

APPROVED 8-1-09
BYLAWS OF THE WEBSTER LAKE ASSOCIATION (WLA)

ARTICLE I
NAME, PRINCIPLE OFFICE, PURPOSE,
CORPORATE SEAL AND FISCAL YEAR

1. Name: The name of the Corporation shall be the Webster Lake Association.
2. Office: The principle office of the corporation shall be located in the City of Franklin, New Hampshire. The corporation may have such other offices as the Board of Directors (the Board) may designate or as the business of the corporation may require from time to time.
3. Purpose: The purposes for which the corporation established are as follows:
 - a. To preserve, promote, and educate members and others about the ecological and environmental quality of Webster Lake, located in the City of Franklin, New Hampshire;
 - b. To enhance the opportunities for recreation, social welfare, and community improvement and enjoyment for members and others using Webster Lake; and
 - c. To exist as a non-profit corporation and conduct any such actions consistent with these purposes and applicable laws, such as:
 - i. Solicit and receive contributions, dues, and assessments from its members and any other person, firm, corporation, association, or agency interested in supporting or promoting the objects and purposes of the corporation;
 - ii. Acquire, hold, and dispose of any type of property, real or personal, tangible or intangible, and wheresoever situate, for the purposes and objects of the corporation;
 - iii. Possess and exercise all of the powers available under the provisions of Chapter 292 of New Hampshire Revised Statutes Annotated and 501(c) (3) of the Internal Revenue Code consistent with the purposes and objects of the corporation; and
 - iiii. Organize exclusively for educational and scientific purposes within the meaning of section 501(c)(3) of the Internal Revenue Code or the corresponding section of any future federal tax code.
4. Corporate Seal: The seal of the corporation shall consist of a flat-faced circular die with the words "Webster Lake Association, Incorporated 1974" cut or engraved thereon.
5. Fiscal Year: Unless otherwise decided by the Board, the fiscal year of the corporation shall begin August 1 and end on July 31 of the following year.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

1. Classes: There shall be two classes of members designated as follows:
 - a. Members: those persons having frontage on the shores of Webster Lake or having an appurtenant legal right of way to the shore and in addition those persons whose addresses are on one of the following streets and/or roads: Apple Farm Road, Arna Lane,

Griffin Road to Smiling Hill Road, Lake Avenue. (from Webster Avenue. to and including the west side of Lark Street), Lake Shore Drive, Log Cabin Road, North Shore Lane, Pine Colony Road, Rock Farm Road, Smiling Hill Road, Webster Avenue, Webster Lake Road (from Lark Street to and including Sand Hill Road).

b. Friends: those persons who have an interest in and support the purposes and objects of WLA and who pay dues as required under Article III of these Bylaws.

2. Voting and Other Rights: Only members in good standing as determined under Article III of these Bylaws relating to timely payment of any required dues or other fees shall be entitled to vote at any meeting serve as a Director of the corporation. In the event of multiple-ownership, there shall be one vote cast for each parcel of property owned. Members may vote by proxy. See also section IV(4). Friends shall hold no voting or other rights. Members shall be entitled to vote for officers and directors of the corporation. Members and friends are encouraged and entitled to provide input and items for consideration to the board. Any matter determined by the Board to be other than normal to the usual course of business shall be brought before the entire membership.

3. Membership Application: All applicants for membership shall submit an application on a prescribed form to the Board for a determination concerning whether the applicant meets the eligibility requirements as stated in paragraph 1 above. The application shall be in such form as the Board shall determine. The decision to accept a member shall require the approval of a majority of the directors of the Board. The decision of the Board as to the eligibility of an applicant shall be final and binding.

4. Termination of Membership: The Board, by affirmative vote of two-thirds of all of the directors of the Board, may suspend or expel a member for violation of these Bylaws including, without limitation, for failure to pay dues in accordance with Article III hereof.

5. Resignation of Membership: Any member may withdraw from the corporation by filing a written notice with the Secretary, but such withdrawal should not relieve the withdrawing member of the obligation to pay any unpaid dues, assessments, or other charges which accrued to the date of withdrawal. No portion of unpaid dues will be refunded.

ARTICLE III DUES AND ASSESSMENTS

1. Dues: The annual dues for members and friends shall be determined by vote at each annual meeting of the association.

2. Assessments: Additional assessments may be established from time to time by vote at any meeting, the notice of which has contained notice that such proposed assessment will be considered.

ARTICLE IV MEETING OF MEMBERS

1. Annual Meetings: There shall be an annual meeting of the members held during the month of July or August of each year at some convenient location in the Webster Lake area at a

time, date, and place to be fixed by the directors and stated in the notice of said meeting. The meeting shall be held for the purpose of electing officers, directors, and transacting any business which may legally be brought before the meeting. Notice of the meeting shall be mailed or delivered to the members at least ten (10) day prior to the meeting.

2. Special Meetings: Special meetings of the members for any purpose may be called by the Board for any specified purpose or purposes allowed by law or by these Bylaws. A special meeting of the members shall be called by the Secretary or, in case of death, absence, incapacity, or refusal of the Secretary, by any other office within five (5) business days after there shall have been delivered to the office of the corporation a written request by a total of at least one-fourth (1/4) of the members or any two directors. Such request for a special meeting shall specify the purpose or purposes for which it is requested that the meeting be called. The date, which shall be at least sixty but not more than ninety calendar days after the call is made by action of the Board or is required to be made by the Secretary, the hour and the place, which shall be some convenient location in the Webster Lake area, of any such special meeting shall be determined by the Board. A call or request for a special meeting shall be accompanied by the form of vote or votes to be acted upon at the meeting and by a statement of five-hundred or fewer words explaining and justifying the purpose or purposes for which the meeting is called or requested to be called.

3. Quorum: The presence in person or by proxy at any annual or special meeting of members of not less than one-fifth (1/5) of the members shall constitute a quorum for any action.

4. Voting and Proxies: Consistent with Section II, members entitled to vote shall have one vote on each matter submitted to a vote of the members. They may vote either in person or by proxy, executed in writing and dated not more than six months before the meeting named therein and filed with the Secretary.

ARTICLE V BOARD OF DIRECTORS

1. General: The affairs of the corporation shall be managed by the Board, which shall have the powers and duties of a membership body and of a board of directors under New Hampshire law. Each director shall be a member in good standing of the corporation.

2. Number: The Board shall consist of not fewer than three (3) or more than nine (9) directors. The number of said directors shall be determined by vote of the members at the annual meeting. The members may from time to time by vote at an annual meeting empower the Board to increase the number of directors and fill such newly created directorships for the period until the next annual meeting. Directors shall be elected by the members entitled to vote at the annual meeting or at a special meeting held in place thereof. The two most recent past presidents shall serve as directors ex officio without vote except at meetings where their vote may be required to constitute a quorum.

3. Term of office: Each director shall hold office for a term of three (3) years in duration. Each director shall serve until a successor shall be elected and shall qualify. The terms of directors shall be staggered.

4. Resignation: Any director may resign at any time by giving his or her resignation in writing to the other directors then in office.
5. Removal: A director may be removed from office at any time and for any reason by vote of the members at an annual or special meeting or by the vote of the board.
6. Vacancies: If a vacancy occurs in any office of director for any reason other than the normal expiration of the director's term of office, a majority of the remaining directors although less than a quorum shall choose a successor or successors who shall hold office for the unexpired term in respect of which such vacancy occurred. In the event of a vacancy or vacancies in the office of director the directors then in office shall have the full power and authority to act as the Board until such vacancy is filled.

ARTICLE V MEETINGS OF DIRECTORS

1. Meetings: Regular meetings of the Board may be held at such places and times as the directors may determine. Special meetings of the directors may be held at any time and at any place when called by the President or two (2) or more directors. Reasonable notice of all meetings of the directors shall be given to each director.
2. Conference Telephone Call Meetings: Members of the Board, or any committee thereof, may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute the presence in person at such meeting.
3. Quorum: At any meeting of the directors a majority of the directors then in office shall constitute a quorum.
4. Action by Vote or by Writing: When a quorum is present at any meeting of the Board, a majority of the directors present and voting shall decide any questions, unless otherwise provided by law or these Bylaws.
5. Action without a Meeting: Any action required or permitted to be taken at any meeting of the directors may be taken without a meeting if all the directors consent to the action in writing and the written consents are filed with the records of the meetings of the directors. Voting by proxy shall not be permitted at meetings of the Board.
6. Manner of Acting: Unless otherwise specifically provided by statute or these Bylaws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

ARTICLE VI POWERS AND DUTIES OF DIRECTORS

1. General: The affairs of the corporation shall be managed by the directors who shall have, and may exercise, all the powers of the corporation, except those powers reserved to the

members by law, the Articles of Association, or these Bylaws. The Board may from time to time, to the extent permitted by law, delegate any of its powers and duties to committees, officers, attorneys, or agents for the corporation, subject to such limitations as the Board may impose.

2. Powers: Without limiting the general powers of the directors as set forth in section 1 above, the Board shall have the power:
 - a. To conduct, manage, and control the affairs and business of the corporation and to make rules and regulations for the guidance of the officers and the management of the affairs of the corporation, including:
 - i. Review and approve the annual budget and all expenditures;
 - ii. Review and approve the appointment of all standing committee chair people and members; and
 - iii. Review and approve the activities of officers and committees;
 - b. To elect and/or appoint and remove at pleasure all officers, agents, and employees of the corporation, prescribe their duties, fix their compensation, and require from them, if advisable, security for faithful service;
 - c. To select or authorize the selection of one or more banks to act as depository of the funds of the corporation and to determine the manner of receiving, depositing, and distributing the funds of the corporation and the form of checks and the person or persons by whom shall be signed with the power to change such banks, person, or persons signing such checks in the forms thereof at will;
 - d. To incur such indebtedness, to pledge such property of the corporation as collateral and to act as guarantor or surety for others as shall be deemed necessary or appropriate to further the purposes of the corporation;
 - e. To invest in the funds of the corporation in such manner as deemed necessary or appropriate to further the purposes of the corporation; and
 - f. To acquire and dispose of property, real and personal, and enter into contracts, including grants, on behalf of the corporation that shall be deemed necessary or appropriate to further the purposes of the corporation.

3. Duties: Without limiting the general duties of the directors set forth in section 1 and those imposed by law, the Board shall have the duty to:
 - a. Keep a complete record of all its acts and of the proceedings of its meetings and to present a statement at the annual meeting showing the condition of the affairs of the corporation;
 - b. Supervise all officers, agents, and employees and to see that their duties are properly performed and to see that all officers and employees who handle funds are adequately bonded, if the Board deems appropriate;
 - c. Cause to be installed and/or maintained such a system of bookkeeping that shows receipts, disbursements, and operations of the corporation; and
 - d. Authorize the execution of the corporation of all contracts between it and others.

ARTICLE VII OFFICERS

1. Number and Qualifications: The officers of the corporation shall be a President, a Vice-President, a Treasurer, a Secretary and such other officers, if any, as the Board may determine.

All officers shall be members of the corporation at the time of their election. Each officer is a member of the Board.

2. Election: The President, Vice-President, Treasurer, and Secretary shall be elected annually at the annual meeting of the corporation. Other officers, if any, may be elected by the directors at any time to serve until the next annual meeting of the members.
3. Term of Office: The President, Vice-President, Treasurer and Secretary shall serve a term of one year which term shall begin at the close of the annual meeting at which they are elected.
4. Removal: Any officer may be removed by the Board whenever in its judgment the best interest of the corporation would be served thereby.
5. Vacancy: A vacancy in any office for any reason may be filled by the Board for the unexpired portion of the term.
6. President: The President shall be the principle executive officer of the corporation and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the corporation. He/she shall, when present, preside at all meetings of the membership and the Board. He/she shall perform all duties incident to the office of President and have such other powers and perform such other duties as the Board may prescribe from time to time.
7. Vice-President: In the absence of the President or in the event of his death, inability, or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him/her by the President or the Board.
8. Treasurer: The Treasurer shall be the Chief Financial Officer and the Chief Accounting Officer of the corporation. He/she shall have custody of the corporation's funds, books, and accounts. He/she shall keep, or cause to be kept, accurate and true accounts of all of its financial affairs and shall submit a written report at the annual meeting of the members. He/she shall perform such other duties as may be required by him/her by law, by vote of the directors, or by these Bylaws.
9. Secretary: The Secretary of the corporation shall have custody of the corporate seal and papers. He/she shall attend all meetings of the members and directors and keep an accurate record of the proceedings. He/she shall give notice of all meetings of the membership and directors in the manner prescribed by the Bylaws and shall perform such other duties as may be required by him by law, by vote of the directors, or by these Bylaws.
10. Other Officers: Other officers or assistants to officers shall have such powers as may be assigned from time to time by the Board.

ARTICLE VIII COMMITTEES

1. Executive Committee: The Executive Committee shall consist of the officers of the corporation. The President of the corporation shall be the Chairperson. The committee shall meet upon the call of the Chairperson and, between meetings of the Board, shall possess and exercise all delegable powers and perform all delegable duties of the Board as far as not inconsistent with the laws of the State of New Hampshire and these Bylaws. Action taken by the Executive Committee on behalf of the corporation shall be reported on and submitted for approval to the directors at the next meeting of directors following any such action.
2. Standing Committees: Standing committees will be formed as needed.
3. Other Committees: The Board may from time to time create such committees and carry on the work of the corporation, each of which shall consist of at least one director and may also include additional directors, members, or friends. Each such committee shall perform the duties assigned to it by the Board and shall serve at the pleasure of, and subject always to direction and supervision by, and report activities on a regular basis to, the Board. Each committee shall keep a record of its meetings and activities, and shall report thereon from time to time to the Board and file a copy of this record with the Secretary.

ARTICLE IX PERSONAL LIABILITY AND INDEMNIFICATION

1. Personal Liability: The members, directors, and officers of the corporation shall not be personally liable for any debt, liability, or obligation of the corporation. All persons, corporations, and other entitled extending credit to, contracting with, or having any claim against the corporation shall look only to the funds and property of the corporation for payment of any such contract or claim or for the payment of any debt, damages, judgment, or decree, or any money that may otherwise become due or payable to them from the corporation.
2. Indemnification: The corporation shall indemnify each of its officers, directors, and members of committees from and against all liabilities and expenses imposed upon or incurred by such person in connection with any action or proceeding to which he/she may be made a party arising out of any act or failure to act while serving in his/her official capacity as officer or director of the corporation or as a committee member acting within the scope of his/her authority. No indemnification, however, shall be provided for any person with respect to any matter as to which such person shall have been adjudicated in any action or proceeding not to have acted in good faith in the reasonable belief that his/her conduct was in or not opposed to the best interest of the corporation. For purposes herein, the term “expenses” shall include counsel fees; the term “liability” means the obligations to pay a judgment, settlement, penalty, fine, or reasonable expenses actually incurred with respect to a proceeding; and “proceeding” means threatening, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal. The foregoing right of indemnification shall be in addition to any rights to which any officer, director or committee member may otherwise be entitled.

ARTICLE X AMENDMENT TO BYLAWS

These Bylaws may be altered or amended, at any regular or special meeting of the members by a two-thirds (2/3) vote, cast in person, by proxy, or by ballot, of the members present or having submitted ballots in accordance with these Bylaws, provided that the Notice of Intention or the notice of the meeting shall give specified language of the proposed alteration or amendment.

ARTICLE XI DISTRIBUTION OF ASSETS ON DISSOLUTION

The corporation shall use its funds only to accomplish the objectives and purposes specified in this corporation's Articles of Agreement and these Bylaws. No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to any of its members, directors, officers, or any other private persons, provided that this shall not prevent payment to any such person of a reasonable compensation for services rendered to or for the corporation or making of payments and distributions in furtherance of the stated purposes of the corporation. On dissolution of the corporation, any remaining funds after the payment of all debts and obligations of the corporation shall be distributed as determined by a vote of the Board either to one or more organizations exempt from federal income tax under sections 501(a) and 501(c) (3) of the Internal Revenue Code of 1986, as amended, or as ordered by the presiding Justice of Merrimack County Superior Court.

ARTICLE XII CONFLICT OF INTEREST

1. Purpose: The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

2. Definitions:

- a. Interested Person: Any director, principal, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - i. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
 - ii. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 - iii. A potential ownership or investment in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3 (b) below, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Procedures:

a. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

b. **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

c. **Procedures for Addressing the Conflict of Interest:**

i. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

ii. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

iii. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

iiii. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

d. **Violation of the Conflicts of Interest Policy**

i. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

ii. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

4. Records of Proceedings: The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclose or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was

present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

5. Compensation:

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. A voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

6. Annual Statements: Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflicts of interest policy,

b. Has read and understands the policy,

c. Has agreed to comply with the policy, and

d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

7. Periodic Reviews: To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

8. Use of Outside Experts: When conducting the periodic reviews as provided for in Section 7 of this Article, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.