

BYLAWS OF THE FLAGSHIP NIAGARA LEAGUE, A Nonprofit Corporation .....	1
ARTICLE ONE ~ INTRODUCTORY .....	1
__Section 1.01. Bylaws.....	1
__Section 1.02. Purposes and Powers.....	1
__Section 1.03. Associate Group.....	2
__Section 1.04 Ex-officio Status .....	3
ARTICLE TWO ~ MEMBERSHIP .....	3
__Section 2.01 Members .....	3
__Section 2.02 Dues .....	4
__Section 2.03 Members Meetings.....	4
__Section 2.04 Voting Rights of Members.....	5
__Section 2.05 Transferability of Membership .....	6
__Section 2.06 Termination of Membership .....	6
ARTICLE THREE.....	6
__Section 3.01 League Consultants.....	6
ARTICLE FOUR ~ BOARD OF TRUSTEES .....	7
__Section 4.01. Powers; Personal Liability .....	7
__Section 4.02. Qualifications, Number and Term of Office.....	8
__Section 4.03. Duty of Trustees to Elect Officers .....	9
__Section 4.04. Resignation or Removal.....	9
__Section 4.05. Duties of Trustees .....	9
__Section 4.06. Vacancies .....	10
__Section 4.07. Compensation .....	10
__Section 4.08. Emeritus Trustees.....	11
ARTICLE FIVE ~ MEETINGS OF THE BOARD AND INFORMAL ACTION.....	11
__Section 5.01. Annual Meeting .....	11
__Section 5.02. Regular Meetings .....	11
__Section 5.03. Special Meetings .....	11
__Section 5.04. Notice and Waiver .....	11
__Section 5.05. Quorum .....	12
__Section 5.06. Action Without a Meeting .....	12
__Section 5.07. Agenda .....	13

ARTICLE SIX ~ OFFICERS .....	13
__Section 6.01. Officers. ....	13
__Section 6.02. Vacancies .....	13
__Section 6.03. Resignation or Removal of Officers .....	13
__Section 6.04. President.....	13
__Section 6.05. Vice President .....	14
__Section 6.06. Secretary .....	14
__Section 6.07. Treasurer .....	14
__Section 6.08. Salaries.....	14
ARTICLE SEVEN ~ COMMITTEES.....	15
__Section 7.01. Appointment and Powers.....	15
__Section 7.02. Executive Committee.....	15
__Section 7.03. Standing Committees .....	16
__Section 7.04. Term of Office .....	17
__Section 7.05. Committee Meetings.....	17
__Section 7.06. Committee Action Without a Meeting.....	17
__Section 7.07. Resignation or Removal of Committee Members .....	17
ARTICLE EIGHT ~ OPERATIONS.....	17
__Section 8.01. Fiscal Year .....	17
__Section 8.02. Registered Office .....	17
__Section 8.03. Execution of Documents.....	18
__Section 8.04. Books and Records .....	18
ARTICLE NINE ~ DISSOLUTION .....	18
__Section 9.01. Dissolution .....	18
ARTICLE TEN ~ AMENDMENTS .....	19
__Section 10.01. Amendments .....	19
ARTICLE ELEVEN ~ INDEMNIFICATION OF TRUSTEES, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES .....	19
__Section 11.01. Scope of Indemnification.....	19
__Section 11.02. Proceedings Initiated by Indemnified Representatives.....	20
__Section 11.03. Advancing Expenses.....	20
__Section 11.04. Securing of Indemnification Obligations.....	21
__Section 11.05. Payment of Indemnification.....	21

__Section 11.06. Arbitration.....	21
__Section 11.07. Contribution .....	22
__Section 11.08. Mandatory Indemnification of Trustees, Officers, etc.....	22
__Section 11.09. Contract Rights; Amendment or Repeal .....	22
__Section 11.10. Scope of Article .....	22
__Section 11.11. Reliance on Provisions.....	22

# **BYLAWS OF THE FLAGSHIP NIAGARA LEAGUE**

## **A Nonprofit Corporation**

### **ARTICLE I - INTRODUCTION**

#### **Section 1.01. Bylaws**

These Bylaws constitute the code of rules adopted by The Flagship Niagara League (the "League") for the regulation and management of its affairs.

#### **Section 1.02. Purposes and Powers**

The League was incorporated under the Pennsylvania Nonprofit Corporation Law of 1972 on May 10, 1982. The League shall have the purposes or powers as may be stated in its Articles of Incorporation, and whatever powers are or may be granted by the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania, or any successor legislation.

The primary purpose of the League is to facilitate citizen participation in:

- (a) The support and promotion of the Erie Maritime Museum and the preservation of its primary exhibit, the Flagship Niagara, along with the provision of resources – monetary, material, and human – to facilitate these goals;
- (b) The fostering of community and national awareness of the historical significance of the Flagship Niagara;
- (c) Providing direction, including policy recommendations, financial plans for the development of the Niagara and the Museum in concert with the Pennsylvania Historical and Museum Commission;
- (d) Providing educational and historical activities related to the Flagship and the Museum, and to do all lawful things for which corporations can be formed under the Non-profit Corporation law of Pennsylvania, Act No. 271 of November 15, 1972, as amended.

The League is organized exclusively for charitable, scientific, or educational purposes as defined by Section 501(c) (3) of the Internal Revenue Code and its Regulations.

No part of the net earnings of the League shall inure to the benefit of any trustee or officer of the League or any private individual (except that reasonable compensation

may be paid for services rendered); and no such person shall be entitled to share in the distribution of any of the corporate assets of the League upon dissolution.

The League shall not engage in any act which would (i) be construed as propaganda or an attempt to influence legislation or to intervene in any political campaign on behalf of any candidate for public office; (ii) not be permitted to be carried on by a corporation 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 by a corporation, contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

### **Section 1.03. Associate Group**

The League is an Associate Group of the Pennsylvania Historical and Museum Commission (the "PHMC"), and a party to an Associate Agreement Contract with PHMC. The League also enters into annual agreements regarding the program of activities and budget with PHMC. These contracts authorize the League to take certain actions regarding the Flagship/U.S. Brig Niagara and activities related to it. Such contracts create certain obligations on the part of the League that may affect the League's management and operations.

The League shall engage in actions, planning, and work, to further the purposes set forth at Section 1.02, above, in accordance with the currently operative Associate Agreement, and any other such currently operative contract or agreement, between it and PHMC.

- (a) The Director of the Bureau of Historic sites shall serve as an *ex-officio* member of the Board of Trustees and all committees and shall be notified within 48 hours of all meetings of the members, the Board or committees.
- (b) The League may provide the means to acquire such goods and/or such services as approved by the Executive Director of the PHMC or his or her designee and as may be deemed proper, necessary or desirable for the development of the Flagship Niagara. The League may cooperate with and aid the PHMC in the development of the historic site through maintenance of a sales store, presentation of ships, craft demonstrations, public and special programming, etc., publication of appropriate literature and assistance in providing visitor services at the Flagship Niagara. The League may solicit gifts of money and/or gifts or loans of objects for the historic site. The initiation of any activities shall not be made or undertaken until after the precise nature and scope of the activity or activities to be undertaken shall be first presented in detail to the Executive Director of the PHMC or his or her designee in writing and permission granted for the activity in writing.

- (c) The League shall prepare, in cooperation with the historic site, a proposed program of activities and a proposed budget at the beginning of each year for the review and approval of the Executive Director of the PHMC, or his or her designee.
- (d) Audited financial statements are required to be submitted to the Executive Director of the PHMC or his or her designee no later than April 15 for the preceding calendar year, this statement must be certified as true and correct by the Treasurer of the League. The PHMC has the right to inspect all books and records of the League.
- (e) The League is required to maintain good financial records and all such records must be retained for a period of five (5) years, and upon termination of the Agreement all records become property of the PHMC.
- (f) The League shall utilize all net profits or income as may be derived from their activities for the purposes authorized in and in the manner prescribed in Paragraph (c) of this section.
- (g) The League shall, prior to the issuance of *any* publicity, oral or in writing, obtain the approval of the Executive Director of the PHMC, or his or her designee as to the appropriateness of such publicity.

#### **Section 1.04 Ex-officio Status**

A member of *any* committee or Board who serves as an *ex-officio* member shall have the right to be informed of all meetings of such committee or Board but shall have no voting rights.

### **ARTICLE II - MEMBERSHIP**

#### **Section 2.01 Members**

- (a) The members of the League are those persons having membership rights in accordance with the provisions of these Bylaws.
- (b) The League may have the following classes of members.
  - (1) Individual membership is open to all persons age 18 and over.
  - (2) Junior membership is open to all persons 17 years of age or younger.
  - (3) Organizational membership is open to all societies, corporations, governmental agencies, etc., whose interest is demonstrated by a letter of appointment of one of its members as a representative to the League of said group and by a contribution, in an amount to be determined by the Board, to the Flagship Niagara League.

- (4) Honorary Membership is open to *any* individual or organization so designated by the Board of Trustees, who has significantly contributed to the goals of the League.

### **Section 2.02 Dues**

The annual dues payable to the League by members of each class will be in the amount determined from time to time by resolution of the Board of Trustees. Membership year shall end at the annual meeting of the members. Annual dues will be payable in advance on the first day following expiration of the prior membership year.

### **Section 2.03 Members Meetings**

- (a) Meetings of Members will be held at such location selected by the Board of Trustees.
- (b) The annual meeting of the Members will be held each year after completion of the annual audit during the months of March or April, beginning in 2013.
- (c) Special meetings of the Members may be called by any of the following:
- (1) The Board of Trustees.
  - (2) The President.
  - (3) Members, who in the aggregate, are entitled to cast at least 10 percent of the votes which all members are entitled to cast, at such meeting.
- (d) Notice of Members' Meetings - Written or printed 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, must be delivered not less than five (5) nor more than forty (40) days before the date of Members' meeting, either personally, by first class mail, or by email by or at the direction of the President, the Secretary, or the officers or other persons or Members calling the meeting, to each Member entitled to vote at such meeting. Such notice shall: identify all persons nominated for election to the Board of Trustees at the upcoming Members' meeting; set forth any prospective vote to take place regarding new Officers or Trustees; and set forth the Members' opportunity to submit additional nominees from the floor. If mailed, the notice will be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the League, with postage prepaid.
- (e) Notice By Publication - Notice of a meeting of Members may be given by having such notice of a meeting officially published if such notice is published in newspapers required for official publication if the general circulation of

such newspapers have an aggregate territory of general circulation which includes the addresses of record of at least 80% of such Members of record. Notice given under this section shall be deemed to be written notice to every member of record entitled to vote at the meeting, this statement must be certified as true and correct by the Treasurer of the League. The PHMC has the right to inspect all books and records of the League.

- (f) At the annual meeting of the Members the following business, among other things, shall be transacted:
- (1) Report of the President, and verified by the Treasurer, regarding the status of operations of the League shall be made showing in appropriate detail the following:
    - i. The assets and liabilities, including the trust funds, of the League as of the end of the fiscal year immediately preceding the date of the report.
    - ii. The principal changes in assets and liabilities including trust funds during the year immediately preceding the date of the report.
    - iii. The revenue or receipts of the League both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the League.
    - iv. The expenses or disbursements of the League, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the League.
  - (2) A report of the President regarding the current year's budget, activities and a review of the League's goals.
  - (3) A report of the Nominating Committee and the acceptance of nominations from the floor, and
  - (4) Election of Trustees, by Members who are duly authorized to vote, shall be conducted.

#### **Section 2.04 Voting Rights of Members**

- (a) Each member, other than Honorary Members or junior members, who are members in good standing as of January 15<sup>th</sup> of the current year will be entitled to one vote on each matter submitted to a vote of Members.
- (b) Quorum of Members - Those members present at a meeting shall constitute a quorum for the transaction of business at the meeting. The vote of a majority of the votes entitled to be cast by the Members present, at a meeting at which a quorum is present is necessary for the adoption of any matter voted on by the Members, unless a greater proportion is required by the Pennsylvania



Nonprofit Corporation Law, the Articles of Incorporation of the League, or any provision of these Bylaws.

**Section 2.05 Transferability of Membership** - Membership in the League is nontransferable and non-assignable.

**Section 2.06 Termination of Membership** - Membership will terminate in the League on any of the following events, and for no other reason:

- (a) Receipt by the Board of Trustees of the written resignation of a Member, executed by such Member or his duly authorized attorney-in-fact.
- (b) The death of a Member.
- (c) The failure of a Member to pay annual dues on or before their due date.

### **ARTICLE III - CONSULTANTS**

#### **Section 3.01 League Consultants**

- (a) League Consultants may be appointed by the President for the purpose of cooperation with organizations interested in the League's ongoing work.
- (b) League Consultants may be invited to attend Board meetings of the executive committee and/or the full Board.
- (c) As a matter of assistance to the League, League Consultants may, at the request of the President, assume responsibility for investigating and giving their recommendations on special projects.

## ARTICLE IV - BOARD OF TRUSTEES

### Section 4.01. Powers; Personal Liability

- (a) General Rule - Other than powers granted to the members by statute, the Articles or the Bylaws of the League, all powers vested by law in the League shall be exercised by and under the authority of, and the business, property and affairs of the League shall be managed under a Board of Trustees (the "Board").
- (b) Standard of care; justifiable reliance - A Trustee shall stand in a fiduciary relation to the League and shall perform duties as a Trustee including duties as a member of any committee of the Board upon which the Trustee may serve, in good faith, in a manner the Trustee reasonably believes to be in the best interests of the League, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.
  - (1) In performing his, or her duties, a Trustee shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:
    - (A) One or more officers or employees of the League whom the Trustee reasonably believes to be reliable and competent in the matters presented.
    - (B) Counsel, public accountants or other persons, as to matters which the Trustee reasonably believes to be within the professional or expert competence of such persons.
    - (C) A committee of the Board upon which the Trustee does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Trustee reasonably believes to merit confidence.
  - (2) However, a Trustee shall not be considered to be acting in good faith if the Trustee has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.
- (c) Consideration of factors - In discharging the duties of their respective positions, the Board, committees of the Board and individual Trustees may, when analyzing and determining the best interests of the League, consider the effects of any action upon employees, upon suppliers and customers of the League and upon communities in which offices or other establishments of the League are located, and all other pertinent factors. The consideration of these factors' shall not constitute a violation of subsection (b).

- (d) Presumption - Absent breach of fiduciary duty, lack of good faith or self-dealing, action taken as a Trustee' or any failure to take any action shall be presumed to be in the best interests of the League.
- (e) Personal liability of Trustees
  - (1) A Trustee shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action unless.
    - i. The Trustee has breached or failed to perform the duties of his or her office under this Section; and
    - ii. The breach or failure to perform constitutes, self-dealing, willful misconduct or recklessness.
  - (2) The provisions of paragraph (1) shall not apply to:
    - i. The responsibility or liability of a Trustee pursuant to any criminal statute;
    - ii. The liability of a Trustee for the payment of taxes pursuant to local, state or Federal law.
- (f) Notation of dissent - A Trustee who is present at a meeting of the Board, or of a committee of the Board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Trustee files a written dissent to the action with the Secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary of the League immediately after the adjournment of the meeting. The right to dissent shall not apply to a Trustee who voted in favor of the action. Nothing in this section shall bar a Trustee from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the Trustee notifies the Secretary, in writing, of the asserted omission or inaccuracy.

#### **Section 4.02. Qualifications, Number and Term of Office**

- (a) The qualifications for becoming and remaining a Trustee of the League are as follows:
  - (1) Trustees must be members of the League;
  - (2) Trustees must, in addition to those duties prescribed by law, agree to perform duties as specified in any code of conduct, contract, or currently applicable document which sets forth expectations for trustees' service, including these Bylaws; and
  - (3) Trustees need not be residents of the Commonwealth of Pennsylvania.

- (b) Number - The Board shall consist of not less than eleven (11) Trustees and not more than twenty-one (21) Trustees at any time. Subject to these numerical limitations, additions may be made at any time and vacancies may, but need not, be filled at any time.
- (c) Term of office - Trustees will be elected at each annual meeting when necessary for a term of three (3) years. A Trustee elected for a specified term, who completes that term, may continue to serve until a successor has been elected. A Trustee may serve for no more than six (6) consecutive years as Trustee unless there has been at least one (1) intervening year of absence as Trustee. After such absence the Member may be re-elected as Trustee.
- (d) Term of Appointed Trustees - Trustees appointed through Board vote, and not elected at the annual meeting, shall be nominated and face election to a full term at the next annual membership meeting following their initial appointment to the Board.

#### **Section 4.03. Duty of Trustees to Elect Officers**

At the annual meeting of the Board of Trustees, the report of the Nominating Committee shall be received. Thereupon, nominations shall be made and Officers shall be elected for the ensuing year. Election shall be by majority vote of the current Trustees present and voting at the annual meeting.

#### **Section 4.04. Resignation or Removal**

A Trustee may resign at any time by tendering his or her resignation in writing to the President or Secretary. The resignation shall become effective upon receipt or at such subsequent time as shall be specified in the notice. A Trustee may be removed at any time, with or without cause, by a vote of not less than two-thirds (2/3) of the whole number of Trustees present at any meeting of the Board.

Resignation or removal as a Trustee shall also constitute resignation or removal as an officer of the League.

If a Trustee fails to perform the duties as set forth in Section 4.05, or any other document detailing duties of the Trustees, the Trustee shall be automatically removed by written notification by the President. Such notification may be by email. The Trustee may submit a written request to the President for reinstatement, detailing any extenuating circumstances. The Executive Committee shall have complete discretion to accept or reject the Trustee's request for reinstatement.

#### **Section 4.05. Duties of Trustees**

(a) Trustees must be members of the Flagship Niagara League, and must maintain membership during their tenure. Upon being notified in writing, that their membership has expired, a Trustee shall have thirty (30) to renew their membership. If said membership is not renewed, the Secretary shall inform the Trustee of a fourteen (14)

day warning in writing. If the Trustee fails to renew within those 14 days, the President shall remove the Trustee, and send written notice to the Trustee of the removal.

(b) A Trustee must attend at least one-half of the regular and special meetings of the Board, during the League's year (April 1 through March 31). When a Trustee has missed two meetings, the Secretary shall send an email to the Trustee, reminding the Trustee of his or her duty to attend. When a Trustee misses three meetings, the President shall send an email or letter notifying the Trustee of his or her removal from the Board due to failure to attend the required meetings.

(c) A Trustee must serve on at least one of the standing committees of the Board of Trustees, and actively participate in that committee. Those committees shall be set forth in the Board Contract. While a Trustee may request appointment to a specific committee, such committee appointments may be assigned by the President, based upon the needs of the individual committees. Duties of the members of individual committees shall be determined by the chair of the committee, in consultation with the Executive Committee. (Committee selection/assignment shall occur at the annual meeting, and shall be for the duration of one year. Trustees who are appointed to the Board by Board vote shall select/be assigned a committee at the time of his or her appointment and shall continue to serve on that committee until the annual meeting, when the usual selection/assignment process will apply.)

(d) A Trustee shall abide by the duties and obligations set forth in the Board Contract. Board Contracts shall be renewed each year at the annual meeting.

#### **Section 4.06. Vacancies**

- (a) General rule - Vacancies in the Board of Trustees, including vacancies resulting from an increase in the number of Trustees, will be filled by a majority vote of the remaining Trustees, though less than a quorum, and each person so selected shall serve for the balance of the un-expired term and until a successor has been selected and qualified, or until his or her earlier death, resignation, or removal.
- (b) Action by resigned Trustees - When one or more Trustees resign from the Board effective at a future date, the Trustees then in office, including those who have so resigned, shall have power by the applicable vote to fill the vacancies, the vote thereon to take effect when the resignations become effective.

#### **Section 4.07. Compensation**

Trustees shall receive no compensation for any services rendered in their capacities as Trustee. However, nothing contained in these Bylaws shall be construed to preclude any Trustee from receiving compensation from the League for other services actually rendered or for expenses incurred in serving the League as a Trustee or in any other capacity.

#### **Section 4.08. Emeritus Trustees**

The Board may honor certain members as Emeritus Trustees. There shall be no limitation on the number of Emeritus Trustees selected by the Board. Emeritus Trustees serve for life and may be removed by a 2/3 majority of the Board. Emeritus Trustees shall serve as *ex-officio* members of the Board. Emeritus Trustees must be members.

### **ARTICLE FIVE ~ MEETINGS OF THE BOARD AND INFORMAL ACTION**

#### **Section 5.01. Annual Meeting**

The annual meeting of the Board of Trustees will be held immediately following the annual meeting of the Members. Participation in the annual meeting is mandatory, except in special extenuating circumstances, to be approved by the Executive Committee. At the annual meeting the following business, among other things, shall be transacted:

- (a) Election of officers for the ensuing year shall be conducted.
- (b) Reports of such officers and committee chairpersons as the Board shall direct.
- (c) Selection/assignment of standing committees.
- (d) Selection of event committees.
- (e) Renewal of Board Contracts.

All reports to the Board shall be filed with the minutes of the annual meeting.

#### **Section 5.02. Regular Meetings**

Regular meetings of the Board shall be held at such places and times as shall be approved by resolution of the Board. It is contemplated that regular meetings will be held approximately six (6) times per year.

#### **Section 5.03. Special Meetings**

Special meetings of the Board may be called at any time by the President and shall be called upon receipt of the written request of at least five (5) Trustees.

#### **Section 5.04. Notice and Waiver**

Board members shall be given written notice of the time and place of each meeting. If amendment of the Articles of Incorporation or Bylaws or the removal of a trustee or officer is to be taken up at the meeting, the notice shall set forth such fact. The notice shall be delivered to each Trustee either personally or by first class mail to his or her residence or place of business, not less than five (5) days prior to the meeting, or by email. not less than five (5) days prior to the meeting to the email address that appears on the records of the League. If mailed, such notice will be deemed to be delivered when

deposited in the United States mail and addressed to the Trustee at his or her address as it appears on the records of the League, with postage prepaid.

Attendance of the Trustee at any meeting shall constitute a waiver of notice of such meeting except where such Trustee attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Whenever notice of any kind is required to be given under the provisions of the Nonprofit Corporation Law of 1988, the Articles of Incorporation of the League, or these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in such waiver, will be deemed equivalent to the giving of such notice. Such waiver must, in the case of a meeting at which amendment of the Articles of Incorporation or Bylaws or the removal of a Trustee or officer is to be taken up, specify the general nature of the business to be transacted.

#### **Section 5.05. Quorum**

A majority of the whole Board shall constitute a quorum for the transaction of business. In addition to those Trustees who are actually present at a meeting, Trustees shall be deemed as present at such meeting if a telephone or similar communications device by means of which all persons participating in the meeting can hear each other at the same time is used. Each Trustee is entitled to one vote. The act of a majority of the Trustees present and voting at a meeting at which a quorum is present shall be the act of the Board, unless a greater number is required under the provisions of the Nonprofit Corporation Law of 1988, the Articles of Incorporation of the League, or any provision of these Bylaws. After a quorum has been established at a meeting of the Board, the subsequent withdrawal of Trustees from the meeting so as to reduce the number of Trustees present to fewer than the number required for a quorum shall not affect the validity of any action taken by the Board at the meeting or any adjournment thereof. A majority of the Trustees present, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place.

#### **Section 5.06. Action Without a Meeting**

Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if, prior or subsequent to the action, the members unanimously consent to such action in a telephone, fax, or email poll. Such consent shall have the same effect as a vote of the Committee or subcommittee and a record thereof shall be kept by the secretary or Counsel in the same manner as minutes or the meetings of the Committee or any subcommittee.

### **Section 5.07. Agenda**

An agenda shall be prepared by the President or Secretary and delivered with the notice as required in section 5.04. With the approval of a majority of the Board present at the meeting, the agenda may be changed.

## **ARTICLE SIX ~ OFFICERS**

### **Section 6.01. Officers**

- (a) The officers of the League shall consist of the following personnel:
  - (1) A President,
  - (2) A Vice-President,
  - (3) A Secretary,
  - (4) A Treasurer, and
  - (5) Such other officers as the Board shall deem advisable.
- (b) Each officer shall be elected by the Board at the annual meeting of the Board. Such officers shall hold office for a term of one (1) year or until their successors are elected, except in the event of their earlier death, resignation or removal.
- (c) The qualifications for becoming and remaining an officer of the League are as follows:
  - (1) Officers must be members of the League.
  - (2) Officers must be Trustees of the League.
  - (3) Officers must be residents of the Commonwealth of Pennsylvania.

### **Section 6.02. Vacancies**

A vacancy in any office because of death, resignation or removal shall be filled by the Board for the un-expired term of such office.

### **Section 6.03. Resignation or Removal of Officers**

An officer may resign at any time by tendering his or her resignation in writing to the President or Secretary. The resignation shall become effective immediately upon receipt. An officer of the League may be removed at any time, with or without cause, by a vote of not less than two-thirds (2/3) of the whole number of Board members present at any meeting of the Board.

### **Section 6.04. President**

The President shall: (a) if the position of Executive Director of the League is vacant, serve as the Chief Executive Officer of the League with all the authority and



responsibility commensurate with that position subject only to such policies as may be issued by the Board; (b) preside at all meetings of the Board and the Executive committee; (c) appoint all committees and their chairpersons in accordance with Article Seven of these Bylaws; (d) act as the duly authorized representative of the Board and the League in all matters in which the Board has not formally designated some other person to act; (e) report as directed to the Board at each meeting; (f) have such other duties and responsibilities as shall be delegated to him or her by these Bylaws and by the Board from time to time; and (g) serve as a member of all committees.

#### **Section 6.05. Vice President**

The Vice President shall: (a) if the position of Executive Director of the League is vacant serve as the Chief operating Officer of the League; (b) perform all duties and exercise all powers of the President when the President is absent or is otherwise unable to act; (c) serve as a member of all committees; (d) perform such other duties as may be prescribed from time to time by the Board of Trustees.

#### **Section 6.06. Secretary**

The Secretary shall: (a) record and keep minutes of all meetings of the members and the Board of Trustees, including keeping attendance at the meetings; (b) be custodian of all the records of the League; (c) give all notices as are required by law or by these Bylaws; and (d) perform generally 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 from time to time by the Board.

#### **Section 6.07. Treasurer**

The Treasurer shall: (a) have charge and custody of all funds of the League; (b) deposit the funds as required by the Board; (c) keep and maintain adequate and correct accounts of the League's properties and business transactions (d) render reports and accounting to the Board at each Board Meeting or as required by law; (e) perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board.

#### **Section 6.08. Salaries**

The salaries of the officers elected by the Board shall be fixed from time to time by the Board or by such officer as may be designated by resolution of the Board. The salaries or other compensation of any other officers, employees and other, agents shall be fixed from time to time by the officer or committee to which the power to elect such officers or to retain or appoint such employees or other agents has been delegated. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that the officer is also a Trustee of the corporation.

## **ARTICLE SEVEN ~ COMMITTEES**

### **Section 7.01. Appointment and Powers**

(a) Unless otherwise provided for in these Bylaws, the President shall appoint the members, board liaisons, chairpersons, and co-chairpersons of such standing or ad hoc committees as the Board may create from time to time. The President shall serve as a member of all committees. The President may also appoint special committees with such powers as the Board shall deem appropriate and name their members and chairpersons. Each committee shall have and may exercise all of the powers provided by the resolution establishing such committee. However, no such committee will have the authority of the Board in reference to any of the following:

- (1) Filling of vacancies in the Board;
- (2) Adoption, amendment or repeal of Bylaws;
- (3) Amendment or repeal of any resolution of the Board;
- (4) Action on matters committed by the Bylaws or resolutions of the Board to another committee of the Board.

(b) The qualification for becoming and remaining a chairperson of a committee are as follows;

- (1) A chairperson must be a Trustee or full time employee of the League. In the event that a committee is chaired by a League employee, a Trustee shall serve as co-chairperson or Board Liaison, except that the chairperson of the Bylaws Committee may be the League's solicitor.

### **Section 7.02. Executive Committee**

The League shall have an Executive Committee, which shall not exceed seven (7) members, which will consist of the officers of the League plus such other Trustees selected by the President. The Executive Committee shall have the same powers and authority as the Board of Trustees, except for the matters enumerated in section 7.01.

This Committee's responsibilities include, but are not limited to:

(a) The formulation of recommendations to the full Board for action on matters that require a full Board vote, including but not limited to, contracting decisions, selection of new vendors, authorization for non-routine expenditure of League funds for projects, and the like:

(b) Review of personnel policies for the staff of the League;

(c) Review of recommendations by the Governance/Human Resources Committee regarding the formulation of HR policies and compensation of all League staff;

(d) Shall make recommendations to the full Board regarding the employment, and compensation of the Executive Director, including salary bonuses;

(e) Designation of an Executive Committee member, or other Trustee, to serve as the League's liaison to the Museum, and to the Sailing Program. Unless otherwise specified, the Trustee serving as Chairperson or Board Liaison to the Education Committee shall be the liaison for the Museum;

(f) Supervision of operations of the League. Such oversight will include, but is not limited to, the supervision and ongoing performance evaluations of the Executive Director, along with provision of strategic direction and objectives to the Executive Director;

(g) Review of, and cooperation with, the work of the standing and ad hoc/special committees.

(h) Shall serve as the nominating committee for members to the Board of Trustees. Any Trustee may propose a potential new Trustee by forwarding a copy of said person's resume to the President. The Executive Committee shall review all resumes, conduct interviews of potential Trustees, and shall recommend new Trustees to the full Board, based upon various factors, including the needs of the Board, the skills of the proposed Trustee, and the commitment level of the proposed Trustee.

The Executive Committee shall hold regular monthly meetings at such places and times as shall be established by the- President. The President shall serve as Chairperson of the Executive Committee.

### **Section 7.03. Standing Committees**

(a) Finance Committee - This Committee shall be chaired by the Treasurer and have as members as many other members as deemed necessary.

This Committee shall:

- (1) Review the yearly budget in consultation with the League's President
- (2) Meet with the League's Director at least quarterly for continuing review of the status of the current operating budget
- (3) Recommend to the Board an operating budget and all expenditures outside the current operating budget.

(b) Education and Programming Committee.

(c) Other Committees as set forth annually in the Board Contract.

- (d) Other Committees - The President shall designate other appropriate committees as deemed necessary.

**Section 7.04. Term of Office**

Each committee member shall continue in office until his or her successor is appointed or until his or her earlier death, resignation or removal, unless the committee of which he or she is a member shall be sooner terminated by the Board.

**Section 7.05. Committee Meetings**

Meetings of any committee may be called by the chairperson of such committee by giving notice of such meeting, setting forth its time and place and delivered personally or by mail, email, or telephone to the residences or places of business of the committee's members as listed in the League's records at least five (5) days prior to such meeting. Unless otherwise provided in these Bylaws, the majority of the members present of any committee shall constitute a quorum for the transaction of business. After a quorum has been established at a committee meeting, the subsequent withdrawal of committee members from the meeting so as to reduce the number of committee members present to fewer than the number required for a quorum shall not affect the validity of any action taken at the meeting. Each committee shall report to the Board as necessary with recommendations.

**Section 7.06. Committee Action Without a Meeting**

Actions of any committee may be taken without any formal meeting of such committee if taken in accordance with the provisions of these bylaws.

**Section 7.07. Resignation or Removal of Committee Members**

A member of any committee may resign at any time by tendering his or her resignation in writing to the Chair of the committee, and the President. The Chair of a committee may by majority vote remove any member from a committee, with, or without cause. The President shall fill any vacancy occurring for a committee.

**ARTICLE EIGHT ~ OPERATIONS**

**Section 8.01. Fiscal Year**

The fiscal year of the League shall begin on the first day of January in each year.

**Section 8.02. Registered Office**

The registered office of the Corporation shall be at 150 East Front St Suite 100, Erie, Pennsylvania 16507.

### **Section 8.03. Execution of Documents**

Except as otherwise provided by law, checks, drafts promissory notes, orders for the payment of money, and other evidences of indebtedness of the League amounting to less than \$15,000 shall be signed by the League Director without action by the Board. Any such payments amounting to more than \$15,000 shall be signed by at least two (2) of the following: the President, the Treasurer, or a person designated by the Board of Trustees. In addition, a monthly report of all executed financial instruments shall be submitted to the Treasurer no later than the 15<sup>th</sup> of each month.

Contracts, leases, or other instruments executed in the name of the League with a monetary value exceeding \$20,000.00 shall be signed by the President and countersigned by the Treasurer, and shall have attached copies of the resolutions of the Board certified by the Secretary authorizing their execution, excepting Port Contracts which shall be executed by the Executive Director and one Captain.

### **Section 8.04. Books and Records**

The League shall keep correct and complete books and records of account, and will also keep minutes of the proceedings of its members, Board of Trustees and Executive Committee. The League shall keep at its principal place of business a membership register giving the names, addresses and other details of the membership of each member, and the original or a copy of its Bylaws including amendments to date certified by the Secretary of the League. Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time.

All books and records of the League may be inspected by any member including, Trustees, officers and League consultants, or by his or her agent or attorney, for any proper purpose at any reasonable time on written demand under oath stating such purpose. A proper purpose shall mean a purpose reasonably related to the interest of such party as a Member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the Member.

## **ARTICLE NINE ~ DISSOLUTION**

### **Section 9.01. Dissolution**

- (a) Upon the dissolution of the League, after payment or provision for the payment of all of the liabilities of the League has been made, the remaining assets shall be distributed exclusively to such organizations which would then qualify as exempt organizations under section 501(c) (3), of the Internal Revenue Code of 1986 (or the corresponding provisions of any subsequent

federal tax law) as the Board shall determine except as provided in paragraph (b) below.

- (b) Upon dissolution, the PHMC may declare all assets of the League to be property of the PHMC to be specifically designated for the restoration and preservation of the Flagship Niagara.

## ARTICLE TEN ~ AMENDMENTS

### Section 10.01. Amendments

These Bylaws may be altered, amended, repealed or supplemented and new Bylaws may be adopted by a two-thirds (2/3) vote of the whole number of Trustees present at any meeting of the Board.

## ARTICLE ELEVEN ~ INDEMNIFICATION OF TRUSTEES, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES

### Section 11.01. Scope of Indemnification

- (a) General rule - The League shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise by reason of the fact that such person is or was serving in an indemnified capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except:
  - (1) Where such indemnification is expressly prohibited by applicable law;
  - (2) Where the conduct of the indemnified representative has been finally determined pursuant to section 9.06 or otherwise:
    - 1. To constitute willful misconduct or recklessness; or
    - 2. To be based upon or attributable to the receipt by the indemnified representative from the League of a personal benefit to which the indemnified representative is not legally entitled; or
  - (3) To the extent such indemnification has been finally determined in a final adjudication pursuant to section 9.06 to be otherwise unlawful.
- (b) Partial Payment - If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the League shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.
- (c) Presumption - The termination of a proceeding by judgment, order, settlement or conviction or upon a plea of *nolo contendere* or its equivalent shall not of itself create a presumption that the indemnified representative is not entitled to indemnification.
- (d) Definitions - For purposes of this Article

- (1) "Indemnified capacity" means any and all past, present and future service by an indemnified representative in one or more capacities as a Trustee, officer, employee or agent of the League, or, at the request of the League, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise;
- (2) "Indemnified representative" means any and all Trustees and officers of the League any other person designated as an indemnified representative by the Board of Trustees of the League (which may, but need not, include any person serving at the request of the League, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee, benefit plan or other entity or enterprise);
- (3) "Liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to employee benefit plan, or cost or expense, of any nature (including, without limitation, attorneys' fees and disbursements); and
- (4) "Proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the League, a class of its security holders or otherwise.

#### **Section 11.02. Proceedings Initiated by Indemnified Representatives**

Notwithstanding any other provision of this Article, the League shall not indemnify under this Article an indemnified representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervener or *amicus curiae* by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the Trustees in office. This section does not apply to reimbursement of expenses incurred in successfully prosecuting or defending an arbitration under section 9.06 or otherwise successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

#### **Section 11.03. Advancing Expenses**

The League shall pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Section 9.01 or the initiation of or participation in which is authorized pursuant to section 9.02 upon receipt of an undertaking by or on behalf of the indemnified representative to repay the amount if it is ultimately determined pursuant to Section 9.06 that such person is not entitled to be indemnified by the League pursuant to this Article. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance.

#### **Section 11.04. Securing of Indemnification Obligations**

To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the League may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the League, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the Board of Trustees shall deem appropriate. Absent fraud, the determination of the Board of Trustees with respect to such amounts, costs, terms and conditions shall be conclusive against all security holders, officers and Trustees and shall not be subject to void ability.

#### **Section 11.05. Payment of Indemnification**

An indemnified representative shall be entitled to indemnification within 30 days after a written request for indemnification has been delivered to the secretary of the League.

#### **Section 11.06. Arbitration**

- (a) General rule - Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under this Article, that the League has undertaken to submit to a court for adjudication, shall be decided only by arbitration in the metropolitan area in which the principal executive offices of the League are located at the time, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before a panel of three arbitrators, one of whom shall be selected by the League, the second of whom shall be selected by the indemnified representative and the third of whom shall be selected by the other two arbitrators. In the absence of the American Arbitration Association, or if for any reason arbitration under the arbitration rules of the American Arbitration Association cannot be initiated, or if one of the parties fails or refuses to select an arbitrator or if the arbitrators selected by the League and the indemnified representative cannot agree on the selection of the third arbitrator within 30 days after such time as the League and the indemnified representative have each been notified of the selection of the other's arbitrator, the necessary arbitrator or arbitrators shall be selected by the presiding Judge of the court of general jurisdiction in such metropolitan area.
- (b) Burden of Proof - The party or parties challenging the right of an indemnified representative to the benefits of this article shall have the burden of proof.
- (c) Expenses - The League shall reimburse an indemnified representative for the expenses (including attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration.
- (d) Effect - Any award entered by the arbitrators shall be final, binding and non-appealable and judgment may be entered thereon by any party in accordance with applicable law in any court competent jurisdiction, except that the League shall be entitled interpose as a



defense in any such judicial enforcement proceeding any prior final judicial determination adverse to the indemnified representative under Section 9.01 (a) (2) in a proceeding not directly involving indemnification under this Article. This arbitration provision shall be specifically enforceable.

#### **Section 11.07. Contribution**

If the indemnification provided for in this Article or otherwise is unavailable for any reason in respect of any liability or portion thereof, the League shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Article or otherwise.

#### **Section 11.08. Mandatory Indemnification of Trustees, Officers, etc.**

To the extent that an authorized representative of the League has been successful on the merits or otherwise in defense of any action or proceeding referred to or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees and disbursements) actually and reasonably incurred by such person in connection therewith.

#### **Section 11.09. Contract Rights; Amendment or Repeal**

All rights under this Article shall be deemed a contract between the League and the indemnified representative pursuant to which the League and each indemnified representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing

#### **Section 11.10. Scope of Article**

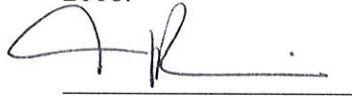
The rights granted by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of shareholders or disinterested Trustees or otherwise both as to action in an indemnified capacity and as to action in any other capacity. The indemnification, contribution and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

#### **Section 11.11. Reliance on Provisions**

Each person who shall act as an indemnified representative of the League shall be deemed to be doing so in reliance upon the rights provided by this Article.

March 5, 2018

I, ANN HALUPCZYNSKI Secretary of The Flagship Niagara League, certify that the attached Bylaws comprising of 3 index pages and 22 pages of text, is a complete and accurate copy of the Bylaws adopted by the Trustees of the Flagship Niagara League by at least a two-thirds (2/3) vote at the Board of Trustees meeting held on February 27, 2018.

  
\_\_\_\_\_, Secretary