

PEMAQUID WATERSHED ASSOCIATION, INC.
BYLAWS (Amended 7/21/07; 7/16/11)

Article I

Name

The name of the corporation shall be Pemaquid Watershed Association, Inc. It shall be a non-profit, non-stock corporation organized under the laws of the State of Maine. Its principal place of business shall be located at Damariscotta, Maine. Said corporation shall carry on business and operate anywhere within the State of Maine or in any state where it has legal authority to carry on business and operate.

Article II

Purposes

The purpose of the Corporation shall be as specified in the Articles of Incorporation, a copy of which is annexed hereto.

Article III

Membership

Any person, including an individual, trust, estate, partnership, association, company or corporation, who supports the purposes of the organization shall become a member upon the payment of dues in cash. Any individual with an interest in being a member but with a stated inability to pay dues will not be declined membership. Dues are payable on April 1 for the ensuing fiscal year. The Board of Directors shall have the power to set the amount of annual dues and to formulate policies and procedures of the membership as deemed appropriate and which are not inconsistent with these by-laws. Each member in good standing is entitled to one vote on all matters properly put before the membership and in the election of Directors and officers.

Article IV

Officers

The officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected from the membership at the annual meeting. Any person who is a member may be elected to serve as an officer for up to six consecutive one-year terms, at the end of which time said officer may not be re-elected to any officer position for a period of one year thereafter. They will perform the duties customarily associated with their respective offices. Each officer shall also serve as a member of the Board of Directors.

Any officer may be removed from office by an affirmative vote of a majority of the Board of Directors, followed by an affirmative vote of two-thirds of the total number of members entitled to a vote at a special meeting of the members called for such purpose. Removal of an officer shall also constitute removal of that person as a member of the Board of Directors.

Whenever an officer vacancy occurs, the Board of Directors may elect a person from the membership to serve for the remainder of the vacant term.

Article V

Board of Directors

The property, affairs and activities of the Corporation shall be managed by a Board of Directors. The Board of Directors shall have and may exercise all the powers allowed to non-profit corporations under the laws of the State of Maine except as may otherwise be limited by the provisions of these by-laws and the Articles of Incorporation.

The Board of Directors shall consist of no less than ten or more than fifteen members, which includes the four officers to be elected as provided elsewhere in these by-laws. The Board shall consist of at least one Director from each of the four towns in which the majority of the Pemaquid River watershed lies, namely Bremen, Bristol, Damariscotta, and Nobleboro. A Director is deemed to represent a particular town if she/he is a resident of such town or has substantial business, property ownership, or other contacts in such town. Each Director shall serve for a period of three years. Notwithstanding the foregoing, the Board of Directors shall still be deemed legally constituted to do the business of the PWA even during any interval of time when (i) less than one Director from each town is serving on the Board, and/or (ii) there are less than fifteen Directors and all officers elected.

The Board of Directors may employ an Executive Director. The Board of Directors shall be charged with the responsibilities of relating to the employment of said Executive Director with said Executive Director being answerable to the Board. The Board of Directors, acting as a representative body of the membership at large, shall determine the policies, programs and operation of this organization. The Executive Director shall carry out, administer and execute the policies, programs and operations. The Executive Director may make recommendations to the Board as he or she sees the need. The Board of Directors may employ other paid staff as deemed necessary.

Any person who is a member may be elected to serve for up to two full consecutive three-year terms as a Director of the Corporation at the end of which time said Director may not be re-elected as a Director for a period of one year thereafter.

Any Director may resign at any time by giving written notice to the Chairperson or Secretary of the Corporation. Such resignation shall take effect on the date of the receipt of such notice or at any latter time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

At a special meeting of members called expressly for that purpose, the entire Board of Directors or any individual Director may be removed, with or without cause, by vote of a two-thirds majority of the members entitled to vote for Directors.

In case of a vacancy, the remaining Directors may elect a successor for the remainder of the vacant term. Where a Director is elected to complete a partial term, that partial term does not count towards the two-term limit.

Any action required to be taken at a meeting of the Board of Directors or any action which may be taken at a meeting of the Board of Directors or of a committee of the Board of Directors, may be taken without a meeting if all of the Directors, or all of the members of the committee, as the case may be, sign written consents setting forth the action taken or to be taken,

at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of Directors' meetings or committee meetings, as the case may be, and shall have the same effect as a unanimous vote.

Article VI

Nominations and Elections

The Nominating Committee shall prepare and present a slate of officers and Directors to the members for vote at the annual meeting.

Article VII

Meetings

There shall be an annual meeting of the members in the month of July at a convenient time and place decided by the President. The purpose of the annual meeting shall be to elect Directors and officers and transact any other business which may properly come before the members. Special meetings of the members may be called at any time by the President, by three members of the Board of Directors, or by petition in writing signed by not fewer than ten members of the Association entitled to vote and filed with the Secretary. At such meetings, no business shall be transacted which is not specified in the notice of the meeting. Written notice of all meetings shall be mailed to each member not less than one week prior to the meeting.

The Board of Directors shall meet at least once a year, just prior to the annual meeting, and at additional times as needed. A Board meeting may be called at any time by the President or by three members of the Board of Directors.

A quorum shall consist of fifteen members at all annual and special meetings of the members. At all Directors' meetings, a quorum shall consist of 50%-plus-one of the current total number of Directors, provided at least three of the four towns are represented. In the event no quorum is present, the members represented shall have the power to adjourn from time to time until such quorum appears. Unless otherwise specified in these by-laws, majority vote will prevail on all matters that come before the members or the Directors.

Article VIII

Committees

Committees may be formed and chairmen appointed by the President in consultation with the Directors.

There shall be standing committees on Development, Education, Finance, Land Stewardship, Legislative Affairs, Nominations, Personnel, and Water Stewardship. Membership on committees is open to all members.

Article IX

Financial

Fiscal Year. The fiscal year of the Corporation shall commence on the first day of April and end on the thirty-first day of March the following year.

Bank Accounts. The funds of the Corporation shall be deposited in one or more banks as designated by the Board of Directors. The officers and Executive Director shall be authorized signatories on the operating bank account. All documents to be executed by the Corporation, including deeds, mortgages, leases, promissory notes or other instruments, except checks, shall be executed by the President and Secretary on behalf of the Corporation. All checks for ordinary operation expenses of the Corporation may be executed by the Executive Director or an officer. Checks for expenses other than ordinary operating that exceed \$1,000.00 must be approved by at least two officers of the Association.

Article X

Acceptance and Transfer of Holding Rights

The Board of Directors shall have the authority to accept and acquire real and personal property and any interest therein in accordance with the corporate purposes.

No interest of the Corporation in any real estate may be transferred, exchanged, encumbered or in any way alienated unless authorized at a meeting of members duly held at which a quorum is present by affirmative vote of two-thirds of the members represented at such meeting entitled to vote on the subject matter. The notice for any such meeting shall contain a description of the proposed transaction and the reason therefore. Such membership approval, however, shall not be required for mortgaging or sale of a portion of real estate in connection with its acquisition for purpose of financing said transaction. Nor shall such membership approval be required for the transfer, exchange, encumbrance or other alienation of interests in unrestricted land held exclusively for investment purposes. However, such purchase money financing and sales of a portion of any larger parcel acquired, and such alienation of interests in unrestricted land held exclusively for investment purposes shall require the affirmative vote of two-thirds of the total number of Directors then in office. No such real estate, however, shall be transferred, exchanged, encumbered or in any other way alienated in such a manner that it fails to meet the requirements of the Internal Revenue Code of 1954, as amended, and the regulations issued thereunder for a corporation qualifying as an exempt organization under the provisions of Section 501(c)(3) of said Code and regulations as they now exist or may hereafter be amended.

Article XI

Limitation of Liability

No Director shall be liable to this Corporation except for his/her own acts, neglects and defaults in bad faith. No Director shall be liable out of his/her or her personal assets for any obligation or liability incurred by this Corporation or by its Directors. The Corporation alone shall be liable for the payment or satisfaction of all obligations and liabilities incurred in carrying on the affairs of this Corporation.

Each member of the Board of Directors and each officer of the Corporation may in the discretion of the other members of the Board of Directors be indemnified by the Corporation

against all loss, costs, damage, expenses and charges reasonably incurred or suffered by him in connection with the defense or reasonable settlement of any action, suit, or proceeding to which he may be made a party by reason of his/her having been a member of the Board of Directors.

Article XII

Conflicts of Interest

No officer or Director shall receive any pay, compensation or benefit from the Corporation directly or indirectly, for performing such duties. No member of the Corporation shall receive any pay, compensation or benefits from the Corporation for being a member. This by-law shall not prohibit the reimbursement of incidental expenses necessarily incurred in the business of the Corporation by any officer or Director duly authorized.

Notwithstanding any other provisions of these by-laws to the contrary, no member, Director, officer, employee or other person associated with the Corporation shall take any action or carry on any activity by or on behalf of the Corporation which is not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or hereafter amended. No member, Director, officer, employee, agent or other persons connected with the Corporation, and no private individual shall receive any net earnings or pecuniary profit from the operations of the Corporation.

Except as provided herein, no Director, Director's family and agents, nor any company, partnership, or association in which the Director has a financial interest, shall (i) be employed nor engaged to complete work by the Corporation, for any type of financial gain or compensation, during their term as Director nor participate in any discussion or vote during their term to have the Corporation employ or engage the same for financial gain or compensation after their term nor (ii) enter into any financial dealings with the Corporation from which they, their family and agents, and any company, partnership, or association in which the Director has a financial interest, will receive financial gain or compensation, or there is the appearance of receiving financial benefits from the Corporation.

A Director, Director's family and agents, or officer of a company, partnership or association in which they have an ownership interest may be compensated to perform duties or enter into financial dealings with the Corporation for matters other than their duties as a Director or an officer, if:

- (i) The material facts as to the Director's financial interest are disclosed to the Board prior to a decision on any such financial dealings,
- (ii) The Board, independent of actions, representations, and statements by such interested Director, determines the transaction to be fair and reasonable and not a form of distributing assets, sharing profits or net earnings of the Organization in contravention of the Internal Revenue Code and these by-laws,
- (iii) The interested Director does not participate in the deliberations on the decision to approve the transaction nor votes on the transaction as a Director,
- (iv) The transaction is approved by a majority of the Board of Directors, exclusive of the interested Director, and
- (v) At the request of any three Directors, such transaction may also be required to be approved by a majority of members at a duly called membership meeting.

Article XIII

Dissolution

In the event of dissolution of the Association, none of its assets shall inure to the benefit of any officer, Director or member, and all assets remaining after satisfaction of claims shall be disposed of by distribution to an organization or organizations having purposes compatible with and similar to those of the Pemaquid Watershed Association and which then qualify for tax exempt status in accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954.

Article XIV

Amendments

These by-laws may be altered, amended, repealed or added to by a majority vote of the members present at an annual or special meeting, provided that due notice of the proposed changes is given in the call of such meeting.

Article XV

Parliamentary Authority

In all matters not covered by these by-laws, the Parliamentary Authority shall be the most recent edition of ROBERT'S RULES OF ORDER.