

Draft Proposed Revision
BY-LAWS OF
MARROWSTONE ISLAND FOUNDATION
(A Washington State Non-Profit Corporation)

Last Revised:

ARTICLE I

Name, Of fice, Meeting Place and Purpose

Section 1 Name:

The name of this Corporation shall be Marrowstone Island Foundation.

Section 2 Office and Meeting Place:

The meeting place for the purposes set forth in the Articles of Incorporation and the office for the transaction of business is hereby fixed at the residence of the Corporation. The residence of the Corporation shall be Jefferson County, Marrowstone Island, Nordland, Washington.

Section 3 Purpose:

The purpose of the Marrowstone Island Foundation (MIF) is to use its funds and good offices to assist in the promotion of a better, safer, healthier and a more harmonious place to live.

ARTICLE II

Corporate Powers – Board of Directors

Section 1 Board of Directors and Their Governing Powers:

The corporate powers of Marrowstone Island Foundation, Inc. shall be vested in nine (9) Directors to make all necessary and incidental decisions to carry out the corporate purpose. Any five (5) of said Directors shall constitute a quorum for ordinary business and administrative transactions. A **supersimple** majority of **seven (7)** Directors must approve disbursements of funds for contracts, grants, loans and other non-administrative uses. ~~Original funds (hereafter designated as principle) received from MEMS by the Foundation may not be disbursed for other than investment purposes except in a time of general Island emergency as declared by the full Board of Directors. A meeting of Island Residents will be called to inform residents of the rationale and expenditures. Interest earned from investment of principal and/or gifts received may be expended to comply with the purposes of the Foundation; however funds, gifts and bequests may be received to enhance principal if so designated in advance. The full Board of Directors must unanimously approve the disbursement of funds~~

~~greater than the annual earnings from the original principal, estimated to be \$100,000.00, or funds designated to enhance principal only. Except in time of emergency, a public meeting of the Island residents will be held before the disbursement of such special expenditures.~~

~~Section 2 — Governing Powers:~~

~~The Board of Directors is vested with the power to make all necessary and incidental decisions to carrying out the corporate purpose.~~
~~Section 2 —~~

Section 2 Duties of Board of Directors:

The duties of the Board of Directors shall be:

- A. To manage both the original funds received from Marrowstone Emergency Medical Service (MEMS) (hereafter designated as principle), estimated to be \$100,000 at the time of transfer; and the funds, gifts, and bequests received by the Foundation since that time.
- B. To Rraise funds for carrying out the corporate purpose. Unencumbered funds, gifts, and bequests will go into the general account. Alternatively, funds, gifts, and bequests can be applied specifically to enhance the principle portion of the fund, when so designated in advance.
- C. To approve disbursements of funds to be used for education, communications and information sharing, charity, and community betterment throughout Marrowstone Island. In compliance with the following provisions:
 - 1. The principle may be used only for investment purposes. No other disbursement is permitted except in a time of general Island emergency as declared by the full Board of Directors and only after a meeting of Island residents has been called to inform them of the rationale and expenditures. Such an emergency disbursement requires the unanimous approval of the Board of Directors.
 - 2. The Board is authorized to disburse both the interest earned from investment of principal as well as gifts and bequests that were not designated to enhance the principle. The decision to disburse funds can be made by a simple majority vote of the board.
- D. Following in the tradition of Marrowstone Emergency Medical Services (MEMS), Board members shall promote retention of experienced volunteer ambulance responders and the recruitment of new volunteers.

Section 3 Qualifications and conditions of Directors:

Each shall be a **permanent** resident or property owner of Marrowstone Island in the State of Washington.

Section 4 Selection of Directors:

In January of each year, the Board shall determine the number and term length for any positions up for election and shall announce that candidates are being recruited for positions on the Board. Island Residents shall propose nominees for Board Membership in February of each year. The ~~Nominating Committee~~Board shall then finalize a list of candidates ~~for public view~~. Candidates names shall be made available in ballot form to Island residents to be marked and placed in a ballot box in the Nordland General Store. Election to be held in March of each year.

Section 5 Term of Directors:

The term of each Director shall be three years, with the first term being set at one year for three (3) Directors, two (2) years for three (3) Directors and three (3) Directors having a full three (3) year term. All Directors are limited to three (3) consecutive terms. However, a former Director who otherwise qualifies may be re-elected after a full year's absence from the Board. The term of each Director shall begin at the first meeting in April. ~~and end 36-months later.)~~

Section 6 Removal, Disqualification and Resignation:

Any Director may resign at any time by written notification to the Board. Any Board Member may be required to resign from the Board of Directors (by a majority vote) for failure to attend three (3) or more meetings in any twelve (12) month period without a valid excuse. ~~or whose primary residence ceases to be Marrowstone Island or who is medically or legally incapacitated.~~ Occasional vacations, illnesses or conflict of dates shall be considered as valid reasons for lack of Board meeting attendance.

Section 7 Vacancies:

Any vacancies created on the Board of Directors or among the four (4) elected officers shall be filled by a vote of the remaining members of the Board of Directors. Such ~~appointed Director~~appointee(s) shall serve ~~until the next annual election~~the remainder of the term of the board member(s) being replaced.

Section 8 Meeting of the Board:

Meetings of the Board shall be at the place prescribed in Article I, Section 2. All Directors shall be notified of all meetings of the Board of Directors.

- A. The Board shall meet monthly. If, in any month, there is not business to transact, the meeting may be canceled by the President upon notice to all Directors.
- B. Any four (4) Directors and one (1) Oficer may call for a special meeting of the Board of Directors.
- C. The annual meeting of the Board shall be open to the public in a suitable location in the month of ~~September~~February of each year.

~~In addition, the Board shall meet monthly. If, in any month, there is not business to transact, the meeting may be canceled by the President upon notice to all Directors. Any four (4) Directors and one (1) Oficer may call for a special meeting of the Board of~~

~~Directors. All Directors shall be notified of all meetings of the Board of Directors.~~

Section 9 Voting by Directors:

At Board meetings, each Director shall have one (1) vote on matters coming before the Board. All voting at meetings of the Board shall be by each member in person or by a properly executed written proxy delivered to the President before the meeting.

Section 10 Compensation:

All Directors shall serve without compensation.

ARTICLE III

Officers and Their Election

Section 1 Election and Removal of Officers:

The Board of Directors shall elect members of the Board to serve as: President, Vice-president, Secretary and Treasurer. The officers shall be elected for terms of one (1) year, at the ~~annual~~first Board meeting in ~~April~~September of each year, or at such other time as an election is deemed necessary. Any officer may be removed from office by a majority vote of the Directors at any regular or special meeting of the Board.

Section 2 Duties of Elected Officers:

- A. Duties of the President: The President shall be the Chief Executive Officer of the Corporation and subject to the control of the Board of Directors. The President shall:
1. Supervise all activities of the Corporation.
 2. ~~Preside at all meetings of the Board.~~
 3. Execute all instruments on its behalf.
 4. Have such other powers and duties as may be prescribed by the Board as are usually inherent in the office.
 5. ~~Cause an annual external audit to be conducted of the financial activities of the Foundation.~~Cause an external financial review of all accounts (checking, savings, and investment) to be conducted each year, prior to the annual meeting. A detailed report of expenditures, income, and investment performance shall be prepared for presentation at the annual meeting.
- B. Duties of the Vice-President: The Vice-President shall perform the duties of the President in the President's absence and such other acts as the Board or the President may direct.
- C. Duties of the Secretary: The Secretary shall keep a permanent record of all meetings of the Board of Directors. The Secretary shall also keep records of official correspondence, transactions and investments of the Corporation and perform such other duties as the

Board may direct.

- D. Duties of the Treasurer: The Treasurer is the Chief Financial Officer (CFO) of the Foundation. The Treasurer is the financial advisor to the President and to Board. The Treasurer shall:
1. Keep complete and accurate records of all financial transactions of the Corporation, including all receipts and disbursements thereof, deposit funds of the Corporation in depositories designated by the Board, render financial statements as requested by the Board and perform such other acts as the President of the Board shall direct.
 2. Maintain a detailed record of all donations and their categorization as to donations permanently restricted to the endowment, donations restricted for specified projects, and unrestricted donations.
 3. Disburse funds as directed by the Board.
 4. ~~Using the three subcommittees specified in Article IV, Section 1, the CFO shall keep informed of Foundation acquisitions and fund raising, investment management and funds disbursement. Prepare a detailed financial report for presentation at each meeting of the Board of Directors.~~
 5. ~~Assist the Secretary in~~Effect the timely preparation and filing of all governmental information returns required by an IRS Section 501-(c)-(3) organization.
 6. Assist in ~~an~~completion of the annual external financial ~~udita~~review of the Corporation as scheduled by the President.
 7. Sign, along with the President, checks and financial documents for the Corporation. In the absence of the Treasurer for such purposes, the Secretary of the Corporation is granted co-signature authority. Any check written for five hundred dollars (\$500.00), or less, shall require only one (1) signature.

ARTICLE IV

Committees

Section 1 ~~Standing~~ Committees:

The Board of Directors shall have as many ~~Standing~~ Committees ~~and such other committees~~ as are necessary to carry out the Foundation's purpose. Committees operate at the behest of the Board and shall bring the results of their deliberations to the Board for approval. ~~Standing Committees shall include but not be limited to:~~

Section 2 Standing Committees

Standing Committees may include, but are not limited to: ~~A Nominating Committee to develop and propose Island resident candidates, with the best possible demographic mix, for consideration for Director and committee member positions.~~

- A. **A Financial Committee to oversee the financial operation of the Foundation with three sub-committees:**
 - 1. **An Acquisitions and Fund Raising Committee to search for additional revenues, funds and endowments for the Foundation**
 - 2. **An Investment Management Committee to oversee, under the direction of the Board, the investments of the Foundation**
 - 3. **A Disbursements Committee to recommend projects and candidates for fund distribution.**
- B. **An Ambulance Committee to maintain support for and seek volunteers for an Island based ambulance/aid car and its crews.**
- C. **A Communications and Publicity Committee to develop an Island resident data base and to promulgate information about the Foundation, its function, goals, operation and achievements.**
- D. **A Nominating Committee to develop and propose Island resident or property owner candidates, with the best possible demographic mix, for consideration for Director and committee member positions.**

Section 3 Committee Membership:

~~Standing~~ Committee members shall be residents or property owners of Marrowstone Island. ~~with the best possible demographic mix.~~ Each committee shall ~~have~~include one or more Board members. ~~The Board of Directors shall determine the number of members of each committee.~~

ARTICLE V

Amendments

Section 1 Notice of Amendment:

Any member of the Board of Directors may propose an amendment to the By-laws by submitting such a proposed amendment to the President. ~~in writing, two (2) Board meetings prior to an amendment vote at the annual Foundation meeting to allow for public input. Before such meeting all Board members shall receive a three (3) days notice of such proposed amendment.~~ Bylaw change proposals that have been previously approved by a quorum of the Board shall be posted on the website and brought to the attention of island residents a minimum of two (2) Board meetings prior to the annual meeting to allow for review and input. The Board shall not vote to amend the bylaws until or after the annual meeting.

Section 2 Amendment Vote: The By-laws may be amended by affirmative vote of seven (7) members of the Board of Directors.

ARTICLE VI

Miscellaneous

Section 1 Contracts:

The Board of Directors may authorize any officer or officers, agent or agents to enter into specific contracts or execute any specific instrument in the name of and/or on behalf of the Corporation. Unless as authorized by the Board of Directors, no Director or Directors shall have the power to bind the Corporation by any contract or agreement, to pledge the good name or credit of the Corporation by any contract or agreement or to render it liable for any purpose or any amount, without formal Board authorization.

Section 2 Rules of Procedure: The rules contained in Robert's Rule of Order shall govern the President or Presiding Officer at all meetings of the Board of Directors.

- ◆ **Director or Board Member** as used herein means of Member of the Board of Directors.
- ◆ **Public** as used herein means a resident that makes his primary legal residence on Marrowstone Island.
- ◆ **Permanent resident or Island resident** as used herein means resident that makes his primary legal residence on Marrowstone Island.
- ◆ **Board** as used herein means the **Board of Directors**.