

1240

**ARTICLES OF INCORPORATION**  
**OF**  
**CORNERSTONE CHARITABLE FOUNDATION**

We, the undersigned incorporators, hereby form and established a corporation NOT FOR PROFIT under the laws of the State of Kansas.

**ARTICLE FIRST**

The name of this corporation is Cornerstone Charitable Foundation.

**ARTICLE SECOND**

The location of its registered office in this state is 622 East Main in the City of Beloit, County of Mitchell, Kansas 67420. The resident agent at this address is the Cornerstone Charitable Foundation.

**ARTICLE THIRD**

This corporation is organized NOT FOR PROFIT and the objects and purposes to be transacted and carried on are:

1. To organize and operate exclusively for the benefit of St. John the Baptist Catholic Parish and Schools. The general purposes of the corporation are to operate solely and exclusively as a charitable, scientific, literary and educational organization.

2. To further such objects and purposes, the corporation shall have and may exercise all the powers conferred by the laws of the State of Kansas upon corporations formed under the laws pursuant to and under which this corporation is formed, as such laws are now in effect or may at any time hereafter be amended. Specifically, this corporation shall have power to acquire, purchase, hold lease, convey, mortgage and pledge such real and personal property in Kansas, other states of the United States and

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elsewhere, as shall be necessary or convenient to the transaction of its business and the realization of its objects and purposes.

PROVIDED, HOWEVER, that in all events and under all circumstances, and notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of this corporation, voluntary or involuntary or by operation of law, the following provisions shall apply:

(a) This corporation shall not have or exercise any power or authority either expressly, by interpretation, or by operation of law, nor shall it directly or indirectly engage in any activity that would prevent this corporation from qualifying (and continuing to qualify) as an organization described in §501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United State International Revenue law.)

(b) This corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

(c) No compensation or payment shall ever be paid or made to any member, officer, trustee, creator or organizer of this corporation, or substantial contributor to it, except as an allowance for actual expenditures or services actually made or rendered to or for this corporation; and neither the whole nor any portion of the assets or net earnings, current or accumulated, of this corporation shall ever be distributed to or divided among any such persons; provided, further that neither the whole nor any part or portion of such assets or net earnings shall ever be used for, accrue to, or inure to the benefit of any member or private individual within the meaning of §501(c)(3) of the Internal Revenue

Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

3. Upon the dissolution of this corporation, the governing body shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under §501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), as the governing board shall determine. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

#### **ARTICLE FOURTH**

The corporation will NOT have authority to issue capital stock, and the conditions of membership shall be fixed by the bylaws.

#### **ARTICLE FIFTH**

The Board of Trustees shall have all powers granted by Kansas law and statutes.

#### **ARTICLE SIXTH**

No trustee shall be personally liable to the Corporation or its members for monetary damages for any breach of fiduciary duty by such trustee as a trustee. Notwithstanding the foregoing sentence, a trustee shall be liable to the extent provided by

applicable law (i) for breach of trustee's duty of loyalty to the Corporation or its member, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under the provisions of K.S.A. 17-6424 and any amendments thereto, or (iv) for any transaction from which the trustee derived any improper personal benefit. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any trustee of the Corporation for or with respect to any acts or omissions of such trustee occurring prior to the date when such provision becomes effective.

#### **ARTICLE SEVENTH**

The term for which this corporation is to exist is perpetual.

#### **ARTICLE EIGHTH**

No member of the corporation shall benefit financially from the dissolution thereof. In the event of dissolution of this corporation, the assets of this corporation shall be distributed as set forth in ARTICLE THIRD hereof.

#### **ARTICLE NINTH**

The names and residences of the incorporators are:

Jerome J. Eilert  
3003 D. Road  
Beloit, Kansas 67420

Brian Dillner  
901 N. Pine  
Beloit, Kansas 67420

Curtis A. Frasier  
3 Myers Lane  
Beloit, Kansas 67420

Dennis Lutgen  
1205 North Hersey  
Beloit, Kansas 67420

Ernest Kee  
718 North Chestnut  
Beloit, Kansas 67420

Kelly B. Peters  
RR 2, Box 28  
Jewell, Kansas 66949

Douglas Thiessen  
3393 Jazmine Tr.  
Beloit, Kansas 67420

**ARTICLE TENTH**

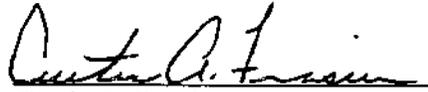
The number of Trustees may be increased or decreased from time to time by amendment of the bylaws.

**ARTICLE ELEVENTH**

The power to adopt, amend and repeal the bylaws of this corporation shall reside in the Board of Trustees of this corporation.

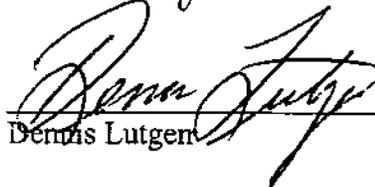
IN TESTIMONY WHEREOF, we have hereunto to set our names this 31st day of May, 2005.

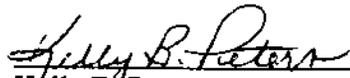
  
\_\_\_\_\_  
Jerome J. Eilert

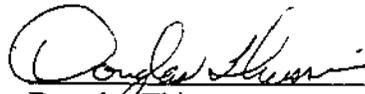
  
\_\_\_\_\_  
Curtis A. Frasier

  
\_\_\_\_\_  
Ernest A. Kee

  
\_\_\_\_\_  
Brian Dillner

  
\_\_\_\_\_  
Dennis Lutgen

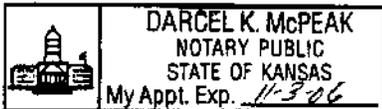
  
\_\_\_\_\_  
Kelly B. Peters

  
\_\_\_\_\_  
Douglas Thiessen

STATE OF KANSAS,  
SS:  
COUNTY OF MITCHELL,

Personally appeared before me, a Notary Public in and for Mitchell County, Kansas, the  
above named, who are personally known to me to be the same persons who executed the foregoing  
instrument in writing, and duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 31st day of  
May, 2005.



My Appt. Expires: 11-3-06

*Darcel K. McPeak*  
Notary Public

I hereby certify this to be a true and  
correct copy of the original on file.  
Certified on this date: June 9, 2005  
Ron Thornburgh, Secretary of State

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 08 2006

CORNERSTONE CHARITABLE FOUNDATION  
622 E MAIN  
BELOIT, KS 67420

Employer Identification Number:  
20-3106498  
DLN:  
17053221061025  
Contact Person:  
PATRICE WHANG ID# 95083  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
June 30  
Public Charity Status:  
170(b)(1)(A)(vi)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
June 9, 2005  
Contribution Deductibility:  
Yes  
Advance Ruling Ending Date:  
June 30, 2009

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

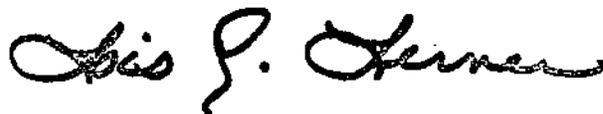
Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

If you distribute funds to other organizations, your records must show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence the funds will be used for section 501(c)(3) purposes.

Letter 1045 (DO/CG)

CORNERSTONE CHARITABLE FOUNDATION

Sincerely,

A handwritten signature in black ink, appearing to read "Lois G. Lerner". The signature is written in a cursive, flowing style.

Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)  
Statute Extension

CORNERSTONE CHARITABLE FOUNDATION

INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTION 501(c)(3)

WHERE TO GET FORMS AND HELP

Forms and instructions may be obtained by calling toll free 1-800-829-3676, through the Internet Web Site at [www.irs.gov](http://www.irs.gov), and also at local tax assistance centers.

Additional information about any topic discussed below may be obtained through our customer service function by calling toll free 1-877-829-5500.

NOTIFY US ON THESE MATTERS

If you change your name, address, purposes, operations or sources of financial support, please inform our TE/GE EO Determinations Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, Ohio 45201. If you amend your organizational document or by-laws, or dissolve, provide the EO Determinations Office with a copy of the amended documents. Please use your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

In your exemption letter we indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. Form 990 (or Form 990-EZ) is filed with the Ogden Submission Processing Center, Ogden UT 84201-0027.

You are required to file a Form 990 only if your gross receipts are normally more than \$25,000.

If your gross receipts are normally between \$25,000 and \$100,000, and your total assets are less than \$250,000, you may file Form 990-EZ. If your gross receipts are over \$100,000, or your total assets are over \$250,000, you must file the complete Form 990. The Form 990 instructions show how to compute your "normal" receipts.

Form 990 Schedule A is required for both Form 990 and Form 990-EZ.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to timely file a complete return. For additional information on penalties, see Form 990 instructions or call our toll free number.

If your receipts are below \$25,000, and we send you a Form 990 Package, follow the instructions in the package on how to complete the limited return to advise us that you are not required to file.

If your exemption letter states that you are not required to file Form 990, you are exempt from these requirements.

CORNERSTONE CHARITABLE FOUNDATION

UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. There are several exceptions to this tax.

1. Income you receive from the performance of your exempt activity is not unrelated business income.
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, is not unrelated business income.
3. Income from routine investments such as certificates of deposit, savings accounts, or stock dividends is usually not unrelated business income.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

FUNDRAISING

Contributions to you are deductible only to the extent that they are gifts and no consideration is received in return. Depending on the circumstances, ticket purchases and similar payments in conjunction with fundraising events may not qualify as fully deductible contributions.

CONTRIBUTIONS OF \$250 OR MORE

Donors must have written substantiation from the charity for any charitable contribution of \$250 or more. Although it is the donor's responsibility to obtain written substantiation from the charity, you can assist donors by providing a written statement listing any cash contribution or describing any

CORNERSTONE CHARITABLE FOUNDATION

donated property.

This written statement must be provided at the time of the contribution. There is no prescribed format for the written statement. Letters, postcards and electronic (e-mail) or computer-generated forms are acceptable.

The donor is responsible for the valuation of donated property. However, your written statement must provide a sufficient description to support the donor's contribution. For additional information regarding donor substantiation, see Publication 1771, Charitable Contributions - Substantiation and Disclosure Requirements. For information about the valuation of donated property, see Publication 561, Determining the Value of Donated Property.

CONTRIBUTIONS OF MORE THAN \$75 AND  
CHARITY PROVIDES GOODS OR SERVICES

You must provide a written disclosure statement to donors who receive goods or services from you in exchange for contributions in excess of \$75.

Contribution deductions are allowable to donors only to the extent their contributions exceed the value of the goods or services received in exchange. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fundraising events such as benefit dinners, shows, membership drives, etc., where something of value is received, you are required to provide a written statement informing donors of the fair market value of the specific items or services you provided in exchange for contributions of more than \$75.

You should provide the written disclosure statement in advance of any event, determine the fair market value of any benefit received, determine the amount of the contribution that is deductible, and state this information in your fundraising materials such as solicitations, tickets, and receipts. The amount of the contribution that is deductible is limited to the excess of any money (and the value of any property other than money) contributed by the donor less the value of goods or services provided by the charity. Your disclosure statement should be made, no later than, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fundraising circumstances where each complete payment, including the contribution portion, exceeds \$75. For additional information, see Publication 1771 and Publication 526, Charitable Contributions.

EXCESS BENEFIT TRANSACTIONS

Excess benefit transactions are governed by section 4958 of the Code. Excess benefit transactions involve situations where a section 501(c)(3) organization provides an unreasonable benefit to a person who is in a position to exercise substantial influence over the organization's affairs. If you believe there may be an excess benefit transaction involving your organization, you should report the transaction on Form 990 or 990-EZ. Additional information can be found in the instructions for Form 990 and Form 990-EZ, or you may call our

## CORNERSTONE CHARITABLE FOUNDATION

toll free number to obtain additional information on how to correct and report this transaction.

### EMPLOYMENT TAXES

If you have employees, you are subject to income tax withholding and the social security taxes imposed under the Federal Insurance Contribution Act (FICA). You are required to withhold Federal income tax from your employee's wages and you are required to pay FICA on each employee who is paid more than \$100 in wages during a calendar year. To know how much income tax to withhold, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file for each employee. Organizations described in section 501(c)(3) of the Code are not required to pay Federal Unemployment Tax (FUTA).

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

### CHURCHES

Churches may employ both ministers and church workers. Employees of churches or church-controlled organizations are subject to income tax withholding, but may be exempt from FICA taxes. Churches are not required to pay FUTA tax. In addition, although ministers are generally common law employees, they are not treated as employees for employment tax purposes. These special employment tax rules for members of the clergy and religious workers are explained in Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers. Churches should also consult Publications 15 and 15-A. Publication 1828, Tax Guide for Churches and Religious Organizations, also discusses the various benefits and responsibilities of these organizations under Federal tax law.

### PUBLIC CHARITY STATUS

Every organization that qualifies for tax-exemption as an organization described in section 501(c)(3) is a private foundation unless it falls into one of the categories specifically excluded from the definition of that term [referred to in section 509(a)(1), (2), (3), or (4)]. In effect, the definition divides these organizations into two classes, namely private foundations and public charities.

Public charities are generally those that either have broad public support or actively function in a supporting relationship to those organizations.

Public charities enjoy several advantages over private foundations. There are certain excise taxes that apply to private foundations but not to public charities. A private foundation must also annually file Form 990-PF, Return of Private Foundation, even if it had no revenue or expenses.

CORNERSTONE CHARITABLE FOUNDATION

The Code section under which you are classified as a public charity is shown in the heading of your exemption letter. This determination is based on the information you provided and the request you made on your Form 1023 application. Please refer to Publication 557 for additional information about public charity status.

GRANTS TO INDIVIDUALS

The following information is provided for organizations that make grants to individuals. If you begin an individual grant program that was not described in your exemption application, please inform us about the program.

Funds you distribute to an individual as a grant must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should keep adequate records and case histories that demonstrate that grants to individuals serve your charitable purposes. For example, you should be in a position to substantiate the basis for grants awarded to individuals to relieve poverty or under a scholarship or education loan program. Case histories regarding grants to individuals should show names, addresses, purposes of grants, manner of selection, and relationship (if any) to members, officers, trustees, or donors of funds to you.

For more information on the exclusion of scholarships from income by an individual recipient, see Publication 520, Scholarships and Fellowships.

**Part X Public Charity Status (Continued)**

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

INTERNAL REVENUE SERVICE  
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SAN FRANCISCO OFFICE

**6** If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at [www.irs.gov](http://www.irs.gov) or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

**Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code**

For Organization

*Joe Walter*

(Signature of Officer, Director, Trustee, or other authorized official)

(Type or print name of signer)

(Date)

(Type or print title or authority of signer)

For Director, Exempt Organizations

*Chris J. Turner*

By

Date

JUN 08 2006

- b Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. \_\_\_\_\_
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

- 7** Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual.  Yes  No

**CORNERSTONE CHARITABLE FOUNDATION  
BYLAWS**

**ARTICLE I  
*OFFICE***

Section 1. Principal Office. The principal office for the transaction of the business of the Corporation is hereby located at 622 East Main, City of Beloit, County of Mitchell, Kansas.

Section 2. Registered Office. The Corporation, by resolution of its board of trustees, may change the location of its registered office as designated in the Articles of Incorporation to any other place in Kansas. Upon adoption of such a resolution, a certificate certifying the change shall be executed, acknowledged and filed with the Secretary of State.

**ARTICLE II  
*MEMBERSHIP***

Section 1. Membership. Members shall be selected from the general public by a two-thirds vote of a quorum at an annual or special meeting of the members. Initial members shall be selected by a two-thirds vote of the trustees. The Pastor of St. John the Baptist Catholic Church of Beloit, Kansas, the Bishop of the Diocese of Salina and the Salina Diocesan Superintendent of Schools shall each be Permanent Members. All members are voting members unless otherwise specified in the Articles of Incorporation or in these Bylaws.

Section 2. Application for Membership. Applications for membership shall be made in the manner prescribed by the Membership Committee, where so directed by a resolution of the board of trustees. Honorary memberships shall be determined under terms and conditions as

specified by resolution of the board of trustees, which shall include provision that Honorary Members are not voting members.

Section 3. Resignation From Membership. A resignation from membership shall be presented to the board of trustees, but shall not relieve any member from any liability for any dues, assessments or other obligations to the Foundation which are unpaid at the time such resignation is filed, or which may arise prior to the acceptance of the resignation.

Section 4. Termination or Suspension. If any member of the Foundation, other than a Permanent Member, shall commit any act prejudicial to the conduct of the affairs of the Foundation or the purposes for which it is formed, or shall have changed his status so as to be ineligible for membership, such person shall be notified in writing to appear personally before the board of trustees at a designated time not less than thirty (30) days after such notification and at such time, be given a hearing. By a two-thirds vote of all of the board of trustees present at the meeting, the membership of such person in the Foundation may be terminated or suspended. Suspension is not appropriate where the person has ceased to be a person in the category of persons eligible for membership. If either suspension or termination is decided upon, the terms and conditions of same shall be specified in writing and delivered to the suspended or terminated member. Written notices hereunder shall be delivered by registered mail to the members last known address.

Section 5. Transfer of Membership. Memberships in the Foundation shall be nontransferable. There shall be no transfer or alienation by inter vivos or testamentary device or otherwise. The membership of Permanent Members changes with the individuals holding those positions.

Section 6. Fines and Penalties. Fines or penalties are not permitted. The penalty for misconduct is suspension or termination, as provided above.

Section 7. Place of Meetings. All annual meetings of members and all other meetings of members shall be held at the principal office of the Foundation unless another place within or without the State of Kansas is designated either by the board of trustees pursuant to authority hereinafter granted to said board, or by the written consent of all members entitled to vote thereat, given either before or after the meeting and filed with the secretary of the Foundation.

Section 8. Meetings of Voting Members and Other Membership Matters. The annual meetings of the members shall be held on the fourth Thursday of the fiscal year, in each year at 7:00 o'clock, p.m. of said day; provided, however, that should said day fall upon a legal holiday, then such annual meeting of members shall be held at the same time and place on the Tuesday preceding such designated meeting date. At such meeting, trustees shall be elected, reports of the affairs of the Foundation shall be considered, and any other business may be transacted which is within the power of the members.

Written notice of each annual meeting shall be given to each member entitled to vote, either personally or by mail, email or other means of written communication, charges prepaid, addressed to such member at his address appearing on the books of the Foundation or given by him/her to the Foundation for the purpose of notice. If a member gives no address, notice shall be deemed to have been given if sent by mail or other means of written communication addressed to the place where the principal office of the Foundation is situated, or if published at least once in some newspaper of general circulation in the county in which said office is located. All such notices shall be sent to each member entitled thereto not less than ten (10) days nor more than sixty (60) days before each annual meeting, and shall specify the place, the day and

the hour of such meeting, and shall state such other matters, if any, as may be expressly required by statute.

Section 9. Special Meetings. Special meetings of the members, for any purpose or purposes whatsoever, may be called at any time by the president, by the board of trustees, or by any one of the Permanent Members, or by one or more members holding not less than one-fifth of the voting power of the Foundation. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of members. Notices of any special meeting shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

Section 10. Adjourned Meetings and Notice Thereof. Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the membership interests, the holders of which are either present in person or represented by proxy thereat, but in the absence of a quorum, no other business may be transacted at such meeting.

When any members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, if the time and place thereof are announced at the meeting at which such adjournment is taken.

Section 11. Voting. Unless the board of trustees has fixed in advance a record date for purposes of determining entitlement to vote at the meeting, the record date shall be as of the close of business on the day next preceding the date on which the meeting shall be held. Each

voting member shall have one (1) vote for trustees and all other matters which may properly come before the members at any annual or special meeting.

Section 12. Quorum. The presence in person or by proxy of ten percent of the voting members and thirty percent of Permanent Members at any meeting shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 13. Consent of Absentees. The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 14. Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the secretary of the Foundation; provided that no such proxy shall be valid after the expiration of three (3) years from the date of its execution, unless the person executing it specified therein the length of time for which such proxy is to continue in force.

Section 15. Inspection of Corporate Records. The membership ledger, the books of account, and minutes of proceedings of the members, the board of trustees and of executive committees of trustees shall be open to inspection upon the written demand of any member or the

holder of a voting trust certificate within five (5) days of such demand during ordinary business hours if for a purpose reasonably related to his interests as a member. The list of members entitled to vote shall be prepared at least ten (10) days before every meeting of members by the officer in charge of the membership ledger, which shall be the secretary, and shall be open to inspection by any member, for any purpose germane to the meeting, during ordinary business hours for at least ten (10) days prior to such meeting. Such inspection may be made in person or by an agent or attorney authorized in writing by a member, and shall include the right to make abstracts. Demand of inspection other than at a members' meeting shall be made in writing upon the president, secretary or executive trustee of the Foundation.

Section 16. Inspection of Bylaws. The Foundation shall keep in its principal office for the transaction of business the original or a copy of these bylaws as amended or otherwise altered to date, certified by the secretary, which shall be open to inspection by the members at all reasonable times during ordinary business hours.

### ARTICLE III

#### *TRUSTEES*

Section 1. Powers. Subject to limitations of the Articles of Incorporation, of the bylaws, and of the Kansas Corporation Code as to action which shall be authorized or approved by the members, and subject to the duties of trustees as prescribed by the bylaws, all corporate powers shall be exercised by or under the authority of and the business and affairs of the Foundation shall be controlled by, the board of trustees in consultation with the pastor of St. John the Baptist Catholic Church of Beloit, Kansas. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the trustees shall have the following powers, to-wit:

First. If allowed by the Articles of Incorporation, to alter, amend or repeal the bylaws of the Foundation.

Second. To select and remove all the other officers, agents and employees of the Foundation, prescribe such powers and duties for them as may not be inconsistent with law, or with the Articles of Incorporation or the bylaws, fix their compensation, and require from them security for faithful service.

Third. To conduct, manage, and control the affairs and business of the Foundation, and to make such rules and regulations therefore not inconsistent with the law, or with the Articles of Incorporation or the bylaws, as they may deem best.

Fourth. To change the principal office and registered office for the transaction of the business of the Foundation from one location to another as provided in Article I hereof; as provided in Article I, Section 3 hereof; to designate any place within or without the State of Kansas for the holding of any members' meeting or meetings except annual meetings.

Fifth. To borrow money and incur indebtedness for purposes of the Foundation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefore.

Sixth. To appoint an executive committee and other committees, and to delegate to such committees any of the powers and authority of the board in the management of the business and affairs of the Foundation, except the power to adopt amend or repeal bylaws. Any such committee shall be composed of two or more trustees.

Section 2. Number and Qualification of Trustees. The authorized number of trustees of the Foundation shall be ten (10) until changed by amendment to this bylaw which shall include Permanent Trustees: 1) the Pastor of St. John the Baptist Catholic Church of Beloit, Kansas, 2) the Bishop of the Diocese of Salina (or his designate), and 3) the Salina Diocesan Superintendent of Schools. Trustees must be members. Except for the three Permanent Trustees, the initial trustees or a replacement trustee, each trustee shall serve for a term of four (4) years. At the initial meeting of trustees, the term of each trustee, other than the Permanent Trustees, shall be established so no more than three trustees are elected each year.

Section 3. Election and Term of Office. The trustees shall be elected at an annual meeting of members, but if any such annual meeting is not held, or the trustees are not elected thereat, the trustees may be elected at a special meeting of members held for that purpose as soon thereafter as conveniently may be. All trustees shall hold office until their respective successors are elected. A trustee, other than a Permanent Trustee, may be removed from office at any time for cause, however, by a majority vote of the voting members, and he may be removed without cause by a two-thirds (2/3) vote of the voting members.

Section 4. Vacancies. Vacancies on the board of trustees may be filled by a majority of the remaining trustees, although less than a quorum, or by a sole remaining trustee. If the Articles of Incorporation permit election of trustees without written ballot, then the election of trustees to fill vacancies shall be without written ballot, unless requested by any trustee. If at any time, by reason of death, resignation, or other cause, the Foundation should have no trustees in office, then any officer or any member or any executor, administrator, trustee or guardian of a member or other fiduciary entrusted with like responsibility for the person or estate of a member may call a special meeting of the members in accordance with the provisions of these bylaws, or

may apply to the District Court for a decree summarily ordering election as provided for by the Kansas Corporation Code. Each trustee so elected shall hold office until his successor is elected at an annual or a special meeting of the members.

A vacancy or vacancies on the board of trustees shall be deemed to exist in case of the death, resignation or removal of any trustee, or if the authorized number of trustees be increased, or if the members fail at any annual or special meeting of members at which any trustee or trustees are elected to elect the full authorized number of trustees to be voted for at the meeting, or if any trustee or trustees elected shall refuse to serve.

The members holding at least twenty percent (20%) of the outstanding membership certificates may call a meeting at any time to fill any vacancy or vacancies not filled by the trustees in accordance with the above procedures. If the board of trustees accepts the resignation of a trustee tendered to take effect at a future time, the board or the members shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of trustees shall have the effect of removing any trustee prior to the expiration of his term of office.

Section 5. Place of Meeting. Regular and special meetings of the board of trustees shall be held at any place within or without the State of Kansas which has been designated from time to time by resolution of the board or by written consent of all members of the board. In the absence of such designation, all meetings shall be held at the principal office of the Foundation.

Section 6. Organizational Meeting. Immediately following each annual meeting of members, the board of trustees shall hold a regular meeting for the purpose of organization,

election of officers, and the transaction of other business. Notice of such meeting is hereby waived.

Section 7. Other Regular Meetings. Other regular meetings of the board of trustees shall be held without call at such time as the board of trustees may from time to time designate in advance of such meetings; provided, however, should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the board of trustees is hereby waived.

Section 8. Special Meetings. Special meetings of the board of trustees for any purpose or purposes shall be called at any time by the president or, if he/she is absent or unable or refuses to act, by the secretary or by any other trustee. Notice of such special meetings, unless waived by attendance thereat or by written consent to the holding of the meeting, shall be given by written notice mailed at least five (5) days before the date of such meeting or be hand-delivered or notified by email at least two (2) days before the date such meeting is to be held. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon addressed to the trustee at his/her residence or usual place of business. If notice be given by email, such notice shall be deemed to be delivered when the same is acknowledged as received by the recipient.

Section 9. Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given to absent trustees if the time and place be fixed at the meeting adjourned.

Section 10. Waiver of Notice. The transactions of any meeting of the board of trustees, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the

meeting, each of the trustees not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 11. Quorum. A majority of the total number of trustees, including at least one Permanent Trustee, shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the trustees present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of trustees, unless a greater number be required by law, by the Articles of Incorporation or by these by-laws. The trustees present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough trustees to leave less than a quorum.

Section 12. Meetings by Telephone. Members of the board of trustees of the Foundation, or any committee designated by such board, may participate in a meeting of the board of trustees by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear one another, and such participation in a meeting shall constitute presence in person at the meeting.

Section 13. Adjournment. A majority of the trustees present may adjourn any trustees' meeting to meet again at a stated day and hour or until the time fixed for the next regular meeting of the board.

Section 14. Votes and Voting. All votes required of trustees hereunder may be by voice vote or show of hands, unless a written ballot is requested, which request may be made by any one trustee. Each trustee shall have one vote. Every reference to a majority or other proportion of trustees shall refer to a majority or other proportion of the votes of such trustees.

Section 15. Action by Unanimous Written Consent. If and when all the Trustees shall severally or collectively consent in writing to any action to be taken by the Foundation, such action shall be a valid corporate action as though it had been authorized at a meeting of the Board of Trustees.

Section 16. Action Requiring More Than Majority Vote. The following acts require an affirmative vote of seventy-five percent (75%) of the full Board of Trustees.

A. Amendment of the Articles of Incorporation.

B. Sale, lease exchange, mortgage, pledge or other disposition of all or substantially all of the property or assets of the Foundation.

C. Merger or consolidation.

D. Dissolution or liquidation.

E. Amendment of Bylaws.

Section 17. Inspection of Books and Records. Any trustee shall have the right to examine the Foundation's membership ledger, a list of its members entitled to vote and its other books and records for a purpose reasonably related to such trustee's position as a trustee. When there is any doubt concerning the inspection rights of a trustee, the parties may petition the District Court, which may, in its discretion, determine whether an inspection may be made and whether any limitations or conditions should be imposed upon the same.

Section 18. Fees and Compensation. Trustees shall not receive any stated salary for their services as trustees. Nothing herein contained shall be construed to preclude any trustee from serving the Foundation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefore.

## ARTICLE IV

### *OFFICERS*

Section 1. Officers. The officers of the Foundation shall be a president, a secretary and a treasurer. The Foundation may also have, at the discretion of the board of trustees, a chairman of the board, one or more vice-presidents, one or more assistant secretaries and one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. Any number of offices may be held by the same person.

Section 2. Election. The officers of the Foundation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article IV, shall be chosen annually by the board of trustees, and each shall hold his/her office until he/she shall resign or shall be removed or otherwise disqualified to serve, or his/her successor shall be elected and qualified.

Section 3. Subordinate Officers, Etc. The board of trustees may appoint such other officers as the business of the Foundation may require, each of whom shall have authority and perform such duties as are provided in these bylaws or as the board of trustees may from time to time specify, and shall hold office until he shall resign or shall be removed or otherwise disqualified to serve.

Section 4. Compensation of Officers. Officers of the Foundation shall not receive a salary or other compensation except for cost and expenses advanced by an officer as shall be determined by resolution of the board of trustees, adopted in advance or after the rendering of the services.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to such office.

Section 6. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the trustees at the time in office, at any regular or special meeting of the board, or, except in the case of an officer chosen by the board of trustees, by any officer upon whom such power of removal may be conferred by the board of trustees. Any officer may resign at any time upon written notice to the Foundation.

Section 7. Chairman of the Board. The chairman of the board, if there be such an officer, shall, if present, preside at all meetings of the board of trustees, and exercise and perform such other powers and duties as maybe from time to time assigned to him by the board of trustees or prescribed by these bylaws.

Section 8. President. Subject to such supervisory powers, if any, as may be given by the board of trustees to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the Foundation and shall, subject to the control of the board of trustees, have general supervision, direction and control of the business and officers of the Foundation. He/She shall preside at all meetings of the members and, in the absence of the chairman of the board, at all meetings of the board of trustees. He/She shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a Foundation, and shall have such other powers and duties as may be prescribed by the board of trustees or these bylaws.

Section 9. Vice-President. In the absence or disability of the president, the vice-president, if there be such an officer, shall perform all 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. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed for him/her respectively by the board of trustees or these bylaws.

Section 10. Secretary. The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the board of trustees may order, of all meetings of trustees and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at trustees' meetings, the members present or represented at members' meetings and the proceedings thereof. The secretary shall keep, or cause to be kept, at the principal office or at the office of the Foundation's transfer agent, a membership ledger, showing the names of the members and their addresses, and the number and date of membership certificates issued; and the date of suspension, termination or resignation of every membership certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all the meetings of the members and of the board of trustees required by these bylaws or by law to be given, and shall keep the seal of the Foundation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the board of trustees or these bylaws.

Section 11. Treasurer. The treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Foundation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses,

capital, surplus and shares. The books of account shall at all reasonable times be open to inspection by any trustee.

The treasurer shall deposit all monies and other valuables in the name and to the credit of the Foundation with such depositories as may be designated by the board of trustees. He/She shall disburse the funds of the Foundation as may be ordered by the board of trustees, shall render to the president and trustees, whenever they request it, an account of all of his/her transactions as treasurer and of the financial condition of the Foundation, and shall have such other powers and perform such other duties as may be prescribed by the board of trustees or these bylaws. He/She shall be bonded, if required by the board of trustees.

Section 12. Pastor. The Pastor of St. John the Baptist Catholic Church of Beloit, Kansas, shall approve and execute all contracts on behalf of the Foundation.

## **ARTICLE V**

### ***EXECUTIVE DIRECTOR***

Section 1. Executive Director. The Executive Director shall be the General Manager of the Foundation. He/She shall be responsible for carrying out the general business requirements of the Foundation and other matters prescribed by the Board of Trustees and the Executive Committee from time to time. The Executive Director's employment shall be at the discretion of the Board of Trustees and shall report directly to the Executive Committee of the Board of Trustees. The Executive Committee shall report the results of an annual Executive Director Performance Review to the Board of Trustees.

## ARTICLE VI

### *MISCELLANEOUS*

Section 1. Dues. The dues required for initial membership and annually or otherwise shall be as specified by written resolution of the board of trustees. Such dues may be changed from time to time except that once a member has paid his original membership fee, if any, and becomes a member, no subsequent increase or decrease in the membership fee shall warrant an assessment or require a refund as to such fee with respect to such member. Nonpayment of dues shall be a proper cause for suspension or revocation of membership hereunder. All dues shall be payable as specified by the board of trustees. Annual dues shall be in the same amount for all members of the same membership class. The annual dues may vary for each membership class where there is more than one such class. No dues shall be required of Permanent Members.

Section 2. Use of Roberts Rules of Order. The most current revision of Roberts Rules of Order shall be used for the conduct of all members' and trustees' meetings except as otherwise provided hereunder or in the Articles of Incorporation.

Section 3. Indemnification of Trustees and Officers. When a person is sued, either alone or with others, because he/she is or was a trustee or officer of the Foundation, or of another Foundation serving at the request of this Foundation, if any proceeding arising out of his/her alleged misfeasance or nonfeasance in the performance of his/her duties or out of any alleged wrongful act against the Foundation or by the Foundation, he/she shall be indemnified for his/her reasonable expenses, including attorneys' fees incurred in the defense of the proceeding, if both of the following conditions exist:

(a) The person sued is successful in whole or in part, or the proceeding against him/her is settled with the approval of the court.

(b) The court finds that his/her conduct fairly and equitably merits such indemnity.

The amount of such indemnity which may be assessed against the Foundation, its receiver, or its trustee, by the court in the same or in a separate proceeding shall be so much of the expenses, including attorneys' fees incurred in the defense of the proceeding, as the court determines and finds to be reasonable. Application for such indemnity may be made either by the person sued or by the attorney or other person rendering services to him in connection with the defense; and the court may order the fees and expenses to be paid directly to the attorney or other person, although he is not a party to the proceeding. Notice of the application for such indemnity shall be served upon the Foundation, its receiver, or its trustee, and upon the plaintiff and other parties to the proceeding. The court may order notice to be given also to the members in the manner provided in Article II, Section 2, for giving notice of members' meetings, in such form as the court directs.

Section 4. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Foundation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the board of trustees.

Section 5. Annual Report. No annual report to members shall be required, but the board of trustees may cause to be sent to the members reports in such form and at such times as may be deemed appropriate by the board of trustees.

Section 6. Contracts, Deeds, Etc., How Executed. The Pastor of St. John the Baptist Catholic Church of Beloit, Kansas, shall approve and execute all contracts or any instrument in the name of and on behalf of the Foundation. No other trustee, officer, agent or employee shall have any power or authority to bind the Foundation by any contract or engagement or to pledge its credit or to render it liable for any purpose in any amount. Any contracts, agreements, deeds or other instruments conveying lands or any interest therein, and any other documents shall be executed on behalf of the Foundation by the Pastor of St. John the Baptist Catholic Church of Beloit, Kansas.

Section 7. Fiscal Year. The board of trustees shall have the power to fix and from time to time change the fiscal year of the Foundation. In the absence of action by the board of trustees, however, the fiscal year of the Foundation shall end each year on the date which the Foundation treated as the close of its first fiscal year, until such time, if any, as the fiscal year shall be changed by the board of trustees.

Section 8. Purpose and Mission. The general purpose and mission of the Foundation is to operate for the benefit of St. John the Baptist Catholic Parish and Schools.

## ARTICLE VII

### *DISSOLUTION*

Section 1. Upon the dissolution of this Foundation, the governing body shall, after paying or making provision for the payment of all of the liabilities of the Foundation, dispose of all of the assets of the Foundation exclusively for the purposes of the Foundation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt

organization or organizations under §501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), as the governing board shall determine. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE VIII**

### ***AMENDMENTS***

Section 1. Power of Trustees. New bylaws may be adopted or these bylaws may be amended or repealed by a seventy-five percent or greater vote of the board of trustees at any regular or special meeting thereof; provided, however, that the time and place fixed by the bylaws for the annual election of trustees shall not be changed within sixty (60) days next preceding the date on which such elections are to be held. Notice of any amendment of the bylaws by the board of trustees shall be given to each member having voting rights within ten (10) days after the date of such amendments by the board.

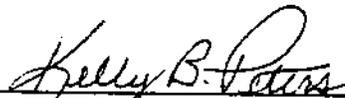
## **CERTIFICATE OF SECRETARY**

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting secretary of the Cornerstone Charitable Foundation, a Kansas not-for-profit Corporation; and

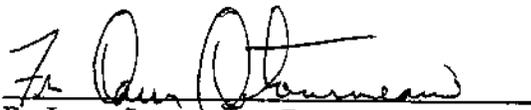
(2) That the foregoing bylaws, comprising Twenty (20) pages, constitute the original bylaws of said Foundation, as duly adopted at the first meeting of the board of trustees thereof duly held on the 26<sup>th</sup> day of July, 2005.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name this 26<sup>th</sup> day of July, 2005.



Kelly B. Peters, Secretary

Approved:



Fr. Larry Letourneau, Pastor  
St. John the Baptist Catholic Church,  
Beloit, Kansas