

AMENDED AND UPDATED BYLAWS
OF
SAN JUAN ISLANDS MUSEUM OF ART

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ARTICLE I. OFFICES

The principal office of the San Juan Islands Museum of Art (the "Corporation") shall be located at its principal place of business or such other place as the Board of Trustees ("Board") may designate.

ARTICLE II. MEMBERSHIP

Section 1. Any person who wishes to join the San Juan Islands Museum of Art may do so by paying annual or lifetime dues, as determined by the Board. Dues may be paid in person at the art museum, by mail, or online, as determined by the board.

Section 2. Annual Membership dues cover the calendar year. Life Members are not subject to any future charge or change in membership dues.

Section 3. Use of Membership List

Without the consent of the Board, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as a member. Without limiting the generality of the foregoing, without the

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consent of the Board, a membership list or any part thereof may not be:

- (a) Used to solicit cash or other property;
- (b) Used for any commercial purpose; or
- (c) Sold to or purchased by any person.

Section 4. Member Limitation of Liability

The members of the Corporation are not personally liable for the acts, debts, liabilities, or obligations of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 1. The Corporation's business and property will be managed by a Board of Trustees with at least five and no more than thirteen members. The board will decide the exact number of Trustees. A majority of the Board is needed for a meeting to take place. Each Trustee has one vote.

Section 2. The Corporation's Trustees will be elected by a majority vote of the Trustees currently serving on the board.

Section 3. Trustees must be Members in good standing of the Corporation.

Section 4. Trustees will serve three-year terms. They cannot serve more than two consecutive terms. After a one-year break from the Board, Trustees who have served two terms can be nominated to serve another term.

Section 5. A Trustee or other board appointee can be removed for cause if a quorum plus one of the Board votes in favor of their removal.

Section 6. If a Trustee cannot complete a term, the Board will appoint an interim Trustee to finish the term, unless the Trustee requests and is granted a leave of absence. The board can consider a leave of absence if the Trustee's term does not expire within the requested year, and the total number of Trustees doesn't fall below the required minimum of five members.

Section 7. Trustee Liability Limitation. Trustees are not liable to the Corporation for their actions or inactions as a Trustee, except as specified in the following sections or in the Articles of Incorporation.

Section 8. A Trustee is liable to the Corporation for: (a) The value of any benefit in cash, other property, or services received by the Trustee to which the Trustee is not

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legally entitled; (b) intentional misconduct or knowingly violating the law, including criminal law; and (c) breaking any additional rules of conduct specified in the Corporation's Articles of Incorporation as an exception to the limitation of Trustee liability.

Section 9. A Trustee is liable to a Corporation Member only for: (a) knowingly causing harm to the Member or (b) intentionally breaking criminal law that results in harm or loss to the Member.

Section 10. The Corporation refers to and incorporates RCW 24.03A.540 for the remaining provisions on Liability of Directors or Trustees.

Section 11. Indemnification of Officers and Trustees

The Corporation recognizes that, if it is to succeed and flourish, it needs the broad and active support of its Trustees and Officers. To this end, the Corporation stands behind its Trustees and Officers who are acting in good faith and with apparent authority in an attempt to advance the Corporation's interests. To the full extent permitted by the laws of the State of Washington, as hereafter amended, the Corporation shall indemnify any person who is made or was a party or is threatened to be made a party to any administrative, investigative, or legal action, by reason of the fact that he or she is or was a Trustee or Officer of the Corporation. This right of indemnification shall apply only if he or she acted in good faith and in a manner that he or 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 reason to believe his or her conduct was unlawful. Indemnification shall include expenses (including reasonable attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding. However, no indemnification shall be made in respect of any claim, issue, or matter as to which he or she shall have been judged to be liable for gross negligence or misconduct in the performance of his or her duty to the Corporation.

This indemnification right shall continue after a person has ceased to be a Trustee or Officer and shall inure to the benefit of his or her heirs, executors, and administrators.

The indemnification provided by this section shall not be deemed exclusive of any other right to which a person may be entitled as a matter of law or by contract. The Trustees and Officers may not authorize the Corporation to indemnify any person other than a Trustee or Officer for expense incurred or other amounts paid in any civil or criminal action, suit, or proceeding. The corporation may purchase and maintain insurance on behalf of the Corporation.

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ARTICLE IV. MEETINGS

Section 1. The Corporation's Annual Meeting will be on February 14 of each year or on the first business day thereafter to discuss relevant business and review accomplishments of the previous year. It will be held at the registered office, or principal place of business, of the Corporation or virtually so that all members choosing to attend can view and hear at the same time. The membership may vote on at least one type of fundamental transaction, such as, amendments to the Articles of Incorporation or Bylaws, merger, sale of all or substantially all of the Corporation's assets, corporate conversion, or dissolution. The Board of Trustees can change the meeting date if they give three weeks' notice to all members.

Section 2. The President will call a special meeting of the Membership if at least ten Members request it in writing or if a majority of the Board of Trustees asks for one.

Section 3. Twenty Members of the Corporation must be present at a meeting of the Membership to form a quorum, which is needed to make decisions.

Section 4. The Board of Trustees will hold meetings when requested by any Officer or any three Trustees. The Board can decide on the date, time, and place for regular meetings through a resolution.

Section 5. A "resolution" refers to a formal decision proposed and adopted by the Board of Trustees or the Membership during a duly held meeting.

Section 6. Special meetings for the Corporation, Board, or any Committee appointed by the Board can be called by the President or any two Trustees, or the Committee chairman for a Committee meeting.

Section 7. Board or Committee members can participate in meetings through technology that lets everyone hear each other simultaneously. This participation counts as being present in person.

Section 8. Regular Board meetings will take place at the Corporation's main office, another location in Washington state, or virtually. The Board, or those calling the meeting, choose the location. Virtual meetings are considered to be in Washington state. All members and all employees may attend Board meetings. If the Board discussion requires an executive session, any non-Board members will be invited to leave during the executive session, but may return to listen to any action taken afterwards.

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Section 9. Trustees or Committee members must be given at least two days' notice prior to any Board or Committee meeting. Notice may be delivered in person, via phone, or through appropriate electronic communication. In the event these methods are unsuccessful, a notice can be mailed. Mailed notices, dispatched with suitable postage to ensure reasonable arrival at least two days before the meeting, are considered effective only if other notification attempts have been made. Specific agenda details are not required in the notice.

Section 10. Attending a meeting counts as waiving the notice requirement, unless the member or Trustee is there to object to the meeting being unlawfully called or held.

Section 11. For Board meetings, a quorum is a majority of the Trustees. Trustees can assign their vote by proxy in writing (including by suitable electronic method) to another Trustee for quorum purposes. If there's no quorum, the present Trustees can reschedule the meeting.

Section 12. A majority vote from Members or Trustees in a meeting with a quorum decides an action, unless the Bylaws, Articles of Incorporation, or Washington law require more votes.

Section 13. Members or Trustees at a meeting are assumed to agree with an action unless their dissent or abstention is recorded in the meeting minutes, or they submit it in writing to the meeting's secretary or forward such dissent or abstention by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. This does not apply to those who voted in favor of the action.

Section 14. Unanimous Written Consent. Any action that could be taken at a meeting of the Board may be taken without a meeting if all Trustees provide clear consent through written communication, such as email. To pass an action without a meeting, there must be unanimous consent to the action. The Secretary will record the action and combine the electronic or written consents into a single document to be recorded in the minute book as if they were from a Board meeting.

Section 15. Members must receive a minimum of two days' notice prior to any Meeting of the Membership. This notice may be delivered in person, via phone, or through appropriate electronic communication.

Section 16. Any action that could be taken at a Meeting of the Membership may be taken without a meeting if a written ballot is delivered by any means to every Member entitled to vote. All solicitations for votes by written ballot shall indicate

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each proposed action and specify a reasonable time by which a ballot must be received by the Secretary of the Corporation, either in person, by mail, or electronic transmission.

ARTICLE V. OFFICERS

Section 1. The Board of Trustees will elect a President, Vice-President, Secretary, and Treasurer (the “Officers”) from its members at the first board meeting after the annual meeting. The Vice-President can also hold the position of Secretary or Treasurer.

Section 2. The Board will appoint one or more of its members to the Exhibit Committee, who will serve three-year terms which can be extended by vote of the Board. Exhibit Committee members serve in an advisory capacity to the Board to identify possible exhibits, to work with the artists selected, and to prepare a budget for approval by the Board. Art exhibits are approved by the Board at a regular or special Board meeting.

Section 3. The President oversees the Corporation's activities, signs contracts and documents, and leads meetings.

Section 4. The Vice-President takes over for the President when the President is absent and carries out any additional duties as directed by the President or the Board.

Section 5. The Secretary keeps records of the Board and Corporation and performs any additional duties as directed.

Section 6. The Treasurer manages the Corporation's finances, oversees bookkeeping, writes checks for approved expenses (see Article VII, Sections 4 and 7 for additional check-signing policies), and ensures compliance with all financial policies of the Board. The Treasurer presents a budget at the first Board meeting of the new fiscal year, files financial reports, and files required information about the Corporation with the State of Washington and federal government in a timely manner. Furthermore, the Treasurer is responsible for filing financial documents, consistent with the Corporation’s Record Retention Policy, and for presenting a report on the Corporation's finances at its Annual Meeting.

Section 7. Officers will maintain their positions until their successors are elected, even if their term expires, unless they resign or are removed from office.

Section 8. The Board can fill a vacancy in any office for the remaining term.

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Section 9. The Board can elect or appoint other Officers who will have the authority and duties as set in these Bylaws or by the Board.

Section 10. Any Officer can resign at any time by giving written or oral notice to the President, Vice-President, Secretary, or the Board.

Section 11. The Board can remove any Officer or agent by a majority vote if they believe it is in the best interests of the Corporation.

Section 12. Officers, Trustees, committee members, and volunteers will not be paid for their work but can be reimbursed for expenses.

Section 13. Member and Volunteer Support and Indemnification. The Corporation recognizes that, if it is to succeed and flourish, it needs the broad and active support of its Members and Volunteers. The Corporation will indemnify Members and Volunteers acting in good faith within the scope of their authority, as allowed by Washington state law. The Corporation will protect and cover costs for anyone involved in legal issues because they were a Member or Volunteer acting on behalf of the Corporation. This protection only applies if they acted in good faith, reasonably believed they were doing what was best for the Corporation, and had no reason to believe they were breaking the law. However, the indemnification does not extend to any Member or Volunteer judged liable for gross negligence or misconduct in their duties to the Corporation.

Section 14. Limitations and Insurance. This right of indemnification persists even after a person has ceased to be a Member or Volunteer and extends to their heirs, executors, and administrators. It is not an exclusive right and does not negate other entitlements a person may have by law or contract. Only Trustees, Officers, Members, and Volunteers can be indemnified by the Corporation for expenses or amounts paid in any civil or criminal action, and such indemnification cannot be authorized for others. The Corporation retains the right to purchase and maintain insurance for its protection.

Section 15. Emergency Powers: For purposes of these Bylaws, an emergency exists when a quorum of the Trustees cannot quickly gather due to a major event. A major event is a sudden, natural, or human-made situation that disrupts everyday life, including communication and travel. To prepare for and during an emergency, the Corporation's Board can: (a) Adjust leadership roles to handle the unavailability of Trustees, Officers, employees, or agents; and (b) Take necessary actions to protect the Corporation and its assets, making sure it follows its mission, its Bylaws, and its policies. In an emergency, Trustees and Officers should follow the guidance of RCW 24.03A.1404, Emergency Powers.

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Section 16. The Corporation cannot distribute its property to Members, Trustees, Officers, or others with substantial influence over its affairs, except as permitted under the Washington State Nonprofit Corporations Act, RCW 24.03A.1406.

ARTICLE VI. COMMITTEES

Section 1. The Board can create standing or temporary Committees by a majority vote of the Trustees. Each Committee will have one or more Trustees and will be guided by specific directions from the Board, in accordance with Washington State law. Committees cannot change the Bylaws, appoint or remove Trustees or Officers, amend the Articles of Incorporation, merge or consolidate with another Corporation, sell or lease significant Corporation property, dissolve the Corporation, distribute Corporation assets, or change Board resolutions. Creating Committees does not relieve the Board or individual Trustees of their legal responsibilities.

Section 2. The Board Officers will appoint a Nominating Committee each year, consisting of at least three Members, with one being a Trustee. The remaining appointees can be staff, Members, or Volunteers. The Nominating Committee is responsible for finding and recommending candidates for Trustees of the Corporation. Any Member of the Corporation may put forth nominations, to be managed and vetted by the Nominating Committee. The Nominating Committee is an advisory Committee. All of its recommendations are subject to the Board of Trustees' review and final approval.

Section 3. Committee members can resign at any time by providing written or electronic notice to the President, Secretary, or Committee chairman, or by announcing it at a Committee meeting. Resignations are effective when delivered or at the specified time, if provided, and do not need acceptance to be valid.

Section 4. The Board can remove any Committee member by a majority vote of the Trustees.

ARTICLE VII. ADMINISTRATIVE & FINANCIAL PROVISIONS

Section 1. The Finance Committee is an advisory committee consisting of at least four and not more than seven Board or community members chosen by the Board of Trustees. To serve as a Finance Committee member, any community members must provide financial expertise not otherwise available to the Board, such as pension fund expertise. The Committee's primary task is to develop investment policies. The Committee cannot make decisions that fall within the Board's

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authority. The Finance Committee presents all its recommendations to the Board of Trustees for review and subsequent action. These policies, particularly pertaining to the management of any Endowment or Reserve Funds, will comply with the Washington Uniform Prudent Management of Institutional Funds Act (WUPMIFA). These policies must be approved by the Board. The Committee shall recommend, as appropriate, an investment manager, individual funds, asset mix, and spending targets within policy allowances. No financial accounts of any kind may be opened without explicit approval of the Board. Investment accounts must be established with a nationally recognized mutual fund company selected by the Finance Committee. All investment accounts must have two Board designated representatives of the organization authorized to initiate disbursements, each with unique access pass codes so all transactions can be traced. Electronic disbursements from investment accounts may only be made to the sole checking account of the Corporation.

Section 2. Funds received are classified as Endowment Funds, Reserve Funds, or Operating Funds. The Endowment is for the exclusive benefit of the Corporation and should remain operational in perpetuity, preserving its historic dollar value. The management and investment of the Endowment Funds should be executed in a manner consistent with WUPMIFA. Assets must be invested prudently, considering the Endowment's size and the Corporation's resources. The Board selects banks or other depositories for the Corporation's funds.

Section 3. The Board must approve all expenses. Each September, the Treasurer presents a budget for the fiscal year to the Board for approval. Unplanned expenses require Board approval unless \$500 or less, in which case the President and Treasurer can approve them.

Section 4. No one can sign a check to themselves. Checks exceeding \$5,000 require two authorized signatures.

Section 5. The Board can authorize Officers or agents to enter into contracts or execute instruments on behalf of the Corporation, either generally or for specific instances. No loans or credit are allowed to be made by the Corporation to its Officers, Trustees, or Members. Any online money transfers from the company's checking account must be clearly approved by the Board.

Section 6. No loans can be made, no credit contracted on behalf of the Corporation, and no debt issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances. Loans or credit cannot be extended to Officers, Trustees, or Members.

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Section 7. Designated Officers or agents sign checks, drafts, or other payment orders, including use of the organization's credit card, as well as notes or other indebtedness in the Corporation's name. The checking account must have at least two authorized signers: the President and Treasurer, and may have an additional two other Officers or staff members, with at least two being full-time San Juan Island residents.

Section 8. The Board appoints a non-Board member annually to audit the Corporation's financial records, reporting their findings to the Board. An internal audit should be performed at least semi-annually by an officer of the Board or other Board designee who does not have check signing authority. This function should include comparison of ending bank and investment account balances from a source of record (i.e., online bank and investment statements) to financial reports; and at least a sampling of transactions.

Section 9. The Corporation keeps copies of its Articles of Incorporation, Bylaws, financial records, meeting minutes, and Officer and Trustee contact information at its principal or registered office. The financial records shall be backed up electronically, such as through cloud storage, to ensure data protection and ease of access. Additionally, reasonable printed records should be maintained for reference and archival purposes.

Section 10. The Board oversees the safekeeping and proper storage of all Corporation books and materials and all art collections and donated items of value, including historically valuable items. Items of historic value can be given to public or private institutions in Washington State at the Board's discretion. Limited cash is kept on premises. Personal donor and Trustee information will be protected in locked and fire-proof file cabinets or otherwise secured. All property donated to the Corporation and accepted in accordance with the corporation's gift policies will be stored or displayed using the best custodial practices for the type of property donated.

Section 11. If the Corporation fails to have a quorum at its regular meetings for one year of consecutive monthly meetings, all books and materials are given to a chosen Washington State institution for safekeeping until the Corporation resumes operations or permanently terminates them. Disposal of assets follows the Articles of Incorporation.

Section 12. Conflict of Interest. Contracts for services between the Corporation and a Member or Trustee are allowed only if: (a) the contract is advertised to the community or otherwise, allowing time for others to bid; (b) the Board reviews and votes on bids without the involved Member or Trustee; (c) a majority of Trustees

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who have no economic or other interest in the contract authorize the transaction; and (d) the bidding Member or Trustee receives no preference.

Section 13. The Corporation shall not distribute any property held for charitable purposes to its Members, Trustees, Officers, or other persons who are in a position to exercise substantial influence over the affairs of the Corporation, except as permitted under the Washington State Nonprofit Corporations Act, RCW 24.03A.1406.

Section 14. Reasonable Compensation Permitted. The Corporation may pay reasonable compensation to Members, Trustees, or Officers for services rendered, or reimburse reasonable expenses incurred by Members, Trustees, or Officers in connection with services rendered.

Article VIII. Conduct of Meetings

Meetings shall be conducted by Robert's Rules of Order, Newly Revised.

ARTICLE IX. AMENDMENTS

Section 1. Authority to Amend Bylaws. In accordance with the Corporation's Articles of Incorporation, the Board of Trustees holds the authority to adopt, amend, or repeal the Bylaws.

Section 2. Proposal of Amendments. Amendments to these Bylaws may be proposed by any three Members of the Corporation. Proposed alterations, amendments, or repeals to the Bylaws, or the adoption of new Bylaws, must be submitted in writing to the Secretary.

Section 3. Notice and Review. The Secretary shall notify all Trustees in writing of the nature of the proposed amendments. Two weeks must elapse after the sending of the notice before any action is taken. The Board of Trustees shall review the proposed changes and may suggest revisions.

Section 4. Approval: The proposed changes to the Bylaws may be adopted by a two-thirds vote of the Trustees present at a duly called meeting, provided that a quorum is present.

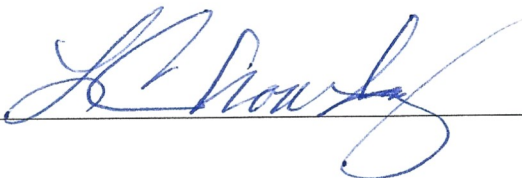
Section 5. Record of Amendments. Upon approval by the Board of Trustees, any changes to the Bylaws shall be recorded and incorporated into the official Bylaws of the Corporation. The updated Bylaws must be kept at the Corporation's principal or registered office and made accessible to the organization's Members, Officers, and Trustees.

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The foregoing Amended and Restated Bylaws supersede and replace all other previous Bylaws.

Dated this 20th day of March, 2024.

Printed Name: Linda Chowdry, President

Signature: 

Printed Name: Rob Ray, Secretary

Signature: 