

Proposed Amendments to the By-Laws of the Vermont Bar Foundation

The following amendments were promulgated by the Governance Committee and approved by the Board of Directors on February 20, 2014. Below are marked up versions of the proposed changes and a comment of purpose.

Proposed Amendment 1

The Board of Directors proposes that Article II be amended as follows:

ARTICLE II. PRINCIPAL PLACE OF BUSINESS AND FISCAL YEAR

The principal place of business and the mailing address shall be 35-37 Court Street, P.O. Box 1170, Montpelier, Vermont 05601, or such other address within the State of Vermont as may be designated hereafter by the Board of Directors of the Foundation. The fiscal year of the Foundation shall be JulyJanuary 1st to June 30thDecember 31st.

Purpose: This amendment shifts the VBF's fiscal year to a July to June fiscal year for accounting and budgeting purposes.

Proposed Amendment 2

The Board of Directors proposes that Article V be amended as follows:

ARTICLE V. ANNUAL AND SPECIAL MEETINGS

The annual meeting of the members of the Foundation shall be held in connection with the annual meeting of the Vermont Bar Association on such day in September as the Board shall determine. Special meetings of the members may be called by the Board of Directors. Notice of the annual and special meetings shall be given by the Secretary by U.S. mail or electronic mail to each member no later than 20 days before the meeting. The notice shall specifically indicate the business to be transacted, including any question to be voted, as determined by the Board of Directors. It shall include any article requested by the Board of Directors or requested by 510% or more of the members of the Foundation at least 30 days prior to the meeting. At a special meeting, No item of business, article or question to be voted shall be considered at the meeting unless prior notice thereof is given as contained in this Article. or At an annual meeting, no item of business, article or question to be voted, other than those warned in the notice, shall be considered unless at least one-third of the members are present at the meeting, and 3/4ths of the persons present at the meeting vote to consider such an additional item, article or question, not including an amendment to the Articles of Association or these By-Laws. There shall be no quorum requirement at meetings

of the Foundation members. Proxy voting is prohibited at meetings of the membership of the Foundation.

Purpose: This amendment is intended to update the notification requirements for special meetings and bring the process in line with the current provisions of non-profit corporations under Title 11B.

Proposed Amendment 3

The Board of Directors proposes that Article VI(c) be amended as follows:

ARTICLE VI.

COMPOSITION OF BOARD OF DIRECTORS

The affairs of the Foundation shall be governed by and conducted under the direction of a Board of Directors consisting of thirteen Directors. The directors shall be as follows:

(a) Six Directors elected for a two-year term from voting districts as set forth in Article VII;

(b) Two Directors appointed by the Vermont Supreme Court for a two-year term;

(c) Two Directors consisting of 1) the President of the Vermont Bar Association (VBA) or a designee, who must be a member of the VBA and the Foundation, appointed by the VBA President for a one-year term; and 2) one member of the VBA Board of Managers ~~of the Vermont Bar Association~~ as selected biennially by that Board for a two-year term;

(d) Three Directors elected for a two-year term by the Board of Directors of the Foundation. These Directors need not be members of the Foundation.

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Purpose: This amendment clarifies who the Vermont Bar Association may appoint to the VBF's Board. The language requires that at least one current member of the VBA Board of Managers serve on the VBF's Board and gives the VBA President discretion to select any person who is both a member of the VBA and the VBF to serve on the Board in the second position.

Proposed Amendment 4

The Board of Directors proposes that Article IX be amended as follows:

ARTICLE IX.

NOTICE OF BOARD MEETINGS, TRANSACTION OF BUSINESS, IDEMNIFICATION

The Board of Directors shall meet at least twice in each fiscal year. Notice of the time and place of each meeting and an agenda of the subjects to be acted upon shall be given by U.S. mail, electronic mail, or by telephone not less than seven calendar days prior to the designated meeting time. All business shall be transacted by majority vote of the Directors in attendance, in person or by telephone, at any meeting. Seven members of the Board shall constitute a quorum for the transaction of business. Any action taken in the absence of a quorum shall become effective (1) upon written assent thereto by a majority of the entire Board of Directors, delivered to the Secretary of the Foundation, or (2) by ratification at a subsequent meeting of the Board.

Between regularly scheduled meetings of the Board, a mail or telephone ballot on any pending matter may be called for by the President, and any proposed action shall become effective upon written assent thereto by a majority of the entire Board of Directors delivered to the Secretary of the Foundation.

No member of the Board may vote on any matter involving the distribution of Foundation funds to a corporation, association or other organization of which the Board member is an officer, employee or member of its governing board.

To the fullest extent authorized by Vermont law, and provided that the status of the corporation as a tax exempt entity under section 501(c)(3) of the Internal Revenue Code (or corresponding provision of any future tax code) is not affected thereby, the Foundation shall indemnify any Director or officer, or former Director or officer, against expenses actually and reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, in which he or she is made a party by reason of being or having been such Director or officer, and any liability incurred in such action, suit or proceeding.

Purpose: This amendment is intended to add minor provisions to reflect current notice practices and to qualify the extent of the VBF's indemnification obligations.

Proposed Amendment 5

The Board of Directors proposes that Article XV be amended as follows:

ARTICLE XV. QUALIFICATION OF FOUNDATION AS A CHARITABLE/EDUCATIONAL INSTITUTION

The Board of Directors shall take such action as is necessary to cause the Foundation to become and remain qualified as a charitable and/or educational institution, under the provisions of the Internal Revenue Code of the United States of America, in order that any and all gifts, devises, memorial funds or legacies received by the Foundation shall receive tax deductible status under the Internal Revenue Code. In the event that the Foundation fails to qualify as a charitable and/or educational institution as herein provided for, or having so

qualified thereafter loses its qualification, it shall be dissolved and its then assets shall be disbursed in accordance with the provisions of the Foundation's Articles of Association.

Purpose: This amendment is intended to offer a slight clarification on this section.

Proposed Amendment 6

The Board of Directors proposes that Article XIX be struck:

ARTICLE XIX. **EFFECTIVE DATE OF BY-LAWS**

~~These By Laws shall become effective on that date following March 1, 1991, when the last Director is appointed or elected pursuant to ARTICLES VI, VII and VIII of these By Laws, except that this ARTICLE and ARTICLE XVI shall become effective on the date these By Laws are adopted in order to conduct an election of Directors as provided herein and to process grant applications for the year 1990-1991. The first Board of Directors selected pursuant to these By Laws shall be selected in March, 1991, and their terms shall commence on the date that these By Laws are effective. They shall have terms as if they were selected in September, 1991, and commenced their terms in that month. The members of the Board of Directors elected pursuant to ARTICLE VII shall be elected at the 1991 mid winter meeting of the Vermont Bar Association. To facilitate this election, a nominating committee shall be appointed by November 1, 1990, and shall report by January 1, 1991, nominating persons for election in March, 1991. The time periods specified in ARTICLE VII for notification of members and submission of petitions of nomination shall be calculated in relation to the date of the business meeting of the Vermont Bar Association. Absentee ballots for Director must be received at the offices of the Foundation by the close of business on the Friday of the week of the mid winter meeting in order to be counted.~~

Purpose: This amendment simply eliminates language that is no longer necessary concerning the effective dates of the by-laws, which have long since passed.

Amendments Review and approved by the Governance Committee: January 21, 2014

Reviewed and Approved by the Board of Directors: February 20, 2014.

Submitted by: Daniel Richardson, Chair Governance Committee