



ARTICLE I. NAME OF ORGANIZATION

The name of the Foundation is Coupeville Maritime Heritage Foundation (CMHF).

ARTICLE II. PURPOSE

To sponsor, host and/or participate in events and activities that promote the maritime heritage of Penn Cove and Whidbey Island, and to restore and operate vessels significant to the history of Penn Cove, such as the Schooner Suva.

ARTICLE III. MEMBERSHIP

The membership of the Foundation shall be open to anyone who supports the Foundation's purpose.

Section A. Eligibility for Membership. Membership is granted after completion and receipt of a membership application and payment of annual dues.

Section B. Annual Dues. The amount of annual dues shall be set by the Board of Directors before the annual members meeting.

Section C. Rights of Members. Members in good standing will be permitted to vote on candidates for CMHF Board of Directors at the annual meeting.

Section D. Membership Year. The membership year shall be January 1 to December 31.

ARTICLE IV. Membership Meetings

Section A. Annual Meetings. An annual meeting of the members shall take place in the month of October. The specific date, time and location will be designated by the Board of Directors. At the annual meeting, the members shall vote for members of the Board of Directors, receive reports on the activities of the association, and be briefed on the direction of the Foundation for the coming year.

Section B. Special Meetings. Special meetings may be called by a simple majority of the Board of Directors. A petition signed by twenty-percent (20%) of CMHF members may also call a special meeting.

Section C. Notice of Meetings. Notice of each meeting shall be given to each member, by email, not less than two weeks prior to the meeting.

Section D. Quorum. There shall be no quorum required to conduct business at the annual membership meeting.

ARTICLE V. BOARD OF DIRECTORS

Section A. General Powers. The affairs of the CMHF shall be managed by its Board of Directors. Members of the Board of Directors shall be members of the CMHF in good standing. The Board

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of Directors shall have control of and be responsible for the management of the affairs and property of the Foundation.

Section B. Number, Tenure, Requirements, and Qualifications.

1. The number of Directors shall be fixed from time-to-time by the Directors but shall consist of no less than three (3) nor more than seven (7) including the following officers: the President, the Vice President, the Secretary, and the Treasurer. Board members may hold more than one office concurrently.

2. Members of the Board of Directors will be elected by a simple majority at the annual members meeting to serve a three year term, except as required to comply with section 2b. Directors nominated at annual meetings shall be nominated for 1, 2, 3 year terms. A member's term on the Board begins immediately following the annual meeting at which they were elected, and will expire after the annual meeting that completes their elected term.

3. President. The President shall have the following duties:

- a. Shall preside at all meetings of the Board of Directors, and ensure there is an agenda for all meetings
- b. Shall ensure that all orders and resolutions of the Board of Directors are adhered to.
- c. Shall oversee and direct the duties and performance of all the other officers of this Foundation and ensure that their duties are properly executed.
- d. Shall submit a report of the operations of the program for the fiscal year to the membership at the annual meetings, and from time to time, shall report to the Board all matters that may affect this Foundation.
- e. Shall be Ex-officio member of all standing committees and shall have the power and duties usually vested in the office of the President.

4. Vice President. The Vice President, shall report to the President, and shall be vested with all the necessary powers to perform the duties of the President during his/her absence, and other duties as assigned by the President.

5. Secretary. The Secretary shall attend all meetings of the Board of Directors and will keep minutes of those meetings, prepare documents as requested by the President, maintain Foundation files, and provide notice of all meetings to Directors and Membership in accordance with these bylaws.

6. Treasurer. The Treasurer shall oversee the financial affairs and obligations of the Foundation. Specific duties may include:

- a. Chair the Finance Committee.

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- b. Present budget reports at each Board and membership meeting.
 - c. Govern all activities relating to grants, including the receipt and disbursement of funds.
 - d. monitor sub-committee budgets for compliance with Board decisions.
7. Officer Vacancies. Officer vacancies will be filled by a vote of the remaining Board of Directors.
8. Board Vacancies. Whenever any vacancy occurs on the Board of Directors it shall be filled by a majority vote of the remaining members of the Board of Directors at a regular Board meeting. Vacancy appointments to the Board shall complete the term of the vacating member.
9. Compensation. Members of the Board of Directors shall not receive any compensation for their services as Directors.
10. Removal. Any member of the Board of Directors may be removed with or without cause, at any time, by a vote of three-quarters (3/4) of the members of the Board of Directors if in their judgment the best interest of the Foundation would be served thereby. Each member of the Board of Directors must receive written notice of the proposed removal at least ten (10) days in advance of the proposed action. An officer who has been removed as a member of the Board of Directors shall automatically be removed from office.
11. Board of Directors Meetings
- a. Annual Meetings. An annual meeting of the Board of Directors shall be held immediately following the annual membership meeting for the purpose of organizing itself.
 - b. Regular Meetings. Regular Board meetings shall be held at least monthly at a time and place as determined by the Board.
 - c. Special Meetings. Special meetings of the Board of Directors may be called by the President or any two members of the Board of Directors. Notice of the special meeting must be made via telephone or email to all Board Members.
 - d. All Board of Directors meetings require a quorum to conduct business. A quorum shall consist of a simple majority of the Board. When a quorum exists, a simple majority of those present will decide the vote.
 - e. E-Meetings. Any Board Member believing that there is an issue so pressing that it cannot wait until the next regular Board meeting may request an E-meeting via email.
 - (1). All Board Members must be notified by email, and the notification must include background information sufficient to describe the problem.

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The requesting Board Member must also specify a solution to the problem, such that it may be approved or disapproved by a yes or no vote. Members of the Board of Directors shall vote on the proposal by responding via email, ensuring to address the response to all Board members.

(2). A majority vote of the entire Board of Directors is required to pass proposals raised in an E-meeting.

(3). After compiling the vote, the Secretary will prepare a Record of Board Action Outside of Normal Board Meeting, distribute it to all other Board Members, and note it for inclusion in the minutes of the next regular Board of Directors meeting.

12. Notice. Notice of any special meeting of the Board of Directors shall be given at least two (2) days in advance of the meeting by telephone, electronically or by written notice. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director 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 meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

ARTICLE VI COMMITTEES

Section A. The Board may create committees as needed. The Board President appoints all committee chairs.

Section B. The Steering Committee is established to provide oversight, management and planning of Schooner Suva operations.

1. The Steering Committee will be chaired by a member of the Board of Directors. The membership of the Steering Committee shall consist of the chairs of various sub-committees that may be formed, some of which are, but are not limited to, Marketing, Membership, Scheduling, and Training, and other members of CMHF as invited by the Chair.

2. Steering Committee meetings will be open to all members of the CMHF, but only members as appointed or invited shall have a vote in committee proceedings. Visiting members may be invited to address the meetings at the discretion of the Chair.

3. The Steering Committee chair will provide a report on committee activities and decisions at subsequent Board of Directors meetings.

4. The Steering Committee will defer questions of policy and finance to the Board of Directors for further guidance or decision. Once the Board of Directors has approved budget items for a Steering Committee activity, the Steering Committee shall have the authority to approve those expenditures.

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Section C. Finance Committee. The Finance Committee is responsible for developing and reviewing fiscal procedures, fundraising plans, grants, and the annual budget. 1. The Treasurer is the Chair of the Finance Committee. 2. The Board must approve the budget and all expenditures must be within budget. Any change in the budget must be approved by the Board. 3. The fiscal year shall be the calendar year. 4. The Treasurer shall report income, expenditures and pending income at the monthly Board meetings. Annual reports are required to be submitted to the Board showing income, expenditures, and pending income. 5. The financial records of the Foundation are public information and shall be made available to the membership, Board members, and the public.

Section D. Maintenance Committee. The Maintenance Committee shall be responsible for planning, prioritizing, budgeting and conducting maintenance on the Suva. 1. Its Chair will be a member in good standing of CMHF. 2. The Chair will select other committee members, and will provide a report to the monthly Board of Directors meeting. 3. Once a maintenance budget item has been approved by the Board of Directors, the Maintenance Committee is authorized expend those funds for the approved activity.

ARTICLE VII. FOUNDATION STAFF

The Board of Directors may hire or contract an Executive Director or other staff who shall serve at the will of the Board of Directors.

Section A. The Staff may not be related by blood, marriage/domestic partnership to any member of the Board of Directors.

Section B. Specific duties and compensation of staff will be in writing and approved by the Board of Directors.

Section C. Staff shall be evaluated at least annually by an executive session of the Board of Directors.

Section D. Staff may be discharged by a majority vote of the entire Board of Directors.

ARTICLE VIII. Conflict of Interest and Compensation

Section A. Purpose. The purpose of the conflict of interest policy is to protect this tax-exempt Foundation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Foundation, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.



Section B. Definitions

1. Interested Person. Any Director, principal officer, or member of a committee with Governing Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: 1. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement, 2. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.
3. Compensation. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Section C. Procedures

1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with Governing Board delegated powers considering the proposed transaction or arrangement.
2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Governing Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.
3. Procedures for Addressing the Conflict of Interest
 - a. An interested person may make a presentation at the Governing Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The Chairperson of the Governing Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Governing Board or committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.



d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Governing Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

e. Violations of the Conflicts of Interest Policy

(1). If the Governing Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(2). If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Governing Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section D. Records of Proceedings. The minutes of the Governing Board and all committees with Board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Governing Board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section E. Compensation

1. A voting member of the governing board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Governing Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly,

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from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section F. Annual Statements

1. Each Director, principal officer and member of a committee with Governing Board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section G. Periodic Reviews. To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section H. Use of Outside Experts.

When conducting the periodic reviews as provided for in Section G, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Governing Board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE IX. IDEMNIFICATION

Section A. General. To the full extent authorized under the laws of the state of Washington, the Foundation shall indemnify any Director, officer, employee, or agent, or former member, Director, officer, employee, or agent of the corporation, or any person who may have served at the Foundation's request as a Director or officer of another corporation (each of the foregoing members, directors, officers, employees, agents, and persons is referred to in this Article individually as an "indemnitee"), against expenses actually and necessarily incurred by such indemnitee in connection with the defense of any action, suit, or proceeding in which that

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indemnitee is made a party by reason of being or having been such member, Director, officer, employee, or agent, except in relation to matters as to which that indemnitee shall have been adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any other rights to which an indemnitee may be entitled under any bylaw, agreement, resolution of the Board of Directors, or otherwise.

Section 2. Expenses. Expenses (including reasonable attorney fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Foundation in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board of Directors, upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that such indemnitee is not entitled to be indemnified hereunder.

Section 3. Insurance. The Foundation may purchase and maintain insurance on behalf of any person who is or was a member, Director, officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Foundation would have the power or obligation to indemnify such person against such liability under this Article.

ARTICLE X. BOOKS AND RECORDS

The Foundation shall keep complete books and records of account and minutes of the proceedings of the Board of Directors.

ARTICLE XI. AMENDMENTS

Section A. Articles of Incorporation. The Articles may be amended in any manner at any regular or special meeting of the Board of Directors, provided that specific written notice of the proposed amendment of the Articles or a summary of the changes to be effected shall be given to each Director at least three days in advance of such a meeting if delivered personally or by e-mail or at least five days if delivered by mail. As required by the Articles, any amendment to Article III or Article VI of the Articles shall require the affirmative vote of all Directors then in office. All other amendments of the Articles shall require the affirmative vote of an absolute majority of Directors. Amended Articles of Incorporation will be filed with the Washington Secretary of State's office, as may be required by law or policy.

Section B. Bylaws. The Board of Directors may amend these bylaws by a majority vote at any regular or special meeting. Written notice explaining the proposed amendment or summary of the changes shall be given to each Director within the time and the manner provided for the giving of notice of meetings of Directors.

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ADOPTION OF BYLAWS

Signature and Date

Signature and Date