

OVERFALLS FOUNDATION

LEWES, DELAWARE

BYLAWS

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**The Overfalls Foundation
Lewes, Delaware
Bylaws**

Contents

ARTICLE I – MEMBERSHIP	4
SECTION 1. ELIGIBILITY.	4
SECTION 2. DUTIES AND RESPONSIBILITIES.....	4
ARTICLE II – MEETINGS.....	4
SECTION 1. ANNUAL MEETING OF THE FOUNDATION.	4
SECTION 2. SPECIAL MEETINGS.	4
ARTICLE III - MEMBERSHIP OF THE BOARD OF DIRECTORS	4
SECTION 1. NUMBER AND ELIGIBILITY.	4
SECTION 2. FIDUCIARY DUTIES.	5
SECTION 3. ELECTION AND TERM.	5
SECTION 4. VACANCIES.	5
SECTION 5. REMOVAL.....	6
SECTION 6. RESIGNATIONS.....	6
ARTICLE IV - POWERS AND RESPONSIBILITIES OF DIRECTORS.....	6
ARTICLE V - HONORARY AND EXCHANGE DIRECTORS.....	7
SECTION 1. HONORARY DIRECTORS.....	7
SECTION 2. EXCHANGE DIRECTORS.	7
ARTICLE VI - OFFICERS OF THE FOUNDATION	7
SECTION 1. OFFICERS.....	7
SECTION 2. ELECTION.....	7
SECTION 3. VACANCIES.	8
SECTION 4. PRESIDENT.	8
SECTION 5. VICE-PRESIDENT.....	8
SECTION 6. PRESIDENT PRO TEM.	8
SECTION 7. SECRETARY.....	8
SECTION 8. TREASURER.....	8
ARTICLE VII- MEETINGS OF THE BOARD.....	9
SECTION 1. REGULAR MEETINGS.	9

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

SECTION 2. SPECIAL MEETINGS.	9
SECTION 3. QUORUM.	9
SECTION 4. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE.....	9
ARTICLE VIII - ACTION WITHOUT FORMAL MEETING	10
ARTICLE IX - COMMITTEES	10
SECTION 1. SPECIAL (AD HOC) COMMITTEES.	10
SECTION 2. STANDING COMMITTEES.	10
SECTION 3. EXECUTIVE COMMITTEE.....	10
SECTION 4. FINANCE COMMITTEE.....	11
ARTICLE X- MISCELLANEOUS	12
SECTION 1. FISCAL YEAR.	12
SECTION 2. EXECUTION OF CONTRACTS.	12
SECTION 3. CONFLICTS OF INTERESTS.	12
ARTICLE XI - DISCRIMINATION PROHIBITED.....	13
ARTICLE XII - AMENDMENT AND REVIEW OF BY-LAWS	13
ARTICLE XIII- INDEMNIFICATION OF DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS.....	13
ARTICLE XIV - DISSOLUTION.....	14
ARTICLE XV - INTERNAL REVENUE SERVICE STATUS	14

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

The name of this association is **The Overfalls Foundation**, (“the Foundation”), incorporated under the laws of the State of Delaware, as nonprofit within the meaning of Section 501(c) (3) of the Internal Revenue Code of the United States.

The mission of The Overfalls Foundation is to collect, preserve, honor and teach the maritime history of Lewes, the Delaware Bay, and the coastal region using the Lightship Overfalls (LV-118), the American Lightship Museum, as well as the Delaware Maritime Hall of Fame.

ARTICLE I – MEMBERSHIP

SECTION 1. ELIGIBILITY.

Persons may become members in such a manner as the Board of Directors may from time to time designate.

SECTION 2. DUTIES AND RESPONSIBILITIES.

1. Members shall vote for directors at the Annual Meeting of the Foundation.
2. Members may serve on committees.
3. Members shall pay dues annually.
4. Members may perform other duties as designated by the Board of Directors.

ARTICLE II – MEETINGS

SECTION 1. ANNUAL MEETING OF THE FOUNDATION.

The Annual Meeting of the Foundation shall be held on such date, hour, and place as may be designated by the President and the Board. The Secretary of the Foundation shall provide written notice inclusive of electronic transmission of the annual meeting to the members not less than 30 days before the date fixed for the meeting. Those present in person at the annual meeting shall constitute a quorum.

SECTION 2. SPECIAL MEETINGS.

Special meetings of the membership may be called by the President as deemed necessary.

Meetings of the Board of Directors are described in Article VII of these bylaws.

ARTICLE III - MEMBERSHIP OF THE BOARD OF DIRECTORS

SECTION 1. NUMBER AND ELIGIBILITY.

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

The number of directors shall be no fewer than 5 nor more than 15. The Board will determine the number of positions to be filled.

All directors shall be members of the Foundation and shall pay dues annually. Directors serve as volunteers and shall receive no compensation for their services.

No person who is employed by the Foundation or has a member of his immediate family employed by the Foundation shall be eligible to serve as a director. Persons under the age of 21 are not eligible for membership on the Board of Directors.

SECTION 2. FIDUCIARY DUTIES.

A director of the Foundation shall stand in a fiduciary relation to the Foundation and shall perform duties as a director, including duties as a member of any committee of the Board, in good faith, in a manner reasonably believed to be in the best interest of the Foundation, and with such care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances.

All actions shall be made by an affirmative vote of a majority of directors then serving.

Absent a breach of fiduciary duty, lack of good faith or self-dealing, any action taken as a director or any failure to take any action as a director shall be presumed to be in the best interests of the Foundation.

SECTION 3. ELECTION AND TERM.

The initial directors of the Foundation are the persons who executed and are named in the Articles of Incorporation. Directors are nominated by the nominating committee, which consists of the Executive Committee and two members at large chosen by the Board of Directors. Additional nominations for directors may be made by any member in good standing with the Foundation.

Directors shall be elected at the annual meeting of the Foundation. Directors are elected to one (1) full term and shall be eligible to serve two (2) full terms. For purposes of this Section, a full term is defined as three (3) years. An un-expired term of 18 months or more is considered to be a full term; anything less is not considered a term for eligibility for re-election.

After completion of the applicable maximum consecutive service, a director is not eligible for re-election until 12 months have elapsed.

SECTION 4. VACANCIES.

Any vacancy on the Board of Directors shall merely reduce the number of duly elected and acting Directors until such time as that vacancy is filled. Vacancies existing

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

from time to time by reason of an increase in the authorized number of directors, or for other reasons, may be filled by a majority vote of the remaining directors by election at any regular meeting of the Board, provided a notice of the election and qualifications of nominees be distributed to the directors at least 10 days prior to the election. Vacancies occurring in existing positions shall be filled for the unexpired term only.

SECTION 5. REMOVAL.

A director may be removed from the Board, with or without cause, by an affirmative vote of a majority of the directors.

SECTION 6. RESIGNATIONS.

Any director may resign from a committee of the Board, an office of the Board, or the Board itself by giving written notice to the President or the Secretary. Any such resignation shall take effect at the date of receipt of such notice or at any later time therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE IV - POWERS AND RESPONSIBILITIES OF DIRECTORS

Subject to limitations imposed by law, the Articles of Incorporation, or these by-laws, all corporate powers shall be exercised by or under the authority of the Board of Directors.

The Board's primary responsibility is to implement the mission of the Foundation by establishing and directing overall policy and by maintaining its financial stability.. Without limiting the foregoing, the Board of Directors:

1. manages the property and business of the Foundation;
2. establishes the goals and parameters which determine the nature of the Foundation consistent with its Articles of Incorporation;
3. establishes by-laws for effective operations;
4. approves long-range plans which enable the Foundation to meet its desired goals;
5. oversees the general operation of the Foundation, assuring that the established policies are effectively interpreted and appropriately implemented;
6. establishes policies regarding the number of employees and the total compensation of personnel.
7. approves fringe benefits, including employee contribution options deducted from pay;
8. evaluates, nominates, appoints and orients Board members who possess the talent, skills, and means to further the work of the Board;
9. maintains contact with constituents.

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

ARTICLE V - HONORARY AND EXCHANGE DIRECTORS

SECTION 1. HONORARY DIRECTORS.

Any individual whose assistance and expertise is sought by the Board may be elected an Honorary Director by a majority of the Board of Directors. Honorary Directors shall be elected for one-year terms and may be reelected without limit. They are entitled to receive minutes of all Board meetings and Executive Committee meetings, and may attend all meetings of the Board. An Honorary Director shall not be considered a member of the Board for any legal purpose, including voting. The additional number of Honorary Directors shall not exceed twenty-five percent (25%) of the number of the regularly authorized Board members.

SECTION 2. EXCHANGE DIRECTORS.

The Foundation may affiliate with another organization and take a member from that organization on the Board as an Exchange Director. Said Exchange Director shall be a member of the Board with voting rights and all other privileges assigned to Board members. Exchange Directors will be excluded from the count to form a quorum and from any term limits. The number of Exchange Directors shall not exceed twenty-five percent (25%) of the number of regularly authorized Board members. In the event that the Foundation's affiliation with the Exchange Director's organization is terminated, the associated Exchange Director will automatically cease being a member of the Board. As a result of receiving an Exchange Director, the Foundation will send a Director to the other organization's Board; the President will appoint that Director.

ARTICLE VI - OFFICERS OF THE FOUNDATION

SECTION 1. OFFICERS.

The officers of the Foundation shall consist of the President, the Vice-President, the Treasurer, the Secretary, and such other officers as the Board of Directors may appoint. Only members of the Board of Directors may serve as officers of the Foundation. Any person may hold more than one office, except that the Secretary may not be the same person as the President.

SECTION 2. ELECTION.

The officers of the Board shall be nominated by the Executive Committee and shall be elected by and serve at the discretion of the Board subject to the foregoing limitations. Each officer, except the President, shall be elected for a one-year term, except that an officer elected to fill a vacancy shall serve for the remainder of the term of his predecessor. The President shall be elected for a two-year term. No person shall serve as President for more than two consecutive terms.

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

SECTION 3. VACANCIES.

A vacancy in any of the offices of the Board may be filled for the unexpired term by a majority vote at any meeting of the Board of Directors, provided that a notice of the qualifications of nominees and the date of the election be distributed to members at least ten days prior to the election.

SECTION 4. PRESIDENT.

The President shall preside at all meetings of the Board and shall appoint all committees that are not otherwise appointed by the Board. The President shall see that all orders and resolutions of the Board of Directors and the Executive Committee or other committees of the Board are carried into effect. The President shall also have responsibility for general supervision and direction of the officers and shall see that their duties and those assigned to other directors are properly performed.

SECTION 5. VICE-PRESIDENT.

In the absence or disability of the President, the Vice-President shall perform all the duties of the President and shall have such other powers and duties as may be prescribed from time to time by the President of the Board.

SECTION 6. PRESIDENT PRO TEM.

In the absence of the President or the Vice-President, the Board of Directors may appoint, from the existing directors, a President Pro Tem, and designate the length of the term of the President Pro Tem.

SECTION 7. SECRETARY.

The Secretary shall keep or cause to be kept a record of the proceedings of the Board of Directors, shall make service of all such notices as may be necessary or proper, and shall have such other powers and duties as may be prescribed from time to time by the President of the Board.

SECTION 8. TREASURER.

The Treasurer shall be responsible for the oversight of the custody of all funds and securities of the Foundation, shall generally supervise the accounting and bookkeeping of the Foundation, shall regularly report to the Board of Directors as to the financial condition and results of the operation of the Foundation, and shall have such other powers and duties as may be prescribed from time to time by the President or the Board.

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

With approval of the Board, the Treasurer may delegate any of the foregoing duties, including the signing of checks or other orders for the payment of money, as the Treasurer shall specifically designate. All such delegations shall be recorded in the minutes of the Board. The Treasurer and any other persons who are empowered to sign checks or other orders for the payment of money shall give the Foundation a bond in such sum and with such assurity or assurities as shall be satisfactory to the Board. The cost of such bond or bonds shall be paid by the Foundation.

ARTICLE VII- MEETINGS OF THE BOARD

SECTION 1. REGULAR MEETINGS.

Regular meetings of the Board shall be held no less than quarterly, at such time and place as the President or a majority of the Board may from time to time prescribe. A yearly calendar of all regular meetings of the Board and the Executive Committee shall be prepared in September by the Executive Committee, for approval by the full Board. This calendar shall be mailed to all Board members and shall serve as legal notice of the time and place of such meetings. A proposed agenda and relative supporting data shall be received by Board members at least five (5) days prior to each meeting.

SECTION 2. SPECIAL MEETINGS.

Special meetings of the Board for any purpose or purposes may be held on the call of the President or of any three directors. Notice of each special meeting, setting forth the time, date, and a place of the meeting and the general nature of the business to be transacted shall be given to each director by the Secretary in person, by mail, or by electronic mail not less than five days in advance of the meeting.

In case of an emergency, the President or any three directors may call for an immediate meeting. The President or the three directors may poll Board members by telephone.

SECTION 3. QUORUM.

A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the directors then serving. All actions shall be made by majority vote of the directors then serving.

SECTION 4. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE

Members of the Board or of any committee thereof may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment through which all persons participating in the meeting can communicate with each other, and such participation shall constitute presence in person at such meetings.

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

ARTICLE VIII - ACTION WITHOUT FORMAL MEETING

Any action required or permitted to be taken by the Board or by any committee thereof may be taken without a formal meeting by a written consent setting forth the actions so taken and signed by all members of the Board or of a committee as the case may be. The consent must be filed with the minutes of the proceedings of the Board or of the committee.

ARTICLE IX - COMMITTEES

SECTION 1. SPECIAL (AD HOC) COMMITTEES.

There may be such special or ad hoc committees as the Board may from time to time establish for the discharge of particular duties. The President shall appoint members of such committees, each of which shall have at least one director as a liaison.

SECTION 2. STANDING COMMITTEES.

The Board of Directors may establish such standing committees as are deemed necessary to assist with the implementation of the long-range plans for the Foundation. Members of standing committees shall be appointed by the President, after consultation with the Board. The President shall be an ex-officio member of all standing committees without power to vote, and each standing committee shall include at least two additional directors. The Chairperson of each standing committee shall be a director.

All contracts made on behalf of a committee shall be approved by the Executive Committee and signed by an officer of the Foundation or an individual designated by an officer.

Except as provided in this Article, all standing committees shall meet at least two times annually, and shall report on all actions and considerations to the Board. For good and reasonable cause, the Board may dissolve a standing committee.

SECTION 3. EXECUTIVE COMMITTEE.

- (a) The Executive Committee shall be composed of the officers of the Foundation. The President shall be the Chairperson of the Executive Committee with power to vote.
- (b) Between meetings of the Board, the Executive Committee shall have supervision of the administration and property of the Foundation unless specifically not empowered by the directors to do so.

The Overfalls Foundation
Lewes, Delaware
Bylaws

- (c) The Executive Committee may not take any action inconsistent with the by-laws or a prior act of the Board of Directors, dispose of any real property, or take any action, which has been reserved to the Board by Board action.
- (d) In the absence of limitations imposed by the Board, the Executive Committee shall have and exercise all the powers of the Board and the management of the business and affairs of the Foundation when the Board is not in session, with the exception, however, that the Executive Committee may not buy, sell or otherwise dispose of assets of the Foundation having value in excess of \$5,000 without having first obtained authorization from a majority of the members of the Board.
- (e) Special meetings may be called by the Chairperson or by two or more members of the Executive Committee.
- (f) The majority of the members of the Executive Committee shall constitute a quorum, but the affirmative vote of the majority of the whole Committee shall be necessary in every case. The Executive Committee may formulate further rules and regulations governing the conduct of its business.
- (g) The Executive Committee shall present nominations for directors to be elected by the Membership at its Annual Meeting, and for President, Vice-President, Secretary and Treasurer to be elected by the Board of Directors. The Executive Committee shall furnish written information related to the background and qualifications of all such nominees at least one month prior to the Annual Meeting of the Membership and one week prior to the Board meeting at which an election or appointment of an officer is scheduled to take place.
- (h) The Executive Committee shall develop and administer a program of orientation for newly elected directors.
- (i) Summary minutes of the meetings of the Executive Committee shall be available promptly after each meeting for the directors. At each meeting of the Board of Directors, a brief summary of actions taken by the Executive Committee since the last meeting of the Board shall be reported.

SECTION 4. FINANCE COMMITTEE.

- (a) The Finance Committee shall be composed of not less than three nor more than five members, a majority of whom are directors. The

The Overfalls Foundation
Lewes, Delaware
Bylaws

Treasurer of the Foundation shall be the Chairperson of the Finance Committee.

- (b) The majority of the members of the Finance Committee shall constitute a quorum, but the affirmative vote of the majority of the whole Finance Committee shall be necessary in every case.
- (c) The Finance Committee shall review the annual operations and capital budget prepared and presented under the direction of the Treasurer or his designee, and make recommendations to the Board of Directors.
- (d) The Finance Committee shall review major financial or property transactions not provided for in the budget and submit proposed variances, with recommendations, to the Board of Directors.
- (e) The Finance Committee shall have charge of the investment of all funds of the Foundation, including the power to affect purchases, sales, and exchanges of securities and other investment assets of the Foundation, except real property. The Finance Committee may employ investment counseling and may delegate authority to purchase or sell securities for the account of the Foundation to such investment counsel subject to such financial and other limitations that the Finance Committee may impose.
- (f) The Treasurer shall report the actions of the Finance Committee at each regular meeting of the Board of Directors.

ARTICLE X- MISCELLANEOUS

SECTION 1. FISCAL YEAR.

The fiscal year of the Foundation shall be the calendar year.

SECTION 2. EXECUTION OF CONTRACTS.

The Board by majority vote as set forth in Article VII, section 4, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.

SECTION 3. CONFLICTS OF INTERESTS.

A director shall be considered to have a conflict of interest if: (a) such director has existing or potential financial interests which impair or might reasonably appear to impair such member's independent, unbiased judgment in the discharge of his responsibilities to the Foundation, or (b) such director is aware that a member of his family (which,

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

for purposes of this paragraph, shall be a spouse or child) or any organization in which such director (or a member of his family) is an officer, director, employee, member, partner, or controlling stockholder has such existing or potential financial or other interests.

All directors shall disclose to the Board any possible conflict of interest at the earliest practical time. No director shall vote on any matter under consideration in which such director has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the director having the conflict of interest abstained from voting. Any director who is uncertain whether he has a conflict of interest in any matter may request the Board to determine whether a conflict of interest exists and the Board shall resolve the question by a majority vote.

ARTICLE XI - DISCRIMINATION PROHIBITED

The Foundation shall not discriminate against any person based on race, creed, color, national or ethnic origin, sex, sexual orientation, or age.

In interpreting these by-laws, all masculine pronouns shall be deemed to refer equally to the feminine gender.

ARTICLE XII - AMENDMENT AND REVIEW OF BY-LAWS

New by-laws may be adopted or these by-laws may be amended or repealed by the vote of two-thirds of all directors at a meeting duly called and held for such purpose or by written consent signed by two-thirds of all directors, provided that 30 days notice of the proposed by-law change(s) be given. Annually the Executive Committee shall review these by-laws and suggest any necessary changes thereto.

**ARTICLE XIII- INDEMNIFICATION OF DIRECTORS, MEMBERS,
EMPLOYEES, AND AGENTS**

The Foundation shall indemnify the directors of the Foundation to the fullest extent permitted by law.

The directors of the Foundation shall incur no personal liability to the Foundation for monetary damages for any breach of fiduciary duty as a director, provided however, that each director shall continue to be subject to liability for: a) any breach of the duty of loyalty to the Foundation; (b) any act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law; or (c) for any transaction from which the director or directors derived an improper benefit.

The Foundation shall carry liability insurance: (a) to provide the indemnification described above for its directors; and (b) to protect its members, employees, agents, and the

**The Overfalls Foundation
Lewes, Delaware
Bylaws**

general public consistent with reasonable standards required of other nonprofit tourist attractions of a type similar to the Overfalls Foundation.

ARTICLE XIV - DISSOLUTION

In the event of the dissolution and final liquidation of the Foundation, none of the property of the Foundation nor any of the proceeds thereof shall be distributed to or divided among any of the directors or other members of the Foundation or inure to the benefit of any individual. After all liabilities and obligations of the Foundation have been paid, satisfied, and discharged or adequate provision has been made therefore, all remaining property and assets of the Foundation shall be distributed to one or more nonprofit organizations, which meet the following criteria:

- (a) such organization(s) shall be organized and operated exclusively for charitable, scientific, research, or educational purposes;
- (b) transfers of property to such organization(s) shall, to the extent then permitted under the statutes of the United States, be exempt from Federal gift, succession, inheritance, estate or death taxes (by whatever name called);
- (c) such organization(s) shall be exempt from Federal income taxes by reason of section 501(c)(3) of the Internal Revenue Code of 1954 (or of the corresponding provision of any subsequent Federal tax law).

ARTICLE XV - INTERNAL REVENUE SERVICE STATUS

The Foundation shall have no capital stock and is not organized for gain or profit, but is exclusively an organization for public, educational, charitable, and philanthropic purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of the United States. The Foundation will not participate or intervene in any political campaign nor support or oppose any candidate for public office.

The undersigned, Secretary of **THE OVERFALLS FOUNDATION**, does hereby certify that the foregoing is a true copy of the by-laws of **THE OVERFALLS FOUNDATION**, and that the same are in full force and effect at this date.

Dated as of March 14, 2014

Robert Gibson
Secretary