

ARTICLES OF INCORPORATION

OF THE

Kuali Foundation, Inc.

The undersigned incorporator desiring to incorporate a non-profit Corporation pursuant to the provisions of Indiana Nonprofit Corporation Act of 1991, as amended (the “Act”), hereby executes the following articles:

Article I

The name of the Corporation is the Kuali Foundation, Inc. (the “Corporation”).

Article II

The Corporation is a public benefit Corporation organized for such educational, administrative, scientific, and charitable purposes as shall qualify it for exemption from federal taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), or the corresponding provisions of any future United States internal revenue laws and the Treasury regulations promulgated thereunder, including, but not limited to, serving as a proponent for open and community source collaboration and development for software tools for education, as an information, research and development community for education software tools; fostering multidisciplinary open and community source software development and collaboration, promoting the expansion, development and implementation of education open source software tools to assist higher education and other sectors of the education community for the benefit of society.

In particular, the purposes for which the Corporation is organized are:

1. To foster the development of the Kuali software for administrative and services needs of education;
2. To promote collaboration, sharing of good practices, and dissemination of results of innovative approaches to applying open technology architectures and systems in general for education;
3. To solicit grants and other funding to permit the development and refinement of Kuali software, frameworks, related tools and capabilities;
4. To engage in such activities permitted under the Act incident or beneficial to the foregoing purposes.

Article III

1. The Corporation is organized on a nonstock basis.
 - a. The description and value of the Corporation's real property assets are none.
 - b. The description and value of the Corporation's personal property assets are none.
 - c. The Corporation is to be financed under the following general plan: Contributions from members of the Corporation, the public and partners; solicitation of grants.
 - d. The Corporation is organized on a membership basis.

Article IV

1. The address of the registered office is: Franklin Hall 116, 601 East Kirkwood Avenue, Indiana University, Bloomington, Indiana 47405.
2. The mailing address of the registered office is same as above.
3. The name of the resident agent at the registered office is: Bradley C. Wheeler.

Article V

The name and address of the incorporator is Bradley C. Wheeler, 3741 Mabel's Way, Bloomington, Indiana 47408.

Article VI

The Corporation shall have one class of members as set forth in its bylaws, who shall have the qualifications for membership provided in the bylaws, and who shall have voting rights. The Corporation shall not issue any capital stock.

Article VII

The Corporation may exercise all power or authority granted to it under the Act or otherwise, including, but not limited to, the power to accept donations of money, property, or any interest therein, or any other thing of value, and to own or lease property, whether real or personal.

Article VIII

In carrying out its purposes, the Corporation shall not have or exercise any power or authority not granted to it under the Act, nor engage directly or indirectly in any activity, that would prevent it from qualifying as a Corporation described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The assets of the Corporation shall be at all times dedicated to the purposes set out in Article II. No part of the assets or earnings, current or accumulated, of the Corporation shall at any time inure in whole or in part to the benefit of any private individual, association, or Corporation within the meaning of the prohibition contained in section 501(c)(3) of the Internal Revenue Code of 1986, as amended, however the Corporation shall be authorized and empowered to make payments as reasonable compensation for services rendered or as a reasonable allowance for authorized expenditures incurred on behalf of the Corporation and to make payments and distributions in furtherance of the purposes set forth in Article II.

Article IX

The Corporation shall not carry on propaganda or otherwise devote more than an insubstantial part of its activities to attempting to influence legislation. The Corporation shall not participate or intervene in any political campaign on behalf of or in (including the publication or distribution of statements) opposition to any candidate for public office.

No part of the Corporation's income, corpus or principal assets shall ever inure to the benefit of, or be distributable to, directly or indirectly, any private individual, and no director or officer of the Corporation may or shall receive any pecuniary benefit from the same; provided, however, that private individuals may be paid such reasonable compensation for services actually rendered and that are necessary to organize the Corporation and to carry out the purposes of the Corporation, as may be fixed in the manner provided by the Board of Directors. No individual shall be precluded from taking such employment and compensation by reason of the fact that he is a director or officer of the Corporation.

Article X

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for 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 a 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 Section 501(c)(3) of the Code as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the Circuit Court of Monroe County, Indiana, if the principal office of the Corporation is located in the said county at the time of dissolution of the said Corporation, or by the Circuit Court (or equivalent thereof) 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 the said Court shall determine, which are organized and operated exclusively for such purposes.

Article XI

1. Management of the property, affairs, business and activities of the Corporation shall be supervised and directed by the Board of Directors. The Board of Directors shall possess and may exercise all the powers and authority granted to the Corporation by the Act, by these Articles of Incorporation or by the By-Laws of the Corporation, as now or hereafter in effect.

2. The initial Board of Directors shall be comprised of eight (8) directors, and the exact number of Directors shall be prescribed from time to time in the By-Laws of the Corporation. Directors, other than the initial Directors, shall be elected as prescribed by the By-Laws. In the absence of such a By-Law provision, the number of Directors shall be eight (8).

The names and affiliation of the initial members of the Board of Directors of the Corporation at the time of filing these Articles of Incorporation are:

Director	Affiliation
Brad Wheeler	Chairman, Chief Information Officer & Dean of IT, Indiana University
Lee Belarmino	Associate VP for IT, San Joaquin Delta College
Bruce Alexander	Associate Director Administrative Systems, Michigan State University
Joanne DeStefano	Vice President for Financial Affairs, Cornell University
Charles Ingram	Finance Officer and Treasurer, University of Arizona
David Lassner	Chief Information Office, University of Hawaii
James Morley	President, National Association of College and University Business Officers
Barry Walsh	Senior Director of e-Business Services & Managing Director FMS, Indiana University

The address for each initial member of the Board of Directors of the Corporation shall be Franklin Hall 116, 601 East Kirkwood Avenue, Indiana University, Bloomington, Indiana 47405.

Article XII

1. **Definitions.** For purposes of this Article XII, the following terms shall have the following meanings:

(a) "Liabilities" and "Expenses" shall mean monetary obligations incurred by or on behalf of a director or officer in connection with the investigation, defense or appeal of a Proceeding or in satisfying a claim thereunder and shall include, but shall not be limited to, attorneys' fees and disbursements, amounts of judgments, fines or penalties, excise taxes assessed with respect to an employee benefit plan and amounts paid in settlement by or on behalf of a director or officer.

(b) "Other Enterprise" shall mean any Corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, whether for profit or not, for which a director or officer is or was serving, at the request of the Corporation, as a director, officer, member, manager, partner, trustee, employee or agent.

(c) "Proceeding" shall mean any claim, action, suit or proceeding (whether brought by or in the right of the Corporation or Other Enterprise or otherwise), civil, criminal, administrative or investigative, whether formal or informal, and whether actual or threatened or in connection with an appeal relating thereto, in which a director or officer may become involved, as a party or otherwise, (i) by reason of his being or having been a director or officer of the Corporation (and, if applicable, an employee or agent of the Corporation) or a director, officer, member, manager, partner, trustee, employee or agent of an Other Enterprise or arising out of his status as such, or (ii) by reason of any past or future action taken or not taken by a director or officer in any such capacity, whether or not he continues to be such at the time he incurs Liabilities and Expenses under the Proceeding.

(d) "Standard of Conduct" shall mean that a director or officer, based on facts then known to the director or officer, discharged the duties as a director or officer, including duties as a member of a committee, in good faith in what he reasonably believed to be in or not opposed to the best interests of the Corporation or Other Enterprise, as the case may be, and, in addition, in any criminal Proceeding, had no reasonable cause to believe that his conduct was unlawful. The termination of any Proceeding, by judgment, order, settlement (whether with or without court approval) or conviction or upon a plea of guilty, shall not create a presumption that the director or officer did not meet the Standard of Conduct. The termination of any Proceeding by a consent decree or upon a plea of nolo contendere, or its equivalent, shall create the presumption that the director or officer met the Standard of Conduct.

2. **Indemnification.** If a director or officer is made a party to or threatened to be made a party to any Proceeding, the Corporation shall indemnify the director or officer

against Liabilities and Expenses incurred by him in connection with such Proceeding in the following circumstances:

(a) If a director or officer has been wholly successful on the merits or otherwise with respect to any such Proceeding, he shall be entitled to indemnification for Liabilities and Expenses as a matter of right. If a Proceeding is terminated against the director or officer by consent decree or upon a plea of nolo contendere, or its equivalent, the director or officer shall not be deemed to have been "wholly successful" with respect to such Proceeding.

(b) In all other situations, a director or officer shall be entitled to indemnification for Liabilities and Expenses as a matter of right unless (i) the director or officer has breached or failed to perform his duties as a director or officer in compliance with the Standard of Conduct and (ii) with respect to any action or failure to act by the director or officer which is at issue in such Proceeding, such action or failure to act constituted willful misconduct or recklessness. To be entitled to indemnification pursuant to this Section 2(b), the director or officer must notify the Corporation of the commencement of the Proceeding in accordance with Section 5 of this Article XII and request indemnification. A review of the request for indemnification and the facts and circumstances underlying the Proceeding shall be made in accordance with one of the procedures described below; and the director or officer shall be entitled to indemnification as a matter of right unless, in accordance with such procedure, it is determined beyond a reasonable doubt that (i) the director or officer breached or failed to perform the duties of the office in compliance with the Standard of Conduct, and (ii) the breach or failure to perform constituted willful misconduct or recklessness. Any one of the following procedures may be used to make the review and determination of a director's or officer's request for indemnification under this Section 2(b) of this Article XII:

(A) by the Board of Directors by a majority vote of a quorum consisting of directors who are not parties to, or who have been wholly successful with respect to, such Proceeding;

(B) if a quorum cannot be obtained under (A) above, by a majority vote of a committee duly designated by the Board of Directors (in the designation of which, directors who are parties to such Proceeding may participate), consisting solely of two or more directors who are not parties to, or who have been wholly successful with respect to, such Proceeding;

(C) by independent legal counsel selected by a majority vote of the full Board of Directors (in which selection, directors who are parties to such Proceeding may participate); or

(D) by a committee consisting of three (3) or more disinterested persons selected by a majority vote of the full Board of Directors (in which selection, directors who are parties to such Proceeding may participate).

Any determination made in accordance with the above procedures shall be binding on the Corporation and the director or officer.

(c) If several claims, issues or matters of action are involved, a director or officer may be entitled to indemnification as to some matters even though he is not entitled to indemnification as to other matters.

(d) The indemnification herein provided shall be applicable to Proceedings made or commenced after the adoption of this Article XII, whether arising from acts or omissions to act which occurred before or after the adoption of this Article XII.

3. Prepaid Liabilities and Expenses. The Liabilities and Expenses which are incurred or are payable by a director or officer in connection with any Proceeding shall be paid by the Corporation in advance, with the understanding and agreement between such director or officer and the Corporation that, in the event it shall ultimately be determined as provided herein that the director or officer was not entitled to be indemnified, or was not entitled to be fully indemnified, the director or officer shall repay to the Corporation such amount, or the appropriate portion thereof, so paid or advanced.

4. Exceptions to Indemnification. Notwithstanding any other provisions of this Article XII to the contrary, the Corporation shall not indemnify a director or officer:

(a) For any Liabilities or Expenses for which payment is actually made to or on behalf of a director or officer under a valid and collectible insurance policy, except in respect of any excess beyond the amount of payment under such insurance policy; or

(b) For any Liabilities or Expenses incurred in a suit or claim against the director or officer arising out of or based upon actions attributable to the director or officer in which the director or officer gained any personal profit or advantage to which he was not legally entitled.

5. Notification and Defense of Proceeding. Promptly after receipt by a director or officer of notice of the commencement of any Proceeding, the director or officer will, if a request for indemnification in respect thereof is to be made against the Corporation under this Article XII, notify the Corporation of the commencement thereof, but the failure to so notify the Corporation will not relieve it from any obligation which it may have to the director or officer under this Article XII or otherwise. With respect to any such Proceeding as to which the director or officer notifies the Corporation of the commencement thereof:

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

(b) Except as otherwise provided below, to the extent that it may so desire, the Corporation, jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel reasonably satisfactory to the director or officer. After notice from the Corporation to the director or officer of its election to assume the defense of the director or officer in the Proceeding, the Corporation will not

be liable to the director or officer under this Article XII for any legal or other Expenses subsequently incurred by the director or officer in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. The director or officer shall have the right to employ counsel in such Proceeding, but the Expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the director or officer unless:

(i) the employment of counsel by the director or officer has been authorized by the Corporation; or

(ii) the director or officer shall have reasonably concluded that there may be a conflict of interest between the Corporation and the director or officer in the conduct of the defense of such Proceeding; or

(iii) the Corporation shall not in fact have employed counsel to assume the defense of such Proceeding;

in each of which cases the Expenses of counsel employed by the director or officer shall be paid by the Corporation. The Corporation shall not be entitled to assume the defense of any Proceeding brought by or in the right of the Corporation or as to which the director or officer shall have made the conclusion provided for in (ii) above; and

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

6. Other Rights and Remedies. The rights of indemnification provided under this Article XII are not exhaustive and shall be in addition to any rights to which a director or officer may otherwise be entitled by contract or as a matter of law. Irrespective of the provisions of this Article XII, the Corporation may, at any time and from time to time, indemnify directors, officers, employees and other persons to the full extent permitted by the provisions of the Act, or any successor law, as then in effect, whether with regard to past or future matters.

7. Continuation of Indemnity. All obligations of the Corporation under this Article XII shall survive the termination of a director's or officer's service in any capacity covered by this Article XII.

8. Insurance. The Corporation may purchase and maintain insurance on behalf of any director, officer, employee or other person or any person who is or was serving at the request of the Corporation as a director, officer, member, manager, partner, trustee, employee or agent of an Other Enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of his status as such,

whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of applicable law, this Article XII or otherwise.

9. Benefit. The provisions of this Article XII shall inure to the benefit of each director or officer and his respective heirs, personal representatives and assigns and the Corporation and its successors and assigns.

10. Severability. In case any one or more of the provisions contained in this Article XII shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Article XII, but this Article XII shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

I, the incorporator sign my name this _____ day of _____, 2006.

Bradley C. Wheeler, Incorporator