

LAUREL, MONTANA COMMUNITY FOUNDATION, INCORPORATED

A Montana Nonprofit Public Benefit Corporation

BYLAWS

ARTICLE I: NAME

1.01 Name. The name of this Corporation shall be Laurel, Montana Community Foundation, Incorporated. The business of the Corporation may also be conducted as Laurel, Montana Community Foundation, Inc. or LMCF, Inc.

1.02 Name Change. The Corporation may, at its pleasure, change its name by vote of a majority of the Board of Directors. Any such name change shall be done by filing notice of the use of an assumed name by the Corporation or by amendment to the Bylaws of the Corporation and the Articles of Incorporation with the State.

ARTICLE II: PURPOSES AND POWERS

2.01 Purpose. This Corporation's purpose is to provide a legal entity through which individuals and/or corporations may make charitable, tax exempt contributions for the use and benefit of the City of Laurel and its citizens. This includes, but is not limited to, supporting education with scholarships and promoting activities that enhance the quality of life and any other projects or activities the Board of Directors may approve.

2.02 Powers. The Corporation shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the charitable purposes for which the Corporation is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the Corporation shall include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

2.03 Nonprofit Status and Exempt Activities Limitation.

(a) Nonprofit Legal Status. The Corporation is a Montana nonprofit public benefit organization, recognized as tax exempt under Section 501(c) (3) of the United States Internal Revenue Code.

(b) Exempt Activities Limitation. Notwithstanding any other provision of these Bylaws, no Director, Officer, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code as it now exists or may be amended, or by an organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the Corporation shall inure to the benefit or be distributable to any Director, Officer,

or other private person, 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 purposes set forth in the Articles of Incorporation and these Bylaws.

(c) Distribution Upon Dissolution. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code or corresponding section of any federal tax code, or shall be distributed to the federal government or to a state or local government, for a public purpose. Any assets not disposed of shall be disposed of by the District Court of the county in which the principal office of the organization 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 III: BOARD OF DIRECTORS

3.01 Number of Directors. The Corporation shall have a Board of Directors consisting of at least 5 Directors and no more than 30 Directors. Within these limits, the Board may increase or decrease the number of Directors serving on the Board, including for the purpose of staggering the terms of Directors.

3.02 Powers. The business, affairs, and property of this Corporation shall be managed by the Board of Directors.

3.03 Terms. All Directors shall serve three-year terms; provided, however, that the term may be extended until a successor has been elected.

3.04 Vacancies. The Board of Directors may fill vacancies due to resignation, death, or removal of a Director or may appoint new Directors to fill a previously unfilled Board position, subject to the maximum number of Directors under these Bylaws.

(a) Unexpected Vacancies. Vacancies in the Board of Directors due to resignation, death, or removal shall be filled by the Board for the balance of the term of the Director being replaced.

3.05 Removal of Directors. A Director may be removed by a majority vote of the Board of Directors then in office if a Director is absent and unexcused from two or more meetings of the Board of Directors in a twelve month period. The Board Chair is empowered to excuse Directors from attendance for a reason deemed adequate by the Board Chair.

3.06 Board of Directors Meetings.

(a) Regular Meetings. The Board of Directors shall have a minimum of four (4) regular meetings each calendar year at times and places fixed by the Board. Regular meetings of the Board may be held without further notice; however the Board Chair shall use best efforts to send an electronic or written reminder of regular meetings a minimum of ten days before the meeting.

(b) Special Meetings. Special meetings of the Board may be called by the Chair. A special meeting must be preceded by at least 5 days' notice to each Director of the date, time, and place, but not the purpose, of the meeting.

(c) **Notice of Board Meetings.** Notice of a regular or special meeting must be given to each Director either personally or by U.S. mail or e-mail at his or her address as shown by the records of the Corporation. If e-mailed, a notice shall be deemed delivered when an electronic notice of delivery is returned to the sender of the notice. If mailed, a notice shall be deemed delivered at the earliest of (i) five days after deposited in the mail, addressed to the Director, with postage prepaid, (ii) the date shown on the return receipt if sent by registered or certified mail and the receipt is signed by or on behalf of the Director, or (iii) the date received.

(d) **Special Notice Provisions.** If a purpose of the meeting is to consider (i) an amendment to the Articles of Incorporation, (ii) a plan of merger, (iii) the sale, lease, exchange, or disposition of all or substantially all of the Corporation's property, or (iv) the dissolution of the Corporation, then a notice must be given to each Director at least seven (7) days before the meeting stating the purpose, and the notice must be accompanied by a copy of or summary of the proposed amendment, plan of merger, transaction for the disposition of property, or proposed dissolution.

(e) **Waiver of Notice.** Any Director may waive notice of any meeting, in accordance with Montana law.

3.07 Manner of Acting.

(a) **Quorum.** A majority of the Directors in office immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the Board.

(b) **Vote.** The act of the majority of the voting Directors present at a meeting at which a quorum is present shall be the act of the Board, unless otherwise specified in these Bylaws or required by law. Each Director shall have one vote.

(c) **No Proxy Voting.** Directors may not vote or sign Board resolutions or consents by proxy.

(d) **Participation.** Directors may participate in a regular or special meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting, including in person or by telephonic conference call.

3.08 **Action Without Meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such action may be taken by e-mail if an electronic copy of the resolution is printed out, signed and returned to the Secretary by all Directors. Such consent shall have the same effect as a unanimous vote and shall be placed in the minute book by the Secretary.

3.09 **Annual Corporate Board Meeting and Election of Board Officers.** The Board shall elect Board Officers at the Annual Corporate Board Meeting to be held in January each year.

3.10 **Qualifications of Directors.** In order to be eligible as a Director on the Board of Directors, the individual must be 18 years of age.

ARTICLE IV OFFICERS

4.01 Board Officers. The Board Officers of the Corporation shall be a Board Chair, Vice Chair, Secretary, and Treasurer, all of whom shall be chosen by, and serve at the pleasure of, the Board of Directors. Each Board Officer shall have the authority and shall perform the duties set forth in these Bylaws or by resolution of the Board or by direction of an Officer authorized by the Board to prescribe the duties and authority of other Officers. The Board may also appoint additional Vice Chairs and such other Officers as it deems expedient for the proper conduct of the business of the Corporation, each of whom shall have such authority and shall perform such duties as the Board of Directors may determine. One person may hold two or more Board offices, but no Board Officer may act in more than one capacity where action of two or more Officers is required.

4.02 Term of Office. Each Board Officer shall serve a one-year term of office and may not serve more than three consecutive terms of office. Unless elected to fill a vacancy in an Officer position, each Board Officer's term of office shall begin upon the adjournment of the Annual Corporate Board Meeting at which elected and shall end upon the adjournment of the Annual Corporate Board Meeting during which a successor is elected.

4.03 Removal and Resignation. The Board of Directors may remove an Officer at any time, with or without cause. Any Officer may resign at any time by giving written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice, unless otherwise specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

4.04 Board Chair. The Board Chair shall be the Chief Volunteer Officer of the Corporation. The Board Chair shall lead the Board of Directors in performing its duties and responsibilities, including, if present, presiding at all meetings of the Board of Directors, and shall perform all other duties incident to the office or properly required by the Board of Directors.

4.05 Vice Chair. In the absence or disability of the Board Chair, the ranking Vice Chair or Vice Chair designated by the Board of Directors shall perform the duties of the Board Chair. When so acting, the Vice Chair shall have all the powers of and be subject to all the restrictions upon the Board Chair. The Vice Chairs shall have such other powers and perform such other duties prescribed for them by the Board of Directors or the Board Chair. The Vice Chair or ranking Vice Chair designated by the Board shall normally accede to the office of Board Chair upon the completion of the Board Chair's term of office.

4.06 Secretary. The Secretary shall keep or cause to be kept a book of minutes of all meetings and actions of Directors and committees of Directors. The minutes of each meeting shall state the time and place that it was held and such other information as shall be necessary to determine the actions taken and whether the meeting was held in accordance with the law and these Bylaws. The Secretary shall cause notice to be given of all meetings of Members, Directors

and committees as required by the Bylaws. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Board Chair. The Secretary may appoint, with approval of the Board, a member of the staff to assist in performance of all or part of the duties of the Secretary.

4.07 Treasurer. The Treasurer shall be the lead Director for oversight of the financial condition and affairs of the Corporation and shall have primary responsibility for implementing the responsibilities of the Finance and Audit Committee as specified in the committee charter. The Treasurer, working with the Finance and Audit Committee, shall oversee and keep the Board informed of the financial condition of the Corporation and of audit or financial review results. The Treasurer shall oversee budget preparation and shall ensure that appropriate financial reports, including an account of major transactions and the financial condition of the Corporation, are made available to the Board of Directors on a timely basis or as may be required by the Board of Directors. The Treasurer shall perform all duties properly required by the Board of Directors or the Board Chair. The Treasurer may appoint, with approval of the Board, a qualified fiscal agent or member of the staff to assist in performance of all or part of the duties of the Treasurer.

4.08 Compensation for Board Service. Directors shall receive no compensation for carrying out their duties as Directors. The Board may adopt policies providing for reasonable reimbursement of Directors for expenses incurred in conjunction with carrying out Board responsibilities, such as travel expenses to attend Board meetings.

ARTICLE V BOARD COMMITTEES

5.01 Committees.

(a) Standing and Special Committees. The committees of the Board shall be standing and special, and each Board committee shall have membership, duties, and powers established in these Bylaws and the Board resolution or charter creating the committee. Standing committees perform continuing functions on behalf of the Board. Special committees perform specific, limited tasks of the Board. In addition to the standing committees established in these Bylaws, the Board may establish standing and special committees by Board action or resolution.

(b) Creation of Committees and Appointment of Members. All Board committees shall be created by the Board of Directors, and the Board shall appoint all committee members and fill any vacancies.

(c) All Committees shall be chaired by a member of the Board of Directors.

5.02 Committee Manner of Acting. The provisions of these Bylaws which govern meetings, manner of acting, action without meetings, notice, waiver of notice, and quorum and voting requirements of the Board shall apply to committees of the Board and their members.

ARTICLE VI CONTRACTS, CHECKS, LOANS, INDEMNIFICATION AND RELATED MATTERS

6.01 Contracts and other Writings. Except as otherwise provided by resolution of the Board or Board policy, all contracts, deeds, leases, mortgages, grants, and other agreements of the Corporation shall be executed on its behalf by the Chair, or other persons to whom the Corporation has delegated authority to execute such documents in accordance with policies approved by the Board.

6.02 Checks, Drafts. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation, shall be signed by the Treasurer and the Board Chair.

6.03 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depository as the Board or a designated Committee of the Board may select.

6.04 Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Board. Such authority may be general or confined to specific instances.

6.05 Indemnification.

(a) Mandatory Indemnification. The Corporation shall indemnify a Director or former Director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a Director of the Corporation against reasonable expenses incurred by him or her in connection with the proceedings.

(b) Permissible Indemnification. The Corporation may indemnify a Director or former Director made a party to a proceeding because he or she is or was a Director of the Corporation, against liability incurred in the proceeding, if the determination to indemnify him or her has been made in the manner prescribed by the law and payment has been authorized in the manner prescribed by law.

(c) Advance for Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of (i) a written affirmation from the Director, officer, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this Article, and (ii) an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified.

ARTICLE VII AMENDMENTS, SEVEREANCE AND CAPTIONS

7.01 Amendments. These ByLaws may be altered, amended or repealed and new ByLaws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors.

7.02 Severance. If any phrase, clause, sentence, paragraph, or provision of these ByLaws is void or illegal, it shall not impair or affect the rest of these ByLaws and the Board of Directors do hereby declare they would have adopted and approved the rest of these ByLaws if such void or illegal provision had been excluded therefrom.

7.03 Captions. The captions contained in these ByLaws are for convenience and reference and in no way define, describe, extend or limit the scope or intent of these ByLaws or the intent of any provision contained therein.

DATED this 20th day of May, 2015.

J. F. Runt (Director)

Laura Wood (Director)

Van H. (Director)

Yvonne (Director)

Debra (Director)

Jan M. Kim

Monna La Adicku

Collette Decker

Susan Carter

John C. Gomer

David E. Bauer