

BYLAWS
COMPACT FOR AMERICA EDUCATIONAL FOUNDATION, INC.
A Non-stock, Non-share and Non-member Texas Not-for-Profit Corporation

ARTICLE I
NAME AND PURPOSE OF CORPORATION

Section 1.01 Name. The name of the corporation is Compact for America Educational Foundation, Inc.

Section 1.02 Purpose. The corporation is a non-stock, non-share, and non-member entity organized exclusively for any or all lawful purposes for which non-profit corporations may be incorporated under Texas law as an exempt organization, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, with no intent of pecuniary gain or profit. In furtherance of the foregoing purpose, and subject to its limitations, the corporation is formed primarily to educate elected officials, citizens and residents of the United States and the several states of the use of an interstate compact agreement and counterpart federal legislation to coordinate the use of Article V of the U.S. Constitution by state legislatures and the US Congress to originate, propose and ratify constitutional amendments. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the educational purposes set forth herein. Except as allowed by section 501(h) of the Internal Revenue Code, or the corresponding section of any future federal tax code, no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction 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 II OFFICES

Section 2.01 Offices. The Corporation shall have its registered office in the state Texas in which it is incorporated, and may have such other offices and places of business within or without such state as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE III DIRECTORS

Section 3.01 Board of Directors. The management of the affairs, property and business of the Corporation shall be vested in a Board of Directors.

Section 3.02 Number. The number of directors shall be five, or more as fixed from time to time by the Board of Directors. The initial directors shall be designated in the Certificate of Formation to be filed in the State of Texas.

Section 3.03 Term of Directors. The term of office for appointment to the Board of Directors is two years. Each director shall hold office until the expiration of such term and until his successor, if any, has been elected and qualified, or until his earlier resignation or removal.

Section 3.04 Election of Directors. Annual and Regular Meetings. The annual meeting of directors shall be held on such date as may be determined by the Board of Directors. At such meeting, the directors shall elect a Board of Directors and transact such other business as may properly come before the meeting. Regular meetings of the Board of Directors may be held at such times as the Board of Directors may from time to time determine. No notice shall be required for the annual or any regular meeting of the Board of Directors.

Section 3.05 Special Meetings. Special meetings of the Board of Directors may be called by the President, by an officer of the corporation who is also a director or by any two directors, upon one day's notice to each director either personally or by mail, email, telephone, telecopier or telegraph, and if by telephone, confirmed in writing before or after the meeting, setting forth the time and place of such meeting. Notice of any special meeting need not be given, however, to any director who submits a signed waiver of notice, before or after the meeting, or who attends the meeting without objecting to the transaction of business.

Section 3.06 Place of Meetings.

(a) The Board of Directors may hold its meetings, regular or special, at such places, either within or without the State of Texas, as it may from time to time determine or as shall be set forth in any notice of such meeting.

(b) Any meeting of the Board of Directors may be held by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation shall constitute presence at the meeting.

Section 3.07 Adjourned Meetings. A majority of the directors present, whether or not a quorum, may adjourn any meeting of the Board of Directors to another time and/or place. Notice of the new time and/or place of such adjourned meeting shall be announced at the meeting at which the adjournment is taken.

Section 3.08 Quorum of Directors. A majority of the total number of directors shall constitute a quorum for the transaction of business. The total number of directors means the number of directors the Corporation would have if there were no vacancies.

Section 3.09 Action of the Board of Directors. The vote 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 question or action is one upon which a different vote is required by express provision of statute, the Certificate of Incorporation or these By-Laws, in which case such provision shall govern the vote on the decision of such question or action. Each director present shall have one vote.

Section 3.10 Action by Written Consent of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a written consent thereto is signed by all members of the Board of Directors or of such committee, and such written consent is filed with the minutes of proceedings of the Board of Directors or committee. Consent may be given by email.

Section 3.11 Resignation. A director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt by the Board of Directors or such officer, and acceptance of the resignation shall not be necessary.

Section 3.12 Removal of Directors. Any or all of the directors may be removed with or without cause by majority vote of the directors.

Section 3.13 Vacancies. Vacancies occurring in the Board of Directors for any reason may be filled by a vote of the majority of the directors then in office, although less than a quorum. A director elected to fill a newly created directorship or to fill any vacancy shall hold office until the next annual meeting of directors, and until his successor, if any, has been elected and qualified.

Section 3.14 Chairman. At all meetings of the Board of Directors the Chairman of the Board or, if one has not been elected or appointed or in his absence, a chairman chosen by the directors present at such meeting, shall preside.

Section 3.15 Committees Appointed by the Board of Directors. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors or by written consent of all of the directors, designate one or more committees, each committee to consist of one or more of the directors. The Board may also designate one or more directors as alternate members of any committee who may replace any absent or disqualified committee member at any committee meeting. Any such committee, to the extent provided in the resolution, except as restricted by law, shall have and may exercise the powers of the Board of Directors in the management of the affairs, business and property of the Corporation, and may authorize the seal of the Corporation, if any, to be affixed to all papers which may require it.

Section 3.16 Compensation. Unless otherwise restricted by law, the certificate of incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. No such compensation shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

ARTICLE IV OFFICERS

Section 4.01 Offices, Election and Term.

(a) At its annual meeting, the Board of Directors shall elect or appoint a President and a Secretary and may, in addition, elect or appoint at any time such other officers as it may determine. Any number of offices may be held by the same person.

(b) Unless otherwise specified by the Board of Directors, each officer shall be elected or appointed to hold office until the annual meeting of the Board of Directors next following his election or appointment and until his successor, if any, has been elected or appointed and qualified, or until his earlier resignation or removal.

(c) Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of the resignation shall not be necessary to make it effective.

(d) Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause. Any vacancy occurring in any office by reason of death, resignation, removal or otherwise may be filled by the Board of Directors.

Section 4.02 Powers and Duties. The officers, agents and employees of the corporation shall each have such powers and perform such duties in the management of the affairs, property and business of the Corporation, subject to the control of and limitation by the Board of Directors, as generally pertain to their respective offices, as well as such powers and duties as may be authorized from time to time by the Board of Directors.

Section 4.03. Office of the President. An Office of the President to allow for two or more executive officer positions of equal standing in its managerial decision hierarchy is hereby established. Notwithstanding section 4.02 hereof, the Office of the President shall possess as a whole the entirety of the executive powers and duties held by the President appointed pursuant to section 4.01. The Office of the President shall initially consist of two Executive Officers, with the titles President and Chief Executive Officer, both of whom the Board shall initially elect or appoint according to the same terms. In addition to such powers as may be authorized in these bylaws or by the Board, executive officers holding positions within the Office of the President shall be authorized and obligated to make by joint decision, subject to Board approval: (i) all strategic decisions for the Company; (ii) all subsequent creation, assignment or re-assignment of executive titles and functions; (iii) all corporate naming, structure and divisional alterations; and (iv) all executive employment or executive managerial contracting decisions. Executive officers holding positions within the Office of the President shall: (i) share all requested information with all other such persons; (ii) be given contemporaneous notification of all significant activities of the other by electronic or other equally effective means by all other such persons; and (iii) be entitled to furnish input into such activities and shall be responsible for preserving their respective primary authorities in such communications. A joint decision on a given issue shall be deemed made with each such executive officer having an equal vote and the majority vote deciding the issue. Joint decisions of such executive officers need not be formally documented nor made in formal

settings; although the executive officers within the Office of the President shall have authority to create such formal policies by joint decision if they so desire. In the event of any dispute or any inability to reach a timely joint decision (including any dispute over whether a joint decision had been made), executive officers holding positions shall submit the disputed or unresolved issue(s) for final resolution by the Board according to the "Board Dispute Resolution" process described below. A joint decision or final resolution in accordance with the foregoing terms of the Office of the President shall be deemed to control and supersede any contrary provision of any contract on the same subject matter as if it were duly amended by such decision or resolution. The foregoing rights and obligations associated with the establishment of the Office of the President shall supersede any conflicting terms of any other contract with the Company, with the Company assuming the responsibility as a material term hereof to secure the respective principal's and entity's full consent to such terms.

Section 4.04. Board Dispute Resolution. All disputed or unresolved issues between executive officers within the Office of the President regarding the scope of their respective authority or regarding the merits of decisions or proposals by any other such executive officer shall be timely presented (within 48 hours of the disagreement, unless sooner resolved) jointly to a special meeting of the Board, which shall be called by the Chairman upon electronic demand, for its final and conclusive resolution based on no more than a 2-page position statement, incorporating all disputed issues known at that time, which shall be independently offered for the Board's consideration by the disputants, and, only at the request of the Board, further supported by oral presentation as allowed by the Board by the disputants. No action under review by the Board shall be taken or, if already taken, shall be continued except as directed by the Board. All Board decisions shall be regarded as rightfully superseding and effectively amending any contract between the Company and any disputant, which actually or allegedly controls the same subject matter, with all claims to the contrary waived. Any interested Board member shall abstain from participating in the foregoing dispute resolution process. In the event that the Board is unable to reach a decision due to the abstention or absence of a member, the disinterested members of the Board shall appoint one or more disinterested persons of majority age for the limited purpose of breaking any deadlock through his vote.

ARTICLE V STEERING COMMITTEE

Section 5.01 General Function. The Steering Committee is an advisory body, which includes the membership of the Council of Scholars and such other sub-committees as may be created within the Steering Committee by the Office of the President from time to time, officially recognized by the Corporation; it is not a committee or division of the Corporation and has no implied power or authority to act on behalf of the Corporation. All references to the "Steering Committee" throughout these bylaws shall be regarded as inclusive of the Council of Scholars and other such sub-committees of the Steering Committee. All references to the members of the Steering Committee throughout these bylaws shall be regarded as inclusive of the members of the Council of Scholars and other such sub-committees of the Steering Committee. The sole function of the Steering Committee and its members shall be to advise and make non-binding recommendations to the Board of Directors with respect to matters within the areas of their respective experience and expertise. In rendering advice to the Board of Directors, the Steering Committee shall have no obligation to conduct any individual research or investigation and shall be entitled to rely solely and exclusively upon the facts and information available to it at the time

of the making of its recommendations, including, but not limited to, such facts and information as may be provided to the Steering Committee by the Corporation. The Board of Directors shall have no obligation to adopt, or otherwise be bound to act upon, any recommendation of the Steering Committee, but shall, in its sole and absolute discretion, have the ability to take the Steering Committee's recommendations under advisement. By accepting appointment and furnishing such advice, the members of the Steering Committee do not thereby become employees, agents, fiduciaries, managers, officers, directors or principals of the Corporation; members of the Steering Committee may only perform or assume additional roles or obligations pursuant to separate written agreement with the Corporation. However, members of the Steering Committee shall keep all communications relating to their advisory role confidential from third parties unless such confidentiality is expressly waived in writing by the Corporation.

Section 5.02 Membership. The Board of Directors shall determine the number of members of the Steering Committee and shall appoint such members. Members of the Steering Committee serve at the pleasure of the Board of Directors from the date they are appointed or until their earlier resignation, removal by the Board of Directors, or death. The Board of Directors shall have the authority, in its sole and absolute discretion, to remove any member of the Steering Committee at any time for any reason.

Section 5.03 Qualifying Expertise. Individuals qualify to be appointed to the Steering Committee only if they possess expertise in the following fields:

- (a) State legislatures, governors and state legislators
- (b) U.S. Congress, members of Congress
- (c) The state legislative process
- (d) The federal legislative process
- (e) Nationwide fundraising
- (f) Constitutional law
- (g) Non-profit law
- (h) American history
- (i) Grass-roots engagement
- (j) Grass-roots education
- (k) Nationwide coalition building
- (l) Social media outreach
- (m) Chamber of commerce and business community involvement

Section 5.04 Steering Committee Action. The Steering Committee shall act only upon formal or informal request of the Board of Directors. The sole responsibility of the members of the Steering Committee shall be to make recommendations to the Board of Directors as to matters within the areas of their experience and expertise. The Board of Directors may request that the Steering Committee confirm such advice and counsel to fellow Steering Committee members, staff members, state and federal government officials, key funding sources, national leaders, and key strategic partners. In addition, the Board of Directors may request attendance of Steering Committee members at key meetings that may occur at various locations throughout the nation as the Compact for America initiative is implemented.

Section 5.05 Compensation and Expense Reimbursements. The members of the Steering Committee may receive such compensation for services in such capacities as the Board of Directors of the Corporation in its sole and absolute discretion shall deem proper; however, the Board of Directors shall pay only reasonable compensation based on a consideration of comparable market rates and only pursuant to written agreement with the Corporation. The members of the Steering Committee shall be entitled to reimbursement from the Corporation for all reasonable expenses incurred by them in connection with their Steering Committee services upon the presentation to the Corporation of written documentation for such expenses. However, expenses reasonably anticipated by members of the Steering Committee to exceed \$1,000 separately or, if directly related, in the aggregate shall only be reimbursed by the Corporation upon review and prior approval by the Board of Directors.

Section 5.06 Liability. Unless a different understanding is expressly reached by separate, written agreement with the Corporation, the members of the Steering Committee shall have no liability or obligations whatsoever for any actions or omissions taken by them solely in their capacities as such. Any member of the Steering Committee made, or threatened to be made, a party to any threatened, pending, or contemplated action or proceeding, whether civil, criminal, administrative, or investigative, arising out of or related to such member's service on the Steering Committee, shall be indemnified by the Corporation, and the Corporation may advance to such member related expenses incurred in defense of such action, to the fullest extent permitted by applicable law (including, but not limited to, under the applicable laws of the State of Texas). For purposes hereof, "member" shall include such member's heirs and personal representatives. The Corporation acknowledges that the foregoing indemnification is a material inducement to the members of the Steering Committee to serve in their capacities as such, and that such members would not agree to serve on the Steering Committee in the absence of the foregoing indemnification.

ARTICLE VI INDEMNIFICATION

Section 6.01 Indemnification. To the fullest extent provided in the laws of the state of Texas, the directors and officers shall not be held personally liable for any action or omission of the Corporation; nor shall the directors and officers be held personally liable by the Corporation or any third party for actions or omissions made within the scope of reasonable business judgment. The Corporation shall indemnify the directors and officers and may, by action of the Board of Directors, indemnify its agents and employees in the manner and to the fullest extent provided in the laws of the state of Texas. Such indemnification may be in addition to any other rights to which any person seeking indemnification may be entitled under any agreement, vote of directors, any provision of these By-Laws or otherwise. The directors, officers, employees and agents of the Corporation shall be fully protected individually in making or refusing to make any payment or in taking or refusing to take any other action under this Article VI in reliance upon the advice of counsel. Expenses incurred in defending any action or proceeding for which indemnification is required or permitted and authorized by the Board of Directors shall be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined that the indemnified party is not entitled to be indemnified as authorized in this article VI. The Corporation acknowledges that the foregoing indemnification is a material

inducement to the officers and directors to serve in their capacities as such, and that such officers and directors would not agree to serve in the absence of the foregoing indemnification.

**ARTICLE VII
MISCELLANEOUS**

Section 7.01 Corporate Seal. The corporation shall not have a corporate seal.

Section 7.02 Execution of Instruments. All corporate instruments and documents shall be signed or countersigned, executed, and, if desired, verified or acknowledged by a proper officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 7.03 Fiscal Year. The fiscal year of the Corporation shall be from January 1 through December 31, or as otherwise determined by the Board of Directors.

Section 7.04 Dissolution. Upon the dissolution of the corporation, its assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction 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 VIII
AMENDMENTS**

Section 8.01 Amendments. These By-Laws may be altered, amended or repealed from time to time by the directors subject to the provisions of the Corporation's certificate of formation, as amended from time to time.

Approval and Certification:

4/24/2014, and as amended 10/24/2014

Date approved by the Board of Directors



Kevin R.C. Gutzman
Corporate Secretary