

BYLAWS OF PANHANDLE COMMUNITY RADIO, INC.

(as amended on 30 June 2014)

**323 North First Avenue
Suite 203
Sandpoint, Idaho 83864**

ARTICLE 1. NAME OF ORGANIZATION

The name of the organization is Panhandle Community Radio, Inc. (88.5 KRFY).

ARTICLE 2. PURPOSE

Section 1. Panhandle Community Radio, Inc. (hereafter PCR) is organized for the primary purpose of providing a community radio station to serve the people of north Idaho, fostering social change by entertaining, informing, and educating the community through the presentation of diverse music; cultural, news and public affairs programming and production; and any other purposes authorized by section 501(c)(3) of the Internal Revenue Code of 1986.

Section 2. PCR shall function as a nonprofit organization. Under all circumstances, notwithstanding merger, consolidation, reorganization, termination or dissolution of PCR, the following provisions shall apply:

(a) PCR shall not have or exercise any power, by any means either direct or indirect, that would prevent it from qualifying or continuing to qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, as amended. Contributions to PCR are deductible for Federal Income Tax purposes.

(b) PCR is organized exclusively for charitable, religious, educational, and scientific purposes, 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 corresponding section of any future Federal tax code.

(c) No part of the net earnings of PCR shall inure to the benefit of or be distributable to its Directors, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda or otherwise attempting to influence legislation. The organization shall not participate or intervene in, including the publishing or distribution of statements, any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code or (b) by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future Federal tax code.

Section 3. The corporation shall maintain a registered office and a registered agent as required by the Idaho Nonprofit Corporation Act and determined by the Board of Directors. The principal office of the organization shall be located in the State of Idaho at such place as designated by the Board of Directors.

Section 4. The fiscal year of PCR shall begin on January 1st and end on December 31st of each year.

ARTICLE 3. MEMBERSHIP

Classes of members, such as underwriters, individuals donors, and organizational donors, are determined by the Board of Directors.

ARTICLE 4. BOARD OF DIRECTORS

Section 1. The Board of Directors (hereafter called the Board) shall consist of no more than eleven and no less than five Directors.

Section 2. General Powers. All corporate powers are exercised by or under the authority of the Board, and all affairs of the corporation are managed

under the direction of the Board. The Board may delegate its power in matters of policy determination to officers and committees of the corporation. The Board:

- (1) shall be responsible for the business and property of PCR unless otherwise excepted;
- (2) shall formulate and establish policies for the operation of PCR;
- (3) shall determine the need of an independent audit of the accounts of PCR;
- (4) shall carry such insurance for PCR to protect the corporation and its Directors from liability as prudence would dictate;
- (5) may contract with appropriate persons in order to conduct the business of PCR and may dissolve or terminate such relationships;
- (6) may designate and terminate paid staff positions and determine salaries; and
- (7) may authorize any officers or agents of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

Section 3. Term of Office. There is no time limitation on the length of a Director's terms of service.

Section 4. Nominations and Election. The Board shall elect Directors by a majority vote. Qualifications for Directors shall include, but not be limited to, demonstrated interest and participation in community affairs of the Idaho Panhandle and surrounding areas, and an interest in community radio station. Since there is no time limitation on the length of a Director's term, nominations for Directors can take place when a Director resigns or when there is an opening on the Board. Nominations are made by any Director and are submitted to the Board with a short resume of qualifications of the person nominated. Elections take place after the Board has decided that discussion on the candidate has ended.

Section 5. Resignation. A Director may resign at any time by delivering written notice to the President of the Board, or, in the case of the resignation of the President, to the Vice-President, or to PCR at its principal office. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board.

Section 6. Removal. A Director may be removed, with or without cause, by

a majority vote of the Directors present at a Special Board Meeting called for that purpose. The notice for the meeting shall state that the purpose of the meeting is the removal of a Director. Any Director who misses three or more Board meetings per year without prior written notification given to the President of the Board may be removed by a majority vote of the Directors then in office.

Section 7. Vacancies. Any vacancy on the Board shall be filled by a majority vote of the Directors then on the Board.

Section 8. Quorum. A quorum at a Board meeting shall consist a majority of the number of filled Board positions.

Section 9. Recusal. Directors shall not vote on issues that could result in financial gain to themselves or members of their immediate family. They shall declare themselves in conflict when the item where conflict exists is introduced to the meeting. Also, a majority of the Directors present at any meeting may determine that another Director is in conflict of interest on any given issue by a majority vote. A Director that has been shown to be in conflict may participate in the discussion but may not vote on the item.

Section 10. Board Meetings.

(a) Board meetings shall be held once a month at a time and place to be determined by the President of the Board. On unanimous consent of all Directors, an expedited vote of the Board may be conducted by telephone and/or e-mail.

(b) Special Board meetings may be called by the President or any two Directors. Notice of special meetings shall be delivered to each Director personally or by telephone or e-mail not less than two days prior to the special meeting.

(c) During a Board meeting or a Special Board meeting, any Director can ask that the meeting become an Executive Session. This means that the discussion is not included in the minutes of the meeting and that the Directors do not discuss the subject matter with anyone else except other Board members.

Section 11. Guest Attendance at Board Meetings. Guests may attend a Board meeting if invited by two Directors and if the other Directors are notified before the meeting of the guest's desire to attend. Guests are not permitted to speak at a Board meeting unless recognized by a Board member.

Section 13. Minutes of meetings. Approved minutes of monthly Board meetings are matter of public record and should be kept in a file in the Business Office. The public is allowed access to Board minutes of monthly meetings.

Section 14. Manner of Acting. The act of a majority of the Directors present at a monthly Board meeting or special Board meeting at which a quorum is present, except as otherwise provided in these bylaws, shall be the act of the Board of Directors. Meetings shall be conducted in an informal manner with Robert's Rules of Order guiding parliamentary issues not herein addressed. When the President determines that meeting participants prefer action by consensus, it shall be allowed providing that no Director specifically requests a formal vote.

Section 15. Annual Public Meeting. The Board shall hold an Annual Public Meeting open to the general public, preceded by reasonable notice to the public. The Annual Public Meeting shall be held within every fiscal year at a date set by the Board. The purpose of the Annual Public Meeting is to report to the public on the activities of PCR and to receive comments and suggestions from the public.

Section 16. Compensation. Directors shall not receive any salaries for their services as Directors. No person shall serve as paid staff and Director at the same time. Directors may be reimbursed for out-of-pocket expenses incurred in performing the business of the corporation. They may be compensated as contract employees but may not be regular, salaried employees.

ARTICLE 5. OFFICERS

Section 1. Officers. The officers of PCR shall be President, Vice-President, Secretary, and Treasurer. No person may hold more than one office at a time.

Section 2. Election and Term of Office. The officers of PCR shall be elected by the Board and may hold office without time limitation.

Section 3. Resignation. An officer may resign at any time by delivering

notice to the President of the Board. Once delivered, a notice of resignation shall be irrevocable unless revocation is permitted by the Board.

Section 4. Removal. The Board may remove any officer at any time with or without cause. See Article 4, Section 6.

Section 5. Vacancies. A vacancy in any office shall be filled by the Board at its first meeting following the vacancy.

Section 6. President. The President, a member of the Board, shall be the principal executive officer of the corporation and shall, in general, supervise and control all of the business and affairs of the corporation. The President may sign, with the Secretary or any other proper officer of the corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and executing thereof shall be expressly delegated by the Board, by these bylaws, or by statute to some other officer or agent of the corporation. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

The President shall be responsible for the agenda of each meeting, receiving agenda requests from Directors. The President shall be in communication with other officers as needed and shall preside at all Board meetings. The President shall present an annual report at the Annual Public Meeting. The President shall with the concurrence of the Board appoint such committees as shall be necessary for the operation of PRC.

Section 7. Vice-President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President, a member of the Board, shall perform the duties of the President and, when so acting, shall have all the powers and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned by the President or Board.

The Vice-President shall be prepared to substitute for and assist the President in all functions and duties of the organization. The Vice-President shall be authorized to sign documents and other instruments in the absence or incapacity of the President and shall succeed the President in the event of incapacity or resignation.

Section 8. Secretary. The Secretary, a member of the Board, shall be

responsible for preparing minutes of the Board Meetings and for authenticating records of the corporation; see that all notices are duly given in accordance with these bylaws or as required by the Idaho Nonprofit Corporation Act; maintain records as required by the Idaho Nonprofit Corporation Act; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or Board.

Section 9. Treasurer. The Treasurer, not necessarily a member of the Board, shall be the chief financial officer of the corporation; oversee the receipt and disbursement of funds; and, in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or Board.

The Treasurer shall keep full and accurate records of PCR's funds and shall prepare a financial report for each meeting and an annual financial report of the finances of PCR at the close of the fiscal year. This may, at the discretion of the Board, include an independent auditor's report. Copies of all such reports shall be filed with the Secretary.

The Treasurer, as well as other officers, may seek and accept on behalf of PCR contributions, gifts, and bequests insofar as they do not in any way encumber PCR. Apart from that usually associated with the proper functioning of one's office and within the guidelines established by a directive of the Board, no encumbrance may be made in behalf of PCR without the express approval of the Board.

The Treasurer shall be empowered to maintain and be signatory to accounts necessary for the operation of PCR. The President and the Vice-President shall also be empowered to sign checks and instruments on behalf of PCR in the absence of the Treasurer. Financial contracts and instruments over and above the usual checking and savings accounts shall carry the signature of both the President and the Treasurer. All funds of PCR shall be deposited to the credit of PCR in such banks, trust companies, or other depositories as the Board may select.

ARTICLE 6. DIRECTOR AND OFFICER LIABILITY

A Director or uncompensated officer shall not be liable to the corporation or its members for monetary damages for conduct as a Director or officer, except for (1) any breach of the Director's or officer's duty of loyalty to the corporation; (2) acts or omissions not in good faith or which

involve intentional misconduct or a knowing violation of the law; (3) any unlawful distribution; (4) any transaction from which the Director or officer derived an improper personal benefit; and (5) any act or omission in violation of provisions of the Idaho Nonprofit Corporation Act regarding Director conflict of interest, loans to or guarantees for Directors and officers, and liability for unlawful distributions.

ARTICLE 7. COMMITTEES

The Board may create and appoint committees of the Board, each of which shall consist of two or more Directors, who shall exercise the authority of the Board in the management of PCR, except that a committee of the Board may not authorize distributions; approve dissolution, merger, or the sale, pledge, or transfer of all or substantially all of PCR's assets; elect, appoint, or remove Directors or fill vacancies on the Board or on any of its committees; or adopt, amend, or repeal the Articles of Incorporation or these bylaws.

ARTICLE 8. CORPORATE INDEMNIFICATION OF DIRECTORS AND OFFICERS

The corporation shall indemnify its Directors and officers to the fullest extent allowed by the Idaho Nonprofit Corporation Act.

ARTICLE 9. AMENDMENTS TO BYLAWS

These bylaws may be altered, amended, or repealed and new bylaws may be adopted by a majority vote of the Board at a Special Board Meeting called for that purpose.

The Bylaws of Panhandle Community Radio, Inc., as amended on 30 June 2014, have been voted upon and approved by the following members of the Board:

President of the Board: Jim Healey

Signature _____

Vice-President of the Board: Brian Potter

Signature _____

Board Member: Diane Newcomer

Signature _____

Board Member: Elissa Wadds

Signature _____

Board Member: Charlie Parrish

Signature _____

Date: