

Charter **of** ***Oak Ridge Public Schools*** ***Education Foundation, Inc.***

The undersigned person, having capacity to contract and acting as incorporator of a corporation under the Tennessee Nonprofit Corporation Act, Tennessee Code Annotated Sections 44-51-101, et seq., adopts the following Charter for such nonprofit corporation:

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| <u>Name</u> | 1. The name of the corporation is <i>OAK RIDGE PUBLIC SCHOOLS EDUCATION FOUNDATION, INC.</i> |
| <u>Public Benefit</u> | 2. This corporation is a public benefit corporation. |
| <u>Corporation Registered Office and Registered Agent</u> | 3. The initial registered office of the corporation is 304 New York Avenue, City of Oak Ridge, Anderson County, Tennessee 37830. Its registered agent at that office is Dr. Randy McCoy. |
| <u>Incorporator</u> | 4. The name of the incorporator is James M. McCarten, and his address is 900 Riverview Tower, 900 S. Gay Street, Knoxville, Tennessee 37902-1810. |
| <u>Principal Office</u> | 5. The street address and zip code of the principal office of the corporation is 304 New York Avenue, Oak Ridge, Tennessee 37830. |
| <u>Not for Profit</u> | 6. The corporation is not for profit. |
| <u>Members</u> | 7. The corporation will not have members. |

Purpose

8. The purposes for which this corporation is organized are as follows:

- (a) The corporation has been organized and shall be operated exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), including the making of distributions to and support of other organizations that qualify as exempt organizations under Section 501(c)(3) of the Code.
- (b) The corporation is irrevocably dedicated to and operated exclusively for nonprofit purposes, and no part of the income or assets of the corporation shall be distributed to or inure to the benefit of any individual.
- (c) The specific purpose for which the corporation is organized is to support the public schools of the City of Oak Ridge, their students and their mission. The corporation is organized to supplement and not supplant and therefore, its funds should not, in the normal course of its business, be utilized for programs or equipment mandated by the state or ordinarily paid for by tax dollars or otherwise included in the school's annual budget approved by the Oak Ridge City Council.
- (d) The corporation shall neither have nor exercise any power, nor shall it directly or indirectly engage in any activity, that would (1) prevent it from obtaining exemption from federal income taxation as a corporation described in Section 501(c)(3) of the Code, or (2) cause it to lose such exemption.

- (e) Notwithstanding any other provision of this Charter, the corporation shall only conduct or carry on activities permitted to be conducted or carried on by an organization exempt from income tax under Section 501(c)(3) of the Code and its Regulations, or any successor provision, or by an organization, contributions to which are deductible under Section 170(c)(2) of such Code and Regulations, or any successor provision, so long as they may be in effect.

Powers

- 9. As a means of accomplishing the purposes for which it is organized, the corporation shall have the rights and powers now or later conferred upon not for profit corporations by the laws of the State of Tennessee, limited in certain respects as follows:
 - (a) The corporation shall neither have nor exercise any power, nor shall it directly or indirectly engage in any activity, that would (1) prevent it from obtaining exemption from federal income taxation as a corporation described in Section 501(c)(3) of the Code, or (2) cause it to lose such exemption.
 - (b) The corporation shall not be operated for the primary purpose of carrying on a trade or business for profit.
 - (c) Except as may be permitted from time to time under Section 501 of the Code, no substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation; nor shall it in any manner or to any extent participate in or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office; nor shall the corporation engage in any activities that are unlawful under applicable federal, state, or local laws.

- (d) The corporation is not being formed for any purpose for which there are other specific statutory provisions in the State of Tennessee concerning its formation and is not being organized for a purpose or purposes which require authorization under the laws or statutory regulations of the State of Tennessee.
- (e) Upon the dissolution of the corporation, the assets of the corporation shall be distributed in accordance with a plan of distribution adopted by the board of directors exclusively for the purposes of the corporation or to one or more religious, charitable, scientific, literary or educational organizations which (1) are not for profit, (2) are engaged in affairs substantially similar to those of the dissolving corporation, (3) qualify under the provisions of Section 501(c)(3) of the Code and its Regulations, provided that the assets shall be used by the grantee for purposes substantially similar to those of the dissolving corporation. In the event that there is no other charitable organization with the primary purpose being to support the Oak Ridge Public Schools, then the assets will be distributed to the Oak Ridge Public Schools with distribution to be administered by the Oak Ridge Board of Education. In no event shall the corporation's property be conveyed to any organization created or operated for profit or to any individual for less than the fair market value of such property, and all assets remaining after payment to the corporation's debts shall be conveyed or distributed to an organization created and operated for nonprofit purposes similar to those of the corporation, as set forth above.

**Personal
Liability**

10. No director of the corporation shall incur any personal liability to the corporation for monetary damages or any breach of his or her fiduciary duty as a director, provided, however, that this provision shall not eliminate or limit the liability of a director;

- (a) for any breach of the director's duty of loyalty to the corporation;
- (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
- (c) for any unlawful distribution under Tennessee Code Annotated Section 48-58-304.

It is intended that these provisions shall provide for limitation of liability of the directors to the fullest extent permitted by law.

Indemnification 11.

- (a) Any director or officer shall be entitled to indemnification or to advancement of expenses incurred by him in connection with any proceeding to which he is a party because he is or was a director or an officer of the corporation, arising out of his status as a director or officer: provided, however, that no indemnification may be made to or on behalf of any director or officer if a judgment or other final adjudication adverse to the director or officer establishes his liability:
 - (1) for any breach of the duty of loyalty to the corporation;
 - (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
 - (3) for any unlawful distribution under Tennessee Code Annotated 48-58-304.
- (b) It is intended that these provisions provide for indemnification and advancement of expenses of the directors and officers to the fullest extent permitted by law.

Amendment

12. The provisions of the Charter may be amended, repealed or modified, but only by an affirmative vote of greater than two-thirds (2/3) of the then sitting directors: provided, however, that no provisions of this Charter shall be changed, modified or repealed in such a manner as to be inconsistent with the objects and purposes for which this corporation is formed.

Internal
Revenue Code
and Regulations

13. All references in this Charter to the Internal Revenue Code shall include the Internal Revenue Code of 1986, as amended, further amendments to the sections cited, and corresponding sections of any future laws, together with all valid regulations thereunder.

Executed

IN WITNESS WHEREOF, the undersigned incorporator has executed this Charter this ___ day of _____, 2000.

James M. McCarten
Incorporator