

**BYLAWS OF
LEGISLATIVE MEMORIAL SCHOLARSHIP ASSOCIATION
(adopted February 9, 2010)**

**ARTICLE 1
ARTICLES OF INCORPORATION, NAME, LOCATION, PURPOSE
AND CORPORATE SEAL**

Section 1.1 Articles of Incorporation. The name and purposes of the corporation shall be as set forth in its Articles of Incorporation. These Bylaws, the powers of the corporation and of its directors and officers, and all matters concerning the conduct and regulation of the affairs of the corporation shall be subject to the provisions set forth in the Articles of Incorporation, as from time to time amended.

Section 1.2 Name. The name of this nonprofit corporation shall be *Legislative Memorial Scholarship Association*.

Section 1.3 Location. The principal office of the Association is located at 210 State Street, Augusta, Maine 04330 or at such place as may be designated by the Board of Directors of the Association (the "Board").

Section 1.4 Corporate Seal. The Directors may adopt and alter the seal of the corporation.

Section 1.5 Purposes. The purposes of the corporation shall be as follows:

- (a) to award scholarships to Maine students, from each of the 16 counties in Maine, to assist them in attending a post secondary educational institution in Maine.
- (b) to raise money to support the scholarship program.
- (c) to carry on any other lawful activity in connection with the foregoing that is expected, directly or indirectly, to advance the interests of and support the delivery of scholarships to students.

**ARTICLE 2
BOARD OF DIRECTORS**

Section 2.1 Number and Composition. The Board shall consist of not less than three nor more than twenty-five Directors. At least two of the Directors shall be elected members of the Maine Legislature selected as set forth herein.

The Initial Board shall be selected as set forth in section 2.2.

Section 2.2 Selection of Initial Board of Directors. The Board shall be elected at the annual meeting, and the term of office of each Director shall be for two years and the election of his or her successor. The term shall coincide with the legislative term.

Section 2.3 Makeup of the Board of Directors. The Board of Directors shall consist of the following:

- a. Two Legislative members, with both houses being represented
- b. Two partisan staff members
- c. Two non-partisan staff members
- d. One registered lobbyist
- e. Such additional Directors as shall be elected by majority vote of all the Directors at any meeting of the Board.

Section 2.4 Directors, when selected. After the selection of the Initial Board, the Directors shall be elected prior to April 1 of each odd numbered year, or as otherwise determined by the Board.

Section 2.5 Terms and Classes. The term of office of each Director shall be 2 years, except for the Initial Board. Each Director shall hold office until a successor is selected as Director.

Section 2.6 Vacancies on Board. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 2.7 Resignation and Removal. Any Director may resign at any time by giving written notice to the Co-Chairs or Secretary. A resignation shall take effect at the time specified therein and, unless otherwise specified therein, shall become effective upon delivery. The acceptance of any resignation shall not be necessary to make it effective unless so specified in the resignation.

ARTICLE 3

MEETING OF DIRECTORS

Section 3.1 Regular Meetings. Regular meetings of the Board may be held at such periodic intervals between annual meetings and at such times as the Co-Chairs may specify. Notice of the time and place and the agenda for each such meeting shall be communicated to each Director.

Section 3.2 Special Meetings. Special meetings of the Board may be called by the Co-Chairs of the Association or by one-third (1/3) of the Directors. The notice of such meeting shall specify the time and place of the meeting. Notice of a meeting need not state the purpose of the meeting. The notice shall be conveyed to all Directors.

Section 3.3 Manner of Action and Quorum. One third of the number of Directors then in office shall constitute a quorum, provided however, that at least two Board members who are Legislators are required for a quorum. If a quorum is present, the decision of a majority of the Directors present shall constitute the act of the Board. If the meeting is held by telephone or through other communications equipment at which all Directors participating can hear each other, such participation shall constitute attendance at such meeting. A quorum is not required to adjourn a meeting of the Board. Directors may not vote by proxy. In the absence of a quorum at any meeting of the Board, a majority of the Directors may adjourn the meeting from time to time until a quorum shall be present.

Section 3.4 Executive Session. The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and/or vote upon personnel matters, litigation in which the Association is or may become involved, and other business of a sensitive nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 3.5 Actions without a Meeting. The Board may take an action without a meeting if a majority of all of the directors including at least two legislative members consent in writing to the action to be taken. If the Board resolves to take an action, an explanation of the action taken shall be filed with or entered upon the records of the Association.

Section 3.6 Telephone Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, and all participating Directors shall be deemed present in person at such meeting. An explanation of the action taken shall be filed with or entered upon the records of the Association.

Section 3.7 Roberts' Rules of Order. All meetings shall be conducted in accordance with Roberts' Rules of Order (Newly Revised).

Section 3.8 Place of Meeting and Electronic Meetings. Unless another place is designated by the Board, the place of all meetings shall be the principal office of the Association. However, any meeting may be held by telephone or through other communications equipment if all those participating can hear each other.

ARTICLE 4

POWERS AND DUTIES OF THE BOARD

Section 4.1 Powers. The Board shall have all the powers conferred on the Association in the Articles, and Bylaws, except those powers that are inconsistent with any applicable law or regulation.

Section 4.2 Duties. The Board shall be responsible for the performance of the duties of the Association set forth in these Bylaws and other documents and shall supervise all officers, agents and employees of the Association in the proper performance of their duties.

Section 4.3 Standard of Care. Each director shall perform his or her duties as a Director, and as a member of any committee of the Board on which the Director serves, in good faith, in a manner that the Director believes to be in the best interests of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 4.4 Financial Review Requirements. The Board shall review, on at least a semi-annual basis, a current reconciliation of the Association's operating and reserve expenses compared with the current year's budget, and an income and expense statement from the Association's operating and reserve account statements prepared by the financial institutions at which the Association maintains its operating and reserve accounts.

Section 4-5 Annual Meeting. The annual meeting of the Association shall be held prior to April 1 each year for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors is not held by April 1, the board of directors shall call a special meeting of the members as soon thereafter as is convenient.

ARTICLE 5

OFFICERS

Section 5.1 Officers. The officers of this Association shall be two Co-Chairs who are members of the Senate or House, a Treasurer, and a Secretary (collectively, "Officers") and other such officers or assistant officers as the Board may from time to time deem necessary.

Section 5.2 Selection of Officers. The Board shall elect the co-chairs at the annual meeting by majority vote. The Treasurer and Secretary shall be elected by majority vote of the Board. The Officers shall hold office for two years or until a successor is elected. No more than one officer position may be held by the same person.

Section 5.3 Duties of Officers. The duties of the officers shall be as follows:

- a) Co-Chairs. The Chairs shall be the chief executive officers of the Board and shall call and preside at all meetings. The Chairs shall provide leadership to the Board and its committees, carry out approved programs and policies, and maintain communication. The Co-Chairs shall have such other authorities and duties as may be delegated from time to time by the Board.
- b) Treasurer. The Treasurer shall: i) keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the properties and transactions of the Association; ii) send or cause to be sent to the Directors all financial statements and reports required by law, these Bylaws, or the Board; iii) deposit, or cause to be deposited, all money and other valuables

in the name and to the credit of the Association with such depositories as may be designated by the Board; iv) disburse the funds of the Association as ordered by the Board; v) render to the Co-Chairs and the Board, when requested, accounts of all transactions made on behalf of the Association and accounts of the financial condition of the Association; and vi) have such other powers and perform such other duties as may be prescribed by the Board.

c) **Secretary.** The Secretary shall keep or cause to be kept, at the Association's principal office, all of the following: i) a book of minutes of all meetings, proceedings and actions of the Board, committees of the Board and Members. The minutes of each meeting shall state the time and place of the meeting, whether the meeting was annual, regular or special, and, if special, how authorized, and the names of those present or represented at the meetings and ii) a record of all Director's names, addresses and telephone numbers. iii) Except as otherwise provided in these Bylaws, the Secretary shall give, or cause to be given, all notices required by these Bylaws. iv) The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 5.4 Resignation and Removal. Any Officer or other officer may resign at any time by giving written notice to the Co-Chairs or the Secretary. A resignation shall take effect at the time specific therein, and, unless otherwise specified therein, shall become effective upon delivery. The acceptance of such resignation shall not be necessary to make it effective unless so specified in the resignation.

Section 5.5 Vacancies in Office. 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.

Section 5.6 Joint Signatures. Unless the Board authorizes more stringent requirements, any check and other negotiable instrument issued by the Association requires one (1) signature.

ARTICLE 6

COMMITTEES

Section 6.1 Executive Committee. The Board may establish an Executive Committee which would consist of the Officers and such other Directors selected by the Board. The Executive Committee shall have the power to transact all of the business of the Association during the interim between meetings of the Board and shall have and exercise the authority of the Board in the management of the Association subject to any restrictions established by the Board. The designation of the Executive Committee and the delegation thereto of such authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed by law. The Executive Committee shall be subject to the control and direction of the Board.

Section 6.2 Committee of the Board. The Board may, by resolution adopted by a majority of the Directors then in office, create one or more committees. Each committee shall serve at the pleasure of the Board and consist of at least one Director appointed by the Co-Chairs then in

office. Each committee shall have all powers conferred on it by the Board and the Co-Chairs, except that no committee, regardless of Board resolution, may:

- a) take any final action on any matter which also requires approval of the Board;
- b) fill vacancies on the Board or on any committee which has the authority of the Board;
- c) amend or repeal these Bylaws or adopt new Bylaws;
- d) amend or repeal any resolution of the Board unless by its express terms is amendable or repealable by act of a committee;
- e) appoint any other committees of the Board or members of those committees; or
- f) with respect to any assets held in charitable trust, approve any self-dealing transaction.

All meetings and actions of committees of the Board shall be governed by the provisions of these Bylaws governing meetings and actions of the Board. Minutes of each committee meeting shall be kept and filed with the corporate records.

Section 6.3 Other Committees. The Co-Chairs or Board may designate one or more other committees, each of which shall consist of not less than one Director, which committees shall have and exercise the authority of the Board to the extent provided in such resolution. The designation of such committees and the delegation thereto of such authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed by law. Each committee shall serve at the pleasure of the Co-Chairs or the Board and shall be subject to the control and direction of the Board.

Section 6.4 Manner Of Acting. Unless otherwise provided in these Bylaws or unless otherwise ordered by the Board, any such committee shall act by a majority of all its members (excluding ex officio members) at a meeting at such place or through electronic communication as permitted under applicable law or by a writing or writings signed by all of its members (excluding ex officio members). All committees shall prepare and file minutes of all meetings with the Secretary to be filed with or entered upon the records of the Association.

Section 6.5 Authority. A committee is authorized to take any action or transact any business specifically delegated by the Co-Chairs or Board. If a committee is delegated complete authority to take a specific action or to transact a specific business matter by the Board, any such action or business transaction of the committee pursuant to the delegation of authority shall be as effective for all purposes as an act or business transaction by the Board.

ARTICLE 7

COMPENSATION, LIABILITY AND INSURANCE

Section 7.1 Compensation. No Director or officer shall receive any salary or other compensation for his or her services or expenses as a Director, but may be reimbursed for bona fide expenses incurred arising out of services rendered. However, the Board may enter into a contracted services agreement with an individual, serving as an independent contractor and not an employee of the Legislature, for the performance of specific tasks.

Section 7.2 Indemnification. The Association shall indemnify any Director, officer, employee or other agent of the Association from liability arising out of such person's status or office, to the fullest extent authorized under the law.

Section 7.3 Insurance. The Association may purchase and maintain such insurance on behalf of any person who is or at any time has been a Director, officer, volunteer, employee or other agent of or in a similar capacity with the Association, or who is or at any time has been, at the direction or request of the Association, a Director, officer, volunteer, administrator, manager, employee, member, advisor or other agent of or fiduciary for any other corporation, partnership, trust, venture or other entity or enterprise including any employee benefit plan against any liability asserted against and incurred by such person.

ARTICLE 8

TAX-EXEMPT STATUS

Section 8.1 Eligibility for Tax-Exempt Status. The Board and Members shall conduct the business of the Association in a manner that enables the Association to qualify for and maintain status as an organization exempt from State and Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE 9

AMENDMENT

Section 9.1 Amendment of Bylaws. These Bylaws may be amended at any meeting of the Board at which at least a majority of the members is present, or by the vote or written consent of a majority of the Directors then in office.

Section 9.2 Amendment of Articles. The Articles may be amended only by the vote or written consent of a majority of the Directors then in office.

Section 9.3 Amendments that Materially Change the Nature of the Association.

- a) Amendment of Bylaws. Any proposed amendment to these Bylaws that would materially change the nature of the Association shall be made at a meeting of the Board at which at least a quorum is present, and shall require the vote or written consent of seventy-five percent (75%) of the Board Members present at the meeting.
- b) Amendment of Articles. Any proposed amendment to the Articles that would materially change the nature of the Association shall require the vote or written consent of i) seventy-five percent (75%) of the Directors then in office.

ARTICLE 10

CONFLICT OF INTEREST

Section 10.1 General Policy. Recognizing that Directors and officers have a duty of loyalty and fidelity to the Association and they must govern the Association's affairs honestly and economically exercising their best care, skill and judgment for the benefit of the Association, to avoid even the appearance of impropriety, the Directors and officers of the Association shall disclose to the Board any situation wherein the Director or officer has a conflicting interest or duality of interest that could possibly cause that person to act on other than the best interest of the Association.

Section 10.2 Procedure. Any Director or officer having a conflicting interest or duality of interest in any transaction shall follow the following procedure:

- a) Any Director having a known duality of interest or possible conflict of interest on any matter should make a disclosure of such conflict to the other Directors. Such Director should not vote or use his or her personal influence on the matter, but such Director may be counted in determining the quorum for the meeting. The minutes of the meeting should reflect the making of the disclosure, the abstention from voting and the quorum situation.
- b) Any officer having a known duality of interest or possible conflict of interest on any matter before such officer for administrative action shall report the conflict to the Co-Chairs. Such officer shall abstain from taking any administrative action on such matter.

The requirements in this Section 10.2 shall not be construed as preventing any Director or officer from briefly stating his or her position in the matter, nor from answering pertinent questions of the Board or other officers.

ARTICLE 11

DISSOLUTION

Section 11.1 Dissolution. Upon the dissolution of the Association, the procedures concerning the distribution of assets of the Association are as follows: Upon the dissolution of the corporation, the Board shall, after paying or making provisions for the payment of all liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purpose of the corporation, or such organization or organizations organized and operated exclusively for the purposes as established under Section 501(c)(3) of the Internal Revenue Code, or the corresponding provision of any future United States Internal Revenue Law, as the Board shall determine.

ARTICLE 12

GENERAL PROVISIONS

Section 12.1 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 12.2 Records. The Association shall maintain: a) adequate and correct books and records of account; b) written minutes of all proceedings of its Board and committees of the Board; c) a record of all Board member's names, addresses and telephone numbers; d) the original or a copy of the Articles of Incorporation, the Bylaws, as amended to date, and executed copies of all Association Documents.

Section 12.3 Board Member's Rights. Any Board Member, or that Member's duly appointed representative, shall have access to the Association's membership register, books of account, and minutes from any meeting of the Members, the Board, or any committee of the Board in order to inspect and copy such for any purpose reasonably related to his or her interest as a Member. Access to such documents shall be provided at any reasonable time at the office of the Association or such other place as the Board prescribes. The Board shall establish rules regarding the notice that Members must give to the custodian of records to obtain access, the hours and days of the week when the records may be inspected and copied, and the charges imposed by the Association for copying records requested by Members.

Section 12.4 Board's Rights. Any member of the Board may, at any reasonable time, inspect, copy or make extracts of any books, records or documents of the Association and inspect the physical properties owned or controlled by the Association.

Section 12.6 Effective Date. These Bylaws were adopted and shall become effective on February 9, 2010.