

# **Maritime Heritage Alliance Bylaws**

**Passed November 13, 2017**

## **ARTICLE 1 PURPOSE**

Maritime Heritage Alliance (“Organization”) is organized exclusively for charitable, educational and scientific purposes to preserve, interpret, share, and promote the Maritime Heritage of the Great Lakes.

## **ARTICLE 2 OFFICES**

The principal office of the Maritime Heritage Alliance shall be at such place within the state of Michigan as the Board of Directors may determine from time to time. The Board of Directors may establish other offices in or outside the state of Michigan.

## **ARTICLE 3 MEMBERS**

Maritime Heritage Alliance is a Directorship nonprofit Organization, and there shall be no members who have any right to vote or hold ownership in the Organization. The Board of Directors may approve classes of non-voting members or collaborators with rights, opportunities, and obligations that are established by the Board..

## **ARTICLE 4 BOARD**

### 4.01 General Powers

The business, property, and affairs of the Maritime Heritage Alliance shall be managed by the Board of Directors (individually, “Director”, or collectively “Board” or “Board of Directors”).

### 4.02 Number

There shall be not less than 7 nor more than 13 Directors on the Board, as shall be fixed from time to time by the Board.

### 4.03 Qualifications

Directors shall meet the following qualifications:

- A. Support the mission and purposes of the Organization;
- B. Support the Organization financially and /or through time contribution;
- C. Serve on one or more committees when reasonably possible;
- D. Attend events and participate in activities;
- E. Attend 75% of all board meetings in a 12-month period;
- F. Perform the Director’s duties in good faith; and
- G. Agree to, sign as needed and follow Organization policies and procedures.

H. Prior to submitting an application potential Board Members are encouraged to attend Board Meetings and participate in committee activities.

#### 4.04 Appointment

The initial Directors shall be appointed by the incorporators. Thereafter the Directors shall be appointed by a majority vote of existing Directors eligible to vote on the matter.

#### 4.05 Tenure; Elections.

Directors shall serve for staggered two-year terms and may serve up to 5 consecutive terms. Terms will begin at the annual meeting where the Director is appointed. The initial directors will serve until the 2019 annual meeting.

#### 4.06 Resignation; Removal.

Any Director may resign at any time by providing written notice to the Organization, to be effective immediately or at a later time designated in the notice. Any Director may be removed with cause by a majority vote of the remaining Directors on the Board, if before any meeting of the Board at which a vote on removal will be made the Director in question is given at least 10 day notice by electronic or written notification of the Board's intention to discuss her/his case and is given the opportunity to be heard at a meeting of the Board. Cause to remove a Board member includes, without limitation, the following:

A. The Board member no longer meets the qualifications provided in these Bylaws.

B. The Board member engages in activity detrimental to the best interests of the Organization, in a manner the Board deems to be inconsistent with the Director's duty of loyalty or duty to act in good faith and with reasonable care.

#### 4.07 Vacancy

A Director selected to fill a vacancy created by resignation, death, or removal shall be appointed as in paragraph 4.04 above.

#### 4.08 Annual Meeting.

An annual meeting shall be held each year in January at the time and place determined by the Board of Directors. If the annual meeting is not held at that time, the Board shall cause the meeting to be held as soon thereafter as is convenient.

#### 4.09 Regular and Special Meetings.

Regular meetings of the Board may be held at the time and place as determined by resolution of the Board without notice other than the resolution. Special meetings of the Board may be called by the president or any three Directors at a time and place as determined by those persons authorized to call special meetings. Notice of the time and place of special meetings shall be given to each Director in any manner at least three days before the meeting.

#### 4.10 Notice: Purpose and Waiver of Notice.

Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board need be specified in the notice for that meeting. The attendance at or participation of a Director at a Board meeting waives any required notice to him or her of the meeting unless he or she at the beginning of the meeting, or when he or she arrives, objects to the meeting or the transacting of business at the meeting and after objecting does not vote for or assent to any action taken at the meeting. In addition, the Director may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.

#### 4.11 Meeting Procedures

The Board may adopt by majority vote from time to time rules or guidelines for meeting procedures. The purpose of the rules will be to: (a) facilitate participation and learning by all meeting participants; and (b) enable efficient meeting process and decision making. The Board will strive not to adopt rules that interfere with the effective operation of the Board or the Organization. The failure of the Board to follow any specific meeting procedure will not invalidate the Board action unless the error or omission was made in bad faith.

#### 4.12 Meeting by Telephone or Similar Equipment.

A Director may participate in a meeting by conference telephone or other means of remote communication if all individuals who are participating in the meeting can communicate with the other participants. Participation in a meeting under this section constitutes attendance in person at the meeting.

#### 4.13 Voting and Quorum.

A majority of the Directors then in office constitutes a quorum for the transaction of any business at any meeting of the Board. Where possible, Board members will act by consensus of all members present at a meeting. However, at any time a member of the Board may call for a vote. Actions voted on by at least a majority of directors present at a meeting where a quorum is present shall constitute authorized Actions of the Board, except as otherwise provided by law or in these Bylaws. This section notwithstanding, the following Actions require approval by a majority of Board members (not just a majority of the quorum), or other higher amount, as indicated below:

- A. Appointment or removal of a board member;
- B. Amendment of bylaws or the articles of incorporation;
- C. Dissolution of the Organization or the sale or transfer of substantially all of its assets;
- D. Hiring or termination of an executive director, or any other contract or agreement delegating significant decision-making authority to another individual or entity;
- E. Significant expenditure on capital asset acquisition or improvements representing at least 25% of the Organization's budget;
- F. Any decision designated as a "significant decision" if the board adopts a policy designating certain decisions as significant decisions that must be approved by a majority of the Board, regardless of the number of directors at a meeting; and

G. Any other decision requiring approval by a majority of the Board by law, the Articles of Incorporation, or these Bylaws.

#### 4.14 Manner of Voting at Meetings.

The Board may allow Directors present at a meeting to vote either orally, in writing, or by electronic transmission. Proxy voting may be permitted if authorized by the Board and submitted in writing prior to the meeting. Maritime Heritage Alliance shall maintain a record of all votes that are submitted by remote communication.

#### 4.15 Voting Without Meetings (Voting by Email).

Any action required or permitted to be taken pursuant to authorization of the Board may be taken without a meeting if, before or after the action, all Directors consent to the action in writing or by electronic transmission. Written consents and electronic transmissions shall be filed with the minutes of the Board's proceeding.

#### 4.16 Compensation for Board Members.

Directors shall receive no compensation for carrying out their duties as Directors. The Board may adopt policies providing for reasonable reimbursement of Directors for expenses incurred in conjunction with carrying out Board responsibilities, such as travel expenses to attend Board meetings. Directors are not restricted from being compensated for other services provided to the Organization so long as the compensation is reasonable and fair and is reviewed and approved in accordance with any applicable Conflict of Interest policy and state or federal law.

#### 4.17 Duties

In addition to any other duties required by law, the Articles of Incorporation, these Bylaws, or adopted by Board, a Director of the Maritime Heritage Alliance shall discharge his or her duties as a Director, including his or her duties as an officer or a member of committee, in good faith; with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and in a manner he or she reasonably believes is in the best interests of the Organization. In discharging these and other duties, unless the Director has knowledge concerning the matter in question that makes reliance unwarranted a Director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared by third parties, if prepared or presented by any of the following:

- A. One or more directors, officers, or employees of Organization, whom the Director reasonably believes to be reliable and competent in the matters presented;
- B. Legal counsel, public accountants, engineers, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or
- C. A committee of the Board of which he or she is not a member if the Director or officer reasonably believes that the committee merits confidence.

#### 4.18 Duties of Officers

The officers of the Maritime Heritage Alliance shall be appointed by the Board and shall include the officers described below and other officers appointed by the Board. All duties of officers are subject to the authority of the Board to delegate any specific power to another officer, director, employee, or volunteer of the Organization in a manner consistent with law, and to assign officers additional duties.

A. President. Unless delegated by the Board to another person or persons, the president shall supervise the general control and management of the business and affairs of

the Maritime Heritage Alliance and shall preside at meetings of the Board of Directors. The president shall see that all Actions taken of the Board are executed and shall perform all others duties incident to the office. The president has authority to sign documents on behalf of the

Maritime Heritage Alliance for matters authorized by the Board or otherwise delegated by the president.

B. Vice President. If the president is absent or unable to perform his or her duties, the vice president shall perform the president's duties until the Board directs otherwise.

C. Secretary. The secretary shall (a) keep minutes of Board meetings, (b) be responsible for providing to each Director as required by law, the articles of incorporation, or these bylaws; and (c) ensure the Organization has properly kept records of corporate matters, including meeting minutes, resolutions, and the names and addresses of board members and committees.

D. Treasurer. The treasurer shall (a) oversee Organization funds; (b) ensure accurate books and financial records are kept; (c) have authority of deposit money and write checks on behalf of the Organization; and (d) complete all required corporate filings.

#### 4.19 Officers – Terms of Office; Removal or Resignation; Vacancy.

The officers serve one-year terms and may be appointed to additional terms. One person may hold two or more Board offices, but no Board officer may act in more than one capacity where action of two or more officers is required. An officer may resign at any time by providing written notice to the Maritime Heritage Alliance. Notice of resignation is effective on receipt or at a later time designated in the notice. An officer appointed by the Board may be removed with or without cause by vote of a majority of the Board. A vacancy in any office shall be filled by the Board.

### **ARTICLE 5 - COMMITTEES**

#### 5.01 Committees; General Powers

The Board may designate one or more committees and subcommittees, as defined in the Michigan Nonprofit Corporation Act. Committees shall include one or more Directors as well as individuals who are not Directors. A committee may exercise any powers of the Board in managing the Organization's

business affairs to the extent the powers are delegated in writing by the Board to the Committee, except that no committee shall have the power to: (a) amend the articles of incorporation; (b) adopt an agreement of merger or conversion; (c) amend the bylaws of the Organization; (d) fill vacancies on the Board or (e) fix compensation of the Directors for serving on the Board or on a committee.

#### 5.02 Establishing Committees

The Board shall establish committees by resolution or other written document and shall make reasonable efforts to state in the resolution: the committee's purposes, the terms and qualifications of committee members, the authority and responsibilities of the committee (including spending authority, if any) and the ways in which members of the committees are selected and removed. All committee members serve at the pleasure of the Board and Committees may be modified or terminated by the Board at any time.

#### 5.03 Committee Voting, Notice and Meetings

Committees shall meet as directed by the Board and their meetings shall be governed by the rules provided in these bylaws for notice, voting, and meetings of the Board.

### **ARTICLE 6 – DOCUMENT AND FINANCIAL PROCEDURES**

#### 6.01 General

No corporate documents (including appointments, checks, notes, disbursements, loans and other debt obligations) shall be signed by any person unless authorized by the Board, these bylaws, or a policy or resolution adopted by the Board. Checks issued by the Maritime Heritage Alliance shall require two authorized signatures unless the item is specifically identified in an adopted Budget. No person is authorized to sign a check made out to him- or herself.

#### 6.02 Fiscal Year

For tax and accounting purposes the fiscal year is a period of 12 consecutive months beginning January 1 and ending December 31.

#### 6.03 Financial Reports

On an annual basis, the Board shall have a qualified person or entity prepare a report on the financial activities of the Maritime Heritage Alliance for the preceding fiscal year and distribute that report to each director at the annual meeting of the Board. The Board may in its discretion require a full audit. The report may be distributed electronically but will be provided in written form to any Board member who so requests. The report shall include all of the following for the preceding fiscal year.

- A. An income statement.
- B. The year-end balance sheet, including trust funds and funds restricted by donors or the Board.
- C. A statement of source and application of funds.
- D. Any other information required by the Board.

#### 6.04 Budget.

The Board shall approve an annual budget by March 1 for the calendar year, all expenditures must be within the budget or as otherwise approved by the Board. Any change in the budget must be approved by the Board. January and February spending cannot exceed like items for the previous year.

#### 6.05 Gifts and Donations

The Board of Directors may accept on behalf of the Organization any contribution, gift or device for any purpose of the Organization, subject to a gift acceptance policy the Board may adopt from time to time.

### **ARTICLE 7 - INDEMNIFICATION**

#### 7.01 Non-derivative and Derivative Actions

Maritime Heritage Alliance shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding of any nature against expenses (including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement) in part or in full to the extent the Board determines the following are met:

- A. The suit arises out of Actions or inActions taken by the person in his or capacity as a Director, officer, employee, volunteer or agent of the Maritime Heritage Alliance (or another entity at the request of the Maritime Heritage Alliance);
- B. The person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Maritime Heritage Alliance, and the person believed he or she was acting within the scope of his or her authority under the Maritime Heritage Alliance;
- C. With respect to any criminal action or proceeding, the person had no reasonable cause to believe his or her conduct was unlawful;
- D. The lawsuit (and or defense) and the proposed legal strategy and costs have been given prior authorization by the Board of Directors, unless this requirement is waived by the Board;
- E. The person provided prompt and timely notice of the lawsuit to the Board (usually within 14 days) unless the Board waives this requirement;
- F. The covered expenses are covered by insurance carried by the Board (unless this requirement is waived by the Board);
- G. The person is not liable to the Maritime Heritage Alliance for the claim, issue or macer; and
- H. Indemnification is authorized by law, the Articles of Incorporation, these bylaws, and is consistent with the Organization's status as a 501(c)(3) Organization.

#### **7.02 AUTHORITY TO DETERMINE THAT INDEMNIFICATION IS PROPER.**

The Organization's decisions regarding whether indemnification is proper and the extent to which indemnification is proper shall be made in one of the following ways, or other manner authorized by statute:

- A. By a majority of a quorum of the Board that consists of Directors who are not parties or threatened to be made parties to the action, suit, or proceeding;
- B. If the Board is unable to obtain a quorum under subdivision (a), by majority vote of a committee appointed by the Board that consists of at least 2 directors who are not at the time parties or threatened to be made parties to the action, suit, or proceeding (all Directors may participate in designating the committee); or
- C. By independent legal counsel in a written opinion.

#### **ARTICLE 8 EXEMPT PURPOSES**

Notwithstanding any other provision in these Bylaws, if any provision of these Bylaws is contrary to the Organization's tax exempt status recognized under Section 501(c)(3) of the Internal Revenue Code, the provision shall be void to the extent necessary for these Bylaws to be consistent with Section 501(c)(3) and rules promulgated thereunder.

#### **ARTICLE 9 AMENDMENTS**

A majority of the Board may amend these bylaws, or adopt new bylaws, if notice setting forth the terms of the proposal has been given in accordance with any notice requirement for the meeting of the Board.

Bylaws adopted on \_\_\_\_\_ 2017