

BY-LAWS  
OF  
WAUKEWAN SHORE OWNERS ASSOCIATION

ARTICLE I  
NAME

The name of the Corporation is Waukewan Shore Owners Association (the "Corporation"), d/b/a **Windy Waters Conservancy**, to emphasize the Corporation's commitment to the protection of the environment of the entire watershed. It is intended that the Corporation shall have the status of a corporation which is exempt from federal income taxation under Section 501 (a) of the Internal Revenue Code of 1986, as amended, or any corresponding provisions of any future federal tax laws (hereinafter referred to as the "Code"), as an organization described in Section 501 (c)(3) of the Code.

ARTICLE II  
OFFICES

Section 2.1 Corporate Office. The principal office of the Corporation shall be located at Meredith, New Hampshire c/o Post Office Box 91, Attention President, Secretary or Treasurer. The Corporation may have such other offices, either within or without the State of New Hampshire, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

Section 2.2 Registered Office. The registered office of the Corporation to be maintained in the State of New Hampshire may, but need not, be identical with the principal office in the State of New Hampshire. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III  
PURPOSE, MISSION AND USE OF FUNDS

Section 3.1 Purpose and Mission. The Corporation is organized and shall be operated exclusively for charitable or educational purposes within the meaning of Section 501(c)(3) of the Code by conducting or supporting activities for charitable or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code with particular emphasis on protecting the water bodies and the boreal and wetland habitats in the Lake Waukewan Watershed and preserving the natural resources, ecology and scenic beauty of Lake Waukewan, Lake Winona, Bear Pond, Hawkins Pond, Otter Pond and Tuttle Pond; to combat, or prevent air, water, noise and light pollution on or around the water bodies and associated wetlands in the watershed.

Section 3.2 Use and Administration of Funds. In making expenditures and/or distributions to effectuate the charitable or educational purposes of the Corporation, as delineated in Section 3.1 above, the Board of Directors shall have the authority to make distributions of both income and principal in such proportions and amounts as the Board of Directors, in its discretion, determines advisable, provided that all such distributions are consistent with all applicable federal tax laws and regulations, and with New

Hampshire law governing acceptance, administration and distribution of charitable funds. The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, or profits of the Corporation shall be distributable to, or inure to, the benefit of its directors or officers or any other private person, except as provided in Section 5.10 and Article XI, and except to make payments and distributions in furtherance of the purposes of the Corporation, as set forth in the Articles of Organization and Section 3.1 above. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and no part of the activities of the Corporation shall be the participation in, or intervention in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office. The Corporation shall not engage in any excess benefit transaction within the meaning of Section 4958 of the Code.

Section 3.3 Private Foundation Procedures. In the unlikely event that the Corporation becomes a private foundation within the meaning of Section 509 of the Code for a taxable year, the Corporation ( a) shall distribute its income for each tax year in such manner so that it will not become subject to the tax on undistributed income imposed by Section 4942 of the Code; ( b) shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code; ( c) shall not retain any excess business holdings, as defined in Section 4943( c) of the Code; (d) shall not make any investments in a manner that would incur tax liability under Section 4944 of the Code; and ( e) shall not make any taxable expenditures, as defined in Section 4945(d) of the Code. In order fully to effectuate the provisions of this Section, the Corporation shall adopt such procedures, and shall otherwise adhere to such administrative requirements as may from time to time be necessary, in order fully to comply with all applicable federal tax laws and regulations.

Section 3.4 Termination of Corporation. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 503(c)(3) of the Internal Revenue Code, or corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Court of Common pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## ARTICLE IV MEMBERS

Section 4.1 Membership. The Members of the Corporation shall consist of three classes — Individual, Voting, and Associate.

Section 4.1.1 Individual Members - Individual Members are those family members or entities owning real property in the Waukegan watershed and who are in good standing, having paid the annual dues established by the Corporation.

Section 4.1.2 Voting Members - A Voting Member is the one Individual Member within a family who is designated by the family to vote. In the case of multiple families owning a single property within the Waukegan watershed, the families will designate the one Voting Member. In the case of multiple families owning multiple properties within the Waukegan watershed, each property will be allocated to a different family, which will designate the Voting Member for that property. The Directors shall resolve any dispute with regard to voting eligibility.

Section 4.1.3 Associate Members are those individuals and bona fide conservation, water quality or wildlife preservation organizations that share our goals of preserving water quality and health of the Waukegan watershed. Such individuals and organizations may join without dues as non-voting members.

Section 4.2 Resignations. Any Member may resign at any time by giving notice of his, her or its resignation in writing to any officer or director of the Corporation. Further, a member will be deemed to have resigned by failing to pay the annual dues on or before the Annual Meeting each year.

Section 4.3 Removals. Members may be removed from membership at any time with or without cause by a majority vote of Members, or by a vote of three fourths (3/4ths) of the directors.

Section 4.4 Place of Meetings. All meetings of Members shall be held at such place within Meredith, New Hampton or Center Harbor, New Hampshire as is named in the call.

Section 4.5 Annual Meeting. The annual meeting of Members shall be held in July or August and shall be called by the President. In the event the annual meeting is not held on such date, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting.

Section 4.6 Special Meetings. Special meetings of Members may be called by the President or by any director, and shall be called by the secretary, or in the case of the death, absence, incapacity or refusal of the secretary, by any other officer, upon written application of any fifteen (15) Members entitled to vote thereat. In case none of the officers or directors are able or willing to call a special meeting, the Court, upon application of said Member or Members entitled to vote thereat, shall have jurisdiction in equity to authorize one or more of such Members to call a meeting by giving such notice as is required by law.

Section 4.7 Notices. All meetings of Members shall be called by giving at least fourteen (14) days notice to each Member stating the place, day and hour for the meetings and the purpose thereof. Notices shall be mailed postpaid to, emailed to, or delivered at the address of the Members as they appear on the books of the corporation. Whenever notice of a meeting is required to be given a Member under applicable law, the Articles of Organization or these By-laws, a written waiver thereof, executed before or after the meeting by such Member or his or its attorney thereunto authorized and filed with the records of the meeting, shall be deemed equivalent to such notice. Notwithstanding the foregoing, notice of any change of the date fixed in the By-Laws for the annual meeting shall be given to all Members at least twenty (20) days before the new date fixed for such meeting.

Section 4.8 Quorums. Ten (10) Members in person or by proxy shall constitute a quorum, but a smaller number may adjourn a meeting from time to time without further notice until a quorum is present.

Section 4.9 Voting. At all meetings of the Members each Voting Member, as defined in section 4.1.2, shall be entitled to one vote. Each dues paying family shall have one vote. When a quorum is present at any meeting, the vote of a majority of Members present shall, except where a larger vote may be required by law, the Articles of Organization or these By-Laws, decide any question brought before the meeting. Members may vote by written proxy dated not more than three (3) months before the meeting named therein, which shall be filed with the secretary of the meeting, or any adjournment thereof, before being voted.

Section 4.10 Action by Consent. Any action required or permitted to be taken at any meeting of Members may be taken without a meeting if twenty percent (20%) of the Members consent to the action in writing and the written consents are filed with the records of the meetings of the Members. Such consents shall be treated for all purposes as a vote at a meeting.

## ARTICLE V BOARD OF DIRECTORS

Section 5.1 General Powers. The business, management and affairs and control of the property of the Corporation shall be managed and supervised by its Board of Directors, which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Articles of Organization, or these By-Laws. The Board of Directors, as the governing body of the Corporation, shall have the authority to receive, administer, invest and distribute property on behalf of the Corporation in accordance with the provisions set forth in the Corporation's Articles and these By-Laws.

Section 5.2 Number, Tenure, and Qualifications. The Board of Directors shall consist of up to eleven (11) persons provided, however, that all of the powers and obligations of the Board of Directors may be exercised so long as there are not less than five (5) Directors. The President, Treasurer and Secretary of the Corporation shall be directors. The number of directors may be increased or decreased from time to time by amendment of these By-Laws, but no decrease shall have the effect of shortening the term of an incumbent director.

The Board of Directors shall be appointed by the Members. The term of each director shall be three (3) years, with terms of office staggered in such a manner to assure that the terms of office of not more than one third (1/3) of all directors will expire in anyone year, provided, however, the President of the Corporation shall continue as a director so long as he/she holds the office of President.

Each director shall hold office until his or her term shall have expired and his or her successor shall have been appointed, or until his or her earlier resignation, removal from office, or death. A retiring director may succeed himself or herself, provided that no director may serve more than three (3) consecutive terms. Directors shall be natural persons who have attained the age of twenty-one (21) years, but need not be residents of the State of New Hampshire.

Any vacancy occurring in the Board of Directors, including vacancies created by the removal of directors with or without cause shall be filled by the remaining directors. A director appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office, or, if there is no predecessor, until the next election of directors.

Notwithstanding the foregoing, at no time shall the Board of Directors of the Corporation be constituted so as to be controlled directly or indirectly by one or more disqualified persons with respect to the Corporation, as defined in Section 4946 of the Code, other than "foundation managers" as defined by the Code, and other than directly or indirectly by one or more organizations described in Section 509(a)(1) or Section 509(a)(2) of the Code, as further defined in Section 509(a)(3) of the Code and the regulations promulgated thereunder.

Section 5.3 Annual Meeting. The Annual Meeting of the Board of Directors shall be held within the State of New Hampshire at such time and date following the close of the annual meeting of Members as shall be determined by the Board of Directors. The purpose of the Annual Meeting shall be to

elect officers and transact such other business as may properly be brought before the meeting. If the election of officers shall not be held on the day designated for the Annual Meeting of the Board of Directors, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Board of Directors as soon thereafter as may be convenient

Section 5.4 Regular Meetings. In addition to the Annual Meeting, the Board of Directors shall meet during each fiscal year at such times as shall from time to time be designated by the Board of Directors.

Section 5.5 Special Meetings. Special meetings of the Board of Directors may be called by the President, or at the request of any director. The President shall fix the time and place of any special meeting.

Section 5.6 Notices. Notice of any special meeting shall be given at least seven (7) business days prior thereto. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Directors must be specified in the notice of such meeting and no other business shall be transacted at that meeting.

Section 5.7 Quorum. The presence of five (5) directors in office at a scheduled Directors Meeting shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5.8 Participation in Meeting. Each director shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board of Directors. The affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as may otherwise be specifically provided by law, by the Articles, or by these By-Laws. Members of the Board of Directors absent from any meeting shall be permitted to vote at such meeting by written proxies. The members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or of such committee, by means of conference telephone or similar communications equipment at which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The directors shall furnish a copy of the minutes of the meetings of the Board of Directors in a timely manner.

Section 5.9 Actions Without a Meeting. Except for actions of the Executive Committee, hereby defined as the President, Secretary and Treasurer, in response to circumstances that require timely and thoughtful response that cannot be deferred until a quorum of Directors can be convened, any action required or permitted to be taken at a meeting by the Board of Directors, or by any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Board of Directors. The action must be evidenced by one (1) or more written consents describing the action taken, signed in one (1) or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention on the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the Board of Directors or committee. A consent signed under this Section shall have the same force and effect as a vote taken at a meeting of the Board of Directors, or any committee thereof, and may be described as such in any document.

When the Executive Committee meets in response to circumstances that require timely and thoughtful response that cannot be deferred until a quorum of Directors can be convened, the President will contact all the directors to inform them of the issues that required action and of any decisions made by the Executive Committee.

Section 5.10 Compensation and Reimbursement of Expenses. No director shall be entitled to receive compensation for services rendered to the Corporation as a director, provided, however, each director may be paid his or her reasonable expenses directly related to the affairs of the Corporation upon approval by the Board of Directors and proper substantiation of such expenses.

Section 5.11 Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless his or her dissent shall be entered in the minutes of the meeting, or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 5.12 Removal. Any director may be removed for cause or without cause by vote of a majority of the total number of directors in office, or by a majority vote of the Members. Removal of a director shall also constitute removal as an officer of the Corporation and as a member of all committees of the Board of Directors.

Section 5.13 Resignation. A director may resign his or her membership at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the President or Secretary, as the case may be.

## ARTICLE VI OFFICERS

Section 6.1 Number. There shall be a President, a Treasurer and a Secretary of the Corporation, each of whom shall be elected in accordance with the provisions of this Article. The Board of Directors may also elect such other assistant officers, as the Board of Directors may from time to time deem necessary or appropriate. Any two or more offices may be held by the same person, except for the offices of President and Secretary.

Section 6.2 Elections and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at its annual meeting for a term of one (1) year expiring immediately following the Annual Meeting of the Corporation and until his or her successor shall have been duly elected and qualified, or until his or her earlier death, resignation, or removal from office in the manner hereinafter provided. An officer may succeed himself or herself in his or her office.

Section 6.3 President. The President shall facilitate communication between members of the Board of Directors and the President; encouraging and facilitating long-range planning; monitoring the Board of Directors committees and members to ensure that they function effectively; and holding an ex-officio membership in all committees. He or she shall, in general perform all of the duties, and have all of the authority; incident to the office of President of a corporation, and such other duties as may from time to time be prescribed by the Board of Directors.

Section 6.4 Secretary. The Secretary shall keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; keep a register of the post office address of each member of the Board of Directors, which address shall be furnished to the Secretary by each director; and in general perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

Section 6.5 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VIII of these By-Laws; disburse the funds of the Corporation in accordance with the directives of the Board of Directors, taking proper vouchers for such disbursements, and render to the Board of Directors, at its Annual Meeting and at such other times as may be requested by the Board of Directors, an accounting of all the transactions of the Treasurer and of the financial condition of the Corporation; and in general perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

Section 6.6 Removal. Any member of the Board of Directors removed from office pursuant to Section 5.12 shall be automatically removed as an officer. The Board of Directors may by a majority vote remove any officer when, in its judgment, the best interests of the Corporation will be served thereby.

Section 6.7 Vacancies. A vacancy in any office, because of death, resignation, removal, disqualification, or otherwise, may be filled by a majority vote of the Board of Directors.

Section 6.8 Resignation. An officer may resign his or her office at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation by the President or the Secretary as the case may be.

## ARTICLE VII COMMITTEES

Section 7.1 Standing Committees. The Board of Directors may maintain such standing committees as it may determine from time to time to be necessary or desirable for its proper functioning. Such committees shall be under the control and serve at the pleasure of the Board of Directors, shall have charge of such duties as may be assigned to them by the Board of Directors or these By-Laws, shall maintain a permanent record of their actions and proceedings, and shall regularly submit a report of their actions to the Board of Directors or his or her designee, shall serve on each committee as an ex-officio member. Such standing committees shall have such authority as the Board of Directors may stipulate, except that no committee shall have the authority of the Board of Directors with respect to those matters delineated in Section 5.1 above.

Section 7.2 Ad Hoc Committees. The President, with the approval of the Board of Directors, may from time to time create such ad hoc committees, as the President believes necessary or desirable to investigate matters or advise the Board of Directors. Ad hoc committees shall limit their activities to the accomplishment of the tasks for which created and shall have no power to act except as specifically conferred by resolution of the Board of Directors. Such committees shall operate until their tasks have been accomplished or until earlier discharged by the Board of Directors.

## ARTICLE VIII CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS

Section 8.1 Contracts and Employment of Agents. The Board of Directors may authorize any director, officer, or agent to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board of Directors shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, consultants and other counsel, legal, investment, or otherwise, as the Board of Directors shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or entities. Such authority may be general or confined to specific instances.

Section 8.2 Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 8.3 Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

Section 8.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositaries as the Board of Directors may from time to time select.

Section 8.5 Investment Authority. The Board of Directors shall be authorized to retain assets distributed to the Corporation, even though such assets may constitute an over-concentration in one or more similar investments. Further, the Board of Directors shall have the authority to make investments in unproductive property, or to hold unproductive property to the extent necessary until it can be converted into productive property at an appropriate time, provided the retention of such property is in the best interest of the Corporation and does not in any way jeopardize the tax-exempt status of the Corporation. In all events, however, the Corporation shall make investments of charitable gifts, endowment funds and similar assets in accordance with the terms of the Corporation's Articles, these By-Laws, internal policies and guidelines approved by the Board of Directors, and New Hampshire law.

## ARTICLE IX STANDARDS OF CONDUCT

Section 9.1 Standards of Conduct. A director or an officer of the Corporation shall discharge his or her duties as a director or as an officer, including duties as a member of a committee:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

(c) In a manner he or she reasonably believes to be in the best interest of the Corporation.

The Directors shall establish a Code of Conduct policy, which shall be binding on all Directors.

Section 9.2 Reliance on Third Parties. In discharging his or her duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(a) One or more officers or employees of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented;

(b) Legal counsel, public accountants, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence;  
or

(c) With respect to a director, a committee of the Board of Directors of which the director is not a member, as to matters within its jurisdiction, if the director or officer reasonably believes the committee merits confidence.

Section 9.3 Bad Faith. A director or officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 9.2 unwarranted.

Section 9.4 Exclusion from Liability. A director or officer is not liable for any action taken, or any failure to take action, as a director or officer, if he or she performs the duties of his or her office in compliance with the provisions of this Article, or if he or she is immune from suit under the provisions of the Act. No repeal or modification of the provisions of this Section 9.4, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

Section 9.5 Prohibition on Loans. No loans or guarantees shall be made by the Corporation to its directors or officers. Any director who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

## ARTICLE X CONFLICTS OF INTEREST

Section 10.1 General. A conflict of interest transaction is a transaction with the Corporation in which a director or officer of the Corporation has a direct or indirect interest. A director or officer of the Corporation has an indirect interest in a transaction if, but not only if, he or she is a party to the transaction with another entity in which the director or officer has a material interest, or of which the director or officer is a general partner, director, officer, or trustee. A conflict of interest transaction is not voidable or the basis for imposing liability on the director or officer if the transaction was fair at the time it was entered into, or if the transaction is approved as provided in Section 10.2.

Section 10.2 Manner of Approval. A transaction in which a director or officer of the Corporation has a conflict of interest may be approved if:

(a) The material facts of the transaction and the interest of the director or officer were disclosed or known to the Board of Directors, or to a committee consisting entirely of members of the Board of Directors, and the Board of Directors or such committee authorized, approved, or ratified the transaction; or

(b) Approval is obtained from the Attorney General of the State of New Hampshire, or from a court of record having equity jurisdiction in an action in which the Attorney General is joined as a party.

Section 10.3 Quorum Requirements. For purposes of Section 10.2, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the members of the Board of Directors, or of a committee consisting entirely of members of the Board of Directors, who have no direct or indirect interest in the transaction; but a transaction may not be authorized, approved, or ratified under this Article by a single director. A quorum is present for the purpose of taking action under this Article if a majority of the members of the Board of Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction. The presence of, or vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection 10.2(a) if the transaction is otherwise approved as provided in Section 10.2.

## ARTICLE XI INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 11.1 Mandatory Indemnification of Directors and Officers. To the maximum extent permitted by the provisions of New Hampshire law, as amended from time to time (provided, however, that if an amendment to the law in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a director or officer of the Corporation, or to such person's heirs, executors, administrators and legal representatives, for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines (including the imposition of a tax under Section 4958 of the Code but excluding any action by or in the right of the Corporation), judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

(a) The Proceeding was instituted by reason of the fact that such person is or was a director or officer of the Corporation; and

(b) The director or officer conducted himself or herself in good faith, and he or she reasonably believed (i) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in its best interest; (ii) in all other cases, that his or her conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeding, that he or she had no reasonable cause to believe his or her conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent is not,

of itself, determinative that the director or officer did not meet the standard of conduct herein described.

Section 11.2 Permissive Indemnification of Employees and Agents. The Corporation may, to the maximum extent permitted by the provisions of New Hampshire law, as amended from time to time (provided, however, that if an amendment to the law in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, and persons who serve at its request as directors, officers, employees or other agents of another organization, or who serve with respect to any employee benefit plan or in each case to such person's heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 11.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation or acted in any of the positions so listed above at the request of the Corporation and met the standards of conduct set forth in subsection 11.1(b) above. The Corporation may also indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided by the Articles, by these By-Laws, by contract, or by general or specific action of the Board of Directors.

Section 11.3 Non-Exclusive Application. The rights to indemnification and advancement of expenses set forth in Sections 11.1 and 11.2 above are contractual between the Corporation and the person being indemnified, and his or her heirs, executors, administrators and legal representatives, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Articles, by a resolution of the Board of Directors, by these By-Laws, or by an agreement with the Corporation providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized.

Section 11.4 Non-Limiting Application. The provisions of this Article XI shall not limit the power of the Corporation to pay or reimburse expenses incurred by a director, officer, employee, or agent of the Corporation in connection with such person's appearing as a witness in a Proceeding at a time when he or she has not been made a named defendant or respondent to the Proceeding.

Section 11.5 Prohibited Indemnifications. Notwithstanding any other provision of this Article XI, the Corporation shall not indemnify or advance expenses to or on behalf of any director, officer, employee, or agent of the Corporation, or such person's heirs, executors, administrators or legal representatives:

- (a) If a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Corporation, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
- (b) In connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or
- (c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which he

or she was adjudged liable on the basis that personal benefit was improperly received by him or her.

Section 11.6 Repeal or Modification Not Retroactive. No repeal or modification of the provisions of this Article XI, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

## ARTICLE XII NOTICES AND WAIVER OF NOTICE

The notices provided for in these By-Laws shall be communicated in person, by telephone, facsimile, E-mail, or by mail or private carrier. Written notice is effective at the earliest of (a) receipt, (b) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first-class postage affixed thereon, or (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee. Whenever any notice is required to be given to any director, officer, or committee member of the Corporation under the provisions of the Articles, these By-Laws, or New Hampshire law, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## ARTICLE XIII FISCAL YEAR

The fiscal year of the Corporation shall end on the last day of December, or on such other date as may be fixed from time to time by the Board of Directors, or as required by law.

## ARTICLE XIV AMENDMENTS

These By-Laws and the Articles may be altered, amended, or repealed, and a new Articles or By-Laws adopted, except to the extent that such alteration, amendment, or repeal is inconsistent with Article XV hereof, (a) upon the affirmative vote of two-thirds (2/3) of the Members present at any annual, regular, or special meeting, or (b) by a majority vote of the Directors, or (c) by mailed ballot and upon the affirmative vote of two-thirds (2/3) of ballots returned by mail, postmarked no later than twenty (20) days after the postmark of the notice of the amendments and ballot.

## ARTICLE XV EXEMPT STATUS

The Corporation has been organized and will be operated exclusively for exempt purposes within the meaning of Section 501(c)(3) of the Code and, as such, will be exempt from taxation under Section 501(a) of the Code and will not be a private foundation by reason of Section 509(a)(3). Any provision of these By-Laws or of the Articles which would in any manner adversely affect the Corporation's

tax exempt status or its status as an organization described in Section 501(c)(3) of the Code shall be void and shall be deleted or modified as necessary to comply with all applicable federal and state requirements for the maintenance of the Corporation's tax exempt status and its status as other than a private foundation.

These By-Laws are adopted and shall be effective this 10th day of September, 2013.

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Douglas W. Steele, Secretary

### Version History

1. By-laws as approved at annual meeting on 2008-07-09.
2. By-laws corrected on 2009-07-02 to conform to amendments submitted to NH Department of State & Internal Revenue Service.
3. By-laws as amended on 2011-07-25 by vote of the Board of Directors.
4. By-laws as amended on 2011-09-16 by vote of the members.
5. By-laws as amended on 2012-05-06 by vote of the Board of Directors.
6. By-laws as amended to reflect the d/b/a name Windy Waters Conservancy, which was voted by the Directors on 2012-09-10.