

THE LAKESIDE CHAUTAUQUA FOUNDATION BY-LAWS

ARTICLE I – NAME

Section 1. Name. The name of this organization shall be The Lakeside Chautauqua Foundation.

Section 2. Status. The organization is a corporation not for profit organized under the laws of the State of Ohio. It is a tax-exempt organization as defined by Section 501 (c) (3) of the United States Internal Revenue Service Code.

ARTICLE II – PURPOSE

Section 1. Purposes: The Lakeside Chautauqua Foundation (“Foundation”) is organized as a not for profit under the laws of the State of Ohio and in accordance with Section 501(c)(3) of the Internal Revenue Code as a supporting organization under Section 509(a)(3) exclusively to carry out the purposes of and benefit The Lakeside Association, an Ohio nonprofit corporation, which is a public charity under Section 501(c)(3) of the Internal Revenue Code. This includes the following purposes:

- a) To grow current – and identify alternative – funding sources in support of the Lakeside Association through:
 - the annual fund;
 - major, capital and renovation gifts for the facilities and grounds;
 - private, corporate and government grants; and,
 - planned giving via bequests, annuities, endowments and other deferred giving vehicles.
- b) To serve as the custodian and manager of long-term endowment funds and annuity accounts.
- c) To provide oversight and accountability for funds raised, funds distributed and results achieved.
- d) To exercise leadership and provide education and technical assistance to Lakeside volunteers regarding development and fundraising programs and efforts.

The Foundation is a tax-exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code and the IRS has determined that the Foundation is a Type I supporting organization pursuant to Section 509(a)(3) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. These Bylaws shall be interpreted consistent with such tax classification.

Section 2. Objectives – The Foundation Board shall develop objectives to support the above purposes in collaboration with the Board of Directors of the Lakeside Association and shall be responsible for developing strategies to achieve those objectives.

ARTICLE III – MEMBERSHIP

Section 1. Designation. The sole member of the Foundation shall consist of The Lakeside Chautauqua Association (Member).

Section 2. Meetings. The annual meeting of the Member shall be held at such date, time, and place within the 12 months following the end of the fiscal year of the Foundation as may be fixed by the Member and as stated as in the notice of the meeting.

Section 3. Place of Meeting. The meeting of the Member shall be held at the principal office of the Member, unless the Member determines that the meeting shall be held at some other place, and notice shall be given.

Section 4. Reports. The Member from time to time may establish requirements for the Foundation to report to the Member on various aspects of its operation, said requirements specify the nature of the reports and the date of their delivery.

ARTICLE IV – BOARD OF DIRECTORS

Section 1. Directors. – Foundation Board of Directors (“Board” or “Board of Directors”) shall be composed of not less than seven voting directors (each, a “Director”):

- a) Directors will be arranged in classes to allow for one-third to be elected each year.
- b) Except with respect to the Directors set forth in subsections (d) and (e) below, the Member shall be entitled to appoint all Directors of the Foundation’s Board of Directors pursuant to the procedures set forth in Article IV, Section 4. .
- c) The Chairperson of the Foundation will also serve as a board member on the Lakeside Association Board of Directors (“LABD”). The Foundation Chairperson shall also serve on the Executive Committee of the LABD and the Foundation Chairperson or his or her designee shall also serve on the LABD Finance Committee.
- d) The Chairperson of the LABD shall serve as a director on the Foundation Board.
- e) In addition, the CEO/President, of the Lakeside Association and the chair of the finance committee of the LABD shall be ex-officio directors of the Foundation, but without vote.

Section 2. Qualifications. Each Director shall:

- a) Give written assent to the stated purpose of the Foundation;

- b) Support the Foundation through contributions to the Annual Fund and other projects;
- c) Have expertise and/or interest in fund-raising for non-profit organizations;
- d) Attend regular meetings of the Board of Directors and its subsidiary committees;
- e) Shall abide by the conflict-of-interest policy of the Foundation (see Article XIII – Conflicts of Interest herein).

Section 3. Terms of Office. The term of office for elected Board of Directors shall be three years beginning April 1. No member shall serve more than two consecutive terms. A person elected to fill an unexpired term shall be considered having served a full term if the unexpired term exceeded two years in length. A person having served two terms may become eligible for election again after a lapse of one year. At the discretion of the board an individual may carry over to a new term due to an ongoing project on a year-to-year basis.

Section 4. Selection of Board of Directors. Except as set forth in Section 1 above a slate of Board Members will be recommended for a position on the Board by the nominating committee as referred to in Article 7 herein. The nominating committee's recommendation of Board Members will be submitted to the Foundation Board of Directors for approval and recommendation to the Member Board for final approval. If the Member rejects any candidate, for a Board position, the nominating committee shall submit additional candidates to the Foundation Board for approval and recommendation to the Member Board for final approval.

Section 5. Vacancies. Vacancies for voting members of the Board of Directors will be filled upon nomination of its nominating committee and election by the Board pursuant to the procedures set forth in Section 4 above.

Section 6. Removal. A Director may be removed by his or her own request or will be considered to have resigned if he or she has failed to attend at least one-half of the regularly called Board meetings in a calendar year. The Secretary will acknowledge the failure of a Director to attend the required number of meetings at the first meeting of a new year and that vacancy will be referred to the nominating committee for replacement, unless the Board, by a majority vote of those present and voting, determines that the individual may remain on the board. A Board member may be removed for any reason by a majority vote of the Directors.

ARTICLE V – OFFICERS

Section 1. Officers. The officers of the Foundation shall be the Chairperson, Vice-Chairperson, Secretary, and Treasurer.

Section 2. Election and Term. Officers shall be elected from among the voting Directors of the Board of Directors at the final meeting of a calendar year for one-year terms to begin January 1 of the ensuing year.

Section 3. President/CEO. The President/CEO of the Lakeside Association shall serve as the President/CEO of the Foundation

Section 4. Vacancies. A vacancy in any office shall be filled by appointment of the Chairperson except that the Vice Chairperson shall succeed to the office of Chairperson.

ARTICLE VI – DUTIES OF OFFICERS

Section 1. Chairperson. The Chairperson shall preside at all meetings of the Board of Directors. The Chairperson shall give leadership to the board and appoint standing and special committees. The Chairperson shall confer regularly with the President/CEO and with the Senior V.P. of Advancement & Communications. The Chairperson shall perform all other duties usually incident to the office and such other duties as may from time to time be required by the Board.

Section 2. Vice Chairperson. The Vice Chairperson shall perform the duties of the Chairperson in the event of the Chairperson's absence or inability to act and shall perform such other duties as may be assigned. The Vice Chairperson shall succeed to the office of Chairperson if that office becomes vacant.

Section 3. President. The President/CEO shall work with the Board Chairperson and V.P. of Development to oversee and manage and carry out the purpose and operation of the Foundation.

Section 4. Secretary. The Secretary shall keep an accurate record of the decisions of the Board of Directors and see that copies of such records are maintained in the main office of the Lakeside Association. The Secretary shall see that notices of Board of Directors meetings are issued in a timely fashion. The Secretary shall perform such other duties usually incident to this office or which the Board of Directors may assign.

Section 5. Treasurer. The Treasurer shall be responsible for the custody of all funds and investments including all savings, checking and investment accounts. The Treasurer will consult regularly with the CFO of Lakeside Association and shall see that pertinent financial reports are made at each meeting of the Board of Directors. In addition, the Treasurer will see that monthly reports pertinent to the Foundation will be mailed or e-mailed to the Directors.

ARTICLE VII – DUTIES OF THE BOARD OF DIRECTORS

Section 1. Responsibilities. The Board of Directors shall govern the Foundation by exercising such responsibilities as managing the investment and use of the funds of the Foundation, adoption of fundraising strategies, following Foundation by laws and provisions, and working with the LABD and the Lakeside Association and staff regarding use of Foundation funds for the benefit of Lakeside.

It is understood that Foundation funds will be used to support the mission and vision of the Lakeside Association; however, such requests for funding, including the annual draw of funds, shall be subject to approval by a vote of the Foundation Board in accordance with its

fiduciary responsibility to monitor and safeguard the endowment funds of Foundation both in the short and long term.

Section 2. Regular meetings. There shall be four regular meetings of the Board of Directors held annually. The Chairperson shall establish the specific dates and communicate them to the Board within thirty days after the final regular meeting of the calendar year.

Section 3. Special meetings. Special meetings may be called by the Chairperson or the President/CEO and shall be called or upon on the written request of three Directors, voting or non-voting. The Chairperson shall determine if special meetings will be convened at Lakeside, Ohio, or another location. All duly convened meetings must be accessible for attendance by conference call or other electronic communication.

Section 4. Notice of meetings. Notice of time and place of regular meetings shall be given by e-mail, or by private courier service, or by mail to all Directors at their regular address within thirty days after the final regular meeting of the calendar year. Notice of special meetings shall ordinarily be given by e-mail, or by private courier service, or by mail, or telephone at least one week prior to the meeting but in the event of emergency at least forty-eight hours prior. The notice of special meetings shall contain the time, place, and purpose of the meeting and no action shall be taken which is not consistent with the stated purpose.

Any Director may waive notice of a special meeting. The Director's attendance at any meeting is a waiver of the notice of the meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any Board meeting need be specified in any notice or waiver of notice of such meeting, unless specifically required by law.

Section 5. Annual Meeting. At the final regular meeting of the calendar year, officers and Directors shall be elected, the budget adopted, and such other business transacted as will give direction for the ensuing year.

Section 6. Quorum. At all meetings of the Board of Directors, votes require the presence of a 2/3 quorum of voting members at a validly called meeting. If death, resignation, removal or other cause has taken a Director, the 2/3 quorum refers to 2/3 of the remaining number of voting Directors.

Section 7. Participation and Decisions. Directors may participate and may vote electronically if a system is in place to assure that the transmission was authorized by, and accurately reflects the intention of, the Director involved and, with respect to meetings, allows all persons participating in the meeting to contemporaneously communicate with each other. Decisions will be made by a 51% majority of voting members present at a validly called meeting at which a quorum is present. In the case of telephone conference calls, all members will be asked to communicate their vote after the meeting to the secretary by mail or electronic communication to avoid confusion resulting from unclear connections.

Section 8. Task Groups. From time to time, the Board may form special or ad hoc task groups as may be needed. If the Board does not choose to name members, the Chairperson will appoint members of these task groups.

ARTICLE VIII – NOMINATING COMMITTEE

Section 1. Membership. There shall be a Nominating Committee composed of three members of the Board of Directors appointed by the Chairperson. Members may serve only two years and a year must elapse before being eligible for reappointment. Vacancies shall be filled by appointment of the Chairperson. The Committee will elect its own chairperson. The Chairperson of the Foundation will be an ex-officio member without vote. Meetings may be held via telephone or online computer conference call.

Section 2. Duties. It shall be the duty of the Nominating Committee to:

- (a) Present a single slate of officer nominees, along with pertinent biographical data for officers;
- (b) Present a single slate of nominees for an appointment for a second term and for new Directors, along with pertinent biographical data for new Directors to be approved by the Board.

The slate for all positions to be acted on at the final regular meeting of the calendar and shall be mailed or emailed to members of the Board of Directors with notice of the meeting at least one week in advance. All votes by the Board require a 2/3 quorum of voting members present at a validly called meeting.

ARTICLE IX – STANDING COMMITTEES

In addition to the Nominating Committee, there shall be the following standing committees:

Section 1. Funding Committee. There shall be a committee, named by the Chairperson which shall work with the President/ CEO and Senior V.P. of Advancement & Communications to develop recommendations to the Board regarding the raising of funds for the Foundation through contributions to the Annual Fund Campaign, capital gifts, grant applications, bequests and other deferred giving.

Section 2. Investment Committee. There shall be a committee, appointed by the Chairperson which shall develop investment strategies, oversee investments and make recommendations to the Board regarding investment of the long-term endowment funds of the Foundation and such other funds as may come under its stewardship..

Section 3. Additional Committees. The Board may authorize such other committees as it may deem necessary to fulfill its responsibilities.

ARTICLE X – FISCAL AFFAIRS

Section 1. Fiscal Year. The fiscal year shall be the same as that of the Lakeside Association.

Section 2. Records. The Foundation shall maintain its own books, accounts, and financial records independent of the Lakeside Association records. The Lakeside Association may provide the financial resources required to achieve the financial management of the Foundation. The Foundation shall reimburse the Association for its costs in providing such resources.

Section 3. Reporting. The Foundation will make a report at each scheduled meeting of the Board of Directors of the Lakeside Association stating its financial status, including an enumeration of each fund under its keeping.

Section 4. Audit. All books and accounts of the Foundation will be audited annually by an independent certified public accountant. The report will be sent to the Foundation Chairperson and the Chairperson of the Finance Committee of the Board of Directors of the Lakeside Association within seven days after its completion. A copy of the audit shall be on file in the offices of the Lakeside Association where it will be available for review by donors and others who are interested in the ongoing life of the Lakeside Association. The LABD shall vote to accept the Audit Report.

ARTICLE XI – DECISION MAKING AND RECORDING OF THE MINUTES

Section 1. The parliamentary authority for the conduct of business by the Board shall be the current edition of Robert’s Rules of Order, Newly Revised. The Chairperson may choose to guide most decision-making processes based on consensus-building rather than majority vote. Returning to Robert’s Rules of Order will be done upon the request of any voting Director.

The Secretary shall distribute minutes of each meeting by mail or e-mail to members of the Board within seven days of the end of each meeting. Failure to object to the minutes of the meeting within 14 days constitutes acceptance of said minutes by all members. Objections shall be made to the Secretary by mail or e-mail. The Secretary may choose to modify the minutes or if the Secretary and Directors are ultimately in disagreement as to the correctness of the minutes, these objections shall be handled at the beginning of the next board meeting.

ARTICLE XII - INDEMNIFICATION

Section 1. Indemnity. The Foundation shall indemnify its Directors, officers, employees and agents, and the heirs, executors and administrators (hereafter collectively “Indemnitees”) of such persons against all costs, expenses, judgments, damages settlements, and other liabilities, including attorney fees, reasonably incurred by or imposed upon the Director, officer, employee or agent in connection with any claim or proceeding to which he or she may be a party, or in which he or she may be made a party, or in which he or she may become involved by reason of being or having been

an indemnitees, and any settlement thereof, whether or not the individual is an indemnitee at the time such costs, expenses, judgments, damages, settlements or other liabilities may be incurred.

Section 2. Negligence or Misconduct. No indemnification shall be made in respect to any claim, issue, or matter as to which the Indemnitee is adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation unless, and only to the extent that, the court of Common Pleas or the Court in which such action or suit was brought determines, upon application, that, despite the adjudication of liability, but in the view of all the circumstances of the case, such a person is fairly and reasonably entitled to indemnity for such expenses as the Court of Common Pleas or such other Court shall deem proper.

Section 3. Maximum Indemnification. The foregoing right of indemnification shall be in addition to all rights to which any such Indemnitee may be entitled as a matter of law, and shall be in addition to any right of indemnification which the Foundation may, under the laws of Ohio, give and extend to its director, officer, employee or agent, it being the intent hereof that said Indemnitee be indemnified by the Corporation to the maximum extent legally permissible.

Section 4. Contract Rights. The rights conferred under this Article XII shall be deemed contractual and may not, by amendment of these regulations, be abrogated with respect to any director, officer, employee or agent, heir, executor or administrator's right to indemnification relating to actions which were taken prior to the time of such amendment.

Section 5. Insurance. The Foundation may, at its expense, purchase and maintain insurance or similar protection (including without limitation a trust fund, letter of credit or self-insurance) to protect itself and any Indemnitee under the law of the State of Ohio.

ARTICLE XIII - CONFLICTS OF INTERESTS

Section 1. Purpose. The purpose of this conflict-of-interest policy is to protect the Foundations' interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Foundation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations..

Section 2. Definitions.

(a) Interested Person. Any Director, officer, or Member of a Committee with Board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family.

(i) an ownership or investment interest in any entity with which the Foundation has or arrangement, or

(ii) a compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction sustains the burden of establishing that the contractor arrangement, or

(iii) a potential ownership or investment interest, in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction was fair and reasonable or arrangement, or

(iv) solicits funds from Foundation or Association donors for the benefit of a third party.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest has a conflict of interest only if the Board of Directors or appropriate Committee decides that a conflict of interest exists.

Section 3. Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature and all material facts to the Board of Directors or Committee Members considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after discussion with the interested person, he or she shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Committee Members shall decide if a conflict of interest exists.

(c) Procedures for Addressing Conflicts of Interest.

(i) An Interested Person may make a presentation at the Board or Committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

(ii) The chairperson of the Board or Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Board or Committee shall determine whether the Corporation can obtain a more advantageous transaction or

arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or Committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) Violations of the Conflicts of Interest Policy.

(i) If the Board or committee has reasonable cause to believe that a Member has failed to disclose actual or potential conflicts of interest, it shall inform such Member and provide that Member the opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the response of the Member and making such further investigation as may be warranted in the circumstances, the Board or Committee determines that the Member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Board and all committees with Board-delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement; the content of the discussion, including any alternatives to the proposed action or arrangement and a record of any votes taken in connection therewith.

Section 5. Annual Statements. Each Directors, officer or Member of a Committee with Board-delegated powers shall annually sign a statement which affirms that such person

- (a) has received a copy of the conflicts of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands that the Foundation is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes

Section 6. Periodic Reviews. To ensure that the Foundation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining; and
- (b) whether partnership and joint venture arrangements, and arrangements with management service organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the impermissible private benefit.

ARTICLE XIV-CONTRACTS, CHECKS, AND GIFTS

Section 1. Contracts. The Board may authorize any of the Foundation's officers or agents to enter into any contracts on the Foundation's behalf.

Section 2. Checks, Drafts and other Instruments. All checks, drafts and other instruments issued in the Foundation's name shall be issued and executed in accordance with fiscal policies adopted by the Board.

Section 3. Gifts. The Board may accept on the Foundation's behalf any contribution, gift, bequest, or device for the Foundation's general or special purposes but only as consistent with the Foundation's Gift Acceptance Policies and Procedures.

Section 4. Bonding. If requested by the Board, any person entrusted with the handling of funds or valuable property of the Foundation shall furnish, at the expense of the Foundation, a fidelity bond, approved by the Board, in such sum as the Board, in such sum as the Board shall prescribe.

ARTICLE XV – AMENDMENTS

Amendments to the By-Laws may be submitted to the Board of Directors at any meeting of the Board for recommendation of approval upon an affirmative vote of 2/3 of the Directors

present and voting, provided that the written copies of the proposed amendments are mailed to each member at least fifteen days prior to the meeting. If the recommendation for approval is passed by the affirmative vote 2/3 of the Directors, said recommendation for approval of the amendments shall be submitted to the Member for final approval.

ARTICLE XVI – USE OF ASSETS

No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to, its Directors, officers, or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt purposes. The Foundation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any provision of these Articles, the Foundation shall not carry on any other activities not permitted to be carried on by (1) a foundation exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (2) a foundation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States Internal Revenue Law.

ARTICLE XII – DISSOLUTION

Section 1. Transfer of Assets. In the event of the dissolution of the Foundation, all of its assets will be transferred to The Lakeside Association.

Section 2. Alternative Transfer. Upon the dissolution of the Foundation all of the remaining assets of the Foundation shall be distributed to the Lakeside Association as set forth in Section 1 above; provided, however that if the Lakeside Association has been dissolved or is no longer an organization that is tax-exempt under section 501(c)(3) of the Internal Revenue Code, all of the remaining assets of the Foundation shall be distributed only to one or more organizations created and operated for one or more exempt purposes, all of the foregoing within the meaning of Article III hereof and within the meaning of Section 501(c)(3) of the Internal Revenue Code, or shall be distributed to an agency of federal or state government exclusively for a public purpose. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

