

THE CAPE ELIZABETH EDUCATION FOUNDATION BYLAWS

(a Maine Nonprofit Non-Membership Corporation)

ARTICLE I IDENTITY

Section 1. Articles of Incorporation. These Corporate Bylaws, the powers of the Corporation, its Directors, Officers and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Articles of Incorporation in effect from time to time.

Section 2. Name. The name of the Corporation shall be that name specified in the Articles of Incorporation of the Corporation in effect from time to time (hereinafter the "Corporation"). The name of the Corporation may be changed by amendment of its Articles of Incorporation. The Corporation may register to do business under one or more assumed names by filing appropriate registrations with the Secretary of State of the State of Maine.

Section 3. Location of Corporation. The Corporation shall have its principal place of business at Cape Elizabeth, ME. The Corporation's Principal Office may be changed by the Directors from time to time without amendment of these Corporate Bylaws. The Corporation may also have offices at such other places, within the State of Maine, as its business and activities may require, and as the Directors may, from time to time, designate.

Section 4. Registered Agent and Office. In compliance with the Maine Nonprofit Corporation Act, the Corporation shall have, and continuously maintain, a statutory Registered Agent who shall be a resident of the State of Maine. The Registered Agent shall be the person designated in the Articles of Incorporation and the Directors shall have the power to change the identity of the Registered Agent from time to time by filing an appropriate form with the Secretary of State of the State of Maine. The Registered Agent shall maintain a Registered Office within the State of Maine. The address of the Registered Office may be changed from time to time by either the Registered Agent, or the Directors, upon filing an appropriate form with the Secretary of State of the State of Maine.

ARTICLE II PURPOSE

Section 1. Purpose. This benevolent, charitable and eleemosynary institution has been organized and is incorporated under the Maine Nonprofit Corporations Act and shall be operated exclusively for charitable, educational, or scientific purposes within the meaning of §501(c)(3) of the U.S. Internal Revenue Code of 1986 (the "Code") as the same may be amended from time to time. Within these purposes, the purposes of the Corporation shall include (i) to provide increased opportunities for enrichment in both curricular and extra-curricular areas and (ii) to assist in the realization of the Cape Elizabeth school district's mission and vision, through charitable giving, fundraising, and the solicitation of grants on a nonprofit basis.

In furtherance hereof, but not by way of limitation, the Corporation shall be permitted to do everything necessary, proper, advisable or convenient for the accomplishment of the foregoing purposes, and to do all other things incidental to them, or connected with

them, that are not forbidden by law, the Articles of Incorporation, or these Corporate Bylaws; provided, however, that the Corporation shall not engage in any transaction, or do or permit any act or omission, which shall operate to deprive it of its tax exempt status as a Corporation described in §501(c)(3) of the Code.

Section 2. Tax-Exempt Purpose. It is intended that the Corporation shall have the status of a Corporation (i) which is exempt from Federal income taxation under Section 501(c)(3) of the Code, (ii) contributions to which are deductible under Section 170(c)(2), 2055(a)(2) or 2522(a)(2) of the Code and (iii) which is "other than a private foundation" as defined in Section 509(a) of the Code. The Articles of Incorporation and these Corporate Bylaws shall be construed accordingly and all powers and activities of the Corporation shall be limited accordingly. In this regard:

a. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation; provided, however, that notwithstanding the foregoing, nothing in this Article shall be construed to prevent this Corporation from making the election available under Section 501(h) of the Code, but during any tax year for which an election under Section 501(h) of the Internal Revenue Code shall be in effect for the Corporation or any other Affiliated Organization, "direct lobby expenditures" and "grass roots expenditures" by the Corporation in any given tax year shall not exceed the applicable limits under Section 501(h) calculated without regard to the "exempt purpose expenditures" of any other Affiliated Organizations;

b. This Corporation shall not, in any manner or to any extent, participate or intervene (including publishing or distribution of statements) in any political campaign on behalf of any candidate for public office;

c. The Corporation shall be an equal opportunity and affirmative action employer, and it shall not discriminate on the basis of age, race, religion, color, creed, sex, sexual preference, handicap or national origin:

i. in the persons served, or in the manner of service;

ii. in the hiring, assignment, promotion, salary determination or other conditions of staff employment; or

iii. in the membership of its Board of Directors.

d. The Corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status as a corporation which is exempt from federal income taxation as an organization described in §501(c)(3) of the Internal Revenue Code of 1986, or any successor provision, or as a corporation to which contributions are deductible under §170(c)(2) of the Internal Revenue Code of 1986, or any successor provision;

e. The Corporation is not organized for pecuniary profit and shall not have any capital stock. No part of its net earnings or of its principal shall inure to the benefit of any Officer or Director of the Corporation, or any other individual, partnership or corporation, but reimbursement for expenditures or the payment of reasonable compensation for services rendered shall not be deemed to be a distribution of earnings or principal;

f. This Corporation shall not engage in any activities that are unlawful under applicable federal, state, or local laws;

g. On dissolution, after provision is made for payment of debts, all property of the Corporation, from whatever source arising, shall be distributed only to such organizations as are then exempt from tax by virtue of §501(c)(3) of the Internal Revenue Code of 1986, or any successor provision, and as the Board of Directors of the Corporation shall determine, unless otherwise provided in the instrument from which the funds to be distributed derive;

h. If the Corporation is determined to be a private foundation it will not engage in any act of self-dealing which would give rise to any liability for the tax imposed by §4941 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws;

i. If the Corporation is determined to be a private foundation it will distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by §4942 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws;

j. If the Corporation is determined to be a private foundation it will not retain any excess business holding which would give rise to any liability for the tax imposed by §4943 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws;

k. If the Corporation is determined to be a private foundation it will not make any investments in such manner as to subject it to tax under §4944 of the Code; and

1. If the Corporation is determined to be a private foundation it will not make any taxable expenditures as defined in §4945(d) of the Code.

ARTICLE III BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board of Directors has the general power to control and manage the affairs, funds, and property of the Corporation and disburse the Corporation's monies and dispose of its property in fulfillment of its Corporate purpose; provided, however, that the fundamental and basic purpose of the Corporation, as expressed in the Articles of Incorporation shall not thereby be amended or changed. The Board of Directors shall not permit any part of the net earnings or capital of the Corporation to inure to the benefit of any private individual.

The Board of Directors may appoint an Executive Director who shall be responsible to the Board for the administrative and business management of the Corporation. The Board of Directors may further delegate authority to committees or to individual Directors as it deems necessary for the carrying out of the purposes and business of the Corporation.

Section 2. Number. The Board of Directors shall consist of not less than three (3) nor more than twenty five (25) Directors, or the number fixed from time to time by the Directors then serving in office except that a Director's term may not be shortened by a reduction in the Board's size.

Section 3. Initial Directors. The initial Board of Directors shall be appointed by the incorporator(s) of the Corporation and shall serve until their successors are elected and qualified at the first Annual Meeting. Thereafter the Directors shall elect the Board of Directors of the Corporation as provided herein.

Section 4. Election, Term of Office. Directors shall normally be elected at the annual meeting of the Corporation by a majority vote of the Directors then serving in office. Directors shall be elected to office for a term of three (3) years, or until their successors are duly elected and qualified, except in the case of their earlier death, resignation, or removal from office. Upon the completion of a Director's first or second full term of three (3) years, a Director may have the option to be re-elected to serve additional terms in one (1) year increments. Directors must notify the President prior to the conclusion of their term if they wish to be re-elected and the duration of their proposed term. Directors may be elected to a third consecutive three (3) year term, or a maximum of nine (9) years. A Director may be re-elected to the Board after lapse of one year following completion of three (3) consecutive full three (3) year terms or nine (9) consecutive years in office.

Section 5. Honorary Directors. From time to time, by majority vote of the Directors then serving in office, the Board of Directors may appoint honorary Directors and/or Directors Emeritus without vote. The terms of such appointments shall be determined by a majority vote of the Directors then serving.

Section 6. Resignation and Removal of Directors. Any Director may resign by giving written notice of his or her resignation from the Board to the President or Secretary of the Corporation. Such resignation shall take effect at the time specified in such notice and the acceptance of such resignation shall not be necessary to make it effective. Any Director may be removed from office, with or without cause, by a two-thirds vote of all Directors then serving in office.

Section 7. Nonparticipating Directors. Any Director who is absent from three (3) consecutive entire Board meetings without explanatory communication acceptable to the President shall be considered to have resigned and, upon approval by a majority vote of the Directors present and voting at any regular meeting of the Board of Directors, shall be notified to this effect.

Section 8. Vacancies. Vacancies in the Board, however arising, shall be filled by a majority vote of all Directors then serving in office at any regular meeting of the Board or at a special meeting of the Board called for that purpose. The list of any such nominees shall be included with the notice of the meeting at which election is proposed.

ARTICLE IV MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Annual Meeting. The annual meeting of the Corporation shall normally be held during the month of November each year, or on such other date as may be fixed by the Board of Directors, at such time and at such place as may from time to time be determined by the Board of Directors.

Section 2. Regular Meetings. The frequency and dates of regular meetings of the Board of Directors shall be fixed by resolution of the Board of Directors, normally at its annual meeting, except that the Board shall meet not less than two (2) times per year.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by the President or Vice President of the Board on his or her motion or shall be called by the Secretary at the request in writing of a majority of Directors then serving in office. The purpose of the meeting shall be stated with the request and no business shall be transacted except that for which the meeting has been called.

Section 4. Action Without a Meeting. Action may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the voting Directors then serving in office.

Section 5. Telephone Meetings. Members of the Board or of any committee may participate in a Board meeting through use of conference telephone or similar communication equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this provision constitutes presence in person at such meeting.

Section 6. Notice of Meeting. Written notice of the time and place of the annual and regular meetings shall be sent to each Director to the last known place of business or residence of the Director at least seven (7) days, but not more than thirty (30) days, prior to the date of such meetings. Written notice of special meetings shall be sent to each Director to the last known place of business or residence of each Director or by telephone not less than three (3) days prior to the date of such meeting or by telephone, telegraph, or other electronic communication system not less than two (2) days prior to the date of such meeting.

Section 7. Waiver of Notice. Notwithstanding the provisions of any of the foregoing sections, a meeting of the Board of Directors may be held at such time and place within or without the State of Maine as the Board of Directors shall designate, any actions may be taken thereat, if notice thereof is waived in writing by every Director having the right to vote at the meeting.

Section 8. Quorum. Unless provided for differently elsewhere in these Bylaws, a majority of the Directors then serving in office shall constitute a quorum for all meetings of the Board of Directors. In the absence of a quorum, a majority of the Directors present may, without giving notice other than announcement at the meeting, adjourn the meeting from time to time until a quorum is obtained. At any such meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for such a meeting.

Section 9. Voting. At any meeting of the Directors, every voting Director present at such meeting shall be entitled to one (1) vote and, except as otherwise provided by law or by these Bylaws, the act of a majority in the Directors present in person at any meeting at which a quorum is present shall be the act of the Directors. Voting may be completed by telephone or by electronic mail, after secure procedures are outlined, according to the executive committee.

ARTICLE V OFFICERS

Section 1. Principal Officers. The principal Officers of the Corporation shall be a President, Co-President and/or a Treasurer, and a Secretary (or Clerk). Principal officers may also include a Vice-President and/or Co-President. All Officers shall be elected to office from among the Directors then serving at the time of the election, provided that the Board may initially elect a Clerk who is not a Director to carry out only those duties of the Secretary as may be required by the laws of the State of Maine, until the election of a Secretary who is a Director.

The Board of Directors at any meeting may by resolution elect or appoint additional Officers or engage agents and employees and determine their terms of office and compensation, if any, as it may deem advisable.

Section 2. Election and Term of Office. The Officers of the Corporation shall normally be elected at the annual meeting of the Board of Directors, but may be elected at any meeting of the Board at which a quorum is present, by a vote of the majority if the Directors present in person at the meeting. An Officer shall be elected to serve a one (1) year term and shall hold office until the next annual meeting of the Board following election of his or her successor, except in the case of death, resignation, or removal as provided for in these Bylaws. No Director may serve in one office for more than three consecutive one year terms. Election to office shall not be used to extend the eligible period of service on the Board of any Director.

Section 3. Removal of Officers. Any Officer may be removed, with or without cause, at any time at any Board meeting at which a quorum is present by a vote of two-thirds of the number of Directors then serving in office, provided that a Secretary or Clerk who is not a Director may be removed by a majority vote of Directors at any meeting of Directors.

Section 4. Vacancies. Vacancies among the Offices, however arising, shall be filled by a majority vote of Directors present at any regular or special meeting of the Board of Directors at which a quorum is present. The list of nominations of Officer positions shall be included with the notice of the meeting at which the election is proposed.

Section 5. President. The President shall preside at all meetings of the Board and the Executive Committee and generally do and perform all acts incident to the office of President, and shall have such additional powers and duties as may from time to time be assigned to him or her by the Board. Unless otherwise provided for these Bylaws, the President shall appoint the chairs of each Board committee and be an ex-officio voting member of each Board committee.

Section 6. Vice President. In the absence or inability of the President to act, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and shall have such other powers and perform such other duties as may from time to time be designated by the President or by the Board of Directors.

Section 7. Treasurer. The Treasurer, or such other persons as may be designated by the Board of Directors, shall act under the supervision of the Board and shall have charge and custody of, and be responsible for, all the funds of the Corporation and shall keep or

cause to be kept, and shall be responsible for the keeping of, accurate and adequate records of the assets, liabilities and transactions of the Corporation. He or she shall deposit, or cause to be deposited, all monies and other valuable effects of the Corporation in the name of and to the credit of the Corporation in such banks, trust companies, or other depositories as may be designated from time to time by the Board of Directors. He or she shall disburse, or cause to be disbursed, the funds of the Corporation based upon proper vouchers of such disbursement. In general, he or she shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the President or the Board.

Section 8. Secretary. The Secretary shall keep, or cause to be kept, the minutes of all meetings of the Board in one or more books provided for that purpose and shall see that the minutes of meetings of the Board are distributed promptly to all members of the Board of Directors. He or she shall see that all notices are duly given in accordance with these Bylaws and as required by law. He or she shall be custodian of the seal of the Corporation and shall affix and attest the seal to any and all documents the execution of which on behalf of the Corporation under its seal shall have been specially or generally authorized by the Board of Directors. He or she shall have charge of all of the books, records, and papers of the Corporation relating to its organization as a corporation and shall see that all reports, statements, and other documents required by law are properly kept or filed, except to the extent that the same are to be kept or filed by the Treasurer. In general, he or she shall perform all duties incident to the office of the Secretary and such other duties as may from time to time be assigned to him or her by the President or the Board of Directors.

Section 9. Bonding. Any Officer or employee of the Corporation having access to, or major responsibility for, the handling of money or securities of the Corporation shall, if required by the Board of Directors, give such security to the faithful performance of his or her duties as the Board of Directors may require.

ARTICLE VI COMMITTEES

Section 1. Creation. The Board of Directors may by resolution at any meeting of the Board designate standing, ad hoc, and/or special committees of the Board. The Board may appoint an Advisory Council and/or honorary groups. The terms of appointment and expectations of service of any advisory or honorary group shall be determined by the Board of Directors.

Section 2. Membership. Normally, the President of the Board of Directors shall appoint the chair of each committee. Normally the chair of each committee shall appoint the other committee members in consultation with the President of the Board and appropriate management staff. Each committee normally shall consist of at least three members, at least one of whom shall be a voting member of the Board of Directors. Unless otherwise provided for in these Bylaws or by the laws of the State of Maine, any committee designated by the Board of Directors may include as full voting members of such committees such persons, whether or not Directors or Officers of the Corporation, as the Board of Directors shall determine. Each such committee shall have power to the extent delegated to it by the Board of Directors and in accordance with the laws of the State of Maine. It is suggested that each committee shall keep minutes of proceedings and report to the Board of Directors.

Section 3. Committee Meetings. Unless otherwise provided for in these Bylaws, a majority of the members then serving on a Committee constitutes a quorum for the meeting of the Committee and the vote of a simple majority of those present at a meeting at which a quorum is present, constitutes an action of the Committee. Each Committee shall determine and schedule the number of regular meetings it will hold each year.

ARTICLE VII EXECUTIVE COMMITTEE

Section 1. Composition. Upon the President's recommendation, the Board of Directors, by a resolution adopted by a majority of the Directors then in office, may designate from among its members an Executive Committee consisting of three (3) or more directors. The President shall be the chair of the Executive Committee.

Section 2. Responsibilities. The Executive Committee shall have all the powers of the Board of Directors in the interim between Board of Directors' meeting, except that the Executive Committee shall not have the power to adopt the Corporation's budget, to take any action which is contrary to, or a substantial departure from the direction established by the Board of Directors, or which represents a major change in the business of the Corporation, amend the Bylaws, adopt a plan of merger or consolidation, sell or dispose of substantially all of the property or assets of the Corporation or voluntarily dissolve the Corporation or revoke such dissolution. The Executive Committee shall submit reports to the Boards of Directors on any actions taken.

Section 3. Meetings. The Executive Committee shall meet as requested by the President. Notice of time, place and purposes of the meeting shall be given to each member with not less than twenty four (24) hours notice.

Section 4. Quorum. A majority of the Executive Committee must be present to constitute a quorum for the transaction of business.

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 1. Indemnification. The Corporation shall in all cases, to the fullest extent permitted by the Maine Nonprofit Corporation Act, indemnify any person who was or is involved in any manner (including, without limitation, as a party or a witness) in any threatened, pending or completed investigation, claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including, without limitation, any action, suit, or proceeding brought by, or in the right of, the Corporation to procure a judgment in its favor) by reason of the fact that that person is or was a director or officer of the Corporation, against all liabilities and expenses actually and reasonably incurred by the person in connection with such actions, suits or proceedings including but not limited to attorneys' fees, judgments, fines and amounts paid in settlement. This Section is subject to the limitations set forth in Section 2 of this Article.

Section 2. Limitations on Indemnification. No indemnification shall be provided for any person with respect to any matter as to which that person shall have been finally adjudicated in any action, suit or proceeding not to have acted in good faith in the

reasonable belief that that person's action was in the best interests of the Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that that person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order or conviction adverse to such person, or by settlement or plea of nolo contendere or its equivalent, shall not of itself create a presumption that such person did not act in good faith in the reasonable belief that his action was in the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 3. Requirement of Indemnification. Any provision of Sections 1, 2 or 4 of this Article to the contrary notwithstanding, to the extent that a director or officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, that person shall be indemnified against all expenses and liabilities, including attorneys' fees, actually and reasonably incurred by that person in connection therewith. The right to indemnification granted by this Section 3 may be enforced by a separate action against the Corporation, if an order for indemnification is not entered by a court in the action, suit or proceeding wherein he was successful on the merits or otherwise.

Section 4. Procedure. Any indemnification under Section 1 of this Article, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because that person has met the applicable standard of conduct set forth in Section 1 and Section 2 of this Article 8. That determination shall be made by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion. Such a determination, once made by the Board of Directors may not be revoked by the Board of Directors, and upon the making of such determination by the Board of Directors, the director or officer may enforce the indemnification against the Corporation by a separate action notwithstanding any attempted or actual subsequent action by the Board of Directors.

Section 5. Expenses. Expenses incurred in defending a civil, criminal, administrative investigation, or any such action, suit or proceeding may be authorized and paid by the Corporation in advance of the final disposition of that action, suit or proceeding upon a determination made in accordance with the procedure established in Section 4 that, based solely on the facts then known to those making the determination and without further investigation, the person seeking indemnification satisfied the standard of conduct prescribed by Section 1 and 2.

Those persons making such determination may, in their discretion, require such person to provide the following to the Corporation:

a. A written undertaking by or on behalf of the officer or director to repay that amount if that person is finally adjudicated:

(i) Not to have acted honestly or in the reasonable belief that the person's action was in or not opposed to the best interests of the Corporation;

(ii) With respect to any criminal action or proceeding, to have had reasonable cause to believe that the person's conduct was unlawful; and

b. A written affirmation by the officer or director that the person has met the standard of conduct necessary for indemnification by the Corporation as authorized in this section.

The undertaking required by Paragraph a shall be an unlimited general obligation of the person seeking the advance, but need not be secured and may be accepted without reference to financial ability to make the repayment.

Section 6. Enforceability. The indemnification and entitlement to advances of expenses provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of disinterested directors or otherwise, both as to action in that person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, trustee, partner or fiduciary and shall inure to the benefit of the heirs, executors and administrators of such a person. A right to indemnification may be enforced by a separate action against the Corporation, if an order for indemnification has not been entered by a court in any action, suit or proceeding in respect to which indemnification is sought.

Section 7. Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, or agent against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Corporation would have the power to indemnify that person against such liability under this Article.

ARTICLE IX

AMENDMENTS

These Bylaws may be altered, amended, or repealed in whole or in any part at any duly organized meeting of the Board of Directors of the Corporation, by a two-thirds majority vote of the voting Directors then serving in office. Any proposal to amend these Bylaws shall be included with the notice of the meeting at which the amendment is proposed.

ARTICLE X CORPORATE SEAL

The seal of the Corporation shall be circular in form and shall bear the name of the Corporation, the name of the State and the year of incorporation. The seal may be used by causing it or a facsimile of it to be impressed or affixed or in any manner reproduced.

ARTICLE XI FINANCES

Section 1. Checks. All checks or demands for money and notes of the Corporation shall be signed by the Treasurer and such other Officers or persons as the Board of Directors may from time to time designate.

Section 2. Fiscal Year. Except as from time to time otherwise determined by the Board of Directors, the fiscal year of the Corporation shall be from July 1 – June 30th.