

**BYLAWS**  
**OF**  
**CHAMPION FOR SUCCESS, INC.**

**Article I: Name**

The name of this nonprofit corporation is CHAMPION FOR SUCCESS, INC. (hereinafter referred to as "the Corporation").

**Article II: Principal Office**

The principal office of the Corporation shall be 737 Conrad Point Road, P.O. Box 445, Lakeside, Montana 59922. The Corporation may have such other offices as may from time-to-time be designated by its Board of Directors.

**Article III: Membership**

This Corporation shall have no members.

**Article IV: Board of Directors**

Section 1. **Powers.** The Board of Directors will exercise all powers of the Corporation and do all acts and things necessary to carry out the purposes of the Corporation to the fullest extent permitted by law; provided, however, that nothing in the foregoing shall empower the Board of Directors to do any act or thing in contravention of the provisions of the Articles of Incorporation of the Corporation, or which does not, in fact, benefit or support the Corporation or its purpose. The Board of Directors shall elect the officers of the Corporation

Section 2. **Number.** The Board of Directors shall consist of no less than three (3) and not more than nine (9) Directors. The initial number of Directors shall be three (3). The Board of Directors shall have the power to set the number of Directors from time to time within this range, provided that no decrease in the number of Directors shall have the effect of shortening the term of any Director then serving. Each Director shall hold office until his successor shall have been elected and qualified. Directors need not be residents of the State of Montana.

Section 3. **Term of Office.** The term of office for a Director shall be one (1) year, or until his or her successor is elected and qualified.

Section 4. **Annual Meeting.** The annual meeting of the Board of Directors shall be held on the 15<sup>th</sup> day of February, or upon such other date as the Board of Directors may determine from time to time, at the principal office of the Corporation, unless otherwise provided in the notice of the meeting.

Section 5. **Regular Meetings.** Regular meetings shall be held as scheduled by the Board of Directors. If such meetings are scheduled on a regular basis and the date of such meeting is announced at a prior regularly scheduled meeting, no additional notices shall be necessary. Otherwise, regular meetings of the Board of Directors shall be preceded by at least two (2) days' notice for each Director.

Section 6. **Special Meetings.** Special meetings of the Board of Directors may be called by the chairman of the Board of Directors, the President of the Corporation or upon the written request of any two (2) Directors. Special meetings of the Board of Directors shall be preceded by at least two (2) days' notice for each Director. For any meeting at which the Board will consider removal of a Director or any merger, dissolution or other action which would require the approval of members under the Montana Non-Profit Corporation Act if the Corporation had members, each director must receive at least seven (7) days' prior written notice of the meeting and the action proposed to be taken at the meeting.

Section 7. **Notice.** Required notices of meetings of the Board of Directors shall be given by written notice delivered personally, sent by fax, sent by email or sent by mail to each Director at his or her address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered three (3) days after being deposited in the United States Mail in a sealed envelope so addressed, with postage thereon prepaid. If given by fax or email, the notice shall be deemed given when the fax or email is sent. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such 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.

Section 8. **Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a quorum is in attendance at the time for which a meeting has been called, the meeting may be adjourned from time-to-time by a majority vote of the Directors present, without any notice other than by announcement at the meeting, until a quorum shall attend.

Section 9. **Board Decisions.** The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 10. **Votes.** Each Director shall possess one (1) vote in matters coming before the Board. All voting at meetings of the Board of Directors shall be by each Director in person, whether by telephone, videoconference or otherwise, and voting by proxy shall not be allowed.

**Section 11. Action Without a Meeting.** Any action required or which may be taken under the provisions of any law or by the Articles of Incorporation, or Bylaws, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote.

**Section 12. Video Conference; Conference Telephone.** Any regular or special meeting of the Board of Directors may be effectuated by means of a video conference or conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at such meeting for all purposes, including the right to vote and waiver of notice of the meeting.

**Section 13. Minutes.** Minutes of all proceedings of the Board of Directors shall be maintained by the Secretary of the Corporation and shall not be disclosed to any person other than the Directors and Members of the Corporation except by direction of the Board of Directors. Unless directed otherwise by the Board of Directors, the Corporation's accountant and the Corporation's attorney may inspect the Board of Directors' minutes in connection with their respective responsibilities.

**Section 14. Compensation.** Directors shall not receive any stated salaries for their services, but by resolution of the Board of Directors, Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum and expenses of attendance, if any, for attendance at any annual, regular, or special meeting of the Board.

**Section 15. Resignation and Removal.**

(a) Any Director may resign from his or her office as Director at any time by mailing or otherwise delivering a written resignation to the President of the Corporation. Such resignation may also include any office he or she holds as an Officer of the Corporation.

(b) Any Director may be removed from office by no less than a two-thirds ( $\frac{2}{3}$ ) vote of the full Board of Directors whenever, in their judgment, such Director shall have become incapable or unfit to discharge the duties of his or her office, or shall neglect or refuse to perform the same.

**Section 16. Vacancies.** Any vacancy occurring on the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, at a regular or special Directors' meeting, and the new Director shall complete the term of the Director he or she is replacing.

Section 17. **Committees.** The Board of Directors may designate and appoint such committees of the Corporation, as it may deem necessary from time-to-time, either as special or permanent committees, which shall have and exercise all the authority of the Board of Directors as authorized in the resolution establishing such committees.

Section 18. **Agents and Representatives.** The Board of Directors may employ such persons or entities and may appoint such agents and representatives of the Corporation with such powers and to perform such acts or duties on behalf of the Corporation as the Board of Directors may see fit, so far as may be consistent with these Bylaws and to the extent authorized or permitted by law.

Section 19. **Consultants.** The Board of Directors may invite additional individuals with expertise in a pertinent area to meet with and assist the Board. Such consultants shall not vote or be counted in determining the existence of a quorum and may be excluded from any executive session of the Board by a majority vote of the Directors present or upon request from the President.

Section 20. **Contracts.** The Board of Directors, except as the Articles of Incorporation or these Bylaws otherwise provide, may authorize any Officer, agent, representative, or employee to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation, and such authority may be general or confined to the specific instance; and unless so authorized by the Board of Directors, no Officer, agent, representative, or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose to any amount.

#### Article V: Officers

Section 1. **Officers.** The Officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer. Officers need not be Directors of the Corporation.

Section 2. **President.** The President shall serve as the Chief Executive Officer of the Corporation and be the representative of the Board of Directors in the management of the Corporation. In accordance with sound principles of management, the President shall be given the necessary authority and responsibility to operate the business of the Corporation, subject to such policies as may be adopted and such orders as may be issued by the Board of Directors. The President shall act as a duly authorized agent of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person to so act. The Board of Directors reserves the right to rescind any delegated authority.

The President's responsibilities and powers, together with all others necessary or beneficial in the discharge thereof, shall include but not be limited to the following:

- (a) Overall supervision of the Corporation and Board affairs;
- (b) Presiding at all meetings of the Board of Directors;
- (c) Providing leadership to the Board of Directors and its committees in formulating, developing, and evaluating corporate policies and goals;
- (d) Ensuring that there is proper communication among the Directors of the Corporation;
- (e) Preparation, in consultation with other Directors, of an agenda for Board of Directors' meetings;
- (f) The execution of all policies established by the Board of Directors;
- (g) Attending, in person, all meetings of the Board of Directors, and attending, in person or through such Officers, Board Members or employees as he or she may delegate or designate, all meetings of the committees appointed by the Board;
- (h) Performing all such other activities or duties as are incident to his or her office or are as required by the Board of Directors.

**Section 3. Vice President.** It shall be the duty of the Vice President of the Corporation to act as President in the absence or disability of the President and to perform such other duties as may be assigned to him or her by the President or the Board of Directors. When acting as President of the Corporation, the Vice President shall have all the power and authority of the President.

**Section 4. Secretary.** It shall be the duty of the Secretary to be the secretary of all meetings of the Board of Directors and to act as custodian of the minutes of all corporate meetings and proceedings, to keep all other records of the Board of Directors and of the Corporation, to issue such notices as may be required by the Articles of Incorporation and Bylaws, and to perform such other acts as the Board of Directors may direct.

**Section 5. Treasurer.** The Treasurer shall supervise the custody of the funds and securities of the Corporation; cause full and accurate accounting of receipts and disbursements to be kept; cause all funds and properties of the Corporation to be held or deposited in such depositories as may be designated by the Board of Directors; cause the funds of the Corporation to be disbursed as may be ordered by the Board of Directors; cause a report to be made at its regular meeting, or whenever the Board may require it, of all transactions and the financial condition of the Corporation; and perform such other duties as the Board of Directors shall from time-to-time prescribe.

Section 6. **Appointment and Term of Office.** The Officers of the Corporation shall be appointed annually by the Board of Directors at the annual meeting of the Board of Directors. If appointment of Officers is not held at such meeting, such appointment of Officers shall occur as soon as possible thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors at the discretion of the Board. Each Officer shall hold office until his or her successor has been duly appointed and qualified.

Section 7. **Removal.** Any Officer appointed by the Board of Directors may be removed by a vote of the majority of the Board of Directors whenever, in its judgment, the best interest of the Corporation would be served thereby.

Section 8. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 9. **Powers and Duties.** Each of the Officers shall have such powers and duties as previously noted and shall perform such duties as may from time-to-time be specified in resolutions or other directives of the Board of Directors.

#### **Article VI: Contracts, Loans, Checks and Deposits**

Section 1. **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Such authority may be general or confined to specific instances.

Section 2. **Loans.** No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in the name of the Corporation unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. **Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall be determined by resolution of the Board of Directors.

Section 4. **Deposits.** All funds of the Corporation not otherwise employed shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

#### **Article VII: Indemnification**

Section 1. **Definitions.** As used in this Article:

(a) "Action" means any threatened, pending, or actual claim, lawsuit, or proceeding or completed action, whether civil, criminal, administrative, or investigative.

(b) "Corporation" means CHAMPION FOR SUCCESS, INC.

(c) "Director or Officer" means each person who is serving or who has served as a Director or Officer of the Corporation.

(d) "Indemnitee" means an individual who was, is, or is threatened to be made a party to or is involved (including, without limitation, as a witness) in an Action because the person is or was a Director or Officer of the Corporation.

(e) "Loss" means loss, liability, expenses (including attorneys' fees), judgments, fines, ERISA excise taxes, or penalties or amounts to be paid in settlement, actually and reasonably incurred or suffered by Indemnitee in connection with an Action.

(f) "Act" means the Montana Non-Profit Corporation Act.

Section 2. **Right to Indemnification.** The Corporation shall indemnify and hold each Indemnitee harmless against any and all Loss, except for Losses formally adjudged to be:

(a) A breach of the director's or officer's duty of loyalty to the Corporation or its members;

(b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(c) A transaction from which the director or officer derived an improper personal economic benefit;

(d) A transaction in which the director or officer has a conflict of interest, as provided in MCA § 35-2-418;

(e) A loan from the Corporation to the director or officer or the guaranty of a director's or officer's obligation in violation of MCA § 35-2-435; or

(f) An unlawful distribution made in violation of MCA § 35-2-436.

If, after the effective date of this Article, the Act is amended to authorize further indemnification of Directors or Officers, then Directors and Officers of this Corporation shall be indemnified to the fullest extent permitted by the Act, as so amended.

**Section 3. Contribution.** If the indemnification provided in Section 2 of this Article is not available to be paid to Indemnitee for any reason other than those set forth in Section 2 of this Article (for example, because indemnification is held to be against public policy even though otherwise permitted under Section 2), then in respect of any Action in which the Corporation is jointly liable with Indemnitee (or would be if joined in such Action), the Corporation shall contribute to the amount of Loss paid or payable to Indemnitee in such proportion as is appropriate to reflect:

(a) The relative benefits received by the Corporation on the one hand and the Indemnitee on the other hand from the transaction from which such Action arose; and

(b) The relative fault of the Corporation on the one hand and the Indemnitee on the other hand in connection with the events which resulted in such Loss, as well as any other relevant equitable considerations. The relative fault of the Corporation on the one hand and the Indemnitee on the other shall be determined by a Court of appropriate jurisdiction (which may be the same court in which the Action took place) with reference to, among other things, the parties' relative intent, knowledge, access to information, and the opportunity to correct or prevent the circumstances resulting in such Loss. The Corporation agrees that it would not be just and equitable if contribution pursuant to this Section 3 was determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

**Section 4. Notification and Defense of Claim.** Promptly after receipt of Indemnitee of notice of commencement of any Action, Indemnitee must, if a claim in respect thereof is to be made against the Corporation under this Article, notify the Corporation of the commencement thereof. With respect to any such action as to which Indemnitee has notified the Corporation of the commencement thereof:

(a) The Corporation will be entitled to participate therein at its own expense;

(b) Except as otherwise provided below, to the extent that it may wish, the Corporation, jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel satisfactory to Indemnitee. After notice from the Corporation to Indemnitee of its election to assume the defense thereof, the Corporation will not be liable to Indemnitee under this Article for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof, other than reasonable cost of investigation or as otherwise provided below. Indemnitee shall have the right to employ its counsel in such Action, but the fees and expenses of such counsel after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless (1) the employment of counsel by Indemnitee has been authorized by the Corporation, (2) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Corporation and Indemnitee in the conduct of such Action, or (3) the Corporation shall not in fact have employed counsel to assume the defense of such Action, in any of which cases the fees and



expenses of counsel shall be at the expense of the Corporation. The Corporation shall not be entitled to assume the defense of any action brought by or on behalf of the Corporation or as to which Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Corporation and the Indemnitee; and

(c) The Corporation shall not be liable to indemnify Indemnitee under this Article for any amounts paid in settlement of any Action effected without its written consent. The Corporation shall not settle any Action in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Corporation nor Indemnitee will unreasonably withhold its consent to a proposed settlement.

#### **Section 5. Burden of Proof and Procedure for Payment.**

(a) Indemnitee shall be presumed to be entitled to indemnification under this Article upon submission of a written claim to the Corporation (including a claim for expenses incurred in investigating or defending any Action in advance of its final disposition, where the undertaking in subparagraph (b) of this Section has been tendered to the corporation). The Corporation shall advance to Indemnitee funds to cover such expenses within twenty (20) days after receiving the written claim. Thereafter, the Corporation shall have the burden of proof to overcome the presumption that the Indemnitee is so entitled.

(b) The right to indemnification conferred in this Article shall include the right to be paid by the Corporation all expenses (including attorneys fees) incurred in defending any Action in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of any Action shall be made upon delivery to the Corporation of a promise, by or on behalf of such Director or Officer, to repay all amounts so advanced in the event and only to the extent it shall ultimately be determined that such Director or Officer is not entitled to be indemnified by the Corporation under the Act, Articles of Incorporation, or this Article or otherwise, for such expenses.

**Section 6. Right of Indemnitee to Bring Suit.** If a claim under this Article is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the Indemnitee shall be entitled to be also paid the expense of prosecuting such claim. Neither the failure of the Corporation (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such Action that indemnification of or reimbursement or advancement of expenses to the Indemnitee is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors or independent legal counsel) that the Indemnitee is not entitled to indemnification or to the reimbursement or

advancement of expenses, shall be a defense to the action or create a presumption that the Indemnitee is not so entitled.

**Section 7. Nonexclusivity of Rights.** The right to indemnification and payment of expenses incurred in defending an Action in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of disinterested Directors, or otherwise.

**Section 8. Insurance, Contracts, and Funding.** The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer, employee, or agent of the Corporation against any expense, liability, or loss, whether or not the Corporation would have power to indemnify such person against such expense under the Act. The Corporation may, without further corporate action, enter into contracts with any Director or Officer of the Corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest, or use other means (including, without limitation a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

**Section 9. Indemnification of Employees and Agents of the Corporation.** By action of its Board of Directors from time-to-time, the Corporation may, but shall not be required to, provide indemnification and pay expenses in advance of the final disposition of an Action to employees and agents of the Corporation, with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and Officers of the Corporation or pursuant to the rights granted pursuant to, or provided by, the Act or otherwise.

**Section 10. Contract Rights.** Rights of indemnification under this Article shall continue as to an Indemnitee who has ceased to be a Director or Officer, as long as Indemnitee shall be subject to any possible Action, by reason of the fact that Indemnitee was a Director or Officer of the Corporation or serving in any other capacity referred to herein, and shall inure to the benefit of his or her heirs, executors, and administrators. The right to indemnification conferred in this Article shall be a contract right upon which each Director or Officer shall be presumed to have relied in determining to serve or to continue to serve as such. Any amendment to or repeal of this Article shall not adversely affect any right or protection of a Director or Officer of the Corporation for or with respect to any acts or omissions of such Director or Officer occurring prior to such amendment or repeal.

**Section 11. Severability.** If any provision of this Article or any application thereof shall be invalid, unenforceable, or contrary to application of law, the remainder of this Article or the application of such provisions to persons or circumstances other than those as to which it is held invalid, unenforceable, or contrary to applicable law, shall not be affected thereby and shall continue in full force and effect.

### **Article VIII: Gifts**

Section 1. **Generally.** Donors may make gifts to the Corporation by naming or otherwise identifying the Corporation. Gifts shall vest in the Corporation upon receipt and acceptance by it. The Board of Directors, or its Officers, may accept on behalf of the Corporation any contribution, gift, bequest, or devise for any purpose of the Corporation. Unless express written restrictions are provided at the time the gift is received, the gift may be used by the Corporation as it may deem best.

Section 2. **Acceptance of Governing Documents.** Each donor, by making a gift to the Corporation, accepts and agrees to all of the provisions of the Articles of Incorporation and these Bylaws, as set forth initially or hereafter amended.

### **Article IX: Fiscal Year**

The fiscal year of the Corporation shall end at midnight on the 31<sup>st</sup> of December of each year.

### **Article X: Liabilities**

Nothing herein shall constitute the Directors of the Corporation as partners for any purpose. No Director, Officer, agent, or employee shall be liable for the acts or failure to act of any other Director, Officer, agent, or employee of the Corporation; nor shall any Director, Officer, agent, or employee be liable for his or her acts or failure to act under these Bylaws, or the Articles of Incorporation of the Corporation, excepting only acts or omissions arising out of his or her willful malfeasance.

### **Article XI: Prohibition Against Sharing in Corporate Earnings**

No Director, Officer, or employee of, or member of a committee of, or person connected with this Corporation, or any other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operation of the Corporation, provided that this shall not prevent the payment to any such person, or any entity of which such person is an owner, officer, director, employee, beneficiary, of such reasonable compensation for services rendered to or for the Corporation in pursuit of any of its purposes as shall be fixed by the Board of Directors; 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 involuntarily, the assets of the Corporation then remaining, after all debts have been satisfied, shall be distributed, transferred, conveyed, delivered, and paid over in such amounts as the Board of Directors may determine, or as may be determined by a court of competent jurisdiction upon allocation of the Board of Directors,

exclusively to charitable, scientific, literary, or educational entities then exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor section thereto, and in all events, in accordance with the Articles of Incorporation.

#### **Article XII: Books and Records**

The Corporation shall keep correct and complete books of the minutes of all meetings and other reports and actions of its Board of Directors and committees having and exercising any of the authority of the Board of Directors, and shall keep at the principal office a record giving the names and addresses of the Directors.

#### **Article XIII: Exempt Activities**

Notwithstanding any other provision of these Bylaws, no Director, Officer, employee, or representative of this Corporation shall take any action or carry on any activity, by or on behalf of the Corporation, not permitted to be taken or carried on without penalty, by an organization exempt from taxation, or by an organization whose contributions are deductible under federal income tax laws as they now exist, or as they should hereafter be amended.

#### **Article XIV: Construction of Terms and Headings**

Words used in these Bylaws shall be read as the masculine or feminine gender and as the singular or plural, as the context requires. The captions or headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision of these Bylaws.

#### **Article XV: Amendments**

These Bylaws may be amended, altered or repealed, in whole or in part, by a majority vote of the Directors of the Corporation, provided that a written notice of such election to amend, alter, or repeal is mailed to the Directors, along with the proposed change, at least ten (10) days prior to the calling of such meeting.

#### **Article XVI: Rules of Order**

The rules contained in the most recent edition of Robert's Rules of Order, Revised, shall govern all meetings of the Directors where those rules are not inconsistent with the Articles of Incorporation, Bylaws, or special rules of order of the Corporation.