs ID 83276	Jenny Emery Davidson PO Box 3184 Hailey ID 83333	Jame` Davis 1934 N Willamette Dr Post Falls ID 83854
Norma Douglas Box 1567 Sun Valley ID 83353	John V. Evans, Jr. 218 Churchill Dr Burley ID 83318	Joy Fisher 1674 Appaloosa Moscow ID 83843

Jeff Fox 962 Cypress Way Twin Falls ID 83301	Bev Harad 3675 W Quail Heights Ct Boise ID 83703	Ron Hatzenbuehler 306 S 7th Avenue Pocatello ID 83201-5815
Jennifer Henderson 1015 N 12th St Boise ID 83702	Liza Leonard 345 E 24th St Idaho Falls ID 83404	Amy Lientz 15 N 3192 E Idaho Falls ID 83401
Mckinsey Lyon 1325 E Monterey Dr Boise ID 83706	Craig Meadows PO Box 1617 Boise ID 83701	Judy Meyer 10500 Hayden Bluff Ln Hayden Lake ID 83835
Randy Morgan 13691 W Elmspring St Boise ID 83713	Con Paulos PO Box 5856 Twin Falls ID 83303	Stacy Pearson 1602 N 17th St Boise ID 83702
Sharon Price 1098 E 25th St Idaho Falls ID 83404	Brad Rasor 11466 N Green Tree Ct Hayden ID 83835	Troy St. Pierre 5174 E Sawmill Way Boise ID 83716
Heather Stegner 2908 S Brookridge Way Boise ID 83716	Jeff Tucker, General Manager Idaho Public Television 1455 N Orchard St Boise ID 83706	Lupe Wissel 1252 W Lago Bello Dr Eagle ID 83616
Brian Wonderlich 714 Hearthstone Dr Boise ID 83702		

DATED: _____, 2022.

Friends of Idaho Public Television, Inc.

By: _____
Its President

Attest:

By: _____
Its Secretary

**RESTATED
ARTICLES OF INCORPORATION
OF
IDAHO PUBLIC TELEVISION FOUNDATION, INC.**

Pursuant to the provisions of Section 30-3-94 of the Idaho Nonprofit Corporation Act, the undersigned corporation adopts the following Restated Articles of Incorporation:

First: The name of the corporation is changed to "Friends of Idaho Public Television, Inc."

Second: The following Restated Articles of Incorporation were adopted by the Board of Directors of the corporation on January 22, 2008, in the manner prescribed by the Idaho Nonprofit Corporation Act. These Restated Articles of Incorporation contain amendments to the corporation's articles of incorporation which do not require approval by members or any persons other than the Board of Directors.

ARTICLE I

The name of this corporation shall be the Friends of Idaho Public Television, Inc. (herein referred to as the corporation). This corporation shall be a nonprofit corporation and its duration shall be perpetual.

ARTICLE II

The location and post office address of this nonprofit corporation shall be at:

1455 N Orchard St.
Boise ID 83706

The registered agent shall be the Peter Morrill, General Manager.

ARTICLE III

The corporation shall have a board of directors, in which shall be vested all of the power and authority to supervise, control, direct and manage the property, affairs and activities of

RESTATED ARTICLES OF INCORPORATION 1

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the corporation. The rights, powers and privileges of the directors shall be fixed in the by-laws, except insofar as set forth herein. The by-laws of the corporation may, from time to time, be altered, amended, suspended, repealed or new by-laws adopted by a resolution adopted by a two-thirds majority of the entire board of directors of the corporation.

The number of directors shall not be fewer than four (4). The maximum number of directors will be fixed in the by-laws. The incorporators and initial board of directors are the same, and consist of those designated in Article IX of this document.

ARTICLE IV

The corporation shall have no members.

ARTICLE V

The exclusive purposes of this corporation are: (1) to benefit Idaho Public Television, an entity of the Idaho State Board of Education, state of Idaho, directly responsible to the Idaho State Board of Education, which operates the five public television stations in Idaho: KAID-TV, Boise, KISU-TV, Pocatello, KUID, Moscow, K!PT Twin Falls, and KCDT, Coeur d'Alene; (2) to provide an annual scholarship to a student studying broadcasting at an Idaho state college or university; and (3) to solicit, receive and expend funds and property to carry out any or all purposes of the corporation.

ARTICLE VI

No part of the net earnings 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 service rendered and to make payments and distributions in furtherance of the purposes set forth in Article V hereof.

No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision 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

RESTATED ARTICLES OF INCORPORATION 2

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income tax under section 501(c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code, or corresponding sections of any future federal tax code.

ARTICLE VII

The corporation shall not be dissolved except following the favorable vote of a majority of the board of directors at a meeting duly called for that purpose. Upon dissolution, all assets belonging to the corporation, after due provision for any liabilities then outstanding and unpaid, shall be paid over to the license holder, Idaho State Board of Education, or to the State of Idaho. Any such assets not so disposed of shall be disposed of by the Fourth District Court in Ada County, exclusively for such purposes, or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VIII

No members of the board of directors and no officer duly appointed by the board shall have any personal liability for acts performed in his or her official capacity in good faith, nor shall any such director or officer be liable for nonfeasance or misfeasance in the performance of duties, but only in the case of malfeasance. The corporation shall indemnify the members of its board of directors, its officers, agents and employees against any and all expenses and liabilities, including attorney fees and other costs, which they or any of them incur in connection with any suit or suits which may be brought against them or any of them involving or pertaining to any of their official acts or duties (whether it be alleged that such acts are ultra vires or otherwise), provided only that in such suit or suits personal liability is finally established against them incident to any act of malfeasance on their part. This provision shall not be deemed to prevent compromise of any such litigation when such compromise is deemed advisable.

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ARTICLE IX

The incorporators and initial board of directors were the same consisting of the following persons:

Ralph J. McAdams
1718 N. 17th Street
Boise, ID 83702

Jack A. Schlaetle
2863 N. Mountain Road
Boise, ID 83703

Larry G. Selland
2902 Lancaster Drive
Boise, ID 83702

Janet S. Hay
328 Winther Blvd.
Nampa, ID 83651

Scott R. Simplot
577 W. Curling Drive
Boise, ID 83702

The current board of directors consists of the following persons:

DeVaun Anderson 1355 Holman Pocatello ID 83201	Laura Bettis 1111 N 9 th St Boise ID 83702	Eve Chandler 1206 N 24 th Boise ID 83702
Pat Costello 1126 King Rd Moscow ID 83843	John Crim 3514 Mountain View Dr Boise ID 83704	Lynn Davis 1527 Hollipark Idaho Falls ID 83402
Byron Defenbach PO Box 7608 Boise ID 83707	Jerry Evans 9125 W Donnybrook Ct Boise ID 83709	Joy Fisher 1674 Appaloosa Moscow ID 83843

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Ellie Hampton 586 Safstrom Pl Idaho Falls ID 83401	Bev Harad 3675 W Quail Heights Ct Boise ID 83703	Al Luray 94 Townsend Gulch Bellevue ID 83313
Judy Meyer 10500 Hayden Bluff Ln Hayden Lake ID 83835	Rebecca Morgan 2545 Marilyn Pocatello ID 83201	Peter Morrill General Manager Idaho Public Television 1455 N Orchard Boise ID 83706
Charles Mosier 231 Shasta Circle Orofino ID 83544	Jim Paxton 1340 S Orchard St Boise ID 83705	Christine Pharr 3639 Country Club Ct Lewiston ID 83501
Chuck Randolph Box 605 Caldwell ID 83606	Erna Rhinehart 2207 Crestline Dr Coeur d'Alene ID 83814	Barbara Roberts 1701 N 21 st St Boise ID 83702-0732
Bob Schreiber 3041 Juniper Dr American Falls ID 83211	Marilyn Shuler 5221 N Lakemont Ln Boise ID 83714	Ann Smart 3502 Buckskin Rd Coeur d'Alene ID 83814
Bob Sonnichsen US Bank 101 S Capitol Blvd, Ste 905 Boise ID 83702	Bob Stanton 11228 Ashburton Dr Boise ID 83709	Gayle Wilde PO Box 984 McCall ID 83638 1319 W 1st Meridian ID 83642
Cindy Williams Idaho Nevada CDFI, Inc. PO Box 44922 Boise ID 83711-0922		

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DATED: January 17, 2008.

Friends&Idaho Public Televis:on _____

sy C Q,
Its President

Attest:

By: Barbara Roberts
Its Secretary

RESTATED ARTICLES OF I1\JCORPORATION 6

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**BYLAWS
OF THE
FRIENDS OF IDAHO PUBLIC TELEVISION, INC.**

**SECTION ONE
OFFICE AND PURPOSES**

SECTION 1.1. Office. The principal office of the corporation shall be at 1455 North Orchard Street, Boise, ID 83706. The corporation may also have offices at such other places as the board of directors may from time to time appoint or the purposes of the corporation may require.

SECTION 1.2. Purposes. The purposes of the corporation shall be set forth in the Articles of Incorporation.

**SECTION TWO
MEMBERSHIP**

The corporation shall have no members.

**SECTION THREE
DIRECTORS**

SECTION 3.1. General Powers. The business and affairs of the corporation shall be managed and conducted and all corporate powers of the corporation shall be exercised by or under the authority of the board of directors not fewer than thirteen (13) nor more than fifty (50) in number.

SECTION 3.2. Board Representation. The board of directors of the corporation shall have broad community and geographic representation. Selections of directors will be from, but not limited to, representatives from the following: law, finance, education, arts, industry, agriculture, timber, mining and community. The general manager of IdahoPTV, or the general manager's designated representative, shall be an ex-officio non-voting member of the board of directors of the corporation acting in an advisory capacity consistent with regulatory guidelines.

Except as specified in these bylaws, ex-officio directors of the corporation shall have the voting privileges of regular directors. Additional ex-officio directors in a number no greater than three (3) may be appointed to the board of the corporation from time to time.

SECTION 3.3. Transition. At the date of filing with the Idaho Secretary of State the articles of merger of the Idaho Public Television Foundation, Inc. (the "Foundation") with

the Friends of Idaho Public Television, KAID/KIPT, Inc., Friends of Idaho Public Television, KISU, Inc., Friends of Idaho Public Television, KUID/KCDT, Inc., (collectively, these three entities are referenced as the “Merged Entities”) the directors of the corporation shall consist of the current directors of the Foundation and the Merged Entities who will fulfill their current terms in their new capacity as directors of the corporation. The additional directors will thereafter be elected by the Board of Directors from throughout the regions formerly represented by the Merged Entities (the “Regions”) with a minimum of three directors from each of the Regions and without regard to any term limits in effect for directors of the individual merged entities.

SECTION 3.4. Term. Following the transition period specified in Section 3.3, the term of office of each director, excluding ex-officio directors, shall be three (3) years with any director eligible for re-election, provided that no director shall serve more than three consecutive terms, except that the board may extend the term of any director elected as president, first vice president or second vice president so that such director’s term will not expire until one year following his or her completion of his or her service as president in order to allow for the succession stated in Sections 5.8 and 5.9 of these bylaws. All terms shall end at the annual meeting in which the term expires. Directors shall be elected with three classes each year, staggered in such a way as to ensure continuity of membership.

SECTION 3.5. Nominations. In the event a director resigns before his or her term has been completed, the Board Recruitment committee of the board of directors shall decide whether or not to nominate a replacement for that director at the next meeting of the board of directors. The Board Recruitment committee will prepare a list of nominees to be added to the board for a first three-year term at the annual meeting. The list of nominees shall be sent to each director not fewer than ten (10) days, nor more than fifty (50) days prior to the meeting at which the election is to be held. Additional nominations may be made by any director and presented at such meeting.

SECTION 3.6. Election. Election of directors of the corporation shall be at the annual meeting of the directors.

SECTION 3.7. Resignation. Any director may resign at any time by giving written notice of such resignation to the board of directors. Such resignation shall take effect at the time specified therein and acceptance shall not be necessary to make it effective.

SECTION 3.8. Attendance. Directors shall attend meetings unless excused by the President for good cause shown. Any director failing to attend two (2) unexcused duly scheduled meetings per year may, at the majority vote of the board of directors, be removed from office.

SECTION 3.9. Vacancies. Any vacancy in the board of directors during the year may be filled for the unexpired portion of the term by the board of directors then serving, although less than a quorum, by affirmative vote of the majority thereof.

SECTION 3.10. Emeritus Directors. The Board Recruitment Committee may nominate an Emeritus Director to be voted upon and elected by a majority of the Board, subject to the following qualifications:

- 1) The nominee shall have served nine (9) or more years as a director of the Friends Board.
- 2) The nominee shall express interest in becoming an Emeritus Director.
- 3) When elected the Emeritus Director shall maintain a current financial membership of The Friends of Idaho Public Television, either as an individual or a family membership.

An Emeritus Director may be invited to attend one (1) annual event in connection with the Annual Board Meeting to be recognized as an Emeritus Director. An Emeritus Director may provide assistance with events and activities in the Emeritus Director's geographical area, at the discretion of the Board. An Emeritus Director may provide assistance from time to time, at the discretion of the Board. An Emeritus Director is a non-voting director, and is not expected to attend Board Meetings. The Emeritus Director will be listed on the Board Roster and Letterhead of The Friends of Idaho Public Television.

SECTION FOUR **MEETINGS**

SECTION 4.1. Annual Meeting. The annual meeting of directors shall take place within ninety (90) days after the close of each fiscal year or at such time as the directors may by resolution select. At the annual meeting, the directors shall elect directors, elect officers and transact such other business as may be brought before the meeting.

SECTION 4.2. Special Meetings. Special meetings of the board of directors may be called by the president and must be called by the president on written request of three (3) or more directors.

SECTION 4.3. Notice of Meetings. Notice stating the place, day, and time of any director's meeting, and in case of a special director's meeting, the purpose or purposes for which the meeting is called, shall be delivered not fewer than ten (10) nor more than fifty (50) days before the date of the meeting either personally, by U.S. Mail or by such electronic means (e.g. fax, e-mail) as may be agreed by each director. Such notice shall be directed to each director at the address as it appears on the books or records of the corporation, unless they have filed with the secretary of the corporation a written request that notices shall be provided to another address or by another means designated on such request. In any case, notices shall be deemed delivered when they are deposited in the United States mail or otherwise processed for electronic transmission delivery such as by fax transmission and/or email.

SECTION 4.4. Quorum. At all meetings of the board of directors, one half (1/2) of the elected board of directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the board present at any meeting at which there is a quorum shall be the act of the board of directors except as may be otherwise specifically provided by statute or by these bylaws. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time without further notice to any absent directors as the case may be.

SECTION 4.5. Power to Appoint Executive Committee. The board of directors may appoint an executive committee consisting of the elected corporation officers and, as an ex-officio non-voting member, the general manager of IdahoPTV. The executive committee, to the extent provided by resolution and subject to applicable state and federal laws and regulations, shall have and exercise the authority of the board of directors in the management and affairs (including power to invest monies) of the corporation between meetings of the board. All provisions of the bylaws shall apply to the executive committee in the same manner and to the same extent as they apply to the board of directors.

SECTION 4.6. Special Telephone Meetings. Special meetings of the board of directors may be called by or at the request of the president of the board or any director if such special meeting is held by conference call or by Idaho Public Television teleconference and a quorum directors are present for such telephone/conference meeting.

SECTION 4.7. Action in Meetings. Any actions which might be taken at a meeting of the board of directors may be taken without a meeting if a record or memorandum thereof be made, in writing and signed by all directors of the board as the case may be.

SECTION 4.8. Regular Meetings. The Board of Directors will meet not fewer than four (4) times a year at approximately three-month intervals. One of these will be the Annual Meeting. Meetings may be held at any location within the state of Idaho. Directors are encouraged to travel to various locations if possible. In order to provide an opportunity for the cultivation, recognition and stewardship of friends of IdahoPTV, all locations will be connected at each meeting by telephone or videoconferencing.

SECTION FIVE **OFFICERS**

SECTION 5.1. Number. The officers of the corporation shall be president, first vice president, second vice president, secretary, treasurer, and such other officers with such other powers and duties not inconsistent with the bylaws as may be appointed and determined by the board of directors.

SECTION 5.2. Nominations. Officers shall be elected from a slate prepared by the Board Recruitment committee. The slate shall be sent to each director at least twenty-one (21) days before the annual meeting of directors. Additional nominations may be made in

writing by at least three (3) cooperating directors. All nominations must be received by the chairperson of the Board Recruitment committee at least seven (7) days before the annual meeting in order to be considered at such meeting. The directors shall be presented with the slate for election.

SECTION 5.3. Election, Term of Office, and Qualifications. The president, first vice president, second vice president, secretary and treasurer shall be elected from such slate annually by the board of directors from among their members and the other officers shall be so elected from such slate annually by the board of directors from among the board membership as the board of directors may see fit, at each annual meeting of the board of directors; provided, however, that the initial officers of the corporation shall be elected at a special meeting of the board of directors called for that purpose. The General Manager of Idaho Public Television shall provide such administrative support to the secretary as may reasonably be requested. The President and each Vice President will reside in different Regions. Each officer elected shall serve until the next annual meeting of the board of directors, and/or the election and qualifications or his/her successor, but the President and both Vice Presidents will serve a single consecutive one-year term.

SECTION 5.4. Vacancies. In case of any office or board position of the corporation becomes vacant by death, resignation, retirement, disqualification, or any other cause, the majority of the board then in office, although less than a quorum, may elect an officer to fill such vacancy from a slate submitted by the nominating committee and the officer or director shall hold office and serve until the election and qualification of his/her successor.

SECTION 5.5. Removal. Any officer may be removed by the board of directors at any meeting thereof.

SECTION 5.6. Resignation. Any officer may resign by giving written notice to the board of directors, to the president, or to the Idaho Public Television general manager. Such resignation shall take effect at the time specified therein and acceptance shall not be necessary to make it effective.

SECTION 5.7. President. The president shall preside at all meetings of the board of directors and the executive committee. He/she shall have and exercise general charge and supervision of the officers of the corporation and shall do and perform such other duties as may be assigned to him/her by the board of directors. He/she shall appoint all committee chairpersons except the Endowment Committee and the Executive Committee, and shall serve ex-officio on all committees. He/she may sign any appropriate documents or papers of the corporation. The president shall have the general duties and powers of supervision and management usually vested in the office of president of a corporation.

SECTION 5.8. First Vice President. In the absence or disability of the president, the First Vice president shall perform all the duties of the president and in so acting shall have all the powers of the president. The First Vice president shall have such powers and duties as may be prescribed from time to time by the board of directors. In the usual course, the

First Vice President will be nominated as the President in the year following his or her service as First Vice President.

SECTION 5.9. Second Vice President. In the absence or disability of the president and the First Vice President, the Second Vice President shall perform all the duties of the president and in so acting shall have all the powers of the President. The Second Vice President shall have such powers and duties as may be prescribed from time to time by the board of directors. In the usual course, the Second Vice President will be nominated as the First Vice President in the year following his or her service as Second Vice President.

SECTION 5.10. Secretary. The secretary shall have charge of such books, documents, and papers as the board of directors may determine. He/she shall attend and keep the minutes of all meetings of the board of directors. He/she shall keep a record, containing the names, alphabetically arranged, of all persons who are directors, showing their mailing addresses, and such book shall be open for inspection as prescribed by law. He/she may sign any appropriate documents or papers of the corporation, and when so authorized or ordered by the board of directors, he/she may affix the seal of the corporation. He/she shall, in general, perform all the duties incidental to the office of secretary, subject to the control of the board of directors, and shall do and perform such other duties as may be assigned to him/her by the board of directors.

SECTION 5.11. Treasurer. The treasurer shall have charge of all funds, property, and securities of the corporation, subject to such regulations as may be imposed by the board of directors. He/she may be required to give bond for the faithful performance of his/her duties, in such sum and with such sureties as the board of directors may require. When necessary or proper, he/she may endorse on behalf of the corporation for collection checks, notes, and other obligations, and shall deposit the same to the credit of the corporation at such bank or banks or depository as the board of directors may designate. He/she shall sign all receipts and vouchers and, together with such other officer or officers, if any, as shall be designated by the board of directors, he/she shall sign all checks of the corporation and all bills of exchange and promissory notes issued by the corporation, except in cases where the signing and execution thereof shall be expressly designated by the board of directors or by these bylaws to some other officer or agent of the corporation. He/she shall make such payments as may be necessary or proper to be made on behalf of the corporation. He/she shall enter regularly on the books of the corporation to be kept by him/her for that purpose, full and accurate account of all monies and obligations received and paid or incurred by him/her for or on account of the corporation, and shall exhibit such books at all reasonable times to any board member on application at the offices of the corporation. He/she shall furnish a financial statement at each meeting of the board of directors. He/she shall, in general, perform all the duties incidental to the office of treasurer, subject to the control of the board of directors, and the Treasurer shall chair the Endowment Committee.

SECTION 5.12. Compensation. Directors shall not receive any compensation for their services, but by resolution of the board, a reasonable sum for expenses of attendance may be allowed for attendance at each regular or special meeting of the board. No officer shall receive compensation for serving as an officer of the corporation.

SECTION SIX
STANDING COMMITTEES

SECTION 6.1. Enumeration and General Rules. Committees to help in carrying out the work of the Corporation will be appointed as necessary by the President. The following are the Standing Committees: Advocacy, Board Recruitment, Endowment, Executive, and Marketing/Development. Standing Committees shall meet at least quarterly, either in association with Director's meetings or at other times. Every director will serve on at least one standing committee. The Board Recruitment committee will recommend to the Executive committee the committee assignments for new directors based on the preference expressed by the new board director, geographic representation, past experience of the director, critical needs of the board, and size of the existing committees. New board directors will be contacted to confirm their interest in the committee prior to making the recommendation to the Executive committee. The Executive committee will make the appointment to the committee(s) and notify the board director. Directors may serve on more than one committee. Committee members may participate in meetings electronically as necessary. The Board may elect persons to serve on the committees who are not directors of the Board of Directors in a number not to exceed a majority of that committee. The General Manager of IdahoPTV shall designate IdahoPTV employees and others, with the President's consent, to provide support and other administrative services for all committees in a manner consistent with the provisions of any operating agreement between the corporation and IdahoPTV.

SECTION 6.2. Executive Committee. There shall be an executive committee, composed of the officers, which shall have the powers of the board of directors between meetings. The actions of the executive committee shall be submitted to the board for ratification at its next meeting.

SECTION 6.3. Advocacy. To develop and implement strategies for supporting the mission and service of IdahoPTV before lawmakers and the general public through testimony before local, state and national legislative committees, meeting with lawmakers, developing a volunteer speaker's bureau, providing volunteer support for Idaho Public Television, and such other measures as may help to advance the Idaho Public Television mission through advocacy.

SECTION 6.4. Board Recruitment. To recommend policies on director participation, giving, and involvement, to facilitate a periodic review of Board performance at least every three years, to conduct Board planning and director training, and to present slates of officers and directors at the Annual Meeting of the Board of Directors that represent

diverse people and geographic regions and meet the mission of the Corporation in the roles of advocacy, board recruitment, endowment, and marketing/development. This committee will organize Board trainings, retreats, and strategic planning.

SECTION 6.5. Endowment Committee. The Endowment Committee shall be chaired by the Treasurer of the Board and will include the General Manager of IdahoPTV as a non-voting ex-officio member. The committee will implement financial and fiscal policy consistent with all applicable regulatory requirements for all funds donated to the corporation for the support of Idaho Public Television by individuals, corporations, or foundations, make such funds available to Idaho Public Television on a timely basis, and satisfy itself that contributed funds are properly disbursed. It will regularly report on the status of receipts, funds, and investments to the Board of Directors. The Endowment Committee shall have charge of funds held by the Corporation or any appurtenant Foundation.

SECTION 6.6. Marketing/Development. The Marketing/Development committee will include as an ex-officio, non-voting member the Marketing/Development Director of Idaho Public Television. This committee will identify and develop financial support for Idaho Public Television from individuals, corporations, and foundations through peer identification and review, cultivation, stewardship, gift solicitation, and such other measures as may help to advance the Idaho Public Television mission through funds development.

SECTION 6.7. Special Committees. Special committees shall be appointed by the president with the approval of the executive committee which shall designate their powers and term of each committee's appointment.

SECTION SEVEN VOTING STOCK HELD BY THE CORPORATION

Unless other wise ordered by the board of directors, the president shall have full power and authority on behalf of the corporation to vote either in person or by proxy at any meeting of stockholders of any corporation in which this corporation may hold stock, and at any such meeting may possess and exercise all of the rights and powers incidental to the ownership of such stock with which, as the owner thereof, this corporation might have possessed and exercised if present. The board of directors may confer like powers upon any other person and may revoke any such powers as granted at its pleasure.

SECTION EIGHT FISCAL YEAR

The fiscal year of the corporation shall commence on July 1 of each year and end on June 30.

SECTION NINE
PROHIBITION AGAINST SHARING OF CORPORATE EARNINGS

No board member, officer of, employee of, or member of a committee or person connected with the corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation; and no such person or persons shall be entitled to share in the distribution of any of the corporation assets upon the dissolution of the corporation. All directors of the corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the corporation, whether voluntary or involuntary, the assets of the corporation, after all debts have been satisfied, then remaining in the hands of the board of directors shall be distributed, transferred, conveyed, delivered and paid over, in such amounts as set forth in SECTION VII of the Restated Articles of Incorporation.

SECTION TEN
INDEMNIFICATION

No director of the Board of Directors and no officer duly appointed by the Board shall have any personal liability for acts performed in his official capacity in good faith, nor shall any such director or officer be liable for nonfeasance or misfeasance in the performance of his duties, but only in case of malfeasance. The corporation shall indemnify the directors of its Board of Directors, its officers, and agents against any and all expenses and liabilities, including attorney's fees and other costs, which they or any of them incur in connection with any suit or suits which may be brought against them or any of them involving or pertaining to any of their official acts or duties (which it be alleged that such acts are ultra vires or otherwise), provided only that in such suit or suits no personal liability is finally established against them incident to any act of malfeasance on their part. This provision shall not be deemed to prevent compromise of any such litigation when such compromise is deemed advisable.

SECTION ELEVEN
EMPLOYEES

The corporation shall have no employees. At the discretion of the board, it may contract for the administrative and other services necessary to maintain its affairs from Idaho Public Television or from outside agencies, professionals, institutions or consultants.

**SECTION TWELVE
AMENDMENTS**

Amendments to these Bylaws shall be approved by a two-thirds majority vote of the directors of the Board: 1) at any meeting, provided that notice of consideration of the proposed amendment has been given at least seven calendar days in advance of the meeting or 2) by email or written ballot.

**SECTION THIRTEEN
DISSOLUTION**

The corporation shall not be dissolved except following the favorable vote of two-thirds of the directors having voting rights at a meeting duly called for the purpose. Upon dissolution all assets belonging to the corporation, after due provision for any liabilities then outstanding and unpaid, shall be paid first to any successor corporation and if none to Idaho Public Television or its successor in interest, if any. If Idaho Public Television is no longer in existence and has no successor in interest, then the net assets shall be paid over to the Idaho State Board of Education to provide public television broadcasting services to the residents of Idaho.

Revision History:
January 22, 2008
May 21, 2013
August 20, 2013
November 14, 2013
February 18, 2014
November 18, 2014
May 26, 2015
August 14, 2017
November 19, 2019

The Friends of Idaho Public Television, Inc.

Conflicts of Interest Policy

A. **Purpose.** The purpose of this Conflicts of Interest Policy is to protect The Friends of Idaho Public Television, Inc.'s ("Friends of IPTV") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or committee member of the Friends of IPTV. Such transactions may include services provided by the Friends of IPTV, purchase of services and/or tangibles from a vendor; and/or access to specialized or privileged information which can be used for personal gain. This policy is intended to supplement but not replace any Idaho laws governing conflicts of interest applicable to nonprofit and charitable corporations.

B. **Applicability.** This Policy applies to any transaction or arrangement between the Friends of IPTV and any "interested person".

An "interested person" is a director, officer or member of a committee with board-delegated powers who has a direct or indirect "financial interest".

A "financial interest" is:

1. An ownership or investment interest in any entity with which the Friends of IPTV has a transaction or arrangement;
2. A compensation arrangement with the Friends of IPTV or with any entity or individual with which the Friends of IPTV has a transaction or arrangement; or
3. Being an officer, director, employee or agent of any entity or individual with which the Friends of IPTV has a transaction or arrangement.

Compensation includes direct and indirect remuneration and gifts or favors which are substantial in nature.

C. **Determination of a Conflict of Interest.** With respect to any proposed transaction or arrangement between the Friends of IPTV and any entity or individual being considered by the board of directors or any committee with board-delegated powers:

1. Any interested person shall disclose any financial interest and all material facts related thereto to the board or committee as soon as the interested person becomes aware of a possible conflict of interest.
2. Upon the disclosure by an interested person of a financial interest and all material facts relating thereto and discussion with the interested person, he or she shall leave the meeting while the remaining members of the board or committee discuss the matter and determine, by majority vote without the interested person voting,

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whether or not the financial interest of the interested person constitutes a conflict of interest.

D. Addressing a Conflict of Interest. If a conflict of interest is determined to exist, then the board or committee shall:

1. Require the interested person to leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest; provided, however, that the interested person may make a presentation at the meeting prior to leaving;
2. Appoint, if it deems appropriate, a non-interested person or committee to investigate alternatives to the proposed transaction or arrangement; and
3. Determine, by a majority vote without the interested person voting, that the transaction or arrangement is in the Friends of IPTV's best interests and for its own benefit; is fair and reasonable to the Friends of IPTV, and, after exercising due diligence, determine that the Friends of IPTV cannot obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances.

Any interested person who violates this Conflict of Interest Policy shall be subject to appropriate discipline, including removal from office.

E. Recording Conflicts of Interest. The minutes of all board meetings and the meetings of all committees with board-delegated powers shall include:

1. The names of the persons who disclose financial interests, the nature of the financial interests and whether the board or committee determined that there was a conflict of interest; and
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement; the content of these discussions, including any alternatives to the proposed transaction or arrangement; and a record of the vote.

F. Distribution of Conflict of Interest Policy.

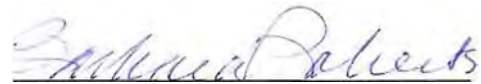
1. At the first board meeting following the annual board meeting, and at the first meeting of each committee with board-delegated powers following the annual board meeting, a copy of the Friends of IPTV's current Conflicts of Interest Policy shall be distributed to all directors and committee members.
2. On or before the date of the second board or committee meeting following the annual board meeting, each director and committee member shall sign and return to the secretary of the board a written statement that he or she:
 - a. Has received a copy of the Conflicts of Interest Policy;
 - b. Has read and understands the Policy;

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- c. Agrees to comply with the Policy;
- d. Understands that the Policy applies to all committees and subcommittees having board-delegated powers; and
- e. Understands that the Friends of IPTV is a charitable organization and that in order to maintain its tax-exempt status, it must continuously engage primarily **in** activities which accomplish one or more of its tax-exempt purposes.

G. Periodic Reviews. At the first board meeting following the annual board meeting, and at the first meeting of each committee with board-delegated powers following the annual board meeting, and at such other times as the board or committee may deem appropriate, the board or committee shall conduct a review of the Friends of IPTV's activities to ensure that the Friends of **IPTV** is operating in a manner consistent with accomplishing its charitable purposes and that its operations do not result **in** private inurement or impermissible benefit to private interests.

Adopted by the Board of Directors of The Friends of Idaho Public Television, Inc. on February 6, 2009.

A handwritten signature in blue ink, reading "Barbara Roberts", is written over a horizontal line.

Barbara Roberts, Secretary

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The Friends of Idaho Public Television, Inc.

Conflicts of Interest Statement

The undersigned hereby states that he or she is an officer, director or committee member of The Friends of Idaho Public Television, Inc. ("Friends of IPTV") and that he or she:

- a. has received a copy of the Friends of IPTV's Conflicts of Interest Policy;
- b. has read and understands the Policy;
- c. agrees to comply with the Policy;
- d. understands that the Policy applies to all committees and subcommittees having board-delegated powers;
- e. understands that the Friends of IPTV is a charitable organization and that in order to maintain its tax-exempt status, **it** must continuously engage primarily in activities which accomplish one or more of its tax-exempt purposes; and
- f. recognizes the need to maintain confidentiality regarding information he or she might receive as an officer, director or committee member regarding the activities of the Friends ofIPTV.

The undersigned hereby states that, to the best of his or her knowledge and belief, he or she is not in a position of possible conflict of interest with the Friends of IPTV except as stated below:

<u>Name of Organization</u>	<u>Position Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dated: _____

20_____

Signature