

# **RESTATED AND AMENDED BYLAWS OF THE THE SKAGIT COMMUNITY FOUNDATION**

**05/09/2007**

## **ARTICLE I NAME AND OFFICE LOCATION**

Section 1. NAME. The name of this non-profit corporation is THE SKAGIT COMMUNITY FOUNDATION (the "Foundation").

Section 2. REGISTERED OFFICE. The registered office and mailing address of the Foundation is 711 South First Street, Mount Vernon, Washington, 98273. The resident agent shall be the person who from time to time is designated by the Board of Directors, hereinafter referred to as (the "Board").

Section 3. PRINCIPAL OFFICE. The Foundation shall have its principal office at 711 South First Street (P.O. Box 1763), Mount Vernon, Washington, 98273, or it may maintain offices at such other place or places as the Board may from time to time designate.

## **ARTICLE II THE BOARD**

Section 1. DIRECTORSHIP. The Corporation is organized upon a directorship basis. The property, business and affairs of the Corporation will be overseen by its Board, whose members shall be exclusively elected by the Board. The Board members will hereinafter be referred to as Directors.

Section 2. QUALIFICATION. The Board shall consist of persons who maintain a personal residence in, or who are employed in Skagit County, Washington, and who are interested in and knowledgeable of the charitable needs of the County.

Section 3. NUMBER AND TERM OF OFFICE. The Board will consist of not less than ten (10) or more than twenty (20) elected persons plus the President who shall serve as an ex-officio Board member without voting rights. If less than twenty (20) elected Directors are currently serving on the Board, the difference between the number elected and the number ten (10) shall be considered vacancies and may be filled by the Directors in accordance with this Section 3 and Section 4 below. The terms of the elected Directors will be staggered so that at each annual meeting, approximately one-third (1/3) of the elected Directors will be elected by the Board. The term of office of any elected Director will be for three (3) years from the date of his or her election and will continue until his or her successor has been elected and qualified, or until such Director's resignation or removal. If, however, the Director is appointed by the Board to fill a vacancy, his or her term will be for the remainder of the term to which the Director is succeeding.

Section 4. RESIGNATION, REMOVAL AND VACANCIES. A Director may resign by written notice to the Foundation. The resignation will become effective upon its receipt by the Foundation. A Director may be removed, either with or without cause, by the affirmative vote of a majority of the Directors then in office. If a vacancy occurs among the members of the Board, that vacancy may be filled by the affirmative vote of a majority of the remaining Board present and voting, a quorum being present, at any regular or special meeting of the Board. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 5. REGULAR MEETINGS OF THE BOARD shall be held at least quarterly at the principal office of the Foundation or at such other place or places as the Board may from time to time designate.

Section 6. ANNUAL MEETING OF THE BOARD. An Annual Meeting shall be held in the last quarter of each year for the purpose of electing Directors and Officers and to conduct such other business as may be properly brought before the meeting.

Section 7. WRITTEN NOTICE OF MEETINGS of the Board designating the time and place shall be given either personally, by mail or by e-mail to each Board member not less than five (5) days before the meeting. Notice of a regular or special meeting need not state the purpose or purposes of the meeting.

Section 8. SPECIAL MEETINGS OF THE BOARD: Special meetings of the Board of Directors or Executive Committee may be called at any time or place by the Chairperson, and/or two (2) other Executive Committee members. Notice of time, place, and purpose of special meetings shall be sent to all members, in addition to, fax, email or telephone at least three (3) days in advance of the meeting. Special meetings may be held on less than three (3) days advance notice as long as a majority of the members in attendance at the special meeting agree to it.

Section 9. ACTION BY UNANIMOUS WRITTEN CONSENT and EMAIL POLLING. Any action required or permitted to be taken at an annual, regular, or special meeting of the Board may be taken without a meeting, without prior notice and without a vote, if all of the Directors consent in writing to the action so taken. At the direction of the Chair, an email poll of the Board of Directors or Executive Committee may be conducted for voting purposes. To be valid, an email poll must elicit a response from a majority of the members. In the event any member votes "no," then the action shall be brought for a vote at a meeting. The written consents and minutes from the email poll shall be filed with the minutes of the proceedings of the Board at the next regular Board meeting.

Section 10. QUORUM AND VOTING. A majority of the Board then in office shall constitute a quorum for the transaction of business. The vote of a majority of the Board present at a meeting at which a quorum is present will constitute action of the Board, unless the vote of a larger number is required by law or by other sections of these Bylaws or the Articles of Incorporation. At all meetings of the Board the voting may be vive voci.

Section 11. PROXIES. Only a duly elected board member may act as a proxy for another. All proxies shall be in writing.

Section 12. WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of the Non-Profit Corporation Act of the State of Washington or under the provisions of the Articles of Incorporation or the Bylaws of the Foundation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

### **ARTICLE III OFFICERS**

Section 1. THE OFFICERS of the Foundation shall be a Chairperson of the Board, a Vice Chairperson, a Secretary and a Treasurer of the Board. All other Officers shall be Directors and also elected by the Board. No one person may serve in two (2) capacities. The Board may appoint any other Officer(s) and agent(s) they deem necessary for accomplishing the purposes of the Foundation.

Section 2. TERM OF OFFICE. The Officers of the Foundation shall be elected annually by the Board at the Annual Meeting of the Board and shall hold office until their successors are chosen and qualify. Any Officer elected or appointed by the Board may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board then in office.

Section 3. RESIGNATION. An Officer may resign by written notice to the Foundation, which resignation will become effective upon its receipt by the Foundation.

Section 4. VACANCIES. Any Officer vacancy occurring in the Foundation shall be filled by the Board. In the absence, or in the event of the inability or refusal to act, of any Officer of the Foundation, the Board may delegate the duties and powers of such Officer to any other Officer or Officers of the Foundation as the Board may elect until such time as the Officer resumes his responsibilities or until a successor is elected.

Section 5. COMPENSATION. Officers who are not employees of the Foundation will serve without compensation but may be reimbursed for actual, reasonable and necessary out of pocket expenses incurred in their capacity as an Officer.

Section 6. THE CHAIRPERSON OF THE BOARD (Chairperson) shall be a member of the Board and shall preside at all meetings of the Board. The Chairperson shall perform such duties and functions as shall be assigned to him or her from time to time by the Board. He or she shall be a non-voting ex-officio member of all committees. The Chairperson shall, unless otherwise provided by resolution of the Board, possess the power and authority to sign all certificates, contracts, instruments, papers, documents of every conceivable kind and character whatsoever in the name of, and on behalf of, the Corporation.

Section 7. THE VICE-CHAIRPERSON shall perform the duties and exercise the powers of the Chairperson during the absence or unavailability of the Chairperson, and shall have such additional powers and perform such additional duties as shall from time to time be assigned by these Bylaws or by the Board.

Section 8. THE PRESIDENT. The Board shall appoint and employ a President who shall be the Chief Executive Officer, and who shall be a salaried employee of the Corporation responsible for the administration of the Corporation's activities pursuant to the policies established by and subject to the approval of the Board. The President shall employ and discharge such staff as he or she deems necessary in accordance with budget provisions and personnel policies and practices established by the Board. The President shall not be a voting member of the Board; however, he or she shall be an ex-officio member of all committees of the Corporation. The President shall be responsible for the routine day-to-day affairs of the Corporation and may sign contracts and documents on behalf of the Corporation which pertain to such routine affairs. The President will be responsible for executing the policies and resolutions of the Board and will perform any other duties prescribed by the Board or Chairperson.

Section 9. THE SECRETARY shall keep, or cause to be kept, a record of the proceedings of all meetings of the Board. The Secretary shall give, or cause to be given, notice of all meetings and special meetings of the Board and shall perform such other duties and have such other powers as may be prescribed by the Board. The Secretary shall keep or cause to be kept the minutes of all meetings of the Board in books provided for that purpose, and sign, with the Chairperson or the President, in the name of the Corporation, all contracts when authorized to do so.

Section 10. THE TREASURER shall oversee the financial activities of the Corporation. The Treasurer shall perform all duties incident to the office and such other duties as may be from time to time directed by the Board.

Section 11. THE PAST CHAIRPERSON shall serve on the Executive Committee to provide continuity and input.

#### **ARTICLE IV CONFLICT OF INTEREST**

Section 1. COMPENSATION / CONFLICTS OF INTEREST. No Director shall receive a salary or other compensation for service to this Corporation as a Director. No Board member shall participate in any vote or other Board action which could be construed as an actual or apparent conflict of interest between the Corporation's interest and the personal or business interest of the Board member. All such actual or apparent conflicts shall be reported to the Board BEFORE action is taken on the subject issue.

## **ARTICLE V ADVISORY COUNCIL**

Section 1. **ADVISORY COUNCIL.** The Foundation may recognize those who support the Foundation as advisory council members. The qualifications to be and benefits of an advisory council member shall be determined from time to time by the Board. Advisory council members shall have no voting rights concerning any matter, including those affecting their status, powers and voting rights.

Section 2. **THE ANNUAL MEETING** of the advisory council for the transaction of such business as determined by the Board shall be held at such time and place as the Board shall determine and as shall be stated in the Notice of Meeting.

Section 3. **SPECIAL MEETINGS** of the advisory council may be called at any time by the Board or by the Chairperson of the Board. A written request for such special meeting shall be presented to the Secretary stating the purpose of said special meeting. All such special meetings shall be held at the principal office of the Foundation unless authorized by the Board or Chairperson to be held elsewhere.

Section 4. **NOTICE OF MEETINGS** designating the time and place shall be given either personally or by mail or fax or e-mail to each advisory council member not less than five (5) days before the Annual or Special Meeting. Notice of an Annual or Special Meeting need not state the purpose or purposes of the meeting.

## **ARTICLE VI COMMITTEES**

Section 1. **STANDING COMMITTEES.** There shall be three (3) Standing Committees: Executive, Finance and Grants & Programs. The Executive Committee shall, as a minimum, include the duties and responsibilities as described in Section 2 below. The Board will determine the duties and responsibilities of these other Standing Committees and may, from time to time, invest said Committees with such other powers within the limits prescribed by law, as it may see fit. Standing Committees shall keep minutes of their meetings and shall report their actions to the Board. The Board will appoint a Chairperson and committee members to each Standing Committee annually.

Section 2. **EXECUTIVE COMMITTEE.** The Executive Committee shall consist of five (5) or more members, including the Chairperson and Vice Chairperson, the members of which shall be elected by the Board from a slate presented by the Nominating Committee to serve at the pleasure of the Board for a term of one year. Members of the Executive Committee, all of whom shall be members of the Board, shall be elected on the basis of criteria that will ensure that said Committee is representative of the public interest and the charitable needs of the Skagit community.

The Chairman of the Board shall be the Chair of the Executive Committee. Action(s) may be taken by the vote of the majority of the entire Committee. The Executive Committee, subject to those limitations as may be required by law or imposed by

resolution of the Board, may exercise all the powers and authority of the Board in the management of the business and affairs of the Foundation between meetings of the Board, except that such Executive Committee will not have power or authority to:

1. Amend the Articles of Incorporation or the Bylaws of the Corporation;
2. Adopt an agreement of merger or consolidation;
3. Approve the sale, lease or exchange of all or substantially all of the Foundation's property and assets;
4. Approve the dissolution of the Corporation or a revocation of a dissolution;
5. Fill Officer and Board vacancies; or
6. Make grants, appropriations or expenditures of funds in excess of one-half (.5%) percent of the foundation's net assets in any calendar year.

Section 3. FINANCE COMMITTEE. The Board shall appoint a Chairperson and two (2) or more members for the Finance Committee. The Chairperson of the Board and the President shall be non-voting ex-officio members of this committee.

Section 4. GRANTS & PROGRAMS COMMITTEE. The Board shall appoint a Chairperson and two (2) or more members for the Grants & Programs Committee. The Chairperson of the Board and the President shall be non-voting ex-officio members of this committee.

Section 5. OTHER COMMITTEES. The Board may appoint such other committees as it deems appropriate to exercise the authority delegated by the Board. The Board will determine the duties and responsibilities of these committees and may, from time to time, invest said committees with such other powers as it may see fit. Such duties and responsibilities, when approved by the Directors, shall be followed by the committee until advised to the contrary by the Board. Each committee shall meet at least once during each fiscal year of the Foundation.

## **ARTICLE VII CHARITABLE GIFTS, VARIANCE POWER, AND POWER TO REMOVE**

Section 1. DEFINITION OF TERMS. The following terms used in this Article shall have the meanings set forth below:

"Charitable Gift" means any gift, grant, bequest, or devise to or for the benefit of the Foundation (including the proceeds of sale of such gift, grant, bequest, or devise and the assets, income and appreciation resulting from the investment and reinvestment of such gift, grant, bequest or devise made by the Foundation or by any Fiduciary).

"Fiduciary" means (i) any Director, agent, investment advisor, investment manager, custodian or other person holding, administering or investing a Charitable Gift on behalf of the Foundation; and (ii) any member of the governing body or officer of a nonprofit corporation or other entity created or operating for the purpose of supporting the Foundation or carrying out its purposes.

“Gift Instrument” means (i) a deed, trust agreement, last will and testament, bill of sale, assignment or other conveyance, agreement or instrument making or governing the terms of a Charitable Gift; (ii) the articles of incorporation, bylaws or other governing documents of any nonprofit corporation or other entity created or operating for the purpose of supporting the Foundation or carrying out its purposes; and (iii) the terms of any solicitation by the Foundation from which a Charitable Gift resulted.

“Restriction” means any limitation imposed by the donor in a Gift Instrument or arising as the result of any solicitation by the Foundation which in any way (i) specifies or restricts the charitable, educational, religious, scientific, or literary purposes of the Foundation for which the Charitable Gift may be used; (ii) requires that the Foundation distribute all or part of a Charitable Gift to one or more other public bodies or organizations formed for charitable, educational, religious, scientific or literary purposes; (iii) creates an endowment fund or otherwise limits the amount of the principal or income from a Charitable Gift that may be expended by the Foundation during any period; or (iv) specifies or limits the way in which the Charitable Gift may be invested.

Section 2. VARIANCE POWER. Except to the extent specifically otherwise provided in the “Gift Acceptance Policy and Procedures” governing a particular charitable gift which has been accepted by the Board of Directors of the Foundation:

The Board shall have the variance power as set forth in tax regulations, **1.170A-9(e)(11)(V)(B), (C), and (D)**.

Pursuant to the above, the Board shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the Board (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.

Section 3. POWER TO REMOVE. The Board of Directors or the Executive Committee may remove any Fiduciary at any time.

The Board of Directors or the Executive Committee may appoint a successor to any Fiduciary removed pursuant to this Section 3. and may fill the position of a Fiduciary which has become vacant for any other reason.

## **ARTICLE VIII APPOINTMENT OF COUNSEL AND AGENTS**

Section 1. APPOINTMENT OF COUNSEL / AGENTS. The Board from time to time may appoint legal counsel, investment advisors, or other agents as deemed appropriate.

## **ARTICLE IX INDEMNIFICATION**

Section 1. The Corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he/she is or was a director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee, or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding, if he/she acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

Section 2. The Corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he/she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him/her in connection with the defense or settlement of such action or suit, if he/she acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to the best interests of the Corporation, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Section 3. To the extent that a director, officer, employee or agent of the Corporation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections (1) and (2) of this Article IX, or in defense of any claim, issue or matter therein, he/she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him/her in connection therewith.

Section 4. Any indemnification under Section (1) and (2) of this Article IX (unless ordered by a court) shall be made by the Corporation only as authorized in the specific

case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he/she has met the applicable standard of conduct set forth in Sections (1) and (2) of this Article IX. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

Section 5. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he/she is entitled to be indemnified by the Corporation as authorized in this Article IX.

Section 6. The indemnification provided by this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of disinterested directors, or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

## **ARTICLE X AMENDMENTS**

Section 1. AMENDMENTS. These Bylaws may be added to, amended or repealed in whole or in part by a majority vote of the whole Board at any Regular, Annual, or Special Meeting of the Board called for that purpose PROVIDED that notice of such amendment has been given to the Directors at least ten (10) days prior to said meeting. No action or amendment shall be taken which in any way adversely affects the Foundation's qualification as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code as it now exists or may hereafter be amended.

## **ARTICLE XI GENERAL**

Section 1. GENERAL. The Board shall have the right to pay necessary operating expenses from the funds of or income contributed to the Foundation.

Section 2. AFFILIATION WITH OTHER ORGANIZATIONS. In pursuit of the Foundation's charitable objectives, the Board shall have the authority to cause to be formed or to enter into relationships with other organizations described in Section 501(c)(3) of the Internal Revenue Code, including organizations operated for the benefit of and to carry out the purposes of the Foundation, in which case the Foundation may exercise such supervision and control over any organization as is necessary to qualify it

as a supporting organization described in Section 509(a)(3) the Internal Revenue Code and the regulations thereunder.

## **ARTICLE XII COMPLIANCE WITH TAX REQUIREMENTS**

Section 1. NONPROFIT OPERATION. The Foundation shall be operated exclusively for charitable, educational, religious, scientific, and literary purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or comparable provisions of subsequent legislation as a nonprofit corporation. No Director of the Foundation shall have any title to or interest in the corporate property or earnings in his or her individual or private capacity and no part of the net earnings of the Foundation shall inure to the benefit of any Director, Officer or any private shareholder or individual. No substantial part of the activities of the Foundation shall consist of carrying on propaganda or otherwise attempting to influence legislation, nor shall the Foundation participate in or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office.

## **ARTICLE XIII FISCAL YEAR**

Section 1. FISCAL YEAR. The fiscal year of the Foundation shall end on December 31<sup>st</sup>.

## **ARTICLE XIV RESTATEMENT**

Section 1. RESTATEMENT. All Bylaws of this Foundation heretofore amended and adopted and in force are hereby expressly repealed and annulled, and these Bylaws, as restated and amended herein shall henceforth be in full force and effect.

Revised and Approved by the Board of Directors, May 9, 2007.