

**Bylaws  
of  
Hudson River Historic Boat Restoration  
and  
Sailing Society Inc.  
191 23 B, Hudson, New York 12534**

**Article 1  
Mission Statement**

The Hudson River Historic Boat Restoration & Sailing Society Inc. (a.k.a. Hudson River Historic Boat) is organized as a grass-roots 501©3 tax exempt organization to initially restore and maintain Eleanor, a nationally recognized historic Hudson River sailboat, and thereafter other historic wooden sailboats, or replicas of same that meet restoration qualifications as described in the Secretary of Interiors Standards for Historic Vessel Preservation Projects. (Part 1 – Definitions and Standards. Page 4)

Throughout the restoration process, students and volunteers learn about the design and construction of wooden sailboats and engage in applicable learning experiences on and off site. This New York State registered public charity offers events and programs to all ages to promote awareness and appreciation of the history and preservation of the Hudson River and historic Hudson River boats. For members who would like to sail, opportunities are presented during the boating season.

**Article 2  
Offices**

**Section 1. Principal Office**

The principal office of the corporation is located in Columbia County, State of New York.

**Section 2. Change of Address**

The designation of the county or state of the corporation's principal office may be changed by amendment of these bylaws. The board of directors may change the principal office from one location to another within the named county by noting the changed address and effective date with the secretary of the organization, and such changes of address shall not be deemed, nor require, an amendment of these bylaws:

**Section 3. Other Offices**

The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the board of directors may designate.

## **Article 3 Nonprofit Purposes**

### **Section 1. IRC Section 501(c)(3) Purposes**

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

### **Section 2. Specific Objectives and Purposes**

The specific objectives and purposes of this corporation shall be:

To restore and maintain the 1903 Clinton Crane Sloop Eleanor and other historic vessels including replicas that may be contributed to, and accepted by the Hudson River Historic Boat and to build new wooden sailboats from certified and stamped construction plans noted as being historic boats.

Restoration efforts will be directed by a shipwright and volunteers from the community working under the shipwright's direction and tutorship. Open Houses will afford the general public opportunities to observe demonstrations on particular use of tools for shipbuilding, and the aspects of restoration will include but not be limited to taking the lines, lofting, framing, planking and framing.

To raise the general public's awareness about the history of sail on the Hudson River from Manhattan's North River to the Capital of New York State, Albany by presenting a series of lectures and discussions. This history will include, but not be limited to early transportation of goods and people, the Hudson River's part in the Revolutionary War, early hazards of the Hudson River, sloops of the Hudson River, economic benefits to the cities and towns along the river, aids to navigation, and history of the Hudson River lighthouses. Recognizing classes and rigs of sail boats will be included in the lecture series.

Because the art of sail relies on the weather, community participants will become acquainted and use the principals of weather prediction by studying atmospheric pressure, cloud formations, and wind changes. Validity of old sailors' weather sayings will be evaluated.

The real experience of sail will be encouraged. On board member vessels and Eleanor, members will have an opportunity to study the navigation charts, study the aids to navigation, observe contemporary river traffic, and use the Coast Guard's safety guidelines and rules. Participants will use boating vocabulary to communicate with other sailors on board, and practice sailing into the wind, tacking, running with the wind, departing a dock and landing. Electric motor operation will be included. (continued)

Eleanor will sail from one location on the Hudson River to another location, principally in the upper Hudson River to promote interest in sail and wooden boat history and restoration of same.

To have the normal functions, operations, programs, and pursuits incidental to a fully recognized and operational nonprofit organization.

## **Article 4 Directors**

### **Section 1. Number**

The corporation shall have seven directors and collectively they shall be known as the board of directors. At no time will the number of directors be less than three. The number of board members may be fixed from time to time as necessary by action of the board of directors and officers and shall require the vote of a majority of the entire board of directors and officers. Directors will be elected at the Annual Meeting by members in good standing and the officers of the corporation.

### **Section 2. Qualifications**

Directors shall be of the age of majority in New York State. Directors shall be advocates for the Hudson River Historic Boat Restoration and Sailing Society Inc, and be familiar with the by-laws of the organization.

### **Section 3. Powers**

Subject to the provisions of the laws of this state and any limitations in the articles of incorporation and these bylaws relating to action required or permitted to be taken or approved, the activities and affairs of this corporation shall be conducted and be exercised by a majority vote of the officers and board members and members in good standing.

### **Section 4. Duties**

It shall be the duty of the directors to:

- a. perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- b. adopt sound ethical and legal governance and financial management policies;
- c. in collaboration with the treasurer and the president prepare and submit an annual budget for approval by the membership at the Annual Meeting of its members;
- d. review submitted plans for sustainable growth of the corporation and insure that there are adequate resources to advance its mission;
- e. review, sign, and assure submission of the annual reports of the boards standing committees at the Annual Meeting;

f. supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;

g. meet at such times and places as required by these bylaws;

h. register their addresses with the secretary of the corporation. Notices of meetings mailed, emailed or faxed to them at such addresses shall be valid notices there of;

i. provide leadership for the long term sustenance of the organization;

j. review and set policies and or standing operating procedures to carry out the mission of the organization (see Article1)

k. provide leadership for specific standard committees: Mission, Sails (verb) and Principles of Boat Operation, Membership Growth and Participation, Financial Growth, Eleanor Preservation, Education and Program Publicity and Branding;

### **Section 5. Term of Office**

Each director shall hold office for a period of three years. If, at a meeting for the election of directors, more than one group of initial board members is elected to serve for a first staggered term of office, then the secretary of the corporation shall assign each director to a numbered group and shall make a chance selection between or among the numbered groups. The group corresponding to the number chosen shall be subject to election to a staggered term at the meeting.

### **Section 6. Compensation**

Directors shall serve without compensation. When necessary, directors shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these bylaws.

### **Section 7. Place of Meetings**

Meetings shall be held at the principal office of the corporation unless otherwise provided by the board or at such other place as may be designated from time to time by resolution of the board of directors.

### **Section 8. Regular Meetings**

Regular meetings of directors shall be held on the fourth Thursday of each month at 7 p.m. or at such other regular date set by the president unless such day falls on a legal holiday, in which event the regular meeting shall be held at a date and time convenient for the board members, members and officers.

### **Section 9. Special Meetings**

Special meetings of the board of directors may be called by two members of the board, the president, the vice president, the secretary. Such meetings shall be held at the principal office of the corporation if any or, at the place designated by the person or persons calling the special meeting.

## **Section 10. Notice of Meetings**

Unless otherwise provided by the articles of incorporation, these bylaws or provisions of law, the following provisions shall govern the giving of notice for regular monthly meetings of the board of directors and officers. Members in good standing are encouraged to attend, and are given notice of the meetings.

- a. Regular Meetings.** Notice will be given of any regular meeting of the corporation of directors by first class mail, email, or facsimile machine.
- b. Special Meetings.** At least one week prior notice shall be given by the secretary of the corporation to each director and officer of each special meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, email, by telephone or by facsimile machine, and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting. Notice shall be sent to the members in good standing that a special meeting is being called. Notices of special meetings will be acknowledge by by a return message or telephone call within twenty-four hours of the first facsimile transmission.

## **Section 11. Quorum for Meetings**

A quorum shall consist of a majority of the members of the board of directors together with the officers.

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

## **Section 12. Majority Action as Board Action**

Every act or decision done or made by a majority of the directors and officers present at a meeting duly held at which a quorum is present is the act of the corporation, unless the articles of incorporation, these bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

## **Section 13. Conduct of Meetings**

Monthly and special meeting of the corporation shall be presided over by the president of the corporation, or, if no such person has been so designated, or in his or her absence, the president of the corporation, or in his or her absence, by the vice president of the corporation, or in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Robert's Rules of Order insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with

provisions of law. The president will remain objective and will only vote in the matter of a tie or when a vote by ballot is taken.

#### **Section 14. Vacancies**

Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the office of the attorney general or other appropriate agency of this state.

Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by the articles of incorporation, these bylaws, or provisions of law, vacancies on the board may be filled by approval of the board of directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the board of directors or until his or her death, resignation, or removal from office.

#### **Section 15. Nonliability of Directors and Officers**

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation. An Officers and Directors Insurance Policy will be kept in force.

### **Article 5 Officers**

#### **Section 1. Designation of Officers**

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer.

#### **Section 2. Qualifications**

Any member in good standing may be elected as an officer or board member of this corporation.

#### **Section 3. Election and Term of Office**

Officers shall be nominated at a regularly scheduled meeting and be elected by the voting membership (members in good standing) at the Annual Meeting and serve for one year.

#### **Section 4. Removal and Resignation**

Any officer may be removed, either with or without cause, by the board of directors, at any time. Any officer may resign at any time by giving written notice to the board of directors or to the president or secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the corporation.

#### **Section 5. Vacancies**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled temporarily by appointment by the president until such time as the board shall fill the vacancy and approved at a meeting of the corporation. Vacancies occurring in offices may or may not be filled as the board shall determine.

#### **Section 6. Duties of President**

The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as chairperson of the board of directors, the president shall preside at all meetings of the board of directors and, at all meetings of the members. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

#### **Section 7. Duties of Vice President**

In the absence of the president, or in the event of his or her inability or refusal to act, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors.

#### **Section 8. Duties of Secretary**

The secretary shall:

Keep the original, or a copy, of these bylaws as amended or otherwise altered to date.

Keep a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

Ensure that the minutes of meetings of the corporation, any written consents approving action taken without a meeting, and any supporting documents pertaining to meetings, minutes, and consents shall be contemporaneously recorded in the corporate records of this corporation. "Contemporaneously" in this context means that the minutes, consents, and supporting documents shall be recorded in the records of this corporation by the next meeting of the board, committee, membership, or other body for which the minutes, consents, or supporting documents are being recorded.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

Be custodian of the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these bylaws, to duly executed documents of the corporation.

Keep a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

### **Section 9. Duties of Treasurer**

The treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request.

Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

## **Section 10. Compensation**

Officers will serve without compensation.

## **Article 6 Committees**

### **Section 1. Committees**

The corporation shall have such other committees as may from time to time be required to expedite the work of the corporation. These committees may consist of persons who are not also members of the board and shall act in an advisory capacity to the board and officers.

### **Section 2. Meetings and Action of Committees**

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the board of directors or by the committee. The board of directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

## **Article 7 Execution of Instruments, Deposits, and Funds**

### **Section 1. Execution of Instruments**

The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, or agent shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

## **Section 2. Checks and Notes**

Except as otherwise specifically determined by resolution of the board of directors and officers, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the treasurer and countersigned by the president of the corporation.

## **Section 3. Deposits**

All funds of the corporation shall be swiftly deposited to the credit of the corporation in such banks, trust companies, or other depositories as the treasurer in agreement with the president may select.

## **Section 4. Gifts**

The board of directors and officers may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

# **Article 8 Corporate Records, Reports, and Seal**

## **Section 1. Maintenance of Corporate Records**

The corporation shall keep at its principal office, or in a place designated by an officer, member, or board member:

- a. Minutes of all meetings of directors, committees, and members; place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- c. A record of its members, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
- d. A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

## **Section 2. Corporate Seal**

The board of directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation, or in a place designated by the board of directors. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

## **Section 3. Directors' Inspection Rights**

Every director and officer shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

## **Section 4. Periodic Report**

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

# **Article 9**

## **IRC 501(c)(3) Tax Exemption Provisions**

### **Section 1. Limitations on Activities**

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

## **Section 2. Prohibition Against Private Inurement**

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

## **Section 3. Distribution of Assets**

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

# **Article 10 Conflict of Interest and Compensation Approval Policies**

## **Section 1. Purpose of Conflict of Interest Policy**

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. 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.

## **Section 2. Definitions**

- a. Interested Person.** Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;

2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation 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 Section 3, paragraph B, 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.

### **Section 3. Conflict of Interest Avoidance Procedures**

- a. 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.
- b. 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.
- c. Procedures for Addressing the Conflict of Interest.** 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.

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.

After exercising due diligence, the governing board or committee shall determine whether the corporation 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.

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 corporation'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.

- d. Violations of the Conflicts of Interest Policy.** 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.

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.

#### **Section 4. Records of Board and Board Committee Proceedings**

The minutes of meetings 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.

#### **Section 5. Compensation Approval Policies**

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

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

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

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
- b. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which

generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):

1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
  2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
  3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
  4. has no material financial interest affected by the compensation arrangement; and
  5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- c. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
  2. the availability of similar services in the geographic area of this organization;
  3. current compensation surveys compiled by independent firms;
  4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
1. the terms of the compensation arrangement and the date it was approved;

2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
3. the comparability data obtained and relied upon and how the data was obtained;
4. if the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
5. if the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
7. the minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

## **Section 6. 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 corporation 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.

## **Section 7. Periodic Reviews**

To ensure the corporation 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 corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in incurrence, impermissible private benefit, or in an excess benefit transaction.

## **Section 8. Use of Outside Experts**

When conducting the periodic reviews as provided for in Section 7, the corporation 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.

# **Article 11 Amendment of Bylaws**

## **Section 1. Amendment**

Subject to the power of the members, if any, of this corporation to adopt, amend, or repeal the bylaws of this corporation and except as may otherwise be specified under provisions of law, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of the board of directors, the officers and members present and or voting. Amendment of the by-laws shall require a 2/3 vote by the board or membership.

# **Article 12 Construction and Terms**

If there is any conflict between the provisions of these bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter,

corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

**Membership Provisions  
of the Bylaws of  
Hudson River Historic Boat Restoration  
and  
Sailing Society Inc.**

**Article 13  
Members**

**Section 1. Determination and Rights of Members**

The corporation shall have three classes of membership: Student, Family and Individual. No member shall hold more than one membership in the corporation. Except as expressly provided in or authorized by the articles of incorporation, the bylaws of this corporation, or provisions of law, all memberships shall have the same rights, privileges, restrictions, and conditions.

**Section 2. Admission of Members**

Membership is open to anyone desiring to become a member.

**Section 3. Dues**

The annual dues payable to the corporation by members shall be set by a majority vote of the offices and board members.

**Section 5. Number of Members**

There is no limit on the number of members the corporation may admit.

**Section 6. Membership Book**

The corporation shall keep a membership book containing the name and address of each member. Termination of the membership of any member shall be recorded in the book, together with the date of termination of such membership. Such book shall be kept at the corporation's principal office, or in a place designated by the board of directors and officers.

### **Section 7. No liability of Members**

A member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

### **Section 8. Nontransferability of Memberships**

No member may transfer a membership or any right arising there from.

### **Section 9. Termination of Membership**

The membership of a member shall terminate upon the occurrence of any of the following events:

1. Upon his or her notice of such termination delivered to the president or secretary of the corporation personally or by mail, such membership to terminate upon the date of delivery of the notice or date of deposit in the mail.
2. If this corporation has provided for the payment of dues by members, upon a failure to renew his or her membership by paying dues on or before their due date. A member may avoid such termination by paying the amount of delinquent dues within a thirty (30) day period following the member's receipt of the written notification of delinquency.

All rights of a member in the corporation shall cease on termination of membership as herein provided.

## **Article 14**

### **Meeting of Members**

#### **Section 1. Place of Meetings**

Meetings of members shall be held at the principal office, if any, or such place or places as may be designated by the president and be convenient for officers, board members, and members.

#### **Section 2. Annual Meeting**

A meeting of the members of the corporation, the officers and the board members and guests shall be held annually for the election of the directors and officers and the transaction of such other business as may properly come before the meeting, during the month of January.

In addition, upon approval of the board of directors, and the officers, the election of the board of directors and officers may be held on an at large basis by mail in vote, with all vacancies being awarded to those candidates receiving the most votes. The corporation shall mail not later than ten days before the election, a ballot to each member in good standing listing all candidates. The ballots, properly marked will be returned to the corporation in return envelopes provided for that purpose. All ballots received shall be postmarked no later than the day designated on the ballot.

## **Section 2. Regular Meetings**

The annual meeting of members for the purpose of electing directors and officers or voting on other relevant business such as the annual budget, and by-laws shall be deemed a regular meeting.

## **Section 3. Special Meetings of Members**

Special meetings of the members shall be called by the board of directors, the chairperson of the board, or the president of the corporation, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the members.

## **Section 4. Notice of Meetings**

Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage prepaid. Personal notification includes notification by telephone or by facsimile machine, provided however, in the case of facsimile notification, the member to be contacted shall acknowledge personal receipt of the facsimile notice by a return message or telephone call within twenty-four hours of the first facsimile transmission.

The notice of any meeting of members at which directors or officers are to be elected shall also state the names of all those who are nominees or candidates for election to the board at the time notice is given.

Whenever any notice of a meeting is required to be given to any member of this corporation under provisions of the articles of incorporation, these bylaws, or the law of this state, a waiver of notice in writing signed by the member, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

## **Section 5. Quorum for Meetings**

A quorum shall consist of a majority of members present of the voting members of the corporation.

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the members at any meeting at which the required quorum is not present, and the only motion which the president shall entertain at such meeting is a motion to adjourn.

## **Section 6. Majority Action as Membership Action**

Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meeting at which a quorum is present is the act of the members, unless the articles of incorporation, these bylaws, or provisions of law require a greater number.

## **Section 7. Voting Rights**

Each member is entitled to one vote on each matter submitted to a vote by the members. Voting at duly held meetings shall be by voice vote. However when there is an election for more than the required number of board members or officers running for an office, a written ballot will be used.

## **Section 8. Action by Written Ballot**

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, any action which may be taken at any regular or special meeting of members may be taken without a meeting if the corporation distributes a written ballot to each member entitled to vote on the matter. The ballot shall:

1. set forth the proposed action;
2. provide an opportunity to specify approval or disapproval of each proposal;
3. indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of directors, state the percentage of approvals necessary to pass the measure submitted; and
4. shall specify the date by which the ballot must be received by the corporation in order to be counted. The date set shall afford members a reasonable time within which to return the ballots to the corporation.

Ballots shall be mailed or delivered in the manner required for giving notice of membership meetings as specified in these bylaws.

Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Directors and officers may be elected by written ballot. Such ballots for the election of directors shall list the persons nominated at the time the ballots are mailed or delivered.

## **Section 9. Conduct of Meetings**

Meetings of members shall be presided over by the president or, if there is no president, or in his or her absence, by the vice president of the corporation or, in the absence of all of these persons, by a chairperson chosen by a majority of the voting members present at the meeting. The secretary of the corporation shall act as secretary of all meetings of

members, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Robert's Rules of order as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of law.

**These by-laws are approved by a majority vote of officers and board members ( November 2020) and the members by written ballot (January 2021)**

