

Educational Foundation, Inc.

By-Laws

ARTICLE I

OBJECTIVES AND PURPOSES:

Section I: As set forth in the Articles of Incorporation, this Corporation is organized and will be operated exclusively for educational purposes pursuant to Article 5, Chapter 13 of Title 22.1 of the Code of Virginia, and within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law) and more particularly, to promote career and technical, science and technology and special education at New Horizons Regional Education Centers for the public schools of Hampton, Newport News, Poquoson, Williamsburg/James City County, York County, and Gloucester, Virginia, as defined in Article 5, Chapter 13 of Title 22.1 of the Code of Virginia.

Section II: The objectives and purposes of the Corporation are as follows:

- a. To provide scholarships, honorariums and incentive funding for the Center for Career and Technical Education, the Governor's School for Science and Technology, Center for Autism, and Newport Academy students;
- b. To provide for effective student activities at New Horizons Regional Education Centers through projects in which participation is optional and voluntary;
- c. To assist in making instruction offered through New Horizons Regional Education Centers' programs a more practical and meaningful experience;
- d. To develop awareness between the general public, the business and industry community, and the educators of the areas served. Such united efforts will secure the highest quality programs for the students at New Horizons Regional Education Centers.

ARTICLE II

BOARD OF DIRECTORS:

Section I - Number, Appointment: and Terms: There shall be a Board of twenty (20) Directors who shall be appointed by the New Horizons Board of Trustees. Except as otherwise provided in the Articles of Incorporation, Directors shall hold office for two (2) years, and until their respective successors are appointed. A majority of the Directors actually appointed and serving at the time of a given meeting shall constitute a quorum. Less than a quorum may adjourn any meeting.

Section II - Removal and Vacancies: Any Director may be removed from office at any time, with or without cause, by the vote of the Directors at a meeting called for the purpose at which a quorum is present. Any vacancy occurring in the Board of Directors shall be filled by appointment in the same manner as the original appointments.

Section III - Meetings and Notices: Meetings of the Board of Directors shall be held at times fixed by resolution of the Board, or upon call of the President or the Secretary, or upon the call of a majority of all the members of the Board. Notice of any meeting to be held at a time other than that fixed by resolution of the Board shall be given by mail to each Director at least five (5) days before the meeting at their residence or business address or by delivering such notice to them or by telephoning or telegraphing it to him at least five (5) days before the meeting. Any such notice shall contain the time and place of the meeting. Meetings may be held without notice if all the Directors are present or those not present waive notice before or after the meeting. The President shall preside over all meetings of the Board of Directors. If he is not present, the Senior Vice President shall preside.

Section IV - Order of Business: At any regular or special meeting of the Board of Directors, the order of business shall be:

1. Reading and disposal of minutes of the previous meeting
2. Reports of officers and committees
3. New business
4. Adjournment

Section V - Action in Lieu of a Meeting: Any action required or permitted to be taken at a meeting of the Board of Directors or of a committee of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a majority of Directors or a majority of the committee of Directors, as the case may be.

ARTICLE III

OFFICERS:

Section I - Election. Removal and Duties: The Board of Directors shall elect annually a President (who shall be a Director) and shall also elect a Secretary and a Treasurer, and shall elect or appoint one or more Vice Presidents or such other officers as it may deem proper. Any officer may hold more than one office except that the same person shall not be President and Secretary. All officers shall serve for a term of two (2) years and until their respective successors are elected, but any officer may be removed summarily with or without cause at any time by the vote of a majority of all the Directors. Vacancies among the officers shall be filled by the Directors. The officers of the Corporation shall have such duties as generally pertain to their respective offices as well as such powers and duties as from time to time may be delegated to them by the Board of Directors or imposed by these By-Laws.

Section II - President: The President shall be the principal officer of the Corporation and subject to the control of the Board of Directors, and shall in general supervise and control all of the business and affairs of the Corporation. The President shall when present, preside at all meetings of the Board of Directors. The President may sign any agreements or contracts, or other instruments which the Board of Directors has authorized to be executed except in cases when the signing and execution thereof shall be expressly delegated by the Board of Directors or by the By-Laws to some other agent or the Corporation, or shall be required by law to be otherwise signed or executed, and in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section III - Vice President: In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice President in the order designated at the time of their election, or in the absence of any designation, then in order of their election) shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section IV - Secretary: The Secretary shall (a) keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of the Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section V - Treasurer: The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks or depositories as the Board of Directors shall designate; and (c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give bond for the faithful discharge of duties in such sum and with such surety or sureties as the Board of Directors shall determine.

ARTICLE IV

STANDING AND SPECIAL COMMITTEES:

Section I: The Board of Directors may create such standing committees as it may deem necessary to promote the objectives and proposes and carry on the work of the Corporation. The Chairman of the standing committees shall be selected by the President of the Corporation, and the term of each Chairman shall be one (1) year or until a successor is appointed.

Section II: The Chairman of each standing committee shall present a plan of work to the Board of Directors for approval, and no committee work shall be undertaken without the consent of the Board of Directors.

Section III: The power to form special committees and appoint their membership is vested in the Board of Directors.

Section IV: The President shall be: a member ex-officio of all committees.

ARTICLE V

SEAL:

Section I: The seal of the Corporation shall be a flat-faced circular die (of which there may be any number of counterparts) with the words, "CORPORATE SEAL, COMMONWEALTH OF VIRGINIA" and the name of the Corporation and the year of incorporation engraved thereon.

ARTICLE VI

CHECKS, NOTES AND DRAFTS:

Section I: Signatures on checks, notes and drafts and other orders for the payment of money shall be signed by such persons as the Board of Directors from time to time may authorize. The signature of any such person may be facsimiled when authorized by the Board of Directors.

ARTICLE VII

FISCAL YEAR:

Section I: The fiscal year of the Corporation shall end on June 30th of each year.

ARTICLE VIII

AMENDMENTS:

Section I: These By-Laws may be: altered, amended or repealed and new By-Laws may be adopted by a majority of all the Board of Directors.

ARTICLE IX

ACCOUNTING:

Section I: The Corporation shall keep correct and complete records of all transactions as recommended in the Manual of System of Accounting for School Activity, or in such other manner as approved by the Board of Directors and, if necessary, by the Board of Education of the Commonwealth of Virginia. All books and records of the Corporation may be inspected by any members at any reasonable time.

Section II: The financial transactions shall be audited annually by an independent certified public accountant. A report of such audit will be made by the Corporation to the Board of Trustees of New Horizons Regional Educational Center not later than October 15th of each year.

ARTICLE X

REVIEW OF PROJECTS BY BOARD OF EDUCATION AND SCHOOL BOARD:

Section I: The Corporation shall not establish any project as defined by Section 22.1-228 of the Code of Virginia, without review and approval by both the Board of Trustees of New Horizons Regional Education Center and the Board of Education of the Commonwealth of Virginia.

ARTICLE XI

CONTRACTS:

Section I: Where the School Board of any of the six (6) school divisions named above undertakes any project, as defined in Section 22.1-228 of the Code of Virginia, with the Corporation, wherein the School Board is to advance, contribute or

loan funds to the Corporation, such contract shall contain provisions to ensure compliance with Article 5, Chapter 13 of Title 22.1 of the Code of Virginia, particularly those required by Section 22.1-232 of the Code of Virginia, and shall comply with all directives of the State Department of Education of the Commonwealth of Virginia, and shall comply with all other requirements of law.

ARTICLE XII

ESCROW FUND:

Section I: Should a contract provide for the establishment of an escrow fund with the profits for the purpose of funding future projects, the President is authorized to establish such escrow fund in an interest bearing or non-interest bearing account. Books of accounts shall be kept for any such fund and be available at the business office of the Corporation for examination by the members of the Board of Directors, the Superintendent of Schools, members of the New Horizons Board of Trustees and any other persons authorized by the New Horizons Board of Trustees.

ARTICLE XIII

ACADEMIC CREDIT FOR PARTICIPATION:

Section I: Academic credit for participation by students in any project as defined by Section 22.1-288 of the Code of Virginia, shall be in accord with the regulations of the State Department of Education of the Commonwealth of Virginia. Participation by a student in any such project shall be optional and voluntary.

ARTICLE XIV

APPLICATION OF ZONING LAWS AND BUILDING CODES; INSPECTION OF WORK; WARRANTIES, SALE OF COMPLETED PROJECTS:

Section I: All projects shall comply with State and local zoning laws and building codes, if applicable.

Section II: Work done by students, or other non-licensed personnel shall be inspected by an appropriately licensed person to assure compliance with prescribed standards.

Section III: No warranties shall be given, express or implied, as to the construction or as to the compliance of a project with zoning laws and building codes except such warranties as shall be required by law. It is recognized that the power of eminent domain may not be used to acquire a project site.

Section IV: Reasonable and good faith efforts shall be made to assure that fair market value is received upon sale of any building constructed as a project and that such sale shall take place within a reasonable time after completion of the project.

ARTICLE XV

LIABILITY OF OFFICERS OR DIRECTORS INSURANCE: INDEMNIFICATION:

Section I: Neither officers nor Directors of the Corporation shall be personally liable for negligence of any student or agent in connection with a project.

Section II: For any projects undertaken with the School Boards of the school divisions, matters pertaining to insurance, including the amount, coverage, insured and party responsible for maintaining insurance, shall be established by agreement with the New Horizons Board of Trustees.

Section III:

1. The Corporation hereby declares that any person who serves at its request as a director, officer, employer, chairman or member of any committee, or on behalf of the Corporation as a director, trustee or officer of another corporation, whether for profit or not for profit, shall be deemed the Corporation's agent for the purposes of this Section and shall be indemnified by the Corporation against expenses (including attorney's fees), judgments, fines, excise taxes, and amounts paid in settlement actually and reasonably incurred by such person who was or is a party or threatened to be made a party to any threatened, pending or completed action,

suit or proceeding, whether civil, criminal, administrative or investigative by reason of such service, provided such person acted in good faith and in a manner such person reasonably believed to be in the best interest of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. Except as provided in paragraph three below, termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself create either a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in the best interest of the Corporation or, with respect to any criminal action or proceeding, a presumption that such person had reasonable cause to believe that such person's conduct was unlawful.

2. No indemnification shall be made in respect of any claim, issue or matter as to which a person covered by paragraph one above shall have been adjudged to be liable for negligence or misconduct in the performance of that person's duty to the Corporation unless and only to the extent that the Court in which such action, suit or proceeding was brought shall determine upon application that, despite the adjudication of guilt but in view of all the circumstances of the case, such person is entitled to indemnification for such expenses or fines which such Court shall deem proper.
3. No indemnification shall be made in respect of any criminal action or proceeding as to which a person covered by paragraph one above shall have been adjudged to be guilty unless and only to the extent that the Court in which such action or proceeding was brought shall determine upon application that, despite the adjudication of guilt but in view of all the circumstances of the cases, such person is entitled to indemnification for such expenses or fines which said Court shall deem proper.
4. The indemnification provided by this Section shall not be deemed exclusive of any other rights to which any person may be entitled under the Articles of Incorporation, any agreement, any other provision of these Bylaws, vote of the disinterested directors or otherwise, and any procedure provided for by any of the foregoing, both as to action in that person's official capacity and as to action in another capacity while holding such office.
5. Any indemnification pursuant to this Section shall (a) be applicable to acts or omissions which occurred prior to the adoption of this Section and (b) continue as to any indemnified party who has ceased to be a director, officer, employer or agent of the Corporation and shall inure to the benefit of the heirs and personal representatives of such indemnified party. The repeal or amendment of all or any portion of these By-Laws which would have the effect of limiting, qualifying or restricting any of the powers or rights of indemnification provided or permitted in this Section shall not solely by reason of such repeal or amendment, eliminate, restrict or otherwise affect the right or power of the Corporation to indemnify any person, or affect any right of indemnification of such person, with respect to any acts or omissions which occurred prior to such repeal or amendment.
6. By action of the Board of Directors notwithstanding any interest of the Directors in such action, the Corporation may, subject to paragraph 8 below, purchase and maintain insurance in such amounts as the Board may deem appropriate, on behalf of any person indemnified hereunder against any liability asserted against such person and incurred by such person in such person's capacity of or arising out of such person's status as an agent of the Corporation, whether or not the Corporation would have the power to indemnify that person against such liability under applicable provision of law. The Corporation may also purchase and maintain insurance, in such amounts as the Board may deem appropriate, to insure the Corporation against, any liability, including without limitation, any liability for the indemnifications provided in this Section.
7. The Corporation shall have the right to impose, as conditions to any indemnification provided or permitted in this Section, such reasonable requirements and conditions as the Board of Directors may deem appropriate in each specific case, including but not limited to, any one or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any action shall be counsel that is mutually agreeable to the person to be indemnified and to the Corporation; (b) that the Corporation shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, and (c) that the Corporation shall be surrogated, to the extent of any payments made by way of indemnification to all of the indemnified person's rights of recovery, and that the person shall execute all writings and do everything necessary to assure such rights of subrogation to the Corporation.
8. Notwithstanding any other provision of these Bylaws, the Corporation shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with qualification of the Corporation as an organization described in Section 501 (c)(3) of the Internal Revenue Code or would result in liability under Section 4941 of the Internal Revenue Code.