

# Alabama Scholars

# Endowment

Ltd.

*By-Laws*

Established October 16, 2007

**BY-LAWS**  
**of the**  
**The Alabama Scholars Endowment, Ltd.**

**ARTICLE I: PURPOSES OF THE ENDOWMENT.**

The purpose of Alabama Scholars Endowment is to provide scholarships to students from Alabama, or who are citizens thereof, to attend postsecondary education institutions, primarily in Alabama. The foremost purpose of the Endowment shall be to grant scholarships to worthy and outstanding students who demonstrate critical financial needs due to a lack of, or absence of, familial or financial support, and who have demonstrated leadership skills or endeavors in the promotion and protection of equal rights and the advancement of education of Alabama citizens, regardless of sexual orientation, gender, age, disability, race, or any other criteria based on non-academic criteria. The Board of Directors shall establish additional criteria from time to time for awarding scholarships.

**ARTICLE II: NAME OF THE ORGANIZATION.**

The name of the Endowment, a 501(c)(3) non-profit corporation organized under the tax code of the federal government, shall be “The Alabama Scholars Endowment, Ltd.”

**ARTICLE III: CATEGORIES.**

The categories of the Endowment and the minimum standards thereof shall be as follows:

- (a) **Founder.** A person who donates or secures at least ten thousand dollars (\$10,000) to the Endowment before the year 2010, and who demonstrate

a devotion and commitment to the purposes of this Endowment as established in these By-Laws and other provisions adopted from time to time by the Board of Directors.

- (b) **Co-Founder.** A person who donates or secures at least five thousand dollars (\$5,000) to the Endowment before the year 2010, and who demonstrate a devotion and commitment to the purposes of this Endowment as established in these By-Laws and other provisions adopted from time to time by the Board of Directors
- (c) **Legacy Society.** A person who donates or secures at least two thousand five hundred dollars (\$2,500) to the Endowment in any year.
- (d) **Sustainer.** A person who donates or secures continuous donations of at least one thousand dollars (\$1,000) to the Endowment, and who demonstrates a devotion and commitment to the purposes of the Endowment as established in these By-Laws and other provisions adopted from time to time by the Board of Directors
- (e) **Other.** The Board of Directors may designate other types of membership based on contribution levels or other criteria as the Board may establish.

#### **ARTICLE IV: BOARD OF DIRECTORS AND OFFICERS.**

- (a) **Composition.** There shall be seven members of the Board of Directors. The initial Board of Directors shall be as provided in the Articles of Organization.
- (b) **Officers.** From among the seven members, the Board shall elect a President, a Vice President (or presidents), a Treasurer, and a Secretary.
- (c) **Terms of Office.** After the initial terms of office, each Board position shall be for a term of three years. The length of terms for the initial full Board of Directors and officers shall be as established by the Board through resolution and by a majority vote of those Board members in attendance and voting.

- (d) **Nominations.** Nominations for election to the Board of Directors shall be submitted only by the incumbent members of Board of Directors; however, input should be sought from among the various classes of donors as the Board may direct. The nominations should be submitted to the Board in written form utilizing a secret nominating procedure.
- (e) **Elections.** Each officer shall also be an incumbent member of the Board of Directors. No person shall be elected to the Board of Directors except by a majority vote of those Board members in attendance and voting. The vote shall be by secret ballot. As each of the initial board members' terms becomes vacant, the remaining Board members shall elect a successor member by secret ballot, and in conjunction with the provisions of the Articles of Organization. Any board member may be re-elected for an unlimited number of terms.
- (f) **Other Provisions.** The Board may establish other requirements to ensure input by the various classes of the Endowment, and to maintain provisions for a fair and honest nominations and elections process.
- (g) **Vacancies, suspensions, and removals.** The Board of Directors may, with 75 percent of its membership voting in the affirmative and after due and appropriate notice, remove any director or officer of the Endowment for failure to perform his or her duties as provided by the By-Laws or by the Articles of Organization, or for continued and consistent failure to attend the regularly scheduled meetings, or for abuse or malfeasance in office. Any agent or employee appointed or employed by the Endowment may be removed or discharged or suspended by the Chairperson of the Board at any time, with or without cause.

## **ARTICLE V. DUTIES OF OFFICERS.**

- (a) **President.** The duties of the President shall be as follows:
  1. To preside at all meetings of the Board and to maintain order.
  2. To review from time to time as appropriate the finances of the Endowment.

- 3) To co-sign all expenditures with the Treasurer.
  - 4) To call for meetings of the Board, with appropriate notice.
  - 5) To make recommendations to the Board for policies and rules to be adopted by the Board for the appropriate governance, administration, and promotion of the Endowment.
  - 6) To insure that no funds are expended which are inconsistent with the provisions of the Articles of Organization, the By-Laws, and the adopted resolutions of the Endowment.
  - 7) To appoint committees, standing or special, to make recommendations to the Board of Directors, but said committees shall be appointed only after authorization of the Board of Directors and upon their confirmation of the committee membership.
  - 8) Other duties as established by the Board.
- (b) **Vice President(s)**. The duties of the Vice President or Vice Presidents shall be as follows:
- 1) To preside at any meeting of the Board when the President is absent or at the request of the President.
  - 2) To act as temporary Secretary in the absence of the Secretary.
  - 3) Other duties as established by the Board.
- (c) **Treasurer**. The duties of the Treasurer shall be as follows:
- 1) To establish accounts with the appropriate financial institutions after approval of the Board of Directors through appropriate resolution.
  - 2) To invest the funds of the Endowment as approved by the Board.
  - 3) To provide for a proper accounting of all funds received.

- 4) To provide for a proper accounting of all funds expended, including the date, purpose, and to whom made, and to make this information available at each Board meeting.
- 5) To make an annual financial statement available to any donor or upon request.
- 6) To insure that no funds are to be expended except upon approval of the Board of Directors and with a dual signature of the President.
- 7) To insure that no funds are expended which are inconsistent with the provisions of the Articles of Organization, the By-Laws, and the adopted resolutions of the Endowment.
- 8) To file all proper governmental forms with the Internal Revenue Service and the State of Alabama.
- 9) To make recommendations to the Board from time to time as the case may require to ensure that the Endowment stays in compliance with all applicable governmental statutes and rules in order to remain in compliance with all tax requirements and to maintain the Endowment's tax-exempt status.
- 10) To maintain all financial books of the financial institutions with whom the Board may establish accounts; to keep the books in proper order; and, upon termination of office, to relinquish those books to his or her successor in good order.
- 11) To act as the temporary President in the absence of the President and Vice President at a duly called meeting of the Board.
- 12) Other duties as established by the Board.

(d) **Secretary**. The duties of the Secretary shall be as follows:

- 1) To call the roll and note attendance at all Board meetings.
- 2) To keep a consistent record of all Board proceedings and provide it to the other Board members.

- 3) To transmit notices to Board members about Board meetings if requested by the President through the appropriate method, whether by written mail, electronic mail, or other appropriate written communication.
- 4) To transmit notices to Endowment members about Board meetings and other topics of interest as the Board may require.
- 5) Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.
- 6) The Secretary shall, upon leaving office, transfer the minutes and other records to the new Secretary or to the Chairman of the Board.
- 7) Other duties as established by the Board.

#### **ARTICLE VI: POWERS AND DUTIES OF THE BOARD OF DIRECTORS.**

The general powers of the Board of Directors shall include, but not necessarily be limited to, the following:

- 1) To establish and maintain a fund or funds and administer and apply the proceeds from the principal donations made to the Endowment for the purposes of the Endowment enumerated herein and in the Endowment's Articles of Organization.
- 2) To have all the powers expressly conferred upon nonprofit corporations as provided in the Code of Alabama of 1975 as amended for non-profit corporations. Further, the corporation shall do all things necessary in order for it to qualify, and remain qualified, as a tax-exempt organization as defined in the United States Internal Revenue Code and the laws of Alabama.
- 3) To enact rules and by-laws for the governance of the Endowment as the performance of its proper functions shall require, including but not limited to, the appointment of committees which a majority of the Board members voting at a regular called meeting may elect and deem necessary and propitious for the Endowment from time

to time; provided, however, no committee's duties shall be interpreted to conflict with any public law or with any of the provisions of the Articles of Organization or with these duly established By-Laws of the Endowment. No rule shall be made that conflicts with the provisions of federal or state laws which would endanger the tax exempt status of the Endowment, or call into question the validity of any contribution to the Endowment by any individual as a charitable donation to the Endowment, whether in the form of cash, securities, stock, property, bequeaths, or any other form of donation not prohibited by law.

- 4) To receive and sell equities, property, assets of any nature and to deposit said equities, property, and assets into the Endowment Account of the Endowment to be held in perpetuity.
- 5) To solicit contributions in any form and from any source for the Endowment.
- 6) To hold in perpetuity in a Trust Account the monies or other assets which are donated to the Endowment. No funds shall be disbursed, or loans made, from the principal donation of monies meant to be held in perpetuity or the principal amounts deposited into the Trust Account.
- 7) To establish financial accounts consistent with these By-Laws and Articles of Organization of the Endowment.
- 8) To disburse scholarship funds or loans to students in the pursuit of postsecondary academic excellence.
- 9) To enact the rules and By-Laws as the performance of the duties of the Board may require in the promotion and administration of the Endowment.
- 10) To confirm the appointment of standing or special committees, but only upon the recommendation of the President of the Board of Directors.
- 11) To make loans in special situations, with at least a reasonable rate of interest guaranteed, in the promotion of the Endowment;

provided; however, that this power shall not be exercised except by a unanimous vote of the Board of Directors.

- 12) To establish committees or advisory boards as deemed advisable to assist the Board of Directors in awarding scholarships and/or fundraising.
- 13) To acquire by lease, option, purchase, gift, grant, devise, conveyance, or otherwise, and to hold, enjoy, possess, rent, lease and sell lands or any interest therein as may be deemed to be in the best interest of the Endowment.
- 14) To engage such actuarial, administrative, legal, and other special services as the Board shall deem necessary to transact the business of the Endowment. The compensation and expenses for these special services shall be paid at such rates and in such amounts as the Board shall approve.
- 15) To acquire by purchase, gift, or grant any property of any class or description of asset whatsoever.
- 16) To sell, transfer, swap, or dispose of any personal property of any class or description whatsoever.
- 17) To retain any property, investments or securities originally received by the Endowment or thereafter acquired by it.
- 18) To invest and reinvest any and all funds coming into the possession of the Endowment, or any account whatsoever authorized by the Board of Directors, in such property, investments, assets, or securities, as the Board of Directors of the Endowment may, in the discretion of the Board, deem advisable, however doubtful or hazardous or limited the description or nature of any property, assets, investments or securities so retained may be, whether or not the same may be currently producing income and whether or not the same are, or may be such, as are authorized or deemed property for investment or Endowment funds under the United States Constitution or the laws of the State of Alabama or of the United States.

- 19) To register, purchase, sell, or re-sell any shares of stock, certificates of interest, bonds, or other securities of any corporation, Endowment or association, in the name of any nominee, to convert real property owned by the corporation into personal property and personal property into real property.
- 20) To improve, cause, or permit to be improved, and/or to abandon any property which the Directors of the Endowment deem to be without substantial value.
- 21) To manage and control any shares of stock, certificates of deposit or interest, bonds or other securities of any corporation, Endowment, company, or association at any time acquired in any way by this Endowment and with respect to the same to concur in any plan or arrangement for the consolidation, merger, conversion, recapitalization, reorganization or dissolution, or the lease or other Disposition of the properties of any such corporation, Endowment, company, or association the securities of which are held by this Endowment and as owner thereof to vote any security of any corporation, Endowment, company, or association held by this Endowment at any meeting of the holders of the same class of security of the issuing entity and generally in all respects to exercise all the rights of ownership therein.
- 22) To employ the services of one or more banks or financial institutions having Endowment powers, or other agent, to perform all or any part of the powers granted by the provisions of this article, and such other duties of the Endowment as the Board of Directors deem appropriate on such terms and under such contractual arrangements as the Directors may deem proper and appropriate within the provisions of the Articles of Organization and these By-Laws.
- 23) To do and perform all other acts and things which may be incidental to, and come legitimately within the scope of, any and all of the foregoing objects and purposes or which accomplishment of any and all of the foregoing objects and purposes of which may be necessary or appropriate for the effectuation and accomplishment of any and all of the objects

and purposes contained in this article, and to have and exercise all rights and powers now conferred or which may be conferred in the future from time to time on non-profit corporations under the laws of the State of Alabama.

- 24) To refuse to accept any gift, bequest, or devise, regardless of any other provision in the By-Laws notwithstanding.
- 25) To establish objective criteria and procedures for awarding student scholarships.
- 26) Other powers and authority as the Board may grant unto itself not inconsistent with this document, the laws of the United States or of the State of Alabama, or with the Articles of Organization of the Endowment. No rule or action of the Board of Directors shall conflict with this document or with the Articles of Organization.
- 27) All fiduciary responsibilities of the Endowment shall rest exclusively with the Board of Directors.

## **ARTICLE VII: MEETINGS OF THE BOARD.**

- (a) **Notice of Meetings.** The Chairperson shall cause a meeting notification to be transmitted to all Board members in time for the members to have the notice in their possession at least two weeks prior to the date of the Board meeting. The notice shall include meeting location, date, time, and proposed agenda. The Board should also adopt policies for notification of Board meetings to all current classes of members.
- (b) **Meetings.** Meetings may take place in person, by teleconferencing, or other agreed upon methods as determined by the Board.
- (c) **Executive Sessions.** Executive sessions shall be permitted at the discretion of the Board.
- (d) **Quorum.** A quorum of the Board for all meetings shall consist of at least 60 percent of the Board's members, after due and proper notice.

- (e) **Voting.** At all meetings of the Board of Directors, each director shall have equal voting powers; one director, one vote.

## **ARTICLE VIII. FINANCES AND DISBURSEMENT OF FUNDS.**

- (a) **Financial Institutions and Accounts.** The Board of Directors may establish accounts as it deems appropriate with banks and/or financial institutions of its choosing. The Board may authorize one or more accounts at banks and/or financial institutions as the Board deems desirable. The Board may establish separate accounts and/or funds within the Endowment for specific colleges and universities within the state of Alabama which may be financed through specific donations for students who attend those designated colleges and universities.
- (b) **Principal Account.** The monies which are donated to the Endowment shall be deposited into the Endowment's Trust Account, and shall not be subject to expenditure for any purpose whatsoever, but shall remain in the Endowment's Trust and possession in perpetuity.
- (c) **Other Accounts.** The Board may authorize other accounts for differing purposes as the Board may deem desirable and propitious, such as an "Operating Account" and a "Scholarship Account." The monies in any account or fund may be expended according to and consistent with Article IV of the Articles of Organization and the provisions of these By-Laws. However, no funds shall be placed in an operating account unless the donor specifically authorizes such donation in writing.
- (d) **Interest Earned.** At least ten percent (10%) of earned interest in the Principal Account shall be retained in the Endowment's Principal Account to be held in perpetuity for purposes provided for in this article and in Article IV of the Articles of Organization. The Board of Directors, in its judgment, shall determine which year or years the 90 percent of the earned interest is to be disbursed for scholarships. It shall require a vote of at least five members of the Board of Directors to disburse funds from the earned interest for scholarships.
- (e) **Expenditures.** All funds to be expended shall be first authorized by the Board of Directors. The authorization of the expenditure of funds shall be by resolution as voted by the board. Proxy voting shall not be

allowed. All expenditures shall be through the authorized process, and shall be by written check. Both the Chairperson and Treasurer must sign all checks.

(f) **Accounts and Permitted Expenditures.** The permitted expenditures of the accounts in the Alabama Scholars Endowment shall be as follows:

1) **Trust Account:** Monies deposited into this account shall never be spent, loaned, or otherwise disbursed for any reason or purpose whatsoever. Only a portion of the earned interest or income from funds (not to exceed ten percent in any fiscal year) in this account shall be subject to transfer to another account, as permitted and authorized by the Board of Directors.

2) **Scholarship Account:** To grant scholarships to worthy students who are citizens of Alabama and who attend or enroll in institutions of higher learning in the State of Alabama, or other institutions if authorized by the Board.

2) **Operating Account:** To expend any other funds for the general operations of the Endowment, including, but not necessarily limited to, salaries to any person who may be employed by the Endowment to perform the purposes herein described, and payment of all necessary and incidental expenses necessary to operate and promote the Endowment.

(g) **Prohibited Expenditures.** The Alabama Scholars Endowment shall not expend funds, either directly or indirectly, for religious instruction or religious activities. The Endowment shall not be operated for private profit, and no part of the assets, or of the net earnings of the Endowment, shall at any time inure to the benefit of any of its officers and/or Directors and their close family members (as may be stipulated by the U.S. Internal Revenue Service and the State of Alabama and the Board of Directors of the Endowment) or other individuals except for the reimbursement for actual expenses incurred in the enforcement of their official duties. If employees are hired for the administration or oversight of the Endowment, their salaries shall not be paid from the donations given to the Endowment for scholarship grants, but shall be paid from other sources from the Operating Account or another account duly authorized and established by the Board.

- (h) **Annual Financial Statements.** An annual financial statement of the Endowment shall be available for examination by any Endowment donor.
- (i) **Scholarship Disbursement.** It shall be at the sole discretion of the Board of Directors to disburse funds for scholarships, in what amounts, and to which applicants. The Board of Directors may appoint another board or committee to make recommendations on the amounts and to which worthy recipients. It shall be the duty of the Board of Directors to establish other criteria from time to time on the awarding of scholarships or loans and in the amounts which the Board deems prudent fiscally responsible.

## **ARTICLE XII: FIDUCIARY MATTERS.**

- (a) **Agent for Fiduciary Matters.** The Board of Directors shall be the sole agent responsible for all fiduciary issues.
- (b) **Exculpation of Directors and Officers.** There shall be no personal or individual liability for any director or officer with respect to any debt, obligation, or tort of the Endowment. No director or officer shall be liable to any person for any act of negligence or default on the part of any one or more of the other Directors or officers in the absence of specific knowledge on the part of the director or officer of the negligence or default of any one or more of the other Directors or officers.
- (c) **Indemnification.** The Endowment shall, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action, suit or proceeding by reason of the fact that he or she (or a person for whom he or she is the legal or personal representative or heir or legatee) is or was a director, officer, employee, or other agent of the Endowment or of any other organization served by him or her in any capacity as the request of the Endowment, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees. This indemnification shall be cumulative and not exclusive of any other rights to which the Directors may be entitled under the By-Laws, agreements, corporate actions, or otherwise.

- (d) **Other Activities.** Notwithstanding any other provision of these Articles of Organization to the contrary, the Endowment will not engage in any activity not permitted to be carried on (a) by a corporation exempt from Federal income tax under the *Internal Revenue Code of 1986*, section 501(c)(3), or the corresponding provision of any future United States internal revenue law, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the *Internal Revenue Code of 1986*, or the corresponding provisions of any future United States internal revenue law. No substantial part of the activities of the Endowment shall be used to carry on propaganda, or otherwise attempting to influence legislation, and the Endowment shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office, including the publication or distribution of statements.
- (e) **Discharge of Duties.** Each member of the Board of Directors shall discharge the director's duties as a director, including the director's duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer's duties under that authority in good faith, with the care that an ordinary prudent person in a like position would exercise under similar circumstances; and in a manner the director or officer reasonably believes to be in the best interests of the corporation.
- (f) **Reliance on Information and, Reports.** In discharging duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by (i) one or more officers or employees of the corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant or another person as to matters the director or officer reasonably believes are within such person's professional or expert competence; or (iii) in the case of a director, a committee of the board of directors of which the director is not a member of if the director reasonably believes the committee merits confidence. A director or officer is not acting in good faith if the director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this subsection unwarranted.

- (g) **Liability to Corporation or its Members.** A director or officer shall not be liable as such to the corporation or its members or donors for any action taken or omitted to be taken as a director or officer, as the case may be, if, in connection with such action or omission, the director or officer preformed the duties of the position in compliance with this section.
- (h) **Director not Deemed to be a “Trustee.”** A director, regardless of title, shall not be deemed to be a “trustee” within the meaning given that term by trust law with respect to the corporation or with respect to any property held or administered by the corporation including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.
- (i) **Conflicts of Interest.**
- (1) **Definition.** A conflict of interest arises when any “responsible person” or any “party related to a responsible person” has an “interest adverse to the corporation.” A “responsible person” is any individual in a position to exercise substantial influence over the affairs of the corporation, and specifically includes, without limitation, directors and officers of the corporation. A “party related to a responsible person” includes his or her extended family (including spouse, ancestors, descendants, and siblings, and their respective spouses and descendants), an estate or trust in which the responsible person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the responsible person or any member of his or her extended family is a director, trustee, or officer of has a financial interest. “An interest adverse to the corporation” includes any interest in any contract, transaction or other financial relationship with the corporation, and any interest in an entity whose best interests may be impaired by the best interests of the corporation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the corporation, an entity in which the corporation has any business of financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the corporation.

- (2) **Disclosure.** If a responsible person is aware that the corporation is about to enter into any transaction or make any decision involving a conflict of interest, (a “conflict interest transaction”), such person shall: (i) immediately inform those charged with approving the conflicting interest transaction on behalf of the corporation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the responsible person’s knowledge that bear on the advisability of the corporation entering into the conflicting interest transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.
- (3) **Approval of Conflicting Interest Transactions.** The corporation may enter into a conflicting interest transaction provided either:
- (i) The material facts as to the responsible person’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or to a committee of the board of directors that authorizes, approves or ratifies the conflicting interest transaction, and the board or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors on the board of committee, even though the disinterested directors are less than a quorum; or,
  - (ii) The material facts as to the responsible person’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the voting members, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the voting members; or,
  - (iii) The conflicting interest transaction is fair to the corporation.
- (4) **Loans.** No loans shall be made by the corporation to any of its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the

corporation for the amount of such loan until the repayment thereof. Loans may be permitted to students who apply, but only after application and approval of the Board, with written and proper guarantees by the borrower that the loan will be repaid according to the stipulations of the loan.

**(j) Liability to Corporation.** The members of the Board of Directors and their representatives shall not be liable for punitive damages for acts arising out of the good faith performance of their duties in administering the Endowment. No person acting singularly or jointly without a duly adopted resolution of the Board of Directors as required and provided for in this document shall have any power to bind the Endowment to any contract or engagement, or to pledge its credit or to render it liable for any purpose or for any amount. A Director who votes for or assents to a distribution made in violation of these By-Laws or the Articles of Organization of the Corporation shall be personally liable to the Corporation for the amount of the distribution that exceeds what could have been distributed without violating the By-Laws or the Articles of Organization if it is established that the Director did not perform the Director's duties in compliance with the general standards as established in these By-Laws. A Director who is liable under these By-Laws or the Articles of Organization for an unlawful distribution may receive contributions to repay the unlawful distribution: (i) from every other director who could be liable for the unlawful distribution; and (ii) from each person who accepted the distribution knowing the distribution was made in violation of the By-Laws or the Articles of Organization, to the extent the distribution to that person exceeds what could have been distributed to that person without violating the By-Laws or the Articles of Organization.

**(k) Surety Bonds.** The Board of Directors may require any officer or agent of the corporation to execute to the corporation a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of such person's duties and for the restoration to the corporation of all books, papers, vouchers, money, and other property of whatever kind in such person's possession or under such person's control belonging to the corporation.

### **ARTICLE XIII. OFFICE OF THE ENDOWMENT.**

The Endowment's mailing address shall be at 3326 Bankhead Avenue, Montgomery, Alabama 36101-2450 until the Board changes the address at the time or times of its choosing.

### **ARTICLE XIV. AMENDMENTS TO BY-LAWS AND ARTICLES.**

- (a) **By-Laws.** These By-Laws may be amended from time to time by the Board of Directors, but only after a thorough review and study of the process and the adoption of procedures by which the amendments are to be offered. At least 75 percent of the Board of Directors and at least 67 percent of the votes entitled to be cast by the "designated class" of members present at the meeting or through another designated balloting procedure, as the case may be provided by the Board, must agree to amend these By-Laws before the proposed amendments are to become effective. The Board members shall be given written copies of any proposed amendment to the By-Laws at least three weeks prior to any vote being taken by the Board concerning the amendment. The Board may, in its discretion, put the question before the class or classes of members of the Endowment, which it shall have established at least one month prior to any vote. The designated class or classes may vote by mail ballot or through other methods as established by the Board of Directors. Notwithstanding the foregoing provisions of this subsection or any other provision of these By-Laws, the provision requiring that the principal donation never be spent shall **not** be amended by the Board of Directors, or any succeeding governing authority.
- (b) **Articles of Organization.** The Articles of Organization may be amended by the adoption of a resolution by the Board of Directors setting forth the proposed amendment and directing that it be submitted to a vote of the Board in a regular meeting through a mailed written ballot, giving an explanation and background of the proposed changes. The Board of Directors shall give the non-Board members at least three weeks to have the ballots in hand and to respond. It shall take an affirmative vote of at least 75 percent of the Board of Directors, and 67 percent of any class so designated by the Board of Directors to approve any amendment to the Articles of Organization. However, the Board shall have no authority to amend the provision of the Articles of

Organization which protect the principal donation to the Endowment, which donation shall forever be held inviolate.

#### **ARTICLE XV: POSSIBLE DISSOLUTION OF THE ENDOWMENT AND DISBURSEMENT OF RESIDUAL MONIES.**

- (a) **Possible Dissolution.** The Endowment shall be perpetual. However, in the unlikely event that the Board of Directors determines that the Endowment is of no further value, the Endowment may be dissolved. It shall take a unanimous vote of the Board of Directors to dissolve the Endowment. It shall also take a 75 percent confirmation vote by secret ballot of both the living Founders and Co-Founders to dissolve the Endowment.
- (b) **Disbursement of Funds upon Dissolution.** In the event that the Endowment is dissolved, all of the residual assets of the Endowment, in whatever form, shall be disposed of according to a detailed written resolution and directive of the Board and upon a 75 percent majority affirmative vote of the Founders and Co-Founders, as well as by any other duly and legally designated class or classes of the Endowment; provided, however, that the disposed assets shall be given to another educational trust fund or tax exempt public fund, and/or public postsecondary college for scholarships in the state of Alabama.

#### **ARTICLE XVI: RECORDS OF THE CORPORATION.**

- (a) **Minutes and Records.** The corporation shall keep as permanent records minutes of all meetings of the Board of Directors, a record of all actions taken by the Board of Directors without a meeting, a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the corporation, and a record of all waivers of notices of meetings of the Board of Directors or any committee of the Board of Directors. The Secretary of the Board of Directors shall, upon leaving office, transfer the minutes and other records to the new Secretary or to the Chairman of the Board.
- (b) **Accounting Records.** The corporation shall maintain appropriate accounting records.

(c) **Records in Written Form.** The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

**ARTICLE XVII. MISCELLANEOUS PROVISIONS.**

(a) **Severability.** Should any provision of this document become invalid or unenforceable due to any reason, the invalidity or unenforceability shall not affect any other provision or provisions of these By-Laws which remain, and the remaining provisions shall continue effective and shall be construed in all respects as valid and enforceable.

(b) **Descriptive Headings.** The descriptive headings to these By-Laws are for convenience of reference only, and shall not be deemed to alter or affect the meaning of any of the provisions of the By-Laws.

(c) **Corporate Seal.** The Board of Directors shall provide a suitable corporate seal which shall bear the following words and figures as:

**Alabama Scholars Endowment, Ltd.  
Non-profit Corporation  
2008  
State of Alabama**



**STATE OF ALABAMA  
Montgomery County**

**Before me, a Notary Public At-Large for the State of Alabama,  
appeared Mr. Joe Cottle, Mr. Mark Lindsey, Mr. Frank D. Powell III,  
and Ms. Miki Beth Stiller, Mr. Crandall Storey, and Mr. Gary Yessick,  
all of whom constituting the board of Directors of the Alabama Scholars**

**Endowment, Ltd., and who being by me first duly sworn depose and say that the matters and things set forth in the foregoing By-Laws of the Alabama Scholars Endowment, Limited, are true and correct, having been unanimously adopted by them, constituting the Board of Directors, and that they and each of them have signed this document voluntarily for the purpose of being in compliance with the provisions of the Alabama Nonprofit Corporation Act.**

**Mr. Joe Cottle:** \_\_\_\_\_  
3326 Bankhead Avenue  
Montgomery, Alabama 36106-2450

**Mr. Mark Lindsey:** \_\_\_\_\_  
3326 Bankhead Avenue  
Montgomery, Alabama 36106-2450

**Mr. Frank D. Powell III:** \_\_\_\_\_  
1552 College Court  
Montgomery, Alabama 36106-2106

**Ms. Micki Beth Stiller:** \_\_\_\_\_  
1539 Gilmer Avenue  
Montgomery, Alabama 36104-5619

**Mr. Crandall Storey:** \_\_\_\_\_  
1682 Paddlewheel Drive  
Marietta, Georgia 30062-3852

**Mr. Gary Yessick:** \_\_\_\_\_  
1255 Brashier's Chapel Road  
Arab, Alabama 35016-2725

**Witness:** \_\_\_\_\_ **Printed Name:** \_\_\_\_\_

**Witness:** \_\_\_\_\_ **Printed Name:** \_\_\_\_\_

**Date of Above Signatures:** \_\_\_\_\_

**IN WITNESS WHEREOF, I have hereunto signed my name and affixed my official seal of office this the \_\_\_\_\_ day of \_\_\_\_\_, 2007.**

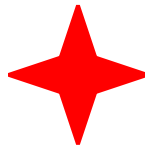
\_\_\_\_\_ **Notary Public's Signature**

\_\_\_\_\_ **Notary Public's Printed Name**

\_\_\_\_\_ **Notary Public's Address**

\_\_\_\_\_ **Notary Public's City, State, Zip**

\_\_\_\_\_ **Date Notary's Commission Expires**



**--End of Document--**