

VERMONT JOURNALISM TRUST

&

VTDIGGER.ORG

Case Statement

November 2010

*An informed electorate is fundamental to a functioning democracy...
I am persuaded the great mass of our Citizens require only to
understand matters rightly, to form the right decision.*
George Washington

The Vermont Journalism Trust (VJT) is a non-profit organization whose sole mission is to stimulate and commission substantive news content from established journalists. It will use its resources to support high-integrity, regional journalism for distribution through existing multimedia news channels. Vermonters need sound and regular news coverage to make good civic policy decisions. VJT will be an advocate for government policies that promote transparency, access to public records, respect for privacy and fact-based information. It does not promote or support any political ideology.

VTdigger.org will be a project of the Vermont Journalism Trust, publishing in-depth news and information about Vermont business, politics and public policy using the Internet as a platform for comprehensive news presentations that include traditional newspaper-style investigative reports; extensive video footage of political events and press conferences; links to relevant news reports from other media outlets; and downloads of original documents, such as budget spreadsheets, memos and government reports. It will publish news releases, cartoons and commentary. Critical to VJT's mission is filling gaps in news coverage, so VTdigger.org will share links and content with other media organizations in Vermont.



The News and Vermont

History

Background: For many years the State has been served by three main daily newspapers: *The Burlington Free Press* (Gannett) of Burlington, *The Rutland Herald* and *The Barre-Montpelier Times Argus*. Burlington is the largest urban area; Rutland, the second largest and Montpelier is the capital and center of governmental and political activity. *The Brattleboro Reformer*, *Bennington Banner*, and *St Albans Messenger* all smaller dailies, are dominant in their three regions. These papers traditionally have tried to cover the entire state. Rising print, circulation, and distribution costs, however, have depressed circulation and fewer readers can access issues either by delivery, mail, or at retail.

One of the paramount issues in the delivery of news in Vermont is the fact of its rural character. To help understand that the following will be illustrative:

1. Vermont has 621,760 residents.
2. 25% of those people live in nine (9) towns which have a population of more than 10,000 each.
3. The remaining 75% of Vermonters live in towns with a population under 10,000.
4. 166 (66%) of Vermont's 255 towns have a population under 2,000.

2009 census estimates

Vermont's major dailies all report the same paid circulation declines prevalent in the rest of the country, and it seems entirely likely that Vermont could soon have no more than one traditional daily newspaper.

Vermont still has some local, weekly newspapers. A number of them—for example, the *Addison Independent*, *Seven Days*, *Randolph Herald* and the *Stowe Reporter*, are first-rate and most of the local weeklies report that they are experiencing moderate financial success. They offer citizens basic town-oriented news, sports and commentary, but generally cannot afford capital and statewide coverage.

In regard to television, there is no state-wide television signal delivering local news because of Vermont's mountainous terrain. Furthermore, Vermont has evolved into three distinct populations: Chittenden County (Burlington, Essex, Colchester, Winooski, Williston and Milton—among which are three of Vermont's largest towns), the "Northeast Kingdom" to the east of Chittenden County and all of southern Vermont. The latter two have little interest in the local news of Chittenden County, and Chittenden County is notorious for its lack of interest in the rest of Vermont, so local television news coming from Burlington is not of great interest to the other two areas of the state, whereas news from the capital, Montpelier, is.

Vermont Public Radio (VPR) has expanded its coverage and now reaches well over 90% of the state. It has two “services,” one, all classical music, the other, “news and information.” VPR carries the traditional public radio programs *Morning Edition* and *All Things Considered* as well as various “talk” shows like “On Point.” It has recently put more emphasis on local news and is expanding coverage around the state. And it has a noon-time call-in show about Vermont topics. It has begun as well to develop its website as an online news source. The fundraising and attendant diplomatic exigencies of public radio, however, often put it at odds with in-depth, local investigative reporting.

The changing news landscape in Vermont leads to two conclusions:

First, Vermont is moving quickly towards a day when citizens may well not be able to obtain first-rate, in-depth investigative journalism.

Second, the Internet provides Vermont, for the first time, with an opportunity to reach almost every household.

Vermont Journalism Trust

These conclusions and the exemplary work of Pro Publica led to the parallel development of Vermont Journalism Trust (VJT) and VTdigger.org, beginning in 2009.

VJT was formed in late 2009 to address the decline in in-depth news sources available to Vermonters and, perhaps eventually, to the New England region. Responding to the broadly acknowledged tenet that an active and free press is essential to a functioning democracy, VJT supports quality journalism not only statewide but at the local level, believing that it is essential to the health of small communities.

To better understand changes and challenges in Vermont news media, VJT and The Windham Foundation organized a conference in January 2010. This brought together publishers, owners, editors, academics and journalists to discuss problems and solutions. The attendees came from news media around the state and included all the statewide media and a majority of the smaller news outlets.

The three most desired initiatives that emerged were:

1. To commission specific in-depth articles of critical importance to Vermonters and make them available to all existing news media.
2. To fund beat reporters who can develop expertise in a specific area and generate a multiplicity of shared articles and reports for various news outlets for the funded period.

3. To assist an intermediary organization to develop access to and efficient navigation of government data, such as transactional databases, legislative proceedings--even the daily calendar of meetings—voting records and other government information, all in support of transparency in policy, regulatory and legislative developments.

The good news that emerged during the conference was that ad revenues and paid circulation of community weeklies is proving more resilient than expected. The bad news is that neither community nor state papers can afford to maintain “beat” or investigative journalists who traditionally developed and nurtured trusted information sources over time to elucidate the strategic issues facing Vermonters in their State, cities and towns. And there is severe financial pressure on at least two of the major daily papers. Like other rural states, Vermont communities face some very difficult issues that are particularly hard for a state with modest resources to address.

Journalistic and governance initiatives are widely felt to be shifting from prospective to reactive, undermining the basis for solid civic decision-making.

When challenged to specify stories not seeing the light of day, conference participants had no trouble identifying topics about which there is little prospect for adequate, intelligent coverage.

Examples included the fate of Vermont’s ageing nuclear facility owned by a company in Alabama, the progress of local and state efforts to conserve and generate renewable energy; the current state of the state’s largest university, the ability of Vermont’s 300,000 tax filers, of whom only 160,000 pay any income tax at all, to support a government of 9000 employees and a host of public services, the costs of accelerating out-of-state incarceration rates, the economic impacts of the disappearance of Vermont’s commodity dairy farms and the emergence of artisan, value-added food producers, and the lack of affordable land for either.

Vermont Journalism Trust’s role is to source, generate, edit, verify and distribute articles and electronic news gathering (ENG) through traditional and emerging outlets to help ensure that Vermonters make civic policy decisions based on informational integrity. There is no intent to replicate, compete with or save traditional or emerging news media or channels, but rather to generate and vet content around the serious issues that face Vermont and its 250 communities.

Vtdigger.org

VTdigger.org was founded in the summer of 2009 by Anne Galloway, a former Sunday editor and reporter at the Rutland Herald / Times Argus. Singlehandedly, she has developed VTdigger.org, earning the respect of politicians, policy makers, leaders, the business community, and citizens throughout the state.

Ms. Galloway has scrupulously avoided any ideological bias or political imprint in the balance of perspectives she brings to her readers. Vetted opinion pieces are offered by conservative, liberal

and centrist writers and often elicit a long thread of moderated, intelligently authored and *signed* responses reflecting the respect she has earned and the caliber of online discussion the articles generate. VTdigger.org focuses on government, public policy, politics and business as well as presenting news from other sources, news releases and video presentations. It also provides whenever possible primary source materials that are part of the reporting process, such as originating documents and audio and video clips.

Currently, daily unique views have surpassed 16,000 per month, in response to the 2010 election season. They are expected to double when the legislative session begins in the New Year and persist at that level until the session ends in the late spring. This has created greater sponsor interest.

VTdigger.org follows the public broadcast model, offering its multimedia content to all reader/viewers at no charge. It elicits and gets “sponsoring subscriber” donations and accepts commercial sponsorships and advocacy ads messages under similar guidelines to that of public broadcasters. It does not accept political advertising. It reserves the right as well to accept or reject sponsorships based on their integrity.

Ms. Galloway has endowed her initiative with those traditional journalistic values normally associated with an “of record” news source. All work is edited and fact-checked as it would be in traditional serious journalism. The result is that some of the best and most experienced writers and editors in the state have been writing for VTdigger.org *pro bono*. Laid off or retired journalists from all of the state’s major dailies now contribute reporting.

Technology: VTdigger.org operates on a ubiquitous and open-source platform called WordPress. Its server is in a secure, local data center. The steady increase in traffic accessing VTdigger.org now requires a server upsize and significant additional bandwidth and work is underway on both fronts.

Organizational Structure: VTdigger.org has operated as a subsidiary of the Online Journalism Trust a 501(c)(3) started by Paul Bass, the editor and founder of the on-line New Haven Independent. It has thus been able to successfully raise charitable dollars to pursue its effort until now. Ms. Galloway has not been paid to date, except for daily expenses; all the funds raised have been applied to either maintain the site architecture or, occasionally, to hire professional journalists for specific assignments. There are funds on hand at this time for to cover specific projects designated by donors or foundation sponsors.

The Merger

Anne Galloway, the Editor of VTdigger.org, was among those who founded Vermont Journalism Trust. Within four months of its launch in October 2009, VTdigger.org had taken hold and it became clear to both the Trustees of Vermont Journalism Trust and VTdigger’s Editor and Advisory Board that their organizations goals were complementary. By combining Vermont Journalism Trust’s fundraising and VTdigger’s promise as the premier on-line paper in Vermont the goals of both would be achieved.

In August, the VTdigger.org Advisory Board and the Vermont Journalism Trust trustees met and agreed to merge. Six VTdigger.org Advisory Board members were elected to the Vermont Journalism Trust Board and an agreement was put in place between Vermont Journalism Trust and Ms. Galloway on behalf of Vtdigger. The Board of the Vermont Journalism Trust pledged to devote 100% of its efforts for the next three years solely to the continuing development of VTdigger.org. A bookkeeper was engaged and manages the accounts, bookkeeping and assets of both organizations. By the end of calendar 2010 the two entities will be fully merged.

The Vermont Journalism Trust has submitted an application (11/15/2010) for a 501(c)(3) exemption from the Internal Revenue Service and expects to receive that designation in early 2011. Directors' errors and omissions and liability insurance policies are in place.

Vermont Journalism Trust dba VTdigger.org Operating Budget 2011 -2012 - 2013

	2011	2012	2013
<u>Income</u>			
Individ. Subs. \$35/yr (voluntary)	\$17,500	\$21,000	\$24,500
Individ. Donations @\$1K/yr	\$50,000	\$75,000	\$85,000
Corp. Subs. @\$2,000/yr	\$20,000	\$40,000	\$50,000
Foundations	\$100,000	\$100,000	\$75,000
Total income	\$187,500	\$236,000	\$234,500
<u>Expense</u>			
Editor	\$40,000	\$45,000	\$46,350
Web master/graphics	\$40,000	\$42,000	\$43,260
Reporter	\$30,000	\$30,000	\$31,000
Freelance journalists	\$15,000	\$20,000	\$20,000
Benefits @30%	\$33,000	\$35,100	\$36,183
Mileage Ed.& rep.10,000 @.35	\$ 7,000	\$ 7,000	\$ 7,000
Mileage Web Mas. 5,000 @.35	\$ 1,750	\$ 1,750	\$ 1,750
Server @ \$200/month	\$ 2,400	\$ 3,600	\$ 4,800
New computers	\$ 1,500	\$ 1,500	\$ 1,500
Rent		\$ 7,200	\$ 7,200
Office expenses	\$ 1,500	\$ 2,000	\$ 2,500
Cell phones			
Insurance	\$ 2,000	\$ 2,500	\$ 3,000
Bookkeep @\$25/hr /15hr/mon.	\$ 4,500	\$ 6,000	\$ 7,200
Marketing and Sales	\$10,000	\$10,000	\$10,000
Total expense	\$188,650	\$213,650	\$234,500
Surplus (Deficit)	(\$1,150)	\$22,350	\$0

Like all non-profits, revenues are predicated on a balance between foundation, philanthropic and earned income streams. Earned income includes voluntary subscriptions, business sponsorships, transactional fees for syndication, and shared content development.

The Case

There are numerous online newspaper startups in this country, primarily because of (a) the decline of traditional newspapers and (b) the increased use of technology by old and young alike.

VTdigger.org and Vermont Journalism Trust were started with both those points in mind. But in addition, and critically important to the citizens of Vermont, is the fact that only an online paper provides a way to obtain in-depth, investigative reporting statewide that is essential to the educated voter. This very rural, dispersed state is in grave danger of losing the “citizen participation” exemplified by the Town Meeting and a hallmark of Vermont. Vermonters continue to want to personally participate in governmental decisions.

Grant resources are sought for the following:

Content Development:

1. A seasoned capital beat reporter should be hired to cover the six-month legislative session in Montpelier. He or she will work in the Statehouse and generate weekly news stories covering legislative activity and in-depth coverage of public-policy issues. The stories will appear in VTdigger.org and be syndicated for regional dailies and weeklies around the state. Several have already signed on to carry the reports. Because of the length of the legislative session, this will be a seven-month assignment including wrap up. Cost will be \$18,000 plus expenses.
2. Establish a fund (Sally West Johnson Fund for Investigative Journalism) for the periodic engagement of seasoned freelance journalists to pursue specific investigative assignments of particular statewide interest.
Cost to create matching fund will be \$25,000
3. Compensate Ms. Galloway, the Editor, \$40,000 plus \$12,000 in benefits (a 30% benefit load) for a total of \$52,000.

Technology:

1. Server upgrade to accommodate growing site traffic and to establish automated daily backup routine. \$800
2. Migration to new data center with enhanced security, redundancy and dynamic bandwidth management. \$250/month (\$3,000/year).
3. Full-time VTdigger.org Web Developer to support the rapid growth of VTdigger.org as an independent news source for the state of Vermont. Given current web maintenance demands on VTdigger.org, additional growth without a staff position devoted to

maintaining existing infrastructure and developing new functionality will lag behind growth in content deployment and traffic.

Rationale:

1. Provides users with expected functionality and usability
2. Improves analysis of site analytics data and results in directed development to improve site usability
3. Frees up approximately 15-20 hours of Anne Galloway's time per week, currently spent formatting and publishing posts and multimedia content
4. Strengthens brand recognition across multiple sites such as YouTube, Facebook, Twitter, etc.
5. Improves email campaigns
6. Improves technical support for users
7. Tipster (see below) will require significant overhead in terms of maintenance and monitoring
8. Supports offering special sections, such as designated gubernatorial campaign site
9. Improves data management

These considerations provide direct benefits to users and improved site functionality, but also potentiate increased revenue for VTDigger.org. Developing a more robust site and implementing newer technologies, such as interactive maps and mashups, increases traffic and subscriber rates and makes it a more attractive platform for business sponsors. Sponsor rates increase with traffic. VTDigger.org has already established sponsorship spots on pages throughout the site that can be sold at weekly, monthly, quarterly, or annual rates. We are developing additional sponsorship real estate for smaller sponsors who will be able to acquire small ads on a single page within the site. Data from these ads could be randomly pulled and displayed in multiple locations and paired with data rotating technologies to dynamically move sponsorships around the site.

Finally, budgeting for a staff web developer has advantages over subcontracting this work to freelance web professionals. A designated staff member will be inherently more invested in working towards the future success of VTDigger.org. Idea generation and new development will occur more frequently and be more focused. Additionally, a staff web developer will be available to create marketing materials and content. Business cards, sponsor sheets, logos, design items, sponsorship ads can all be handled in-house if the staff developer has design experience.

Full time position: \$40,000 annual + 30% benefit load for a total of \$52,000.

Analytics: Vtdigger.org measures its readership growth not only by the support it receives from voluntary subscribers but also by carefully monitoring its site analytics. It uses several tools, including Google Analytics, to better understand not only readership growth but how readers use the site, what draws their attention, and how long they spend on specific news stories. Below is a table showing just two of the many measurements available to management. One can see from these metrics the extraordinary growth in readership over the last year:

vtdigger.org
Absolute Unique Visitors

Oct 1, 2010 - Nov 1, 2010
Comparing to: Oct 1, 2009 - Nov 1, 2009



17,562 Absolute Unique Visitors

Previous: 1,516 (1,058.44%)

vtdigger.org
Pageviews for all visitors

Oct 1, 2010 - Nov 1, 2010
Comparing to: Oct 1, 2009 - Nov 1, 2009



74,233 Pageviews

Previous: 6,215 (1,094.42%)

Tipster Project (funded)

VTdigger.org's Tipster project is a web-based, interactive newsgathering and content production framework through which reporters and readers can collaborate. In a time when newsrooms are downsizing, budgets shrinking and traditional media outlets are stretched thin covering breaking news, Tipster will provide a low-cost, technology-driven, resource useful for journalists wishing to pursue more labor-intensive investigative projects. Two key components will ensure that Tipster functions as we envision it.

First, the foundational and supporting software used to build Tipster will largely be comprised of open-source projects freely available on the web today.

Second, we will draw on the public's volunteer efforts to support reporters and therefore minimize the time and energy that has traditionally been required by journalists to produce in-depth, investigative articles. Shifting some of the early-stage research and document-gathering workload from reporters to readers has several potential benefits for news production and dissemination.

1. Reporters' time can be better used interviewing, vetting information, following leads and writing
2. More researchers will likely cast a wider net for source material and provide more content such as photographs, video and audio footage, and background documentation
3. More public involvement will translate into more balanced reporting
4. There is a high likelihood that opening the news gathering and creation process will draw specialists and insiders out of the woodwork who wish to contribute but haven't had the opportunity or means to in the past
5. Involving the public may translate into an increased public awareness of the importance of unbiased and independent journalism

The backbone of the Tipster system will be BuddyPress, a social networking framework built on the WordPress platform. Using this model ensures seamless data transfer between Tipster and VTdigger.org. Forums with threaded commenting will serve as the main working area within Tipster. We envision reporters moderating the forums and starting new threads based on the projects they're currently working on. Individual forums will be created to parallel the individual publishing sections of VTdigger.org, i.e. politics, energy and the environment, state of the state.. Registered users will be able to work within any forum on Tipster.

The social networking aspect of BuddyPress also provides potentially beneficial functionality in its use of a robust personal profile system. Registered users and journalists will be able to provide specific information about themselves, such as interests, geographic location, contact information and specialty skills (photography, videography, etc.). While users will be able to selectively share only the information they choose, reporters working for VTdigger.org will be required to display key pieces of personal profile information to facilitate contact with the public. This data, while not shared with outside organizations, can be leveraged to enhance user experience on the main VTdigger.org site in the future. One such possible use of this technology would be tailoring content delivery based on a users' personal profile. For example, a user who specifies an interest in healthcare and lives in Chittenden County could in the future be able to tailor the VTdigger.org homepage to display top stories related to these two datasets in a sidebar. Another example draws on the specific skills users may choose to make known to VTdigger.org. Looking at this data will allow VTdigger.org journalists to reach out to and use a much broader pool of content creators for enhancing stories with multimedia components.

VERMONT JOURNALISM TRUST BOARD OF TRUSTEES as of 9/20/2010

I. For a term of three years beginning October 1, 2010, and expiring September 30, 2013:

Cornelius D.Hogan
Plainfield VT 05667

Stephen C. Terry
Middlebury, VT 05753

Nicholas Monsarrat
Charlotte VT 05445

Frances Stoddard, Vice Chair
Williston, VT 05495

II. For a term of two years beginning October 1, 2010, and expiring September 30, 2012:

Donald Kreis
Norwich, VT 05055

Cyndy Bittinger
Hanover, NH 03755

William H. Schubart, Chair
Hinesburg, VT 05461

William K. Porter
Adamant, VT 05640

III. For a term of one year beginning October 1, 2010, and expiring September 30, 2011:

Henry (Sam) Chauncey, Jr. Sec./Treas.
Shelburne, VT 05482

Allen Gilbert
Worcester, VT 05682

Douglas C. Clifton
Weybridge, VT 05753

Anne Galloway
East Hardwick, VT 05836

BRIEF BIOGRAPHIES OF VERMONT JOURNALISM TRUST TRUSTEES

Cynthia D. Bittinger was the Executive Director of The Calvin Coolidge Memorial Foundation in Plymouth, Vermont, for 18 years. She now teaches Vermont history for the Community College of Vermont and creates history commentaries for Vermont Public Radio.

Henry “Sam” Chauncey, Jr. was Vice President and Secretary of the Yale Corporation, President of Science Park Development Corporation and President of Gaylord Hospital in Connecticut. He has been involved in numerous non-profit organizations, including the beginning of a weekly newspaper, the New Haven Independent in Connecticut

Douglas Clifton was editor of the Plain Dealer in Cleveland, Ohio, executive editor of the Miami Herald, managing editor of the Charlotte Observer and news editor of the Knight Ridder Washington bureau. He started his newspaper career as a reporter at the Miami Herald and held a number of editing positions there before going to Washington.

Anne Galloway is the founder of VTdigger.org. She is the former Sunday editor of the Rutland Herald and Times Argus Sunday Magazine. She has worked as a reporter and editor in Vermont for 17 years. Her reporting has appeared in The New York Times, the New York Daily News, Seven Days, Vermont Life and City Pages (Minneapolis).

Allen Gilbert is executive director of the American Civil Liberties Union of Vermont. He has been a journalist and teacher, and helped form a Montpelier, Vt.-based public policy and research firm. He is active in education affairs, serving on local school boards and as president of the Vermont School Boards Association. He came to his ACLU position through involvement as a plaintiff in ACLU-sponsored education finance litigation

Cornelius Hogan was appointed by Vermont Governor Richard Snelling as Commissioner of Corrections. Then, after an 11-year stint in the private sector Snelling chose Hogan as Secretary of Human Services, where he served for nine years under both Governors Snelling and Dean. He

currently serves as a director of the Permanent Fund for the Well Being of Vermont Children and is also Chair of the Vermont College of Fine Arts.

Donald Kreis is associate director and assistant professor of law at Vermont Law School's Institute for Energy and the Environment. He is a former general counsel of the New Hampshire Public Utilities Commission and serves on the boards of the Hanover Consumer Cooperative Society and the Cooperative Fund of New England. Prior to becoming a lawyer, Don spent nine years as a journalist with Associated Press and the Maine Times.

Nicholas Monsarrat has been a reporter, editorial page editor and managing editor for Vermont daily newspapers since 1969, including The Times Argus, Rutland Herald and Burlington Free Press. He is a former president of the New England Society of Newspaper Editors and board member of the New England Press Association. From 1988-2008, he was an adjunct professor of journalism at St. Michael's College in Colchester.

Bill Porter edited newspapers in Vermont for more than 30 years, including the Rutland Herald and Barre-Montpelier Times Argus, and has spent another two decades observing and writing about public affairs in his adopted state. He lives on a side-hill farm in Adamant.

William Schubart founded and served as president of Philo Records, a recording company, and later Resolution, a media-manufacturing facility and e-commerce services partner for major media companies including the BBC, The NY Times, NPR, National Geographic, US News, The History Channel, Bloomberg., The Nature Conservancy, Sesame Street. He has both chaired and served on a number of boards including Vermont Public Radio, Fletcher Allen Health Care, and the VT Business Roundtable.

Frances Stoddard has been involved in education and media production for over 25 years. She has been a producer/host of a number of public and commercial television and radio programs. She is an associate professor and led the communications department at Champlain College for nearly a decade. She has served on many non-profit boards, including the VT Campaign to end Childhood Hunger and Vermont Public Radio, and presided over the Vermont Mozart Festival and the Vermont International Film Festival.

Stephen Terry is a former Managing Editor of the Rutland, VT, Herald and founding Editor of the Sunday Rutland Herald and Barre-Montpelier Times Argus. He is [was?] also a Vermont State House reporter [before assuming] the newspaper editorial positions. Terry also had a 22-year career in business, retiring from Green Mountain Power in 2006 as Senior Vice President of Legal and Corporate Affairs. Terry is now a member of Worth Mountain Consulting, a Middlebury management-consulting firm. Over the years, he served in leadership positions on various statewide and regional non-profit boards. Terry was also Legislative Assistant to the late U. S. Senator George D. Aiken, R-Vt, and is co-editor of the Essential Aiken, a collection of speeches given by the former senator.

Appendices

I. Bylaws:

BYLAWS OF VERMONT JOURNALISM TRUST, LTD.

ARTICLE I

NAME

The name of the corporation is Vermont Journalism Trust, Ltd.

ARTICLE II

Offices

The principal office of the corporation shall be located in the Town of Shelburne, County of Chittenden and State of Vermont. The board of trustees may change the location of the principal office of the corporation and may, from time to time, designate other offices within or without the State of Vermont as the business of the corporation may require.

ARTICLE III

Purpose

The purpose of this corporation shall be to promote, engage in, seek support for, and otherwise act in the pursuit of charitable and educational purposes. This corporation shall have such additional purposes and shall also be limited in purpose as set forth in its Articles of Incorporation.

ARTICLE IV

Trustees, Powers

Section 1. Number and Qualification: Except as otherwise provided herein, all corporate powers shall be exercised by or under the authority of, and the affairs of the corporation shall be managed under the direction of, a board of directors, which shall be known as the “board of trustees,” and each member a “trustee.” The trustees shall be elected by the board as provided by these Bylaws. The corporation shall have 12 trustees as determined by the organizational trustees elected by the incorporator, or such other number of trustees, which shall not be fewer than nine (9), and not more than fifteen (15), as shall be fixed by the board of trustees from time to time in accordance with Sections 3, 4 and 8 of these Bylaws. One of the 12 shall be the Executive Director of the Vermont Journalism Trust, ex officio or the Editor of VTdigger.org. If those two positions are held by two different people, there shall be two ex officio members. No more than forty-nine percent of the individuals serving as trustees may be “financially interested persons” (meaning generally those receiving compensation, other than reasonable trustees’ fees, from the corporation), as defined in 11B V.S.A. 8.13 or any successor provision.

Section 2. Manner of Election: The trustees shall be elected first by the Organizational Trustees elected by the Incorporator, and subsequently at the annual meeting of trustees, in accordance with Sections 3, 4 and 8 of these Bylaws.

Section 3. Term of Office, Staggered Terms:

(A) The twelve (12) member board of trustees specified in Section 1 above shall have staggered terms, which shall be established by dividing the total number of elected trustees into three (3) groups as follows: Group 1 shall have four (4) trustees; Group 2 shall have four (4) trustees; Group 3 shall have three (3) trustees. The Organizational Trustees elected by the Incorporator shall elect four (4) Group 1 trustees for one (1) year terms, four (4) Group 2 trustees for two (2) year terms, and three (3) Group 3 trustees for three (3) year terms. The terms of the

Group 1 trustees so elected shall expire at the first annual trustees' meeting following their election. The terms of the Group 2 trustees so elected shall expire at the second annual trustees' meeting following their election. The terms of the Group 3 trustees so elected shall expire at the third annual trustees' meeting following their election. At each annual trustees' meeting, trustees shall be chosen for a term of three (3) years to succeed those whose terms expire. The term of the Executive Director, ex officio, will be continuous with that person's term of employment.

(B) In the event the board expands the board of trustees as permitted in Section 1 above, the board shall assign the additional trustee positions created to one or more of the three trustee groups. Such additional trustees' terms shall expire at the annual trustees' meeting at which the trustees in the group to which such additional trustees are assigned expire. At each annual trustees' meeting held thereafter, trustees shall be chosen for a term of three (3) years consistent with the terms of the other trustees in the assigned group.

(C) Notwithstanding anything in this Section 3, despite the expiration of a trustee's term, a trustee shall continue to serve until the trustee's successor is elected and qualifies.

(D) No trustee shall be disqualified from voting on the election of any trustee, including himself or herself, by reason of the fact that he or she is then serving as a trustee.

Section 4. Conduct of Board Business: The trustees shall in all cases act as a board, regularly convened, and in the transaction of business the act of a majority present at a meeting, except as otherwise provided by law, the Articles of Incorporation, or these bylaws, shall be the act of the board, provided a quorum is present. The trustees may adopt such rules and regulations for the conduct of their meetings and the management of the corporation as they deem proper, not inconsistent with law and these Bylaws.

Section 5. Meetings: The board of trustees shall hold an annual meeting in the month of October for the election or appointment of trustees and officers and for the transaction of any other business. The first annual trustees' meeting shall be held in October, 2010. Other regular meetings of the board shall be held at such times as the board may from time to time determine. Special meetings of the board of trustees may be called by the president at any time; and the president must, upon the written request of at least three trustees, call a special meeting to be held not more than 10 business days after the date of such request.

Section 6. Notice of Meeting: No notice need be given of any regular meeting of the board. Notice of special meetings shall be given to each trustee in person or by electronic mail or other similar telecommunication system so long as a written record of such notice may be kept and reduced to hard copy, or by mail and addressed to him or her at his or her last known post office address, at least two days prior to the date of such meeting (unless extended notice is required under 11B V.S.A. ' 8.22(c) or a successor provision), specifying the time and place of the meeting. Any trustee may waive notice of any meeting. The attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting, except where a trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of , any regular or special meeting of the board of trustees need be specified in the notice or waiver of notice of such meeting. At any meeting at which all of the trustees shall be present, although held without notice, any business may be transacted which might have been transacted if the meeting had been duly called.

Section 7. Place of Meeting: The board of trustees may hold its meetings either within or without the State of Vermont and such place shall be designated in the notice of any such meeting.

Section 8. Quorum: Except as otherwise provided herein, at any meeting of the board of trustees, the presence of a majority of the board fixed in accordance with these bylaws shall be necessary to constitute a quorum for the transaction of business. The act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the board of trustees. Should a quorum not be present, a lesser number may adjourn the meeting to some further time.

Section 9. Telephone and Electronic Meetings: Members of the board of trustees and members of any committee designated by the board of trustees may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting in such a manner shall constitute presence in person at such meeting. A decision may be proposed and voted on by electronic mail provided, however, that if the result is not unanimous it is not valid until and unless there is an in-person or telephonic meeting.

Section 10. Consent: Any action consented to in writing by each and every trustee shall be as valid as if adopted by the board of trustees at a duly held meeting thereof, provided that such written consent is inserted in the minute book.

Section 11. Voting: At all meetings of the board of trustees, each trustee shall have one vote.

Section 12. Compensation: Trustees shall not receive any stated salaries for their services as trustees, but by resolution of the board of trustees, a reasonable fixed sum and

expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the board of trustees. Nothing contained herein shall be construed to preclude any trustee from serving the corporation in any other capacity and receiving reasonable compensation therefor.

Section 13. Vacancies: Any vacancy occurring in the board of trustees by death, resignation or otherwise shall be promptly filled (or the trusteeship shall be eliminated) by a majority vote of the remaining trustees (though constituting less than a quorum of the board of trustees) at a special meeting which shall be called for that purpose within 30 days after the occurrence of the vacancy. The trustee thus chosen shall hold office for the unexpired term of his or her predecessor and until the election and qualification of his or her successor.

Section 14. Resignation: Any trustee may resign his or her office at any time, such Resignation to be made in writing and to take effect immediately without acceptance.

Section 15. Removal of Director: Any trustee may be removed without cause, at any time, by a vote of three-quarters of the trustees then in office.

ARTICLE V

Officers, Executive Director

Section 1. Officers and Qualifications: The officers of the corporation shall be a president, one or more vice presidents, a secretary, a treasurer, and such other officers as the board of trustees may determine. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election: All officers of the corporation shall be elected annually by the board of trustees at its annual meeting.

Section 3. Term of Office: All officers shall hold office until the next annual meeting and until their successors have been duly elected and have qualified or until removed as hereinafter provided.

Section 4. Removal of Officers: Any officer may be removed without cause by the vote of a majority of the trustees then in office.

Section 5. Duties of Officers: The duties and powers of the officers of the corporation shall be as follows and as shall hereafter be set by resolution of the board of trustees. The Executive Director and Editor of VTdigger.org shall have the authority to manage the affairs of VTdigger.org and, at such times as an Executive Director of Vermont Journalism Trust shall be hired, these bylaws will be revised to likewise provide the Executive Director of the Vermont Journalism Trust with authority to manage its affairs.

1. President

- A. The president shall preside at all meetings of the board of trustees.
- B. The president shall present at each annual meeting of the trustees a report of the condition of the business of the corporation.
- C. The president shall cause to be called regular and special meetings of the trustees in accordance with the requirements of the statutes and these Bylaws.
- D. The president, in consultation with the Executive Director, shall appoint, discharge and fix the compensation of all employees and agents of the corporation other than the duly elected officers, subject to the approval of the board of trustees.
- E. The president shall sign and execute all contracts in the name of the corporation and all notes, drafts or other orders for the payment of money.

F. The president shall cause all books, reports, statements and certificates to be properly kept and filed as required by law.

G. The president shall enforce these Bylaws and perform all duties incident to his or her office and which are required by law, and generally, the president shall supervise and control the business and affairs of the corporation.

2. Vice President

During the absence or incapacity of the president, the vice president shall perform the duties of the president, and when so acting, shall have all the powers and be subject to all the responsibilities of the office of the president and shall perform such duties and functions as the board may prescribe.

3. Treasurer

A. The treasurer shall have the care and custody of and be responsible for all the funds and securities of the corporation, and shall deposit or cause to be deposited such funds and securities in the name of the corporation in such banks or safe deposit companies as the board of trustees may designate.

B. The treasurer shall make, sign and endorse in the name of the corporation all checks, drafts, notes and other orders for the payment of money and pay out and dispose of such under the direction of the president or the board of trustees and shall oversee the activities of a qualified bookkeeper.

C. The treasurer shall keep at the principal office of the corporation or at the office of its qualified bookkeeper accurate books of account of all its business and transactions and shall at all reasonable hours exhibit books and accounts to any trustee upon request at the office of the corporation during business hours.

D. The treasurer shall render a report of the condition of the finances of the corporation at each regular meeting of the board of trustees and at such other times as shall be required of him or her, and the treasurer shall make a financial report at the annual meeting of the members.

E. The treasurer shall serve, ex officio, as a member of the Audit Committee.

F. The treasurer shall further perform all duties incident to the office of treasurer of the corporation.

4. Secretary

A. The secretary shall record all votes and proceedings of the trustees or any executive or other committee thereof.

B. The secretary shall attend to the giving of notices of special meetings of the board of trustees.

C. The secretary shall be custodian of the records and seal of the corporation and shall affix the seal to corporate papers when required.

D. The secretary shall maintain an office in Shelburne, Vermont or such other place as may be designated by the board of trustees, where the corporate records of the corporation shall be kept and the secretary shall procure and file in his or her office certified copies of all papers required by law to be filed with the Secretary of State.

E. The secretary shall attend to all correspondence and present to the board of trustees at the meeting all official communications received by him or her.

F. The secretary shall perform the duties incident to the office of the secretary of the corporation as specifically delegated from time to time by the board of trustees and as may be required by the laws of the State of Vermont.

Section 6. Other Officers

Other officers shall perform such duties and such powers as may be assigned to them by the board of trustees.

Section 7. Vacancies: All vacancies in any office shall be promptly filled (or the position eliminated) by the board of trustees, either at a regular meeting or at a meeting specifically called for that purpose.

Section 8. Compensation of Officers: The officers shall receive such salary or compensation as may be fixed by the board of trustees.

Section 9. Executive Director: The board of trustees shall name an Executive Director, who shall serve at the pleasure of the board, shall perform such duties as the board may from time to time specify and as required by these Bylaws, and shall receive such compensation as the board may from time to time fix.

ARTICLE VI

Committees of the Board

Section 1. Standing Committees: The board of trustees shall establish and appoint (i) a Nominating Committee, (ii) an Audit and Finance Committee, and (iii) such other committees as the board deems necessary to assist it with the discharge of its responsibilities.

Section 2. Nominating Committee: The nominating committee shall recruit and thereafter present at each annual meeting of the trustees a slate of nominees sufficient to allow for election of the appropriate number of trustees pursuant to Article IV, Section 3 above. In addition, the Nominating Committee shall assist the Board in filling any board vacancies pursuant to article IV, section 13 above.

Section 3. Audit and Finance Committee. The audit committee shall assist the board of trustees in monitoring the integrity of the financial statements of the corporation, compliance by the corporation with legal and regulatory requirements, and the independence and performance of the corporation's internal and external auditors or accountants. The Committee shall make regular reports to the Board on matters requiring its attention.

ARTICLE VII

Bills, Notes, Etc.

Section 1. Execution: All bills payable, notes, checks, drafts, warrants or other negotiable instruments of the corporation shall be made in the name of the corporation and shall be signed by such officer or officers as the board of trustees shall from time to time by resolution direct.

No officer or agent of the corporation, either singly or jointly with others, shall have the power to make any bill payable, note, check, draft, warrant or other negotiable instrument, or endorse the same in the name of the corporation or contract or cause to be contracted in debt or liability in the name and on behalf of the corporation except as herein expressly prescribed and provided.

ARTICLE IX

Seal

Section 1. Seal: The seal of the corporation shall be imprinted or embossed or a facsimile:

Fiscal Year

Section 1. Fiscal Year: The fiscal year of the corporation shall begin on the 1st day of January in each year and end on the 31st of December in each year.

ARTICLE X

Waiver of Notice

Whenever under the provisions of these Bylaws or of any statute any trustee is entitled to notice of any regular or special meeting or of any action to be taken by the corporation, such meeting may be held or such action may be taken without the giving of such notice, provided every trustee entitled to such notice waives in writing the requirements of these Bylaws in respect thereto.

ARTICLE XI

Funds and Donations

The corporation is hereby empowered to raise funds for its stated purposes. The corporation shall keep accurate records, books, and other necessary documentation, in appropriate accounting form, of all grants, donations, requests or other contributions to the corporation and shall report such contributions to the Internal Revenue Service as it may, from time to time, require.

ARTICLE XII

Amendments

These Bylaws may be altered, amended, repealed or added to, and new Bylaws may be adopted by the board of trustees by a vote of three quarters of the Trustees at any annual or special meeting of the board.

ARTICLE XIII

Dissolution; No Private Benefit

Upon dissolution of the corporation, any assets remaining after payment of or provision for its debts and liabilities shall, consistent with the purposes of the organization, be paid over to charitable organizations exempt under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") (or any corresponding provision of any future federal tax code). No part of the net assets or net earnings of the corporation shall inure to the benefit of or be paid or distributed to an officer, director, member, employee, donor of the organization, or any other individual, except for reasonable compensation for services as provided in the Articles of Incorporation.

ARTICLE XIV

Exempt Activities

Notwithstanding any other provision of these Bylaws, no member, trustee, officer, employee, or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Code (or any corresponding provision of any future federal tax code), or by an organization contributions to which are deductible under Section 170(c)(2) of the Code (or any corresponding provisions of any future federal tax code).

ARTICLE XV

Indemnification

Except as specifically prohibited by statute, the corporation shall indemnify an individual made a party to a proceeding because the individual is or was a trustee or officer or Executive Director of the corporation against liability incurred in the proceeding if the individual:

- 1) Conducted himself or herself in good faith;
- 2) Reasonably believed:
 - a) In the case of conduct in his or her official capacity with the corporation, that the individual's conduct was in its best interest; and
 - b) In all cases, that his or her conduct was not in opposition to the corporation's best interests; and
- 3) In the case of any proceeding brought by a governmental entity, the individual 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 term "liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses actually incurred with respect to a proceeding.

"Expenses" mean the reasonable costs incurred in connection with a proceeding, including reasonable attorney's fees.

"Official capacity" means, when used with respect to a trustee or officer, the office of trustee or officer in the corporation.

"Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

The foregoing provisions are in amplification of, but not in lieu of the provisions of 11B V.S.A. 8.50-8.54, pertaining to indemnification in nonprofit corporations.

I. 501(c)(3) letter and non-profit certificates: **to be appended when received**

Memorandum of Understanding

Approved by the Board October 27, 2010
Executed November 10, 2010

by and between Vermont Journalism Trust (VJT), a registered non-profit corporation organized and existing under the laws of Vermont whose principal place of business is 42 Hawthorn Drive, Shelburne, VT 05482 and Anne Galloway, founder of Vtdigger.org (VTD) whose principal place of business is PO. Box 2, 1055 Hardwick Farms Rd., E. Hardwick VT 05836.

This Memorandum of Understanding, when signed by both parties, shall constitute a legally binding agreement with regard to the merger of VJT and VTD and the employment of Anne Galloway, VTD's founder and editor.

Term: Parties agree that the term of this agreement will be for two years from the date upon which the Internal Revenue Service grants Employer an exemption from taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

I. Pre-existing Rights, Assets and Obligations of Both Parties

1. Use of Name: "Vtdigger.org:" VJT acknowledges that, as of the date of this agreement, VTD is the owner of the trade name and InterNIC-registered URL "Vtdigger.org," and enjoys the exclusive right to the use of this trade name in commerce and in e-commerce on the Web.
 - i. VTD grants to VJT an exclusive license to use the trade name and InterNIC-registered URL "Vtdigger.org," as well as the underlying Web technology platform for the sole purpose of offering a news service to the general public via the internet, of which Anne Galloway shall serve as editor and executive director during the term of this agreement and thereafter on mutual agreement.
 - ii. VJT agrees that, during the initial two-year period of this Agreement, it shall take all steps necessary to register and maintain registration of the "Vtdigger.org" trade name with the Vermont Secretary of State and to maintain and relicense Internet registration with InterNIC or one of its legal registrars.
 - iii. This license shall expire, and all rights to the trade name in commerce and e-commerce "Vtdigger.org" shall revert to Ms. Galloway and VTD, if

1. this Agreement is terminated by either party under Article III during the initial two-year period of the Agreement, or
 2. if this Agreement is not renewed or replaced with a new agreement by and between Vtdigger and VJT beyond its initial two-year period.
- iv. Upon renewal or replacement of this Agreement by consent of both parties beyond its initial two-year period, VTD agrees to relinquish to VJT all rights to use the trade name “VTDigger.org” in commerce and in e-commerce in perpetuity.
2. Control of current assets: VJT and VTD acknowledge that, in connection with Ms. Galloway’s operation of “VTDigger.org” prior to her term of employment under this Agreement, she has received and may continue to receive certain funds from or through the Online Journalism Project of New Haven, Connecticut. VJT and VTD agree that nothing in this Agreement is intended to transfer to VJT any of VTD or Ms. Galloway’s rights to use or control these funds. Ms. Galloway further agrees that, as of the commencement of her employment under this agreement, she will cease any fundraising activity undertaken through the Online Journalism Project and, pursuant to Article II, conduct development efforts solely for the combined benefit of VJT & VTD.
 3. Current operations: Ms. Galloway agrees that prior to her employment by VJT under this agreement she will diligently continue to operate vtdigger.org under her preexisting financial arrangements with the Online Journalism Project and VJT agrees that, prior to Ms. Galloway’s employment under this Agreement, it will cooperate with her in good faith to assure the continued successful operation of “VTDigger.org” under its preexisting arrangements with the Online Journalism Project.

II. Employment and Obligations of Anne Galloway:

1. Specified Period. By this agreement, VJT will employ Ms. Galloway and she accepts employment for an initial period of two years beginning on the date upon which the Internal Revenue Service grants Employer an exemption from taxation pursuant to section 501(c)(3) of the Internal Revenue Code.
2. Continuation of Rights upon expiration, the Rights, Assets and Obligations detailed in Section I: Articles 2 & 4 above shall become permanent. This Section II regarding the employment of Ms. Galloway shall likewise be

renewed for succeeding terms of one year each unless either party gives written notice to the other at least sixty days prior to the expiration of any term of the party's intention not to renew or amend.

3. Employment Term. As used in this agreement, the phrase "employment term" refers to the entire period of employment of Employee by Employer under this agreement, whether for the periods provided above, or whether terminated earlier as provided in this agreement or extended by mutual agreement between VJT and Ms. Galloway
4. General Duties. Ms. Galloway shall serve as the Executive Director and Editor of VTD, the news service provided to the public by the Vermont Journalism Trust. In her capacity as Executive Director and Editor, she shall do and perform all services or acts necessary or advisable to manage and conduct the business of VJT and VTD, including the hiring, compensation, performance review and firing of all employees, subject at all times to the policies set by VJT's Board of Trustees, and to the consent of the Board when required by the terms of this contract.
5. Matters Requiring Consent of Board of Trustees. Ms. Galloway shall not, without specific approval of VJT's Board of Trustees, do or contract to do any of the following:
 - a. Borrow on behalf of VTD.
 - b. Purchase capital equipment for amounts in excess of the amounts budgeted for expenditure by the Board of Trustees.
 - c. Sell any capital asset of VTD or VJT.
 - d. Make a commitment to spend or spend in excess of budgeted amounts.
6. Devotion to VJT and VTD Business:
 - a. Employee shall not engage in any other business duties or pursuits whatsoever, or directly or indirectly render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise without the prior written consent of Employer's Board of Trustees. However, the expenditure of reasonable amounts of time for education, charitable, or professional activities shall not be deemed a breach of this agreement if those activities do not materially interfere with the services required under this agreement. Notwithstanding the foregoing, Ms. Galloway may engage in any professional activities that inure to her growth as a news professional or to VJT's reputation as a news organization, even if those activities are remunerated and as long as they do not conflict with her obligations under this agreement.
 - b. This agreement shall not be interpreted to prohibit Ms. Galloway from making passive personal investments or conducting private business affairs if those activities do not materially interfere with the services

required under this agreement. However, Ms. Galloway shall not directly or indirectly acquire, hold or retain any interest in any business competing with or similar in nature to the business of VTD and VJT.

c. During the term of this contract, Ms. Galloway shall not, directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, stockholder, corporate officer, director, or in any other individual or representative capacity, engage or participate in any business or other organization that is in competition in any manner whatsoever with the business of VTD or VJT.

7. Editorial Control: The Editor shall have exclusive control over the content of Vtdigger.org. In editorial matters that have the potential to put the financial or legal wellbeing of VJT or VTD at risk, the editor will advise and consult with the Board of Trustees as outlined in the “editorial policies” under development by the Editor and a sub-committee of the Board of Trustees.

III. Obligations of VT Journalism Trust

1. Devotion to VTD: During the period until VJT receives its 501(c)(3) and for at least three years thereafter, the Board of Trustees of VJT will devote its full energies and efforts to the support and development of VTDigger.org.
2. Compensation: VJT shall provide Editor / ED (“Employee”) with the compensation, benefits, and routine business expense reimbursement specified below:
 - a. As compensation for the services to be performed under this agreement, Employee shall receive a gross salary not less than \$35,000 in the first year of the agreement, payable not less than twice per month. The Board will review the salary level at least annually, and Employee shall receive such increases in salary as may be determined by Employer's Board of Trustees in its sole discretion.
 - b. Tax Withholding. Employer shall have the right to deduct or withhold from the compensation due to Employee under this agreement any and all sums required for federal income and Social Security taxes and all state or local taxes now applicable or that may be enacted and become applicable in the future.
 - c. Employee shall receive sick leave, vacation leave, expense reimbursement, and other benefits as set forth in Employer's Personnel Policies and Procedures Manual adopted *[date of adoption]* as amended from time to time.

- d. Employer shall maintain Employee's health coverage equivalent to the current coverage as well as life and disability insurance coverage. See Exhibit [*letter or number of exhibit*].
 - e. Repayment of routine business expenses. Upon submission of receipts for expenses personally incurred by employee in the conduct of routine business for VJT and VTD, such expense shall be reimbursed by Employer. If any expenses paid for Employee or any reimbursement of expenses paid to Employee, shall on audit or other examination of Employer's income tax returns, be determined not to be allowable deductions from Employer's gross income, and in the further event that this determination shall be acceded to by employer or made final by the appropriate federal or state taxing authority or a final judgment of a court of competent jurisdiction and no appeal is taken from the judgment or the applicable period for filing notice of appeal has expired, Employee shall repay to Employer the full amount of the disallowed expenses.
3. Termination: Employer reserves the right to terminate this agreement if:
- a. Employee willfully breaches or habitually neglects the duties that she is required to perform under the terms of this agreement; or commits such acts of dishonesty, fraud, misrepresentation, or other acts of moral turpitude as would prevent the effective performance of her duties.
 - b. Employee commits any act that jeopardizes Employer's nonprofit status or if Employee commits a felony or is charged with a crime that involves Employer as a victim of the crime.

Notice: Employer may at its option terminate this agreement for the reasons stated in this Section by giving written notice of termination to Employee without prejudice to any other remedy to which Employer may be entitled either at law, in equity, or under this agreement. The notice of termination required by this section shall specify the ground for the termination and shall be supported by a statement of all relevant facts. Termination under this section shall be considered "for cause" for the purposes of this agreement.

Death and disability: This agreement shall be terminated upon the death of Employee. Employer reserves the right to terminate this agreement not less than 30 days after Employee suffers any physical or mental disability that would prevent the performance of her duties under this agreement. Such a termination shall be effected by giving

30 days' written notice of termination to Employee. Termination under this section shall not be considered "for cause" for the purposes of this agreement.

Financial exigency: Employer reserves the right to terminate this agreement if the Board of Trustees deems necessary for financial exigency, with ninety days' severance pay.

Effect of Merger, Transfer of Assets, or Dissolution: This agreement shall be terminated by any voluntary or involuntary dissolution of Employer. Termination under this section shall not be considered "for cause" for the purpose of this agreement.

4. Employee may terminate his/her obligations under this agreement by giving Employer at least 30 days' notice in writing.

IV. General Provisions

1. Notices. Any notices to be given under this agreement by either party to the other shall be in writing and may be transmitted by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing on the signature page of this agreement, but each may change that address by written notice in accordance with this section. Notices delivered personally shall be deemed communicated as for the date of actual receipt; mailed notices shall be deemed communicated as of date of mailing.
2. Attorneys' Fees and Costs. If any action at law or in equity is necessary to enforce or interpret the terms of this agreement, each party shall assume responsibility for their own incurred legal costs and necessary disbursements. This provision shall be construed as applicable to the entire contract.
3. Entire Agreement. This agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the employment of Employee by Employer and contains all of the covenants and agreements between the parties with respect to that employment in any manner whatsoever. Each party to this agreement acknowledges that no representation, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting behalf of any party, which are not embodied in this agreement, and that no other agreement, statement, or promise not contained in this agreement shall be valid or binding on either party.
4. Modifications. Any modification of this agreement will be effective only if it is in writing and signed by the party to be charged.
5. Effect of Waiver. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any

right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

6. Partial Invalidity. If any provision in this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.
7. Assignment. This agreement and all rights and obligations of Employee hereunder are personal to Employee and may not be transferred or assigned by Employee at any time. Employer may assign its rights under this agreement to any entity that assumes Employer's obligations hereunder in connection with any sale or transfer of all or a substantial portion of Employer's assets to such entity.
8. Law Governing Agreement: This agreement shall be governed by and construed in accordance with the laws of Vermont. The venue for any dispute shall be Washington Superior Court in Washington County, Vermont.
9. Payment to Heirs. If Employee dies prior to the expiration of the term of her employment, any sums that may be due her from Employer under this agreement as of the date of death shall be paid to Employee's executors, administrators, heirs, personal representatives, successors, and assigns.
10. Signatories: The parties have executed this agreement at [*place of execution*] the day and year first above written.

Agreed and Accepted: signed Schubart date 11/10/10 for Vermont Journalism Trust.

Agreed and Accepted: signed Galloway date 11/10/10 for Vtdigger.org, Anne Galloway.

[VT Digger: How a layoff spawned a non-profit site in less than a year](#)

By [Mac Slocum](#) / Feb. 3, 2010 / noon



Anne Galloway didn't know anything about nonprofits or websites when she was laid off from Vermont's [Times Argus](#) last January. She once believed the web was more distracting than resourceful. But a layoff has a funny way of upending your perspective, and now Galloway sits at the helm of her own nonprofit news site.

Galloway launched [VTdigger](#) in September 2009 with designs on filling a coverage gap in her home state of Vermont. Take a look through the offerings and you'll see much of the content reads like the [nitty-gritty stuff](#) that used to grab column inches. That's the point. During months of pre-launch interviews and research, Galloway concluded that the demand for enterprise reporting isn't being met by the reduced staffs of Vermont's newspapers.

VTdigger isn't a hobby or a side project. Galloway is all in. She works full-time on the site, often starting at 4 a.m. and finishing up well after dinner. When I talked to her, she had just settled in at the Vermont statehouse. She's commuting 45 minutes each way while the legislature is in session.

On the content side, Galloway tries to post 5-7 pieces a week. That's a tough task for what's basically a one-person operation. It's made harder by the time-intensive nature of her content, which often requires interviews and background research. But in a savvy bit of efficiency, she's boosting coverage by dialing back her editorial filter. That's not to say she's posting shaky articles. She's just letting readers parse information for themselves.

Here's an example: In November, Galloway received a state memo outlining proposed school budget changes. Instead of cranking out a piece that hit the high points, she simply [posted the text](#). "I decided I didn't need to write a story about this," she said. "People can judge for themselves. That saves me time, but it also enables me to say to our readers, 'Look, we know you're smart.'"

The benefits of putting it out there

Galloway spent considerable time pitching her business plan to prospective investors and picking the brains of nonprofit trailblazers like Paul Bass from the [New Haven Independent](#). Those meetings helped her assemble a board of advisors.

Galloway credits grunt work with pushing her through the reticence that blocks would-be entrepreneurs. “It’s hard to put yourself out there,” she said. “I’m able to talk about this semi-coherently because I’ve spent months talking to people about it. I’ve been perfecting the ideas and the language.”

Of course, there’s a moment when intense preparation becomes a detriment: The wheels spin but you don’t go anywhere. “At some point I said ‘I think I just need to do this,’” she recalled. “I don’t want to spend more time thinking about it and writing plans.”

Just doing it (apologies to Nike) is part of a mindset often found in [smart online startups](#). These organizations know that the act of launching something — anything — is liberating because it turns [theory into practice](#). Galloway experienced this herself. VTdigger’s first iteration was important because it existed outside of a business plan, which allowed it to become a tangible reference point for readers and potential donors. “It’s much easier for people to see what it is we’re trying to accomplish because we’re able to put new elements out all the time,” Galloway said.

Also in the tradition of smart startups, VTdigger got refreshed quickly. A recent redesign smoothed out the edges and gave Galloway access to web-based donations. That mechanism has already proven fruitful, with a December donation push bringing in \$400 to \$500. Combined with an assortment of gifts and grants, VT Digger’s current tally stands around \$21,000. There’s a long way to go before Galloway hits the \$75,000 to \$125,000 she’s hoping for, but it’s a start.

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This entry was written by [Mac Slocum](#), posted on February 3, 2010, at 12:00 pm, and tagged [Anne Galloway](#), [board of advisers](#), [cutbacks](#), [enterprise reporting](#), [layoffs](#), [New Haven Independent](#), [newspapers](#), [nonprofit](#), [Paul Bass](#), [Times Argus](#), [Vermont](#), [VT Digger](#). Bookmark the [permalink](#). Follow any comments here with the [RSS feed for this post](#). [Post a comment](#) or leave a [trackback](#).

New Voices Invests in Nine Community News Projects

May 18, 2010

Contact [Jan Schaffer](#) or [Andrew Pergam](#)

(202) 885-8100

WASHINGTON, D.C.—Nine promising community news projects from across the U.S. have been selected as this year’s New Voices grant winners. Each can receive up to \$25,000 to launch a news initiative and work to sustain it over the next two years, J-Lab: The Institute for Interactive Journalism announced today.

The projects plan to engage their communities in diverse ways - from producing stories in Baltimore neighborhoods, to creating a crowdsourcing platform to report stories in Vermont and covering Maine’s troubled fishing communities. Funding will launch news sites to cover an endangered river district in Charlotte, immigrant communities in Lincoln, Neb., urban communities in Newark, Princeton and San Jose, and government and politics in the State of Washington.

“This year’s winners presented striking analyses of the information needs in their communities. All had plans to meet those needs with digital toolkits that involve mobile devices, social media and the Web,” said Jan Schaffer, executive director of J-Lab, which administers the New Voices program at American University’s School of Communication. “Notable this year is the growing presence of independent professional journalists seeking to fill the information gaps in their communities in new ways.”

Grant winners are eligible to receive \$17,000 in the first year to launch their projects and \$8,000 in matching support in the second year. The goal is to experiment with new models for sustainability. The John S. and James L. Knight Foundation funds the New Voices program.

“In the digital age, you don’t need a lot of money to provide useful, helpful news and information,” said Eric Newton, vice president of the journalism program at Knight Foundation. “Some of these websites will be sustained by universities. Others by volunteers. Still others by local donors or advertisers. These new efforts are an important part of the evolution of local media ecosystems. The Knight Commission for the Information Needs of Communities in a Democracy spoke to this issue. There are 30,000 villages, burgs, towns, districts, counties and cities in America. There are not 30,000 newspapers in America. Never were, never will be. But there could be 30,000 websites.”

This year’s winners were selected from a competitive field of 284 applicants. Including the new grantees, a total of 55 community start-ups have been funded from 1,533 entries since 2005. Of the 46 projects that have already launched over the last five years, 30, or 65 percent, are still going strong, five are working to launch or re-launch, and 11 did not continue after the two-year grant cycle.

The 2010 New Voices grantees are:

- **Tipster at VTdigger.org** - This news start-up covering Vermont plans to build a crowdsourcing platform called Tipster to help develop stories. Using Tipster, readers and reporters will collaborate and exchange information to build in-depth reports. Future support is expected from business and college sponsorships.

This year's grantees were selected by an Advisory Board. It included Jane Brown, executive director, Robert W. Deutsch Foundation; Charles B. Fancher, president, Fancher Associates Inc.; Bill Gannon, director of online production and programming, Lucasfilm Ltd.; Bruce Koon, news director, KQED public radio, San Francisco; Peggy Kuhr, dean, University of Montana School of Journalism; Mary Lou Fulton, program manager, The California Endowment; Larry Kirkman, dean, and Lynne Perri, journalist in residence, American University School of Communication; Gary Kebbel, former journalism program director, and Jose Zamora, journalism associate, Knight Foundation; Jan Schaffer, executive director, J-Lab.

Track the progress of New Voices grantees online at j-newvoices.org, where updates, news and features are posted. Follow other citizen media developments at the [Knight Citizen News Network](#).

The [John S. and James L. Knight Foundation](#) advances journalism in the digital age and invests in the vitality of communities where the Knight brothers owned newspapers. Since 1950, the foundation has granted more than \$400 million to advance quality journalism and freedom of expression. Knight Foundation focuses on projects that promote informed, engaged communities and lead to transformational change. For more, visit www.knightfoundation.org.

J-Lab helps news organizations and citizens use digital technologies to develop new ways for people to participate in public life. It also administers the [Knight Citizen News Network](#), the [Knight-Batten Awards for Innovations in Journalism](#), [J-Learning.org](#), and the McCormick [New Media Women Entrepreneurs](#) initiative.

American University's [School of Communication](#) is a laboratory for professional education, communication research and innovative production in the fields of journalism, film and media arts and public communication, working across media platforms and with a focus on public affairs and public service. ###

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Truth Squad: Do Dubie's tax plans help the rich?

by Anne Galloway on October 21, 2010

Brian Dubie. Photo by Terry J. Allen

Lt. Gov. Brian Dubie, Vermont's Republican candidate for governor, has said reducing taxes is his No. 1 priority. To do that, Dubie has proposed capping state spending at 2 percent - after he reduces next year's budget by \$112 million. Once the caps are in place, he asserts that he can give Vermonters a \$240 million tax break over a three-year period.

In television and Google ads, Dubie has repeatedly mentioned the Vermont business climate's abysmal ranking - 41st in the nation - from the Washington, D.C.-based Tax Foundation, a non-profit research organization. He blames the state's tax system for the poor rating. He has made much of

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Vermont's campaign finance reporting rules among weakest

by *Jon Margolis* on June 29, 2010



The 20 dollar bill

Editor's note: Jon Margolis, a former Chicago Tribune reporter, runs the blog Vermont News Guy.

It's campaign time, and all around Vermont the candidates for governor are on the job and on the road.

The five Democrats have appeared together at close to 40 forums, or "debates" as they are not quite accurately called. (Lt.Gov. Brian Dubie, assured the Republican nomination, declines invitations to participate). All of the contenders sit for interviews with reporters, speak to various gatherings, and even do a little street-corner glad-handing.

But there's one thing none of them stop doing—raising money.

On their web sites, on their cell phones as they head from one event to the next, early in the morning over breakfast or late at night over whatever, the candidates are asking for money. They ask supporters, friends, family, acquaintances, businesses, unions, interest groups, and lobbyists, who have a vested interest in contributing at least a little bit to any potential winner.

The fund-raising beat goes on all around Vermont, and beyond. Though all the campaigns like to brag about how they rely on the small contributions of individual Vermonters, they also raise as much as they can out of state. Sen. Peter Shumlin was in Boston the week before last at a fund-raiser featuring appearances by best-selling authors Stephen King and John Irving. Earlier this month, Dubie went to Washington for a fund-raiser hosted by Virginia Gov. Bob McDonnell.

And how much are all these candidates raising?

Patience. The answer to that question is not far off. The candidates have to

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On the Money: Dems donations for governor's race are more Wall Street than Main Street

by Anne Galloway on August 4, 2010



Democrats' mascot, the donkey

Editor's note: In this special report, Vtdigger.org examines the sources of campaign money for Vermont's gubernatorial candidates. More than 300 pages of campaign finance report spreadsheets, which are not available in searchable database format on the Secretary of State's Web site, were analyzed by hand. The information for all six candidates for governor was divided into the following six

different categories: in-state donations of \$1,000 or more, out-of-state donations, political action committee contributions, Vermont entities (businesses and associations) and out-of-state entities.

Where possible, Vtdigger.org has identified donors who are public figures, are affiliated with large companies, or have notable political affiliations.

The data used for this series came from the Vermont Secretary of State's office.

Our first report focused on contributions to the sole Republican candidate, Lt. Gov. Brian Dubie; this second article in the series examines donations to the five Democratic candidates, who are engaged in the five-way primary fight set for Aug. 24.

We have broken down the Democratic campaign finance reports by candidate, and in the order of the total amounts they've raised in the last two reporting periods – July 15, 2009 and July 15, 2010. The front runner in the race to shake out the most from the political money tree is Markowitz, who is followed by Shumin, Dunne, Racine and Bartlett.

The next round of campaign finance reports are due Aug. 16.

BUSINESSES HOLD BACK; PHILANTHROPISTS, ACTIVISTS AND STOCK MARKET INVESTORS FILL THE RANKS

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On the Money: Dubie banks on large donors, contractors and GOP activists

by Anne Galloway on July 29, 2010



Brian Dubie was endorsed by the union of Professional Firefighters of Vermont on July 28, 2010

Editor's note: In this special report, Vtdigger.org examines the sources of campaign money for Vermont's gubernatorial candidates. More than 300 pages of campaign finance report spreadsheets, which are not available in searchable database format on the Secretary of State's Web site, were analyzed by hand. The information for all six candidates for governor

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The data used for this series came from the Vermont Secretary of State's office, the Agency of Transportation Web site and a summary of private contracts with the state of Vermont for fiscal year 2009.

The first article focuses on contributions to the sole Republican candidate, Lt. Gov. Brian Dubie; a second report will examine donations to the five Democratic candidates, who are engaged in the five-way primary fight set for Aug. 24.

THE CANDIDATE AT THE TOP

Brian Dubie stands apart as a candidate – and not only because he is the only GOP candidate for governor. Dubie has brought in more than twice as many donors as his closest rival in the five-way Democratic primary, according to

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Bankrupt: Without a fix, Vermont will see \$400 million in red ink by 2014

by Anne Galloway on April 21, 2010



Unemployed worker

Vermont lawmakers may have nearly balanced the budget this year – even in the face of a \$154 million deficit – but they haven't yet resolved an equally daunting fiscal problem: the bankrupt Unemployment Insurance Trust Fund.

The unemployment fund went broke in January, and if lawmakers and the Douglas administration don't tackle this politically prickly issue before the end of the legislative session, the state will have to borrow roughly \$223 million to cover

benefits for unemployed workers this year and next.

The federal government is lending Vermont \$4.1 million a week so that the state can meet its obligation to workers who have lost their jobs.

Projections from the Vermont Department of Labor show that the state could have to borrow as much as \$404 million by 2014 if the issue isn't addressed in a timely way.

Though the federal government has allowed states to borrow interest-free this year, payments on the interest, which would start accruing next year at a rate of 5.4 percent, according to figures from the governor's office, would come out of the General Fund. The cost in fiscal year 2011? Six million dollars; and possibly as much as \$12 million the following year, if the state borrows as much as is anticipated.

Vermont can start to climb out of bankruptcy in four ways: by raising taxes, cutting benefits, borrowing more money or waiting out the recession.

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Part II, Dying in Cell 40: State hired for-profit firm with rap sheet of death and lawsuits

by Terry J. Allen on December 14, 2009

There are cracks in all our paths that can open onto disaster. Ashley Ellis seemed to trip into more than her share. Her 2007 car accident was just that, an accident. Her auto insurance had expired two days before, but she was not speeding or impaired when she got distracted by one of her dogs, and hit a man on a motorcycle. He suffered terrible injuries, was put on a ventilator, and is in a wheelchair.



Ashley Ellis. Photo courtesy of Sandra Gipe

Ellis' own injuries emerged over time. "Ashley was horrified by what she had

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