

BYLAWS
OF
EAST TENNESSEE STATE UNIVERSITY FOUNDATION, INC.

ARTICLE I

MEMBERS

Section 1. Membership. All persons selected as members of the Foundation shall be approved by a majority of the Board of Directors of the Foundation. The membership shall be chosen from those persons who have evidenced a continuing interest in the University or who through past endeavors have distinguished themselves and who share in philanthropic work and the advancement of higher education.

Section 2. Meetings. The Annual Meeting of the membership shall normally be held at Johnson City, Tennessee, in May of each year (the day, hour, and place to be determined by the Chairman of the Board). At said Annual Meeting, a quorum will consist of one-fifth of the membership present in person or by proxy.

Section 3. Notice of Meetings. Notice of the time and place of all meetings shall be given by the Secretary to each member of the Corporation by mailing such notice not less than ten days before the day appointed for the meeting, addressed to the member as his address may appear on the records of the Corporation; provided, however, that any member may waive notice to him of any meeting.

Section 4. Termination of Membership. The Board of Directors by affirmative vote of two-thirds of all of the members of the Board of Directors may suspend or expel a member for cause after an appropriate hearing.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number. The Board of Directors shall consist of not less than 15 and no more than 30 elected from and by the membership. At the first election, the following terms with the number of Directors elected for each term shall prevail: a minimum of five Directors for a one-year term, a minimum of five Directors for a two-year term, and a minimum of five Directors for a three-year term. At all elections following the first, Directors shall be elected to a three-year term. Any Director who has served two consecutive three-year terms will be ineligible to succeed himself until an interval of one year has elapsed. In addition to the Directors elected from the membership, the President of East Tennessee State University, the President of the East Tennessee State University Alumni Association, the Chairman of the Tennessee Board of Regents or his designee, and two past Chairmen of the Board of the Foundation, one being the immediate past Chairman of the Board and the other appointed by the current Chairman of the Board, shall serve as full voting members of the Board of Directors. The persons holding the following positions shall also be full voting members of the Board of Directors: the President/CEO of the Foundation and the Chief Financial Officer of the University, if different persons.

Section 2. Powers. The Board of Directors shall govern the business and affairs of the Foundation, and in connection herewith, the Board may exercise all of the powers granted the Foundation under its Articles of Incorporation as amended.

Section 3. Meetings. The Board of Directors shall meet once a year at such time place as the Chairman of the Board may designate.

Special meetings of the Board of Directors may be held at any time on call of the Chairman of the Board or shall be called by the Secretary on the written request of any five Directors, and such meetings shall be held at such time and place as shall be designated by the Chairman of the Board, or if not so designated than as shall be designated by the Secretary.

A majority of the Directors shall constitute a quorum at any meeting of the Board of Directors, and all questions shall be determined by a majority vote.

Section 4. Notice of Meetings. Notice of each meeting, regular or special, shall be mailed by the Secretary to each of the Directors not less than ten days next preceding any such meeting. In the event it is a Special Meeting, such notice shall indicate briefly the objects thereof. The Directors may waive notice of any such meeting or the objects thereof, and when a quorum is present at any such meeting a waiver of notice of such meeting or the objects thereof by a majority of all members of the Board of Directors shall be as effective and have the same force and effect as though all Directors had waived the requirements of the paragraph as to such notice.

Section 5. Organization. The Chairman of the Board of the Foundation shall preside at all meetings of the Board of Directors. The Vice Chairman of the Board shall assume duties of the Chairman of the Board as provided in Article III, Section 2. In the absence of both the Chairman of the Board and Vice Chairman of the Board from any meeting, the Board may appoint any member to act as presiding officer. The Secretary of the Foundation shall act as Recording Secretary of all meetings of the Board of Directors, but in the event of his absence at any such meeting, the presiding officer may appoint any person to act as Secretary.

Section 6. Executive Committee. The Executive Committee of the Board of Directors shall consist of not less than seven members and be composed of the officers of the Foundation, the immediate past Chairman of the Board of the Foundation, a past Chairman of the Board appointed by the current Chairman of the Board of the Foundation, the President of the University, the Chair or the Investment Committee if not otherwise an officer of the Foundation, the Chair of the Planned Giving Advisory Committee if not otherwise an officer of the Foundation, and the designated representative of the Tennessee Board of Regents. In addition, the President/CEO of the Foundation, the Chief Financial Officer of the University ((if a different person than the President/CEO of the Foundation), and the Foundation Chief Financial Officer (if a different person other than the Chief Financial Officer of the University) shall serve as non-voting ex-officio members.

The presence of five members shall constitute a quorum of the committee and the affirmative vote of five members shall be necessary for the adoption of any resolution.

The Executive Committee shall meet a minimum of two times annually at the call of the Chairman of the Board, or Vice Chairman of the Board, and the Secretary in the corporate minutes book shall keep minutes. All action taken should be reported to the next meeting of the Board of Directors for approval. No revision or alteration by the Board of Directors of action taken by the Executive Committee shall affect the rights of third parties. The Executive Committee shall have and may exercise all powers and authority of the Board of Directors when said Board is not in session, subject only to such restrictions or limitations as the Board of Directors may from time-to-time specify; provided, however, the Executive Committee shall have no authority to alter, amend, or repeal the Foundation Charter or Bylaws, or to appoint Directors.

ARTICLE III

POWERS AND DUTIES OF OFFICERS

Section 1. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and shall do and perform such other duties as from time-to-time may be assigned to him by the Board of Directors; which duties shall include signing contracts and other documents on behalf of the Foundation.

Section 2. Vice Chairman of the Board. The Vice Chairman of the Board shall preside at all meetings of the Board of Directors in the absence of the Chairman of the Board. The Vice Chairman of the Board shall do and perform such other duties as from time-to-time may be assigned by the Board of Directors or the Chairman of the Board. In the event of the incapacity of the Chairman of the Board, the Vice Chairman of the Board shall do and perform all duties, which might and should be performed by the Chairman of the Board.

Section 3. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in a book provided for that purpose. He shall attend to the giving and serving of all notices required by the Bylaws of this Foundation. He may sign with the Chairman of the Board in the name of the Foundation all contracts authorized by the Board of Directors, and when so ordered by the Board of Directors he shall affix the seal of the Foundation hereto. He shall have charge of all such books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to the examination of any Director, and shall in general perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors.

Section 4. Treasurer. The Treasurer shall in general perform duties incident to the office of the Treasurer and not detailed to the Foundation Chief Financial Officer (see Article III, Section 6), subject to the wishes and control of the Board of Directors. These shall include

rendering to the Board of Directors an account and statement of all Foundation transactions at each Annual Meeting of said Board and at such other times as said Board may from time-to-time determine. He shall execute and deliver to the Foundation a bond in such sum and with such surety or sureties as may be required by the Board of Directors for the faithful discharge of his duties.

Section 5. President/CEO of the Foundation. The Board of Directors of the Foundation shall appoint the President/CEO of the Foundation. The President of the University shall screen applicants for the position of President/CEO of the Foundation and recommend to the Board of Directors the top candidates for the President/CEO of the Foundation.

The President/CEO shall act as the chief executive officer of the Foundation and be generally responsible for carrying out the plans, purposes and objectives of the Board of Directors. He shall develop programs and execute those duly approved.

Section 6. Foundation Chief Financial Officer. The University Chief Financial Officer or his designee shall act as Foundation Chief Financial Officer. He shall receive and keep the funds of the Foundation and pay out the same only by the direction of the Board of Directors. He shall deposit all moneys, checks and other credits to the account of the Foundation in such bank or banks or other depository as the Board of Directors may designate. He shall sign all receipts and vouchers for payments made to and all vouchers and checks made by the Foundation jointly with such other officer or member of the Board as may be designated by the Board of Directors. He shall enter regularly in the books of the Foundation to be provided for that purpose a full and accurate account of all moneys received and paid out on account of the Foundation. He shall at all reasonable times exhibit his books and accounts to any director of the Foundation. He shall be responsible for the financial relationship between the Foundation and

the University including, but not restricted to, (1) inter-fund transfers, (2) state audit, (3) other internal and external financial audits and reports, and (4) internal transfers. He shall carry out those additional duties and assignments given him by the Treasurer and other officers of the Foundation subject to the wishes and control of the Board of Directors. He shall execute and deliver to the Foundation a bond in such sum and with such surety or sureties as may be required by the Board of Directors for the faithful discharge of his duties.

Section 7. In the event of absence, inability or refusal to act of any other officer of this Foundation, the Board of Directors may appoint any person for his or their respective duties.

Section 8. The term of office for the Chairman of the Board, Vice Chairman of the Board, Treasurer and Secretary shall be one year. No person shall serve the same office for more than two consecutive years from and after the term commencing with the 1977 election of officers.

ARTICLE IV

Section 1. Salary supplement for certain University positions may be necessary from time-to-time when appropriated state funds are insufficient to enable the University to adequately meet competitive salaries. It is recognized that different University positions will carry different salaries and may demand different supplements.

Section 2. No Foundation funds may be provided as salary supplements without prior authority of the Board of Directors. Additional approval of the University President and Chancellor of the Tennessee Board of Regents is necessary.

Section 3. It shall be the general policy of the Foundation to not provide other perquisites. If, however, a specific program and/or proposal is formally presented, the Executive

Committee may review the request as it pertains to stated Foundation guidelines and policies, If the program and/or proposal is deemed of mutual benefit to the University and the Foundation, the Executive Committee will seek approval by the Board of Directors. Additional approval of the University President and the Chancellor of the Tennessee Board of Regents is also necessary.

ARTICLE V

ORDER OF BUSINESS

The Order of Business at all meetings of the Board of Directors shall be as follows:

- (1) Roll Call
- (2) Reading of minutes of last meeting
- (3) Consideration of communications
- (4) Resignations and elections
- (5) Reports of officers
- (6) Reports of committees
- (7) Unfinished business
- (8) Original resolutions and new business
- (9) Adjournment

ARTICLE VI

AMENDMENTS

Section 1. These Bylaws may be amended or repealed at any Annual or Special Meeting of the Board of Directors at which there is a quorum present by resolution approved by the affirmative vote of a majority of said Board present and voting.

Section 2. The Articles of Incorporation of the Foundation may be amended at any Annual of Special Meeting of the Board of Directors by resolution approved by the affirmative vote of majority of said Board, present and voting at a meeting at which there is a quorum present, proposed by the Board to the membership, approved and adopted by a majority vote of the membership of the Corporation present and voting at a meeting at which there is a quorum present, and filed with and approved by the Secretary of State by law.

ARTICLE VII

INDEMNIFICATION

The Corporation shall indemnify its officers, directors, employees and agents to the extent permitted by law.