

## CORPORATE BYLAWS

### HISTORIC POINT WASHINGTON ASSOCIATION, INC.

#### ARTICLE I. MEETINGS OF MEMBERS

**Section 1. Annual Meeting.** The annual member meeting of Historic Point Washington Association, Inc. will be held on the 1ST SUN day of MARCH, of each year or at such other time and place as designated by the board of directors of Historic Point Washington Association, Inc. provided that if said day falls on a Sunday or legal holiday, then the meeting will be held on the first business day thereafter. The corporation will hold annual meetings of members for the election of directors and such other business as may come before the meeting.

**Section 2. Special Meetings.** Special meetings will be held when directed by the board of directors, chairman of the board of directors, president of the corporation, or at least ten (10) percent of the members entitled to vote, provided that said persons sign, date and deliver to Historic Point Washington Association, Inc. one or more written demands for the meeting describing the purpose(s) for which it is to be held. A meeting requested by members of Historic Point Washington Association, Inc. will be called not less than 10 not more that 60 days after the request is made, unless the members requesting the meeting designate a later date. The call for the meeting will be issued by the secretary, unless the president, board of directors or members requesting the meeting designate another person to do so.

**Section 3. Place.** Meetings of members will be held at the principal place of business of Historic Point Washington Association, Inc. or at such other place as is designated by the board of directors.

**Section 4. Record Date and List of Members.** The board of directors of the above named non-profit corporation shall fix the record date; however, in no event may a record date fixed by the board of directors be a date prior to the date on which the resolution fixing the record date is adopted.

After fixing a record date for a meeting, the secretary shall prepare an alphabetical list of the names of all Historic Point Washington Association, Inc.'s members who are entitled to notice of a members' meeting, arranged with the address of each member. Said list shall be available for inspection in accordance with Florida law.

**Section 5. Notice.** Written notice stating the place, day and hour of the meeting, and the purpose(s) for which said special meeting is called, will be delivered not less than 10 nor more than 60 days before the meeting, either personally or by first class mail, by or at the direction of the president, the secretary or the officer or persons calling the meeting to each member of record entitled to vote at

such meeting. If mailed, such notice will be deemed to be effective when deposited in the United States mail and addressed to the member at the member's address as it appears on the membership roll of Historic Point Washington Association, Inc., with postage thereon prepaid.

Historic Point Washington Association, Inc. shall notify each member, entitled to a vote at the meeting, of the date, time and place of each annual and special members' meeting no fewer than 10 or more than 60 days before the meeting date. Notice of a special meeting shall describe the purpose(s) for which the meeting is called. A member may waive any notice required hereunder either before or after the date and time stated in the notice; however, the waiver must be in writing, signed by the member entitled to the notice and be delivered to Historic Point Washington Association, Inc. for inclusion in the Minutes or filing in the corporate records.

**Section 6. Notice of Adjourned Meeting.** When a meeting is adjourned to another time or place, it will not be necessary to give any notice of the adjourned meeting provided that the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At such an adjourned meeting, any business may be transacted that might have been transacted on the original date of the meeting. If, however, a new record date for the adjourned meeting is made or is required, then, a notice of the adjourned meeting will be given on the new record date as provided in this Article to each member of record entitled to notice of such meeting.

**Section 7. Member Quorum and Voting.** A majority of the members entitled to vote, represented in person or by proxy, will constitute a quorum at a meeting of members.

If a quorum, as herein defined, is present, the affirmative vote of a majority of the members represented at the meeting and entitled to vote on the subject matter thereof will be the act of the members unless otherwise provided by law.

**Section 8. Voting of Members.** Each member will be entitled to one vote on each matter submitted to a vote at a meeting of members.

**Section 9. Proxies.** A member may vote either in person or by proxy provided that any and all proxies are executed in writing by the member or his duly authorized attorney-in-fact. No proxy will be valid after the duration of 11 months from the date thereof unless otherwise provided in the proxy.

**Section 10. Action by Members Without a Meeting.** Action required or permitted to be taken at an annual or special meeting of members may be taken without a meeting without prior notice and without a vote if the action is taken by the members entitled to vote on such action having not less than the minimum number of votes necessary to authorize such action at a meeting at which all members entitled to vote on such action were present and voted. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving



members having the requisite number of votes and entitled to vote on such action, and delivered to the corporation by delivery to its principal office in this state, its principal place of business, the corporate secretary or another officer or agent of the corporation having custody of the book in which proceedings of meetings of members are recorded. Written consent shall not be effective to take the corporation referred to in the consent unless the consent is signed by members having the requisite number of votes necessary to authorize the action within 60 days of the date of the earliest dated consent and is delivered in the manner required herein. Any written consent may be revoked prior to the date that the corporation receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the corporation at its principal office in the state or its principal place of business or received by the corporate secretary or other officer or agent of the corporation having custody of the book in which proceedings of meetings of members are recorded. Within 10 days after obtaining such authorization by written consent, notice must be given to those members who are entitled to vote on the action but who have not consented in writing. The notice must fairly summarize the material features of the authorized action. A consent signed pursuant hereto has the effect of a meeting vote and may be so described as such in any document; provided that if the action to which the members consent is such as would have required the filing of a certificate under Florida law if such action had been voted on by members as a meeting thereof, the certificate filed thereunder must state that written consent has been given in accordance with Florida law. Whenever action is taken pursuant hereto, the written consent of the members consenting to such action or the written reports of inspectors appointed to tabulate such consents must be filed with the Minutes of proceedings of members. Notice of a meeting of members need not be given to any member who signs a waiver of notice in person or by proxy either before or after the meeting. Neither the affairs transacted nor the purpose of the meeting need be specified in the waiver. Attendance of a member at a meeting, either in person or by proxy, constitutes waiver of notice and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, unless the member attends a meetings solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of affairs.

**Section 11. Membership Termination.** Membership in the corporation may be terminated if a member engages in any conduct or activity that materially interferes with or conflicts with the purpose of this corporation, including but not limited to substantial and material violation of the Bylaws and rules of this corporation that may be adopted from time to time. Termination of membership shall be recorded in the membership book of the corporation and the rights and privileges of a member cease upon termination of membership.

**Section 12. Member Voting.** Except as otherwise provided herein, members are not entitled to vote. A member who is entitled to vote may vote in person or may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. An appointment or a proxy is not valid after 11 months following the date of its execution unless otherwise provided in the proxy. If directors or officers are to be elected by members, it is hereby provided that such elections may be conducted by mail. If any corporation is a member of this corporation, the chairman of the board, president, any vice-president, the secretary or the treasurer of the member corporation, and any such officer or cashier or trust officer of a banking or trust corporation holding such membership, and any like officer of a foreign corporation whether for profit or not for profit, holding membership shall be deemed to have the authority to vote on behalf of the member corporation and to execute proxies and written waivers and consents in relation thereto, unless before a vote is taken or a waiver or consent is acted upon, it is made to appear by a certified copy of the Bylaws or resolution of the board of directors or executive committee of the member that such authority does not exist or is vested in some other officer or person. In the absence of such certification, a person executing any such proxies, waivers or consents or presenting himself at a meeting as one of such officers of a corporate member shall be conclusively deemed to be duly elected, qualified and acting as such officer and to be fully authorized. In the case of conflict representation, the corporate member shall be deemed to be represented by its senior officer in the order first stated herein. In all elections for directors every member entitled to vote has the right to cumulate his votes and to give one candidate a number of votes equal to the number of votes he could give if one director were being elected multiplied by the number of directors to be elected or to distribute such votes on the same principles among any number of such candidates. If the corporation has no members or its members do not have the right to vote, the directors shall have the sole voting power.

## **ARTICLE II. DIRECTORS**

**Section 1. Function.** All corporate powers, business, and affairs will be exercised, managed and directed under the authority of the board of directors (whether defined as directors, managers or trustees in the Articles of Incorporation).

**Section 2. Qualification.** Directors must be natural persons of 18 years of age or older but need not be residents of this State and need not be members of Historic Point Washington Association, Inc..

**Section 3. Compensation.** The board of directors will have authority to fix the compensation for directors of Historic Point Washington Association, Inc..

**Section 4. Presumption of Assent.** A director of a corporation who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed



to have assented to the action taken unless:

- (i) Such member objects, at the beginning of the meeting or promptly upon arrival, to holding the meeting or transacting specified affairs at the meeting; or
- (ii) Such director votes against or abstains from the action taken.

**Section 5. Number.** Historic Point Washington Association, Inc. will have a minimum of three (3) director(s).

**Section 6. Election and Term.** Each person named in the Articles of Incorporation or elected at the Initial Meeting of Incorporators as a member of the initial board of directors will hold office until said directors will have been qualified and elected at the first annual meeting of members, or until said director(s) earlier resignation, removal from office or death.

At the first annual meeting of members and at each annual meeting thereafter, the members will elect directors to hold office until the next annual meeting. Each director will hold office for a term for which said director is elected until said director's successor will have been qualified and elected, said director's prior resignation, said director's removal from office or said director's death.

**Section 7. Vacancies.** Any vacancy occurring on the board of directors may be filled by the affirmative vote of the majority of the remaining directors, even though, the remaining directors constitute less than a quorum, or by the sole remaining director, as the case may be, or if the vacancy is not so filled or if not director remains, by the members. A director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors, but only for a term of office continuing until the next election of directors by the members or, if the corporation has no members or no members having the right to vote thereon, for such term of office as is otherwise provided in these Bylaws. A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date, may be filled before the vacancy occurs; however, the director may not take office until the vacancy occurs.

**Section 8. Removal and Resignation of Directors.** Any member of the board of directors may be removed from office with or without cause by the vote or agreement in writing by a majority of all votes of the membership. The notice of a meeting of the members to recall a member or members of the board of directors shall state the specific director(s) sought to be removed. Any such proposed removal of a director at a meeting shall be made by separate vote for each board member sought to be removed. Where removal is sought by written agreement, a separate agreement is required for each board member sought to be removed. If removal of a director or directors is effected at a meeting, any vacancies created thereby shall be filled by the members at the same meeting. Any director who is removed from

the board of directors shall not be eligible to stand for reelection until the next annual meeting of the members. Any director removed from office shall turn over to the board of directors within 72 hours any and all records of the corporation in his possession.

A director may resign at any time by delivering written notice thereof to the board of directors or its chairman or Historic Point Washington Association, Inc.. Such a resignation is effective when the notice is delivered unless a later effective date is specified in such notice. If a resignation is made effective at a later date, the board of directors may fill the pending vacancy before the effective date if the board of director provides that the successor does not take office until the effective date.

**Section 9. Quorum and Voting.** A majority of the number of directors fixed by these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present will be the act of the board of directors.

**Section 10. Executive and Other Committees.** A resolution, adopted by a majority of the full board of directors, may designate from among its members an executive committee and/or other committee(s) which will have and may exercise all the authority of the board of directors to the extent provided in such resolution, except as is provided by law. Each committee must have two or more members who serve at the pleasure of the board of directors. The board may, by resolution adopted by a majority of the full board of directors, designate one or more directors as alternate members of any such committee who may act in the place and instead of any absent member or members at any meeting of such committee.

**Section 11. Place of Meeting.** Special or regular meetings of the board of directors will be held within or without the State of Florida.

**Section 12. Notice, Time and Call of Meetings.** Regular meetings of the board of directors will be held without notice on such dates as are designated by the board of directors. Written notice of the time and place of special meetings of the board of directors will be given to each director by either personal delivery, telegram or cablegram at least two (2) days before the meeting or by notice mailed to the director at least five (5) days before the meeting.

Notice of a meeting of the board of directors need not be given to any director who signs a waiver of notice either before or after the meeting.

Neither the business to be transacted nor the purpose of, regular or special meetings of the board of directors need be specified in the notice or waiver of notice of such meeting.

A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the board of directors to another time and place. Notice of any such adjourned meeting will be given to the directors who were not present at the time of the adjournment unless the time and place of the



adjourned meeting are announced at the time of the adjournment, to the other directors.

Meetings of the board of directors may be called by the chairman of the board, the president of Historic Point Washington Association, Inc. or any two directors.

Members of the board of directors may participate in a meeting of such board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

**Section 13. Action Without a Meeting.** Any action required to be taken at a meeting of the board of directors, or any action which may be taken at a meeting of the board of directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action to be so taken, signed by all the directors, or all the members of the committee, as the case may be, is filed in the Minutes of the proceedings of the board or of the committee. Action taken in accordance herewith is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed in accordance herewith has the effect of a meeting vote and may be described as such in any document. Such consent will have the same effect as a unanimous vote.

### **ARTICLE III. OFFICERS**

**Section 1. Officers.** The officers of Historic Point Washington Association, Inc. will consist of a president, a vice-president, a secretary and a treasurer, each of whom will be elected by the board of directors. The officers of the corporation will be appointed annually by the board of directors of the corporation at the annual meeting of directors. It is hereby provided that the officers who are appointed either in the Articles of Incorporation or at the organization meeting shall serve until the first annual meeting of directors. A duly appointed officer may appoint one or more officers or assistant officers. It is hereby provided that the same individual may simultaneously hold more than one office in the corporation.

**Section 2. Duties.** The officers of Historic Point Washington Association, Inc. will have the following duties:

The president will be the chief executive officer of Historic Point Washington Association, Inc., who generally and actively manages the business and affairs of Historic Point Washington Association, Inc. subject to the directions of the board of directors. Said officer will preside at all meetings of the members and board of directors.

The vice-president will, in the event of the absence or inability of the president to exercise his office, become acting president of the organization with all the rights, privileges and powers as if said person

had been duly elected president.

The secretary will have custody of, and maintain all of the corporate records except the financial records. Furthermore, said person will record the Minutes of all meetings of the members and board of directors, send all notices of meetings and perform such other duties as may be prescribed by the board of directors or the president. Furthermore, said officer shall be responsible for authenticating records of Historic Point Washington Association, Inc..

The treasurer shall retain custody of all corporate funds and financial records, maintain full and accurate accounts of receipts and disbursements and render accounts thereof at the annual meetings of members and whenever else required by the board of directors or the president, and perform such other duties as may be prescribed by the board of directors or the president.

**Section 3. Removal and Resignation of Officers.** An officer or agent elected or appointed may be removed by the board of directors at any time, with or without cause. Any officer or assistant officer or agent, if appointed by another officer may likewise be removed by such officer or by the board of directors.

Any officer may resign at any time by delivering notice to Historic Point Washington Association, Inc.. Said resignation is effective upon delivery unless the notice specifies a later effective date. If a resignation is made effective at a later date and the corporation accepts the future effective date, the corporation's board of directors may fill the pending vacancy before the effective date if the board of directors provides that the successor does not take office until the effective date of the pending vacancy.

#### **ARTICLE IV. MEMBERSHIP CERTIFICATES**

**Section 1. Membership Certificates.** The corporation may issue certificates in any form evidencing membership in the corporation.

**Section 2. Issuance.** In the event that the corporation issues certificates for members, then and in that event, every member shall receive a certificate reflecting such membership in this non-profit corporation.

**Section 3. Form.** Membership certificates in Historic Point Washington Association, Inc. will be signed by the president or vice- president and the secretary or an assistant secretary and will be sealed with the seal of Historic Point Washington Association, Inc..

**Section 4. Transfer of Membership.** Membership rights in Historic Point Washington Association, Inc. are not transferable except as otherwise provided under this Florida law. If so transferable, Historic Point Washington Association, Inc. will register a membership certificate presented for transfer if the transfer is made in accordance with Florida law and if said certificate is



properly endorsed by the member of record or by the member's duly authorized agent.

**Section 5. Lost, Stolen, or Destroyed Certificates.** If a member claims that a membership certificate reflecting such member's interest in Historic Point Washington Association, Inc. has been lost or destroyed, a new membership certificate will be issued to such member provided that said member presents an affidavit claiming the certificate to be lost, stolen or destroyed. At the discretion of the board of directors, said member may be required to provide further assurance or further security as a condition to the reissuance of said membership certificate.

## **ARTICLE V. BOOKS AND RECORDS**

**Section 1. Corporate Records.** Historic Point Washington Association, Inc. shall keep as records Minutes of all meetings of its members and board of directors, a record of all actions taken by the members or board of directors without a meeting and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of Historic Point Washington Association, Inc.. Furthermore, Historic Point Washington Association, Inc. will maintain the following records in written form or in another form capable of conversion into written form within a reasonable time:

- (i) Accurate accounting records;
- (ii) A record of its members in a form that permits preparation of a list of the names and addresses of all members in alphabetical order by class of voting members;
- (iii) A copy Historic Point Washington Association, Inc.'s articles or restated articles of incorporation and all amendments thereto currently in effect;
- (iv) A copy of Historic Point Washington Association, Inc.'s Bylaws or restated Bylaws and all amendments thereto currently in effect;
- (v) Minutes of all members' meetings and records of all action taken by members without a meeting for the past three years;
- (vi) Written communications to all members generally or all members of a class within the past 3 years, including the financial statements furnished for the past 3 years;
- (vii) A list of the names and business street, or home if there is no business street addresses of current directors and officers;
- (viii) The most recent annual report delivered to the Department of State; and
- (iv) A membership book containing in alphabetical order, the name and address of each member.

**Section 2. Records Inspection by Members.** A member of Historic Point Washington Association, Inc. is entitled to inspect and copy, during regular business hours at Historic Point Washington Association, Inc.'s principal office any of the records of Historic Point Washington

Association, Inc. if he gives the corporation written notice of such demand at least 5 business days before the date on which such member wishes to inspect and copy. A member of Historic Point Washington Association, Inc. is entitled to inspect and copy during regular business hours at a reasonable location specified by Historic Point Washington Association, Inc., any of the records hereinafter set forth of the corporation if

(i) The member gives Historic Point Washington Association, Inc. written notice of such demand at least 5 business days before the date on which such member wishes to inspect and copy; and

(ii) Such demand is made in good faith and for proper purpose (defined as a purpose reasonably related to such person's interest as a member); and

(iii) The member describes with reasonable particularity such member's purpose and the records such member desires to inspect and such records are directly connected with such member's purpose. The records hereinafter set forth are as follows:

(a) Excerpts from Minutes of any meeting of the board of directors, records of any action of a committee of the board of directors while acting in place of the board of directors on behalf of the corporation, Minutes of any meeting of the members, and records of action taken by the members or board of directors without a meeting to the extent not otherwise subject to inspection;

(b) Accounting records of the corporation;

(c) Record of members;

(d) Any other books and records.

The foregoing inspection rights may be exercised by a member, member's agent or member's attorney. It is further provided that the right to copy records includes if reasonable the right to receive copies made by photographic, xerographic or other means. The charge of copies shall be borne and paid in accordance with Florida law. If requested by a member, the corporation will comply with such demand by providing the member with a list of its members compiled as of the last record date for which it has been compiled or as of a subsequent date if specified by the member.

**Section 3. Financial Reports for Members.** Within 60 days following the end of the fiscal or calendar year or annually, the board of directors of the corporation shall mail or furnish by personal delivery to each member a complete financial report of actual receipts and expenditures for the previous 12 months. The report shall show the amounts of expenses by accounts and expense classification.

#### **ARTICLE VI. EMERGENCY POWERS AND EMERGENCY BYLAWS**

The board of directors of Historic Point Washington Association, Inc. may adopt Bylaws to be effective only in an emergency. An emergency exists if a quorum of Historic Point Washington



Association, Inc.'s directors cannot readily be assembled because of some catastrophic event. The emergency Bylaws may make all provisions necessary for managing Historic Point Washington Association, Inc. during an emergency, including procedures for calling a meeting of the board of directors, quorum requirements for the meeting, and designation of additional of substitute director(s). The board of directors, either before or during any such emergency may provide, and from time to time modify, lines of succession if during such emergency any or all officers or agents of Historic Point Washington Association, Inc. are for any reason rendered incapable of discharging their duties. All provisions of the regular Bylaws consistent with the emergency Bylaws remain effective during the emergency. The emergency Bylaws are not effective after the emergency ends. Actions taken by Historic Point Washington Association, Inc. in good faith in accordance with the emergency bylaw have the effect of binding Historic Point Washington Association, Inc. and may not be used to impose liability on a corporate director, officer, employee, or agent. In anticipation of or during any emergency, the board of directors may modify lines of succession to accommodate the incapacity of any director, officer, employee of agent; relocate the principal office or designate alternative principal offices of regional offices or authorize the officers to do so. Unless emergency Bylaws otherwise provide, it is hereby provided that:

- (i) Notice of a meeting of the board of directors need be given only to those directors who it is practicable to reach and may be given in any practicable manner, including by publication and radio;
- (ii) One or more officers of the corporation present at a meeting of the board of directors may be deemed to be directors of the meeting in order of rank and within the same rank in order of seniority as necessary to achieve a quorum; and
- (iii) The director or directors in attendance at a meeting or any greater number affixed by the emergency Bylaws constitute a quorum.

Corporate action taken in good faith during an emergency described herein to further the ordinary affairs of the corporation bind the corporation and may not be used to impose liability on a corporate director, office employee or agent. An officer, director or employee acting in accordance with any emergency Bylaws is only liable for willful misconduct.

#### **ARTICLE VII. DISTRIBUTION AND COMPENSATION**

No dividend may be paid nor any part of the income or profit of Historic Point Washington Association, Inc. may be distributed to its members, directors, or officers.

Historic Point Washington Association, Inc. may pay compensation in a reasonable amount to its members, directors or officers for services rendered, may confer benefits upon its members in conformity with its purposes, and upon dissolution or final liquidation, may make distributions to its

members as permitted under Florida law. Any such payment, benefit, or distribution does not constitute a dividend or distribution of income or profit.

#### **ARTICLE VIII. CORPORATE SEAL**

The board of directors will provide a corporate seal which will be in circular form embossing in nature and stating "Corporate Seal", "Florida", year of incorporation and name of said Historic Point Washington Association, Inc..

#### **ARTICLE IX. AMENDMENT**

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted by a majority vote of the full board of directors.



## **Addendum to By-Laws – Historic Point Washington Association (Summer 2007)**

### **Article of Dissolution**

Should the Association ever decide to dissolve its not-for-profit corporation, any monies and remaining assets will be given outright to the Friends of Eden or another not-for-profit group that works directly in the interests of historic Point Washington.

### **Conflict of Interest Policy**

#### **Article I - Purpose**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Historic Point Washington Association) interest when it is

contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization 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.

#### **Article II - 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:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

#### **Article III - 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 Organization 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 Organization'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.

## 4. Violations of the Conflicts of Interest Policy

- a. 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.
- b. 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.

## Article IV - Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. 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.

b. 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.

#### Article V - Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### Article VI - Annual Statements

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 Organization 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.

#### Article VII - Periodic Reviews

To ensure the Organization 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:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with

management organizations conform to the Organization'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.

#### Article VIII - Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization 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.

End of Addendum

Linny Delahoussaye made a motion to add the Article of Dissolution and the Conflict of Interest Statement to the By-Laws of the Historic Point Washington Association. The motion was seconded by Joyce Sunday. All of the Directors' votes were tallied as follows:

Randy Harelson - Yea  
Linny Delahoussaye - yea  
Joyce Sunday - yea  
Grace Marse - yea  
Randy Horton - yea  
James Foley - yea  
Cindy Morgan - no reply  
Donna Marie Spiers - yea  
Cheryl Troxel - yea  
Ty Nunn - yea  
Van Ness Butler - yea  
Marge Crawford - yea