

**BY-LAWS OF VLCT UNEMPLOYMENT INSURANCE TRUST, INC  
A NONPROFIT CORPORATION**

**ARTICLE I - OFFICES**

The principal office of the corporation in the State of Vermont shall be located in the City of Montpelier, County of Washington. The corporation may have such other offices, either within or without the State of incorporation as the board of directors may designate, or as the business of the corporation may from time to time require.

**ARTICLE II - MEMBERS**

1. **ANNUAL MEETING.** The annual meeting of the members shall be held on a specific day, time and place designated by the board of directors for the purpose of electing directors and for the transaction of other business as may lawfully come before the meeting.
2. **SPECIAL MEETINGS.** Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president or by the directors, and shall be called by the president at the request of not less than five percent (5%) of all the members of the corporation entitled to vote at the meeting.
3. **PLACE OF MEETING.** The directors may designate any place, either within or without the State unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called by the directors. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or without the state unless otherwise prescribed by statute, as the place for holding such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation.
4. **NOTICE OF MEETING.** Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, purposes for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at its address as it appears on the membership books of the corporation, with postage thereon prepaid.
5. **CLOSING OF MEMBERSHIP BOOKS OR FIXING OF RECORD DATE.** For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof or in order to make a determination of members for any other proper purpose, the directors of the corporation may provide that the membership books shall be closed for a stated period but not to exceed, in any case, thirty (30) days. If the membership books shall be closed for the purpose of determining members entitled to notice of or to vote at a meeting of members, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the membership, the directors may fix in advance a date as the record

date for any such determination of members, such date in any case to be not more than thirty (30) days and, in case of a meeting of members, not less than ten (10) days prior to the date on which the particular action requiring such determination of members is to be taken. If the membership books are not closed and no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of members, the date on which notice of the meeting is mailed shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, such determination shall apply to any adjournment thereof.

6. **VOTING LISTS.** The officer or agent having charge of the membership books of the corporation shall make, at least twenty (20) days before each meeting of members, a complete list of the members entitled to vote at such meeting, or any adjournment thereof arranged in alphabetical order, with the address of each, which list, for a period of ten (10) days prior to such meeting shall be kept on file at the principal office of the corporation and shall be subject to inspection by any member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting. The original membership book shall be prima facie evidence as to who are the members entitled to examine such list or membership books or to vote at the meeting of members.

7. **QUORUM.** At any meeting of members, at which at least six members are present, represented in person or by proxy, shall constitute a quorum. If less than said number of the members are represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

8. **PROXIES.** At all meetings of members, a member may vote by proxy executed in writing by the member or by its duly authorized agent. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting.

9. **VOTING.** Each member entitled to vote in accordance with the terms and provisions of the certificate of incorporation and these by-laws shall be entitled to one (1) vote, in person or by proxy. No member shall have the right to cumulate its vote. The vote for directors shall be by voice vote, unless seven (7) of the members present at such meeting request a vote by written ballot, and shall be decided by plurality.

10. **ORDER OF BUSINESS.** The order of business at all meetings of the members shall be as follows:

1. Approval of minutes of preceding meeting
2. Reports of Officers
3. Reports of Committees
4. Election of Directors

5. Unfinished/Old Business
6. New Business

11. **MEMBERSHIP.** Membership in the corporation shall be limited solely to those municipal corporations and governmental entities organized and existing under the laws of the State of Vermont, which are members of Vermont League of Cities and Towns or its successor.

### **ARTICLE III - BOARD OF DIRECTORS**

1. **GENERAL POWERS.** The business and affairs of the corporation shall be managed by its board of directors. The directors shall in all cases act as a board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation, as they may deem proper, not inconsistent with these By-Laws and the laws of this State.

2. **NUMBER, TENURE AND QUALIFICATIONS.** The number of directors of the corporation shall be five (5). Directors shall be elected or appointed officials of the members of the corporation; two directors shall hold office for a term of two (2) years, and three directors shall hold office for a term of three (3) years, and until his successor shall have been elected and qualified. The initial board of directors shall hold office until the first annual meeting of the corporation and until their successors have been elected and qualified.

The directors may in their discretion appoint an alternate director for a one-year term, or a portion thereof, ending October 31. The alternate director shall receive the same compensation and reimbursement for expenses and attendance at board meetings and have the same duties and obligations as other directors except the alternate director may only vote on matters when the presence of the alternate director is necessary to constitute a quorum. In determining the number of directors needed to establish a majority of directors for a quorum, the position of the alternate director shall not be included.

3. **REGULAR MEETINGS.** A regular meeting of the directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of members. The directors may, after calling the regular meeting to order, move to adjourn the meeting and provide by resolution to reconvene the same at some other specific time and place.

4. **SPECIAL MEETINGS.** Special meetings of the directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings or the directors may fix the place for holding any special meeting of the directors called by them.

5. **NOTICE.** Notice of any special meeting shall be given at least five (5) days previous thereto by written notice delivered personally, or by facsimile or mail to each director at his business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid.

6. **ATTENDANCE AT MEETINGS.** The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the

express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened.

7. **ACTIONS WITHOUT MEETINGS.** Any action permitted or required by these by-laws or the laws of the State of Vermont to be taken at a meeting of directors of the corporation, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors. Such consent shall have the same force and effect as a unanimous vote of all directors.

8. **QUORUM.** At any meeting of the directors a majority thereof shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

9. **MANNER OF ACTING.** The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the directors.

10. **NEWLY CREATED DIRECTORSHIPS AND VACANCIES.** Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board for any reason except the removal of directors without cause may be filled by a vote of a majority of the directors then in office, although less than a quorum exists. Vacancies occurring by reason of the removal of directors without cause shall be filled by vote of the members. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his predecessor.

11. **REMOVAL OF DIRECTORS.** Any or all of the directors may be removed for cause by vote of the members or by action of the board. Directors may be removed without cause only by vote of the members.

12. **RESIGNATION.** A director may resign at any time by giving written notice to the board, the president or the secretary of the corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

13. **COMPENSATION.** No compensation shall be paid to directors, as such, for their services, but by resolution of the board, a fixed sum and expenses for actual attendance at each regular or special meeting of the board may be authorized. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation thereof.

14. **PRESUMPTION OF ASSENT.** A director of the corporation who is present at a meeting of the directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

**15. EXECUTIVE AND OTHER COMMITTEES.** The board, by resolution, may designate from among its members an executive committee and other committees, each consisting of three or more directors. Each such committee shall serve at the pleasure of the board.

#### **ARTICLE IV - OFFICERS**

1. **NUMBER.** The officers of the corporation shall be a president, a vice president, a secretary and a treasurer, each of whom shall be elected by the directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the directors.

2. **ELECTION AND TERM OF OFFICE.** The officers of the corporation to be elected by the directors shall be elected annually at the first meeting of the directors held after each annual meeting of the members. Each officer shall hold office until his successor shall have been duly elected and qualified or until his or her death or until he or she shall have resigned or been removed in the manner hereinafter provided.

3. **REMOVAL.** Any officer or agent elected or appointed by the directors may be removed by the directors whenever in their judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

4. **VACANCIES.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the directors for the unexpired portion of the term.

5. **PRESIDENT.** The president shall be the principal executive officer of the corporation and, subject to the control of the directors, shall in general supervise and control all of the business and affairs of the corporation. The president shall, when present, preside at all meetings of the members and of the directors. The president may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the directors, any deeds, mortgages, bonds, contracts, or other instruments which the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and shall perform all duties incident to the office of president and such other duties as may be prescribed by the directors from time to time.

6. **VICE PRESIDENT.** In the absence of the president or in the event of his death, inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of 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 the directors.

7. **SECRETARY.** The secretary or appropriate agent(s) designated by the board of directors shall keep the minutes of the members' and directors' meetings in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these by-

laws or as required; be custodian of the corporate records and of the seal of the corporation; and keep a register of the post office address of each member which shall be furnished to the secretary by each member; have general charge of the membership books of the corporation and in general perform all duties incident to the office of secretary and other such duties as from time to time may be assigned by the President or directors.

8. **TREASURER.** If required by the directors, the treasurer shall give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the directors shall determine. The treasurer or such agent(s) or officers(s) designated by the board shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with these By-Laws and in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the president or directors.

9. **SALARIES.** The salaries, if any, of the officers shall be fixed from time to time by the directors and no officer shall be prevented from receiving such salary by reason of the fact that the officer is also a director of the corporation.

#### **ARTICLE V - CONTRACTS. LOANS. CHECKS AND DEPOSITS**

1. **CONTRACTS.** The directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. **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 a resolution of the board of directors. Such authority may be general or confined to specific instances. No loans shall be made by the corporation to its officers, directors, employees or members.

3. **CHECKS, DRAFTS, ETC.** All checks, drafts or other orders for the payment of money, notes or other, evidence of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the directors.

4. **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 depositories as the directors may select.

#### **ARTICLE VI - TRUST POWER OF ATTORNEY**

So long as a member participates in the Trust's unemployment compensation program a power of attorney authorizing the Trust or its designee to represent the member shall be in force allowing the Trust, or its designee, to execute and submit on behalf of the member necessary forms to the Department of Employment and Training; to make payment of charges,

reimbursements or contributions to the Department on behalf of the member; to obtain such account and claim information as permissible; with respect to any or all of the foregoing to communicate on behalf of the member with all proper officials of the Department of Employment and Training of the State of Vermont; and to do and perform any and all acts, including the maintenance of administrative and legal proceedings, without qualification, necessary or convenient to effectuate the Trust's unemployment compensation program.

#### **ARTICLE VII. SURPLUS**

The Board of Directors may establish a surplus reserve fund or funds to protect the Trust in the event claims, expenses and any costs of reinsurance in any particular year or years exceed contributions, and to allow the Trust when prudent to retain risk and minimize reliance on excess insurance and/or reinsurance. The Board of Directors have the responsibility to establish the level of the surplus reserve fund. The members have no right to claim a share of the surplus reserve fund, although from time to time the directors may use such funds to provide for rate credits should the Board deem existing reserves sufficient to do so. Only upon termination of the Trust, and identification and payment of all valid claims and costs of administration and all other obligations of the Trust may funds then remaining in surplus be distributed as set forth in the Corporation's Articles of Incorporation.

#### **ARTICLE VIII - FISCAL YEAR AND SEAL**

The fiscal year of the corporation shall begin on the 1st day of January in each year. The directors may provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation, the state of incorporation, year of incorporation and the words, "Corporate Seal."

#### **ARTICLE IX - WAIVER OF NOTICE**

Unless otherwise provided by law, whenever any notice is required to be given to any member or director of the corporation under the provisions of these By-Laws or under the provisions of the articles of incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### **ARTICLE X - INDEMNIFICATION**

The corporation shall indemnify an individual made a party to a legal or administrative proceeding because the individual is or was a director or officer, against liability incurred in the proceeding, if the individual:

1. Conducted himself or herself in good faith; and
2. Reasonably believed:
  - A. In the case of conduct in his or her official capacity with the corporation, the conduct was in the corporation's best interests; and
  - B. In all other cases, that his or her conduct was not in opposition to the corporation's

- best interests; and
- C. In case of any legal or administrative proceeding brought by a governmental entity, the director or officer had no reasonable cause to believe his or her conduct: was unlawful, and the individual is not finally found to have engaged in a reckless or intentional criminal act.

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that a person did not meet the standard of conduct described herein. The corporation shall not indemnify a person under this section:

- (1) In connection with a proceeding by or in the right of the corporation in which the person was adjudged liable to the corporation, or in connection with any other proceeding charging improper personal benefit to the person, whether or not involving action in his or her official capacity, in which the director was adjudged liable on the basis that personal benefit was improperly received.

The obligation of the corporation to indemnify under this Article extends to its agent, Vermont League of Cities and Towns (VLCT), and VLCT employees, when VLCT and/or its employees are acting within the scope of their authority on behalf of the corporation.

#### **ARTICLE XI - AMENDMENTS**

The By-Laws may be altered, amended or repealed and new By-Laws may be adopted in any manner permitted under the Vermont Non-profit Corporation Act. To the extent any bylaw hereunder is inconsistent with a mandatory provision of the Vermont Non-Profit Corporation Act the bylaw shall be deemed amended to conform to the Act.

These restated and amended By-laws of the corporation were duly approved by the Board of Directors June 24, 1999 and adopted at the annual meeting of the Membership held at Killington, Vermont the 30th day of September, 1999.