

LUCID MSO-458 FOUNDATION BYLAWS

Article I General Matters

- 1.1 Name. The name of this corporation is the **LUCID MSO-458 FOUNDATION**
- 1.2 Location. The Location of the principal office shall be 19530 Sherman Island East Levee Road, Rio Vista, CA 94571. Mailing address is P.O. Box 1058, Rio Vista, CA 94571
- 1.3 Purposes. This corporation is a nonprofit **PUBLIC BENEFIT CORPORATION** and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for **charitable** purposes. The specific purpose of this corporation is to acquire, restore, maintain, and operate the former USS Lucid AM/MSO-458 as a charitable and educational facility to promote an appreciation of the history of American Naval Minesweepers. These Bylaws, the powers of the Corporation and of its Directors and Officers, and all matters concerning the conduct and affairs of the Corporation shall be subject to such provisions in regard thereto, if any, as are set forth in these Bylaws, as from time to time in effect.

Article II Restrictions

- 2.1 This Corporation is organized and operated exclusively for **charitable** purposes within the meaning of Section 23701d, Revenue and Taxation Code and Section 501(c) (3), Internal Revenue Code.
- 2.2 No substantial part of the activities of this Corporation shall consist of carrying on the propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.
- 2.3 The property of this Corporation is irrevocably dedicated to **charitable** purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the Corporation, its assets remaining after payment or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for **charitable** purposes and which has established its tax exempt status under Section 501 (c) (3), Internal Revenue Code.

Article III Board of Directors

- 3.1 Powers and number. The general management of the affairs of the Corporation shall be vested in the Board of Directors consisting of eleven (11) Directors, or such lesser number, not less than three (3), as the Board of Directors may from time to time determine. The Board of Directors shall have authority for the general direction, management and control of all property, business and affairs of the Corporation. It shall determine the duties, in addition to those fixed by these Bylaws, of all officers and agents of the Corporation. It may, in its discretion, enter into employment contracts with any officer or employee of the Corporation.

The Board may appoint an Executive Director to manage the day-to-day affairs of the Corporation, under the general direction of the Board. The Executive Director will serve at the pleasure of the Board. As the chief operating officer, this position will not serve on the Board nor be entitled to vote in Board actions. However, an Officer or Director may serve in this position.

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3.2 Election and Term of Office. Membership on the Board of Directors shall be determined by election of the Board of Directors. The first (initial) Board of Directors shall be those persons listed in the Articles of Incorporation. Terms shall be one, two or three years. Directors elected at subsequent meetings shall be elected to terms such that one-third of the Directors, as nearly as possible, shall be elected each year.

Each Director shall serve, except as otherwise provided herein, until his or her successor has been elected and qualified.

3.3 Qualification of Directors. Any individual may serve as a member of the Board.

3.4 Resignation or Removal. Any Director may resign at any time by giving written notice of resignation to the Board of Directors. Such resignation shall be effective at the time specified therein, or if no time is specified, upon receipt by the Secretary. Any Director may be removed at any time for cause by a vote of two-thirds of the Directors, not counting the vote of the Director subject to removal.

3.5 Vacancies. If any Director ceases for any reason to serve as such before the end of his or her term of office expires, a successor may be elected by the remaining Board of Directors to hold office for the remainder of such Directors term.

3.6 Changes in number of Directors. The number of Directors may be increased or decreased within the limits specified in Section 3.1, by a vote of the Board of Directors. The number of Directors may be increased by a vote of said Board to elect one or more Directors. The number of Directors may be reduced by a vote of the Directors to refrain from electing a new Director or Directors to succeed one or more Directors whose terms end, or have left office in the year in which the vote is to take effect, but in no event shall the Board of Directors be less than three (3).

3.7 Committees. The Board of Directors may elect from the Board such committees as the Board deems appropriate. Such committees shall be constituted and serve at the pleasure of the Board of Directors, but each committee member's term on a committee shall expire at such time as he or she ceases to be a member of the Board of Directors. The Board of Directors may delegate to any such committee some or all of their powers. Except as the Board of Directors may otherwise determine, each committee may make rules for the conduct of its business, but unless otherwise determined by the Board or in such rules, its business shall be conducted, to the extent practicable, as is provided in these Bylaws for the conduct of business for the Board of Directors.

Article IV Meetings of the Board of Directors

4.1 Time of meetings. The annual meeting of the Board of Directors shall be held at such time and place as determined by the Board. Other meetings of the Board of Directors shall be at such time and place as may be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the President or on the written request of at least a quorum of the Board of Directors.

4.2 Notice. Three (3) days notice shall be given stating the purpose, date, time and place of such meeting; provided that ten (10) days notice shall be given for any meeting in which the Board of Directors is to consider the amendment or revision of these Bylaws or the adoption of new Bylaws.

4.3 Quorum and voting. A majority of Directors present shall constitute a quorum at all meetings. When a quorum is present, voting at any meeting shall be by majority vote except as

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required by law, the Articles of Incorporation or these Bylaws. When a majority or two-thirds is required to pass a vote, it shall be determined with reference to the Directors then present and voting, but subject to the requirements of a quorum.

4.4 Waiver of Notice. Whenever any written notice is required to be given by these Bylaws, a waiver of notice signed either before or after the action for which notice is required shall have the effect of written notice.

4.5 Action without meeting. Any action required or permitted to be taken at any meeting of the Directors may be taken without a meeting if all of the Directors consent to the action in writing and the written consents are filed by the Secretary with the records of the Board of Directors meetings. Such consents shall be treated as a vote at the meeting.

4.6 Conduct of meetings. Board of Directors meetings will be conducted using *Robert's Rules of Order*. The Board of Directors will appoint a director as the Board's Parliamentarian. The Parliamentarian's primary role, among other things, is to advise the President on the correct procedure(s) during the conduct of the meetings.

4.7 Open meetings. All meetings of the Board of Directors and its committees are open to all interested persons to conform to the California Brown Act of 1986, as amended, for public organizations.

Article V Members

5.1 Members. The Corporation shall have no members.

Article VI Officers

6.1 Election. The officers shall consist of a President, a Chief Financial Officer, and a Secretary, who shall be elected by the Board of Directors at the annual meeting (or at a special meeting in lieu thereof) by majority vote. The Board of Directors may also elect such Vice Presidents, Assistant Secretaries, Assistant Financial Officers, etc. as it deems appropriate. An individual may hold more than one office in the Corporation. The President, Chief Financial Officer, and Secretary will be voting members of the Board of Directors. The President, as presiding official of the Board of Directors, can only cast his or her vote in case of a tie for majority vote actions of the Board.

6.2 Term. Officers shall hold office at the pleasure of the Board of Directors, except as otherwise provided by law, the Articles of Incorporation, or by these Bylaws.

6.3 Resignation and removal. Any officer may resign by delivering his or her written resignation to the Corporation Secretary. Such resignation shall be effective at the time stated in the document or if no time is stated, upon receipt by the Secretary.

Any Officer may be removed from office for cause by a vote of two-thirds of the Directors then in office, not counting the vote of an officer who is subject to removal.

6.4 Vacancies. A vacancy in any office may be filled by the Board of Directors at any regular or special meeting called for that purpose.

6.5 Powers and Duties. The officers shall have the powers and perform those duties customarily belonging to their respective offices, including or limiting those powers and duties listed below.

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(a) The President's sole responsibility is to preside at all meetings of the Board of Directors using *Robert's Rules of Order*. The President may cast his or her vote only in case of a tie for matters that require a majority vote.

(b) The Chief Financial Officer is the chief financial officer of the Corporation and shall maintain the books and records of the Corporation in conjunction with United States Generally Accepted Accounting Principals as they relate to non-profit organizations. The Chief Financial Officer will also establish financial policies and procedures, and other controls to enhance financial reporting, and to prevent and detect fraud.

(c) The Secretary shall keep legal records of the Corporation, minutes of the Board of Directors meetings, and issue calls and notices of meetings.

(d) Each Officer subject to these Bylaws and to the direction and control of the Board of Directors shall have other duties and powers as are prescribed by law or as the Board of Directors may from time to time prescribe.

Article VII Compensation

No Director shall receive compensation for serving as such. Officers and the Executive Director of the Corporation may receive reasonable compensation for services performed for the Corporation; the amount of such compensation shall be determined by the Board of Directors. Directors may be reimbursed for reasonable expenses incurred in conjunction with the affairs of the Corporation including attendance at meetings. No Director shall be prevented from receiving compensation for services rendered in any other capacity by reason of the fact that he or she is also a Director.

Article VIII Benefactors, Sponsors, Advisors, and Friends of the Corporation

The Board of Directors may from time to time designate certain persons or groups of persons as benefactors, sponsors, advisors, and friends of the Corporation or other such title as they deem appropriate. Such persons shall serve in an honorary capacity and except as the Board of Directors designates such persons in such capacity shall have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum, and shall have no other rights and responsibilities.

Article IX Indemnification of Directors and Officers

The Corporation shall, to the extent legally permissible, indemnify each of its former Directors and Officers (and the heirs, executors, and administrators of such Director or Officer) against all expenses and liabilities which he or she has reasonably incurred in conjunction with or arising out of any action or threatened action, suit or proceeding in which he or she may be involved by reason of being or having been a Director or Officer of the Corporation. Such expenses and liabilities to include, but not limited to, judgments, court costs and attorneys fees and the reasonable costs of settlements, provided no such indemnification shall be made in relation to matters in which such Director or Officer shall be finally adjudged in any such action, suit or proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interest of the Corporation. In the event that a settlement or compromise of such action, suit or proceeding is effected, indemnification may be had but only if the Board of Directors (not including the vote of any person seeking indemnification hereunder) shall have determined that such settlement or compromise is in the best interest of the Corporation and that

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such Director or Officer appears to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Corporation, and only if the Board of Directors have adopted a resolution approving such settlement or compromise.

The foregoing right of indemnification shall not be exclusive of other rights to which any Director or Officer, or other corporate personnel may be entitled as a matter of law.

**Article X
Conflict of Interest and Incompatible Employment**

10.1 Conflict of Interest. No director, officer or employee of the Corporation may participate on behalf of the Corporation in any transaction or activity in which he or she has a conflict of interest; as such conflict is defined by California State Law.

10.2 Incompatible Employment. Each officer and employee shall, during his or her hours of employment devote their whole time, attention and efforts to his or her office or employment, and may not be required to perform any service except for the benefit of the Corporation. No officer or employee of the Corporation may engage in any employment, activity or enterprise which has been determined to be inconsistent, incompatible or in conflict with his or her duties, functions and responsibilities for which he or she is employed.

**Article XI
Miscellaneous Provisions**

11.1 Fiscal Year. The fiscal year of the Corporation will begin on January 1 and end on December 31.

11.2 Corporate Seal. The Board of Directors may adopt and alter the seal of the Corporation.

11.3 Corporate Records. The Corporation shall maintain in its principal office or in the office of the Secretary the original and attested copies of its Articles of Incorporation, Bylaws, minutes of the Board of Directors and Incorporators. Such documents shall be available at all reasonable times for review and copy by Directors and Officers, and other interested persons.

**Article XII
Amendments to Bylaws**

These Bylaws may be amended or repealed or new bylaws adopted by the Board of Directors at any regular or special meeting of the Board of Directors by two-thirds vote. **Restrictions provided in Article II cannot be amended or repealed except as required to conform to provisions in federal revenue laws.**

Adopted by the Board of Directors

Date

Secretary