

**BYLAWS OF THE
EAST TENNESSEE STATE UNIVERSITY RESEARCH FOUNDATION**

ARTICLE I: Purpose

The East Tennessee State University Research Foundation (hereinafter "Foundation") was formed to promote East Tennessee State University's (hereinafter "University") objectives of providing higher education, conducting research, providing public service, and assisting in economic development in Tennessee. In furtherance of these objectives, the Foundation will facilitate acquisition of sponsored research funds from public and private sources and manage such funds if requested to do so by the University, solicit donations to support activities of the Foundation, pursue appropriate legal protection for proprietary technologies developed through University research, hold and manage real and intellectual property assets on behalf of the University and promote commercialization of research products and transfer of University technologies to appropriate partners for their further development and commercialization.

ARTICLE II: Place of Business

The principal place of business of the East Tennessee State University Research Foundation shall be, 2109 West Market Street, Johnson City, Washington County, Tennessee, 37604. Other places of business may be designated by the Board of Directors as required.

ARTICLE III: Membership

The East Tennessee State University Research Foundation does not have members.

ARTICLE IV: Board of Directors

Section 1. General Powers. The Board of Directors of the East Tennessee State University Research Foundation shall exercise all powers described under the Tennessee Nonprofit Corporation Act, T.C.A. §48-51-101 *et seq.* All property and business of the Research Foundation shall be managed by the Board of Directors, who may appoint or employ such persons as may be necessary to assist in the management of Research Foundation property and business. Terms and conditions of any such appointment or employment shall be at the discretion of the Board, provided that these terms and conditions meet the requirements of Tennessee Board of Regents Policy Number 4:01:07:02. The Board of Directors shall also be responsible for developing policies and procedures concerning the operation of the Foundation including policies for solicitation, acceptance and management of grants, contracts and donations. These policies will meet the requirements of Tennessee Board of Regents Policy Number 4:01:07:02, excluding the requirements of provision 5.5 of such Policy.

Section 2. The masculine gender as used throughout these By-laws shall mean and include the feminine gender.

Section 3. The number of voting members of the Board of Directors shall be thirteen (13) or such other number as may be designated by resolution of a majority of the members of the Board of Directors, provided that the number of voting members shall never be more than fifteen (15) nor less than five (5).

Section 4. The first (founding) Board of Directors shall be composed of thirteen (13) voting members. The President of East Tennessee State University shall appoint the initial Board of Directors. The composition of the Board of Directors will be indicated herein below.

(a) Eight (8) members of the Board of Directors shall be employees of East Tennessee State University and shall include:

- i) The President of East Tennessee State University or his designee;
- ii) The Provost/Vice President of East Tennessee State University or his designee;
- iii) The Vice President for Health Affairs/Dean of Medicine or his designee;
- iv.) The Vice President for Business or his designee;
- iv) A member of the council of deans;
- v) Three faculty members with demonstrated research productivity;
- vi) The Vice Provost for Research and Sponsored Programs or his designee.

(b) Four (4) members of the Board of Directors shall not be employees of East Tennessee State University and shall be selected from individuals with expertise in banking, business, research, law or other fields relevant to the business of the Foundation. At least one (1) member of the Board of Directors who is not employed by East Tennessee State University shall be an alumnus of East Tennessee State University.

(c) The Executive Director of the Foundation shall serve as a non-voting, ex officio member of the Board of Directors.

Section 5. Procedures for appointment to the Board of Directors

(a) The Directors not specifically designated as members of the Board in these By-laws shall be appointed by and serve at the will and pleasure of the President of East Tennessee State University in his capacity as Chairman of the Board of Directors. The President may remove any Director for cause.

(b) With the exception of members of the Board of Directors who hold

membership because of position as listed in Section 4 (a), terms of members of the Board of Directors shall expire in alternate years such that no more than three members of the Board of Directors' terms of service shall expire in the same year. For the founding Board of Directors of the Foundation appointed by the president of East Tennessee State University, the representative of the East Tennessee State University Council of Deans shall have a one-year term. One of the faculty representatives shall have a one (1) year term, one shall have a two (2) year term and one shall have a three (3) year term. One (1) of the members of the Board of Directors who are not University employees shall have a one year term, two (2) shall have two year terms and one (1) shall have a three (3) year term.

(c) All subsequent terms shall be three years.

Section 6. Upon the death, extended illness, resignation, or other circumstances of termination of an individual Board member's service a similarly qualified individual shall be appointed by the Chairman of the Board of Directors to complete the un-expired term. The replacement appointment shall be made within 30 days of termination the Board member's service.

Section 7. Individual members of the Board of Directors may be appointed to serve successive terms.

Section 8. The Chair of the Board of Directors, or his designee, shall preside over all meetings of the Board of Directors.

Section 9. A Director shall not receive financial or other compensation for performance of his duties as a Director, but with prior approval of the President of the Foundation and Chair of the Board, may be reimbursed for any personal funds expended in the performance of his duties as a member of the Board of Directors.

ARTICLE V: Officers

Section 1. The Officers of the Research Foundation shall be the Chairman of the Board of Directors, the President of the Foundation, a Secretary, a Treasurer and the Executive Director of the Foundation. The Board of Directors shall, in its discretion, appoint or employ such additional Officers as may be necessary to conduct the business of the Research Foundation. Each officer so appointed shall hold office at the pleasure of the Board and shall exercise such powers and perform such duties as assigned by the Board.

Section 2. The President of East Tennessee State University shall serve as Chairman of the Board of Directors.

Section 3. Vice Provost for Research and Sponsored Programs shall serve as President of the Corporation.

Section 4. The Executive Director shall be appointed by the Chairman of the Board of Directors and shall report directly to the President of the Foundation and be responsible to the Board of Directors. Duties of the Executive Director are described in Section 9.

Section 5. The Secretary shall be a member of the Board of Directors and shall be elected by the Board of Directors. The Secretary will be responsible for taking and maintaining minutes of all Board of Directors meetings as well as for maintaining corporate records books, and for other duties as assigned by the Board of Directors.

Section 6. The Treasurer shall be a member of the Board of Directors and shall be elected by the Board. The Treasurer will serve as chief financial officer for the Foundation. The Treasurer will review monthly balance sheets prepared by the Executive Director, ensure that an annual budget is prepared and approved by the Board of Directors, arrange for annual external audits pursuant to TBR Policy 4:01:07:02, and perform other duties as assigned by the Board of Directors, and ensure that Federal tax returns and annual reports to the state are filed in a timely manner.

Section 7. The term of the Secretary and of the Treasurer shall be three (3) years. The Secretary and the Treasurer shall be eligible for reelection.

Section 8. If the office of any Officer becomes vacant by reason of death, resignation, removal, disqualification, or otherwise, the Board of Directors may elect a successor who shall hold office for the un-expired term.

Section 9. Duties of the Executive Director

(a) The Executive Director shall have and exercise general control and supervision over the financial and business affairs of the Research Foundation and shall perform such other duties and exercise such other powers as may be assigned to him by the Board of Directors as necessary for the continued operation of the Research Foundation. The Executive Director shall report directly to the President of the Foundation, and be responsible to the Board of Directors for the operation of all business and financial dealings of the operation of the Research Foundation. The Executive Director may be either: (1) an employee of the Research Foundation who receives compensation for services directly from the Research Foundation, or (2) an employee of East Tennessee State University.

(b) The Executive Director shall make an annual report to the Board of Directors with respect to the Research Foundation's property and business activities, and shall provide information to the Board of Directors as requested from time to time for review and consideration by the Board.

- (c) The Executive Director, Treasurer and Secretary of the Foundation may be compensated for their services at a rate determined and set by the Board of Directors.

ARTICLE VI: Committees

Section 1. The Board may establish standing or *ad hoc* committees as the Board may determine to be necessary to the Research Foundation, and such committees shall have the powers and duties prescribed to them by the Board of Directors.

Section 2. An act, or authorization of an act, by any committee created by the Board, within the authority delegated to it, shall be as effective as though the act were performed, or authorized to be performed, by the Board.

Section 3. The Board of Directors may, by resolution, establish an Executive Committee to supervise the immediate operation of the Research Foundation and resolve problems that may arise between meeting dates of the Board of Directors.

- (a) The Executive Committee shall be empowered with the authority given it by the Board of Directors, and shall exercise the authority given by the Board in dealing with matters that may arise between meeting dates of the Board of Directors.

- (b) The Executive Committee shall not have authority to recommend or elect Directors or to remove from office any officers or committee members appointed by the Board of Directors.

Section 4. Members of committees established by the Board of Directors need not be members of the Board and shall serve such terms as determined by the Board.

ARTICLE VII: Meetings of the Board

Section 1. The purpose of the meetings of the Board of Directors shall be to transact any and all business of the Research Foundation including but not limited to appointment of members of the Board of Directors, ratification of acts of the Board undertaken since the last meeting, ratification of acts of committees undertaken since the last Board meeting, and changes to the Research Foundation by-laws.

Section 2. Meetings of the Board of Directors of the East Tennessee State University Research Foundation shall be held at the principal office of the Research Foundation or at any such other place as chosen by a majority of the Board members.

Section 3. Board meetings shall be held semi-annually on the first Thursday of April and the first Thursday of September, except that special meetings may be called in the

time period between the annual meetings as needed to conduct the business of the Research Foundation. The Executive Director shall give notice of regular semi-annual meetings of the Board no less than five (5) business days in advance of such meeting, and no less than two (2) days in advance of special meetings.

Section 4. Requests for special meetings shall be given in writing to the Executive Director of the Research Foundation, and shall state the purpose for the special meeting. The Executive Director shall schedule a special meeting and provide the appropriate notice to the members of the Board of Directors, not less than seven (7) days nor more than sixty (60) days from receipt of the request.

Section 5. At a special meeting of the Board of Directors, the business transacted therein shall be limited to that which has been stated in the notice of the meeting provided to the members of the Board, unless a majority of the members of the Board of Directors agree to consider the additional business.

Section 6. If a number of members of the Board of Directors constituting a majority of the Board are present in person, a quorum shall exist for conducting the meeting. A valid meeting cannot be held if a quorum does not exist. The quorum must exist when the meeting is called, and will not be invalidated if some members of the Board of Directors leave before the meeting is adjourned.

Section 7. At a duly called meeting with a quorum, the vote of a majority of the Directors present shall determine the passage of any Research Foundation resolution or other business matter.

Section 8. Only those persons who are shown to be members of the Board of Directors in good standing on the day of any meeting of the Board shall be entitled to vote.

Section 9. Each director shall have one vote and each director may cast his/her vote on any question. In the absence of any director, another director may cast the absentee director's vote on that question only upon presentation of a signed proxy letter from the absentee director. For purposes of the quorum, a signed proxy letter on at least one question to be decided at that meeting shall substitute for physical presence of that director at that meeting.

Section 10. The Chair of the Board of Directors shall call and preside over all meetings.

Section 11. One or more directors may participate in a meeting of the Board by means of telephone, internet, videoconference, or other communication means, provided that the director(s) have access to all documents, visual aids, and discussion presented at the meeting, as well as full opportunity to participate in discussion of matters transacted at the meeting to the extent he/she desires.

Article VIII: NEGOTIABLE INSTRUMENTS

All checks, drafts, bills of exchange, notes, or other instruments or orders for the payment of money shall be signed in the name of the Foundation or, if made payable to the Foundation, may be endorsed for deposit to the credit of the Foundation, but such officer or officers, person or persons, as the Board of Directors may from time to time designate by resolution.

Article IX: CONTRACTS

The Board of Directors may authorize any officer or officers, agent or agents, in the name of and on behalf of the Foundation, to enter into, to execute, and to deliver deeds, bonds, mortgages, contracts, and other obligations or instruments that do not exceed \$50,000. Approval by a majority of the Board of Directors shall be required for any transaction exceeding \$50,000.

Article X: AMENDMENT OF BYLAWS

These bylaws may be amended, revised, or repealed upon majority vote by the Directors, at any meeting called, in the manner described herein, for such purpose.