

**By-Laws of
Friends of Chimacum Schools Education Foundation
A Non-Profit, 501(c)(3) Corporation**

Article I - Identification

The name of the corporation shall be The Friends of Chimacum Schools Education Foundation and shall be known in these by-laws as the Corporation.

Article II - Purpose

The Corporation is organized exclusively for charitable and educational purposes including the making of distributions to individuals and/or groups for the benefit of Chimacum students. Specifically, the objectives of the Corporation are as follows:

- 2.1 To promote education at all levels within Chimacum schools.
- 2.2 To promote and provide funds for scholarships to aid individuals in their pursuit of continuing education.
- 2.3 To promote the development of new educational techniques and methods, and to help create general understanding of those new methods.
- 2.4 To provide a potential financial conduit to develop funding for new and expanded educational programs and new educational techniques.
- 2.5 To promote understanding of the need and value of programs for continuing education, including the continuing education of professional educators.
- 2.6 To create better understanding of the educational needs of the student population, as well as the public in general, as changes in the economic and social structures occur.
- 2.7 To support educational and ancillary programs directed at the social, intellectual, emotional, and physical development of youth and individuals.
- 2.8 To promote better understanding of the role in education of such ancillary assets as the contents of school and public libraries; i.e., teaching aids such as: video recording, audio/visual equipment, computer accessibility and other technological tools.
- 2.9 To solicit and receive property and real property and to solicit and receive funds, gifts, endowments, devices, and bequests which shall be used to carry out the purposes and objectives of this corporation.
- 2.10 To carry on the other activities necessary to carry out the objectives and purposes of this corporation.
- 2.11 Notwithstanding any other provision of these articles, the organization shall not carry on any activities not permitted to be carried on (a) by an organization exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provisions of any future United States Internal Revenue law).

Article III - Basic Policies

The Corporation shall be non-commercial, not sectarian, and non-partisan. The name of the corporation or the names of any members in their official capacities shall not be used in connection with a commercial concern or with any partisan interest or for any purpose not appropriately related to promotion of the objectives of the corporation.

Article IV - Membership

The eligibility for rights and privileges of membership shall be prescribed by the By-Laws. No membership shall be transferred or assigned except in a manner prescribed by the By-Laws.

4.1 Regular membership shall be open to alumni of Chimacum School, faculty, other employees of Chimacum school district, students and other individuals interested in the purposes of the corporation.

4.2 The fee for membership shall be five dollars or more per person per year, payable in October.

4.3 Funds generated by membership fees will pay operating costs and communication to members shall be used primarily to maintain corporation membership records and to provide postage and other mailing costs associated with Board of Directors' meetings and the annual meeting.

4.4 Members will be encouraged to provide donations and to assist in the increasing the input of funds.

Article V - Board of Directors

5.1 The number of directors of the Board shall be fixed by the by-laws and may be increased or decreased from time to time and the manner specified herein.

The Board of Directors and/or Trustees of this corporation shall be empowered to amend by-laws and the same may be changed, modified or amended by the Board Directors and/or Trustees, subject, however to the power of the members to change or repeal such by-laws.

5.1.1 The number of directors shall be 10 or more, serving 3 year overlapping terms.

5.1.2 Directors shall be elected at the annual meeting and shall normally be elected to fill Board positions for terms of three years.

5.1.3 Election of board members of shall follow the procedure outlined for officers of the board in Article VII., 7.2 - Elections.

5.1.4 A vacancy occurring on the Board shall be filled for the unexpired term by the Board by majority vote of the Board of Directors at a duly called meeting with a quorum present.

5.2 Power to Amend Articles of Incorporation: This corporation reserves the right to amend or repeal by affirmative vote of two-thirds of the Board of Directors, any of the provision contained in the Articles of Incorporation.

5.3 Power to amend by-laws: The Board of Directors of this corporation shall be empowered to adopt, modify, or amend the by-laws, and the same may be changed by the affirmative vote of a majority of the Board of Directors.

5.4 Quorum: One forth (twenty five percent) of the Board of Directors shall constitute a quorum in all actions to be considered by the Board.

Article VI - Shares, Dividends and Compensation

6.1 The corporation is a non-profit corporation formed under RCW 24.03 Washington Statutes, and shall not have or issue shares of stock. No dividend shall be paid and no part of the income of the corporation shall be paid directly to its members, directors, and/or Trustee officers.

6.2 The corporation may pay compensation in a reasonable amount to committee members, directors, and/or trustees, or officers for services rendered and may confer benefits upon the members of the committees, directors, or officers for services performed that are consistent with the purposes of the corporation.

Article VII - Officers and Election of Officers

7.1 The officers of this corporation shall consist of a President, Vice President, a Secretary, and a Treasurer, and they shall serve on an annual basis.

7.2 Elections:

7.2.1 There shall be a nominating committee comprised of 2 or more members of the Board of Directors.

7.2.2 The nominating committee shall nominate one eligible person for each office to be filled and report its nominees at the annual meeting in October at which time additional nominations may be made from the floor.

7.2.3 Only those persons who have signified their consent to serve if elected shall be nominated for or elected to such office.

7.2.4 Officers shall be elected by ballot at the annual meeting in October. However, if there is but one nominee for any office, and it shall be in order to move that the Secretary cast the elective balance of the corporation for the nominee.

7.2.5 A new vacancy occurring in any office shall be filled for the unexpired term by the Board of Directors.

Article VIII - Duties of Officers

8.1 The President shall preside at all meetings of the corporation and of the Board of Directors at which he may be present; shall perform such other duties as may be prescribed in these by-laws or assigned it to him by the corporation or by the Board of Directors and shall coordinate the work of the officers and committees of the corporation in order that the purpose may be promoted.

8.2 The Vice-President shall serve in the absence of the President and shall work with the president in establishing and monitoring the committees.

8.3 The Secretary shall record the minutes of all meetings of the corporation and of the Board of Directors and shall perform such other duties as may be delegated to that office.

8.4 The Treasurer shall have custody of all of the funds of the corporation; shall keep a full and accurate account of receipts and expenditures; and shall make disbursements in accordance with the approved budget, as authorized by the corporation, the Board of Directors, or a special committee. The Treasurer shall give a financial report at each board meeting and present a complete financial statement at the annual meeting. The Treasurer shall be responsible for the maintenance of such books of account and records as confirm to the requirements of the by-laws.

8.5 All officers shall deliver to their successors all official material not later than ten days following the election of their successors.

Article IX - Meetings

9.1 The annual meeting shall be held in the month of October, five days' notice having been given to designate the time and location.

9.2 Board meetings shall be held at least semi-annually, five days notice having been given.

9.3 Special meetings may be called by the Board of Directors, five days' notice having been given.

Article X - Donors

10.1 Donors may be any entity, individual, partnership, public or private agency or corporation who by act, gift, or expression of sympathy may support the purposes of the corporation.

10.2 The Board may conduct on an ongoing basis a solicitation of donors for gifts of funds, goods or services in support of the activities of the corporation and made knowledge such donors in publicity about and publications of the corporation.

10.3 The Board may conduct such other funding campaigns as agreed to by a majority of the Board where a quorum is present.

Article XI - Committees

11.1 The Board may from time to time establish committees to carry out specific tasks consistent with the purposes of the corporation.

11.2 Such committees shall be empowered to act for the corporation within the jurisdiction established by the Board in creating the committee.

Article XII - Funds

The corporation will account for its activities by applying generally accepted principles of fund accounting. While the corporation intends to conduct continuing fund-raising activities, it is its long-term objective to develop permanent funds that will generate income supplementing current funding efforts, and thereby sustain and expand its programs.

12.1 Intent. The fund-raising and funding intent of the organization is to each year direct at least fifty percent (50%) of the net proceeds from all its general fund raising activities to one or more of organizations permanent funds. Funds raised for a dedicated purpose or so contributed would not be subject to this intent.

12.2 General Fund. The purpose of this fund is to facilitate operations.

The business of the corporation will normally be conducted within its General Fund through which regular receipts and expenses flow.

12.3 Permanent Support Fund. The purpose of this fund is to build an enduring source of funding to supplement the corporation's activities.

Annually the corporation's Board of Directors will decide for amount, if any, to transfer to or from the General Fund to this permanent fund.

The Permanent Support Fund will be a portion of the general fund, separately accounted for, and received an allocation of earnings.

It is intended as that only the earnings of the Permanent Support Fund will be distributed to the General Fund for current use. Approval of 75% of the Board of Directors is necessary to

distribute more than earning from this fund, and then only to the extent of 25% of the then fund balance in any one year.

Donors may designate donations to the Permanent General Fund.

12.4 Scholarship Endowment Fund. The purpose of this fund is to build an enduring source of funding supplementing the corporation's award of student scholarships for higher education.

Annually the corporation's board of directors will decide what amount, if any, to transfer to or from the General Fund to this permanent fund. However, high priority is given to Board of Director approval for raising its General Fund amounts needed to activate State matching programs for endowment funds.

The Scholarship Endowment Fund will be invested in a separate account, distinct from other funds of the corporation.

Only the earnings of the Scholarship Endowment Fund can be distributed for use in scholarships. By agreement with the State of Washington Higher Education Coordinating Board, the principle of this fund must remain intact.

Donors may designate donations to the Scholarship Endowment Fund.

12.5 Special Funds. The corporation's board of directors may establish special or designated funds from time-to-time, the purpose of which is to serve specific funding identity needs for shorter periods of time.

Accounted for separately in the General Fund, these funds must have a specific purpose identified when established.

Examples of special or designated funds include:

- Memorial funds established to consolidate its donations
- Fund Raising accounts established when the proceeds are earmarked
- Custodial funds set up to hold funds of a third-party organization

Article XIII - Scholarship Awards Policy

13.1 All Scholarships awarded by the Friends of Chimacum Schools Foundation are for the following school year (i.e. September to May) and must be used for post high school education during that time. Scholarship funds are not given directly to the student but are sent the student's educational institution after the student has registered.

13.2 It is expected that the student will be registered no later than September 30th of the year in which the scholarship is awarded. If the Foundation has not received notice from the educational institution by that date, or a written request from the student for a delay of up to one year in use of the scholarship award, the scholarship award will be considered abandoned and void.

13.3 Request for a delay in the use of the scholarship should be submitted in writing to the President of the Board and should contain an explanation of the reason for the delay.

13.4 Unused scholarship funds, except scholarship funds from a Scholarship Endowment Fund, will be returned to the General Fund of the Foundation for use as the Board may decide. Any unused funds from the Scholarship Endowment Fund will be put back into that fund.

Article XIV - Indemnification

To the full extent permitted by the Washington Nonprofit Corporation Act, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any civil,

criminal, administrative or investigative action, suit or proceeding (whether brought by or in the right of the corporation or otherwise) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, against expenses (including attorneys' fees), judgments, fines and amount paid in settlements actually and reasonably incurred by him in connection with such action, suit or proceeding; and the Board of Directors may, at any time, approve indemnification of any other person whom the corporation has the power to indemnify under the Washington Nonprofit Corporation Act. The indemnification provided by this section shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract.

AMENDMENTS ADOPTED ON THE 30TH DAY OF APRIL, 1997 BY UNANIMOUS ACTION OF THE BOARD OF DIRECTORS, A MAJORITY BEING PRESENT.

Amended on January 24th, 2001

Amended on October 16th, 2002