

# SQUAM LAKES ASSOCIATION

## Restated By-Laws

(Adopted August 6, 2011, as amended December 12, 2012 and December 7, 2013, and August 5, 2017)

### ARTICLE I

#### THE ORGANIZATION

**Section 1.1. Name.** The name of this corporation is the Squam Lakes Association.

**Section 1.2. Purposes and Objects.** The purposes and objects of the Corporation shall be as set forth in Articles I and II of the Articles of Association, as amended.

**Section 1.3. Offices.** The principal office of the Corporation shall be 534 Route 3, Holderness, NH 03245, or at such other location as may be hereafter established by the Board of Directors. The Corporation may establish other offices at such other places as its Board of Directors may from time to time determine.

**Section 1.4. Non-Profit and Tax-Exempt Status.** The Corporation is organized as a non-profit corporation under New Hampshire RSA 292 and as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law.

### ARTICLE II

#### MEMBERS

**Section 2.1. Membership.** Any person interested in the Squam Lakes and the objects of the Corporation as set forth in Article II of the Articles of Association, as amended, may hold membership in the Corporation upon application and by making a contribution as specified in Section 2.2 below. Any such person who has paid the Minimum Annual Contribution for the fiscal year in question in accordance with the call of the Treasurer pursuant to Section 2.2 below shall be entitled to vote in accordance with these By-Laws at any Annual Meeting or at any Special Meeting of the Members of the Corporation. Any Member in a prior year who fails to pay the Minimum Annual Contribution within the period specified in Section 2.2 shall be restored to the status of Member upon payment of the Minimum Annual Contribution in full.

**Section 2.2. Minimum Annual Contribution.** The Minimum Annual Contribution for any given year, which shall qualify a donor as being a Member and the related voting rights, shall be determined by the Board of Directors. The Treasurer shall cause a request for such Minimum Annual Contribution to be sent to each member not later than June first of each year which contribution shall be payable before the date of the Annual Meeting of that year. Any contribution paid to the Corporation during the fiscal year, however designated, in excess of the Minimum Annual Contribution amount shall constitute payment of the Minimum Annual Contribution.

**Section 2.3. Honorary Members.** The Board of Directors of the Corporation may also appoint certain persons as "Honorary" members of the Corporation whose appointment shall be reported to the members of the Corporation. An Honorary Member shall have no rights or responsibilities at any meeting of the Corporation, including any right to vote or be counted as a part of a quorum at any meeting.

### **ARTICLE III**

#### **MEETINGS OF MEMBERS**

**Section 3.1. Annual Meetings.** There shall be an annual meeting of the Members held during the month of July or August of each year at the Corporation's principal office or at some other convenient location in the Squam Lakes area at a time, date and place to be fixed by the Board of Directors and stated in the notice of said meeting. The meeting shall be held for the following purposes: (i) to report to the Members on the activities of the Corporation during the preceding year, (ii) to report on the Corporation's financial affairs, (iii) to elect officers and directors, and (iv) to transact such other business as may legally be brought before the meeting and specified in the notice for the meeting. If an annual meeting is not held as provided above, the meeting may be held at a later date and place to be fixed by the Board of Directors and specified in the notice for such meeting.

**Section 3.2. Special Meetings.** Special meetings of the Members, including a special meeting to be held in place of an annual meeting, may be called at any time by the Board of Directors for any specified purpose or purposes allowed by law, by the Articles of Association or by these By-Laws. The Board of Directors may call a Special Meeting of the Members by resolution adopted by a majority of the directors then in office at a meeting duly called for the purpose. Any business transacted at a special meeting of the Members shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

*3.2.1. Special Meeting Called by Members.* A special meeting of the Members shall be called by the Secretary or, in the case of death, absence, incapacity, or refusal of the Secretary, by any other officer of the Corporation within five (5) business days after there shall have been delivered to the office of the Corporation a request in writing, which may be in one or more counterparts, manually signed by a total of at least fifty (50) Members, that a special meeting of the Members be called and specifying the purpose or purposes for which it is requested that the meeting be called. Such request shall be accompanied by a statement explaining and justifying the purpose or purposes for which the special meeting is requested to be called.

*3.2.2. Time and Place of Special Meetings.* A special meeting convened in accordance with this Section 3.2 shall be held not less than forty-five (45) and not more than sixty (60) calendar days following the date that a call is made by action of the Board of Directors or is required to be made by the Secretary in accordance with Subsection 3.2.1 above. Such special meeting shall be held at the Corporation's principal office or at some other convenient location in the Squam Lakes area as may be designated by the Board of Directors. Notice of such special meeting shall be given in accordance with Section 3.4 below.

**Section 3.3. Quorum.** The presence in person of fifty (50) Members at any annual or special meeting shall constitute a quorum for the transaction of business other than for the adjournment or postponement of the meeting.

**Section 3.4. Notice of Meetings.** Written notice of each meeting of the members, whether annual or special, shall be given not less than twenty-one (21) days prior to the date of the meeting to all Members as of the date of notice. Notices of all meetings shall state the location, date and hour of the meeting and the purposes for which the meeting is called. If directors are to be elected at the meeting, the notice shall include a reference to a link on the Corporation's internet website that includes the information specified in Section 3.5 below; if an Extraordinary Matter is to be

acted upon at the meeting, the notice shall include a reference to a link on the Corporation's internet website where the information specified in Subsection 3.7.2 below is set forth.

**Section 3.5. Nominations.** For elections of officers and directors at the annual meeting, or special meeting held in place thereof, the Nominating Committee shall submit to the Secretary in writing the names of its nominees, a statement that each nominee is willing to serve if elected, and a brief statement as to the background and qualifications of each nominee. This statement shall be included with the Notice of Meeting given in accordance with Section 3.4 above.

*3.5.1. Nomination by Members.* Members may nominate one or more Members to stand for election as director at any such annual meeting or special meeting held in place thereof. Any nomination by Members shall be made by submitting a petition in one or more counterparts, signed by a total of at least twenty (20) Members and delivered to the Secretary not later than forty-five (45) days prior to the anniversary of the date of the annual meeting of Members for the prior year. Any such petition shall be accompanied by a written statement by each nominee of willingness to serve if elected and a brief statement of the background and qualifications of each nominee. Upon receipt and verification that the petition conforms to the requirements of this Subsection and that the nominees meet the qualifications of this Subsection, the names of all nominees shall be included in the notice of the meeting which notice shall also identify each nominee nominated by the Nominating Committee or by petition.

**Section 3.6. Action at Meeting.** When a quorum is present at any meeting of the Members:

*3.6.1. Routine Matters.* Voting by Members for elections to office in the absence of more than one nominee for any position to be filled as well as voting for any matter not otherwise identified in this Section 3.6 or in Section 3.7 below, shall be conducted in person and election or passage of the matter shall be by a majority of the votes cast.

*3.6.2. Other Matters.* Voting by Members for elections to office where there is more than one nominee for any position to be filled shall be conducted by ballot and election shall be by a plurality of the votes cast. Voting by Members with respect to any Extraordinary Matter specified by Section 3.7 below shall be conducted in accordance with the provisions of Section 3.7.

*3.6.3. Ballots.* Where voting is required to be by ballot in accordance with Subsection 3.6.2 above, ballots shall be distributed to Members at the meeting by the Secretary and shall be collected by the Secretary after they are voted. Where the matter to be voted upon is an Extraordinary Matter in accordance with Section 3.7 below, the ballot shall be mailed to the Members and processed in accordance with Subsection 3.7.2 below. Ballots shall be in such form and shall require such execution formalities as may be determined by the Board of Directors. Any ballot may be revoked if the Member submitting the ballot before it is voted by delivering another ballot bearing a later date or by delivering written notice of revocation to the Secretary.

**Section 3.7. Action on Extraordinary Matters.** At any meeting of the Members called for the purpose of acting upon any of the Extraordinary Matters listed in Subsection 3.7.1 below, the procedures for consideration of such Extraordinary Matters shall be governed by the provisions of this Section.

*3.7.1. Extraordinary Matters.* Proposals relating to any of the following matters shall constitute Extraordinary Matters:

- (i) Amendment of the Corporation's Articles of Association;

- (ii) Amendment of these By-Laws by the Members of the Corporation in accordance with Section 14.2 below;
- (iii) Amendment of the provisions controlling the management of the Conservation Fund specified in Section 9.3 below;
- (iv) Approval of expenditure from or borrowing against the Squam Lakes Fund for the purchase of land or interests in land as specified in Section 10.4 below;
- (v) Sale or transfer of title to any real estate owned by the Corporation;
- (vi) Merger, consolidation or other reorganization of the Corporation.

3.7.2. *Notice of Extraordinary Matters.* The notice for any meeting of Members called for the purpose of acting upon one or more Extraordinary Matters shall be given in accordance with Section 3.4 above and shall include a reference to a link on the Corporation's internet website that sets forth a concise statement describing the Extraordinary Matter to be considered and stating the reasons supporting the approval of the Extraordinary Matter, together with a statement either supporting or opposing the approval of such Extraordinary Matter and such other information as the Board of Directors shall deem appropriate. The link on the Corporation's internet website containing the information concerning such Extraordinary Matter shall also include a downloadable written ballot conforming to Subsection 3.7.3 below and shall provide instructions for returning the written ballots.

3.7.3. *Written Ballots.* The written ballot shall identify clearly and impartially each Extraordinary Matter to be acted upon and shall provide a blank space for the Member to vote, sign and date the written ballot. Written ballots may be returned by Members by U.S. mail, delivery to the headquarters of the Corporation in-hand or by courier, facsimile to the Corporation's headquarters or by email transmission of a portable document format (pdf) or other electronic image of a properly executed written ballot. All written ballots received by the Corporation from Members prior to the date and time of the meeting to which they relate shall be counted.

3.7.4. *Vote Required for Approval.* Except for the Extraordinary Matters listed in clauses (iii) and (iv) of Subsection 3.7.1 above, the affirmative vote of two-thirds of the Members voting either in person or by written ballot shall be required to approve an Extraordinary Matter. The Extraordinary Matters listed in clauses (iii) and (iv) of Subsection 3.7.1 above may be approved the affirmative vote of a majority of the Members voting either in person or by written ballot.

**Section 3.8. Organization of Meetings.** The President shall call meetings of the Members to order, and act as chairman of such meeting; provided, however, that in the absence of the President the Board of Directors may appoint any person to act as chairman of any meeting of members. The Secretary of the Corporation shall act as secretary at all meetings of the members; provided, however, that in the absence of the Secretary at any meeting of the members, the acting chairman may appoint any person to act as secretary of the meeting. No amendment may be made at any meeting to any proposed vote stated or referred to in the notice for such meeting or in the ballot with respect thereto, except an amendment to correct a grammatical or typographical error.

**ARTICLE IV**  
**BOARD OF DIRECTORS**

**Section 4.1. Powers and Authority.** The affairs of the Corporation shall be managed by the Board of Directors which shall have, and may exercise, all the powers of the Corporation, except those powers reserved to the Members by law, by the Articles of Association, or by these By-Laws. In addition to the foregoing general corporate powers, the Board of Directors shall have the following powers:

- a. To fill vacancies in the Board of Directors or in any corporate office, however caused, such director or corporate officer to serve out the unexpired term.
- b. Subject to the provisions of these By-Laws, to prescribe such rules regarding the calling of meetings of the Board of Directors as they may deem advisable.
- c. To appoint such agents, servants, and employees as they may deem advisable and to fix their compensation.
- d. To fix the Minimum Annual Contribution required for Membership in the Corporation.
- e. To review and approve the annual budget and all expenditures.
- f. To review and approve the appointment of all Standing Committee Chairmen and members.
- g. To review and approve the activities of officers and committees.
- h. To approve expenditures or loans from the Conservation Fund in accordance with Article IX below.
- i. To authorize distributions and to approve expenditures or loans from the Squam Lakes Squam Lakes Fund in accordance with Article X below.

**Section 4.2. Number and Qualification of Directors.** The Board of Directors shall consist of the officers of the Corporation and no fewer than six, or more than twelve, additional members of the Corporation as the Board of Directors may determine prior to each annual meeting of members.

**Section 4.3. Election of Directors.** The directors shall be elected at the annual meeting of Members or at a special meeting called in lieu thereof in accordance with the provisions of Section 3.6 above.

**Section 4.4. Term of Office.** Directors shall serve for a term of three (3) years. Approximately one third of the Board of Directors shall be elected at each annual meeting or special meeting in place thereof. No Member may serve as a director for more than two consecutive terms of three years. A Member who shall have served for such two consecutive terms shall not be eligible to be elected a Director until the expiration of one year following the expiration of his or her last term.

**Section 4.5. Resignation and Removal.** A Director may resign at any time by delivering written notice directed to the President or the Secretary of the Corporation and delivered to the principal office of the Corporation. Unless a later date is specified in such notice, the resignation shall be effective upon receipt of such notice. Any director may be removed for cause, after reasonable notice and opportunity to be heard, by a vote of two-thirds of the Board of Directors.

**Section 4.6. Vacancies.** Any vacancy in the Board of Directors, however occurring, shall be filled only by vote of a majority of the Directors then in office, although less than a quorum, or by a sole remaining director.

**Section 4.7. No Compensation.** No Director shall be compensated for his or her service as a Director.

## **ARTICLE V**

### **MEETINGS OF THE BOARD OF DIRECTORS**

**Section 5.1. Regular Meetings.** Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors may, from time to time, determine.

**Section 5.2. Special Meetings.** Special meetings of the Board of Directors may be called at any time by the President, and shall be called by the President or the Secretary promptly upon written request of three (3) directors. No business will be transacted at any special meeting unless specified in the notice of the meeting.

**Section 5.3. Notice and Communication.** Notice of any regular or special meeting of the Board of Directors shall include a description of the business to be conducted and shall be given to each Director in person, or by telephone, electronic mail, facsimile or mail at least seven (7) calendar days prior to the meeting unless the business includes a proposal to amend the By-Laws in which case the notice required by Section 14.1 below shall be given.

**Section 5.4. Quorum.** At any meeting of the Board of Directors, a majority of the directors then in office shall constitute a quorum.

**Section 5.5. Action at Meetings.** When a quorum is present at any meeting of the Board of Directors, a majority of the directors present and voting shall decide any question, unless otherwise provided by law or these By-Laws.

**Section 5.6. Action by Consent.** Any action that may be taken at any meeting of the Board of Directors or any committee thereof, 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. Consent may be given by facsimile, email transmission of a pdf or other electronic image of a manually executed consent, or email notification if supported by a manually signed original delivered to the Secretary within a reasonable time following the date of the action. Voting by proxy shall not be permitted at meetings of the Board of Directors.

**Section 5.7. Participation by Telephone Conference Call.** Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such 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 presence in person at such meeting.

## **ARTICLE VI**

### **BOARD OF DIRECTORS COMMITTEES**

**Section 6.1. Executive Committee.** There shall be an Executive Committee chaired by the President and composed of the Officers and such additional directors as may be selected by the President and approved by a majority vote of the Board of Directors. The Executive Committee shall have the primary purpose of acting as a forum for the President to discuss issues of concern to the Corporation. The Executive Committee shall meet upon the call of the President and,

between meetings of the Board of Directors of the Corporation, shall have such powers as may be delegated to it by vote of the Board of Directors. Any action taken by the Executive Committee on behalf of the Corporation shall be reported to and submitted for ratification by the Board of Directors at the next meeting following any such action. In addition, the Executive Committee shall have such other powers as may be delegated by the Board of Directors.

**Section 6.2. Standing Committees.** The Board of Directors may establish such standing Committees as it deems appropriate. Subject to revision by the Board of Directors the Standing Committees as of the date of adoption of these Restated By-Laws are:

Audit & Finance Committee	Development Committee
Conservation Committee	Government Relations Committee
Communications Committee	Nominating Committee
Outreach & Education Committee.	

The President shall appoint the Chairperson and the members (who may or may not be directors) of all Standing Committees. The President shall submit all such appointments for approval of the directors not later than sixty days following the Annual Meeting of members.

**Section 6.3. Special Committees and Sub-Committees.** Special Committees and Sub-Committees may be designated from time to time by the President who shall appoint the Chairperson and the members thereof (who may or may not be directors). The President shall report such designations and appointments to the Board of Directors at their first meeting following any designation or appointment.

**Section 6.4. Members of Committees; Term.** With the exception of the Nominating Committee and the Audit & Finance Committee, each chairperson and member of a standing or special committee or sub-committee shall remain in office for a term of one year, unless otherwise specified by the President. Unless otherwise specified by the President, the term of office of members of the Nominating Committee and the Audit & Finance Committee shall be for three years. The Audit & Finance Committee shall consist of at least three members. The Nominating Committee shall consist of five members three, of which shall be current members of the Board of Directors and the remaining two of which shall be former members of the Board of Directors. To the extent reasonably feasible, appointments to the Audit & Finance Committee and the Nominating Committee shall be staggered to assure continuity of membership.

**Section 6.5. Meetings of Committees; Actions by Committees.** The Standing Committees, Special Committees and Sub-Committees shall meet with such frequency and at such times and places as each such Committee may determine. Meetings may be called by the Chairperson of each such Committee. In accordance with Section 5.7 above, Members of each such committee may participate in a meeting of the 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 presence in person at such meeting. In addition any action that may be taken at any meeting of any committee may be taken without a meeting if all the members of that committee consent to the action in writing and the written consents are filed with the records of the meetings of the committee. Consent may be given by facsimile, email transmission of a pdf or other electronic image of a manually executed consent, or email notification, if supported by a manually signed original delivered to the committee chairperson within a reasonable time following the date of the action.

**Section 6.6. Quorum.** At any meeting of any such committee, a majority of the members of that committee then in office shall constitute a quorum.

**Section 6.7. Committee Proceedings.** Action at a committee meeting at which a quorum is present shall be by majority vote of the members of the committee. Unless the Board of Directors shall otherwise provide, all committees shall generally conduct their affairs in the same manner as is provided in these By-Laws for meetings of the Board of Directors.

## **ARTICLE VII** **OFFICERS**

**Section 7.1. Number and Qualification.** The officers of the Corporation shall be a President, a First Vice-President, a Second Vice-President, a Secretary, and a Treasurer and such other officers, if any, as the Board of Directors may determine. All officers shall be members of the Corporation at the time of their election.

**Section 7.2. Election.** The President, First Vice President, Second Vice-President, Secretary, and Treasurer shall be elected annually by the members at the annual meeting of the Corporation. Other officers, if any, may be elected by the Board of Directors at any time to serve until the next annual meeting of members.

**Section 7.3. Term.** The President, First Vice President, Second Vice President, Secretary, and Treasurer shall serve for a term of one year which term shall begin at the close of the annual meeting of members at which they are elected. The President may not hold office for more than three consecutive terms; the First Vice President, Second Vice President, Secretary, and Treasurer may not hold office for more than four consecutive terms.

**Section 7.4. President.** The President shall be the chief executive officer of the Corporation, and subject to the control of the Board of Directors, shall have general charge and supervision of the affairs of the Corporation. The President shall preside at all meetings of the members and at all meetings of the Board of Directors. The President shall also perform such other duties as may be required of him or her by law, by vote of the Board of Directors, or by these By-Laws.

**Section 7.5. Vice Presidents.** The First Vice President shall have, and may exercise, all the powers and duties of the President during the absence of the President or in the event of his inability to act, and shall have such other duties and powers as the Board of Directors may determine. The Second Vice President shall assume the duties of the First Vice President in the event of his or her absence or inability to act.

**Section 7.6. Treasurer.** The Treasurer shall be the Chief Financial Officer and the Chief Accounting Officer of the Corporation. The Treasurer shall have responsibility for assuring the safe custody of the Corporation's funds, books, and accounts. The Treasurer 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 members. The Treasurer shall perform such other duties as may be required by him or her by law, by vote of directors, or by these Bylaws.

**Section 7.7. Secretary.** The Secretary of the Corporation shall be responsible for the safe custody of the corporate seal and papers. The Secretary shall attend all meetings of the members and directors and keep an accurate record of the proceedings. The Secretary shall give notice of all meetings of the membership and of the Board of Directors in the manner prescribed by these By-Laws and shall perform such other duties as may be required of him or her by law, by vote of the directors, or by these By-Laws.

**Section 7.8. Resignation and Removal.** Any Officer may resign at any time by delivering a written notice directed to the President or the Secretary of the Corporation and delivered to the principal office of the Corporation. Unless a later date is specified in such notice, the resignation



shall be effective upon receipt of such notice. Any officer may be removed at any time by the affirmative vote of a majority of the Board of Directors present at a meeting at which a quorum is present.

**Section 7.9. Vacancies.** Any vacancy however occurring in any office of the Corporation shall be filled by the Board of Directors as soon as possible.

**Section 7.10. No Compensation.** No officer shall be compensated for his or her service as an officer.

## **ARTICLE VIII** **STAFF**

**Section 8.1. Executive Director.** There shall be a single Executive Director who shall be responsible for the day to day operation of the Corporation as well as for the hiring, retention or termination and the supervision of all employees of the Corporation and shall exercise the duties of Executive Director subject to the authority of the Board of Directors. The Executive Director shall report to the President.

**Section 8.2. Additional Staff.** There shall be such additional permanent staff positions for the Corporation as the Executive Director with the concurrence of the Board of Directors may determine. Subject to consultation with the President, the Executive Director shall be responsible for filling authorized staff positions.

**Section 8.3. Compensation.** The compensation for the Executive Director shall be recommended by the President and approved by the Board of Directors. All staff salaries shall be determined by the Executive Director, subject to the review and approval of the President.

## **ARTICLE IX** **MERGER OF CONSERVATION FUND INTO THE SQUAM LAKES FUND**

Effective with the approval by the Members in accordance with Section 3.7 above, the Conservation Fund shall be merged with and into the Squam Lakes Fund and shall thereafter be managed, invested and its funds disbursed as a part of the Squam Lakes Fund in accordance with Article X below. The purpose of this merger is to consolidate the legacy Conservation Fund into the Squam Lakes Fund to improve efficiency of investment and liquidity management. The legacy purposes for the Conservation Fund are added to the purposes for the Squam Lakes Fund in Section 10.1 below.

## **ARTICLE X** **SQUAM LAKES FUND**

**Section 10.1. Purposes Objects and Use.** The purpose of the Squam Lakes Fund is to promote the general purposes of the Corporation by dedicating and applying: **(a)** income to help support the operations of the Corporation and **(b)** principal to acquire lands or interests in lands in towns within the Squam Lakes watershed for conservation and protection or which further the mission of the Corporation. Income from the Squam Lakes Fund remaining unexpended or not authorized to be expended at the end of any fiscal year shall be applied to the principal of the Squam Lakes Fund in accordance with Section 10.5 below. In addition to the foregoing, the purposes of the Squam Lakes Fund shall be:

- 10.1.1* To acquire or participate in acquiring lands, or interests in lands, in the Squam Lakes watershed which have ecologically significant characteristics and which are threatened by development in ways or for uses detrimental to the ecology or the watershed or to the preservation of the quality of the water in the Squam Lakes or of opportunities for public education and appreciation of the habitats and ecosystems existing in the watershed and the Lakes, and, in connection therewith, funds may also be used for expenditures associated with land surveying, land assessment, baseline documentation or stewardship fees.
- 10.1.2* To maintain and protect lands which, or interests in which, are so acquired and to provide means to enhance such public education and appreciation.
- 10.1.3* To support conservation activities applicable to Squam Lakes, their watershed, and wildlife therein undertaken by land trusts or communities and other governmental units having jurisdiction over the Lakes, the watershed, or any part or parts thereof: to participate in and support defense of lands in the watershed against development or other use not permitted by law or otherwise detrimental to the ecology of the Lakes or the watershed; and to promote and support legislation and other governmental measures further conserving and protecting the Lakes, the watershed, and wildlife therein; and
- 10.1.4* To support, by acquisition of land or interests in land or by other means, opportunities for residents of and taxpayers in the communities located in or partly in the Squam Lakes watershed to have access to the Lakes as a habitat for wildlife and as an educational and multi-use recreational resource.

**Section 10.2. Distributions.** The Board of Directors, in consultation with the Audit & Finance Committee or any special subcommittee thereof designated in accordance with Section 6.3 above, may authorize quarterly distributions to support the operations of the Corporation. The quarterly amount of the distribution to operations (“Quarterly Distribution”) will be approved by the Board of Directors at a meeting duly called and held where the notice clearly specifies that the Quarterly Distribution from the Squam Lakes Fund is to be acted upon. The amount of the Quarterly Distribution will be calculated by the consensus of the Executive Director, the President, the Treasurer and the Audit & Finance Committee or any special subcommittee thereof designated in accordance with Section 6.3 above; and should be based upon an evaluation of the following factors: (i) funding requirements for the operational budget; (ii) recent investment returns for the Squam Lakes Fund; (iii) the financial obligations and expenses for the Corporation, both recent and prospective; (iv) the investment committee’s view for the outlook for the investments supporting the Squam Lakes Fund, as well as the overall economic outlook; and (v) the overall financial condition of the Corporation. Based on the foregoing factors, the amount, if any, of the Quarterly Distribution will range from 1.0% to 1.5 % of the trailing eight quarter average of the market value of the Squam Lakes Fund (“Trailing Average”). For the avoidance of doubt, in no event shall a Quarterly Distribution exceed 1.5 % of the Trailing Average, nor shall the sum of the Quarterly Distributions for any given calendar year exceed 6% of the Trailing Average. Distributions from the Squam Lakes Fund or borrowings against the Squam Lakes Fund drawn from income, principal or both in excess of the percentage specified in the preceding sentence may be authorized for acquisition of lands or interests in lands, subject to the restrictions set forth in Section 10.4 below.

**Section 10.3. Administration and Investment.** The investment goal for the Squam Lakes Fund is to obtain the highest possible total rate of return consistent with the standard of prudence. The assets of the Squam Lakes Fund shall be held in the name of the Corporation and will consist primarily of marketable securities and cash equivalents. The Audit & Finance Committee or any special subcommittee thereof designated in accordance with Section 6.3 above, acting with the Treasurer shall: (a) determine the investment and reinvestment of the assets of the Squam Lakes Fund; (b) recommend to the Board of Directors an asset allocation appropriate to investment market conditions from time to time; and (c) review the investment performance of the assets so invested at least quarterly, make such changes as are appropriate, and make periodic reports to the Board of Directors and the members. The assets of the Squam Lakes Fund may be held in common with other assets of the Corporation but shall be accounted for separately. The Board of Directors may delegate in whole or in part the investment management or custodial responsibilities for any or all of the assets of the Squam Lakes Fund to one or more independent investment managers or custodians, as the case may be.

**Section 10.4. Limitations on Expenditures.** The Board of Directors shall not, however, have the power, except as provided in this Article X, to expend or borrow against principal from the Squam Lakes Fund for the purchase of land or interests in land in amounts exceeding in each case twenty-five per centum (25%) of the value of the principal of the Squam Lakes Fund. The Members may, if they deem it to be prudent and consistent with the purposes and objects of the Squam Lakes Fund, authorize by vote in accordance with Section 3.7 above the appropriation for expenditure for the purchase of land or interests in land of amounts exceeding the limits specified in Section 10.2 above, this Section 10.4 and in Section 10.5 below.

**Section 10.5. Distributions From the Squam Lakes Fund to Fund the Capital Budget and to Maintain Required Liquidity.** Distributions from the Squam Lakes Fund shall be permitted for capital improvements that are supportive of the Corporation's operations or mission in accordance with the provisions of this Section 10.5. Such capital improvements must be part of a budget for capital improvements approved by the Board of Directors each fiscal year at a meeting duly called and held where the notice for the meeting specifies that action is to be taken at the meeting on approval of the Capital Budget ("Approved Capital Budget"), and such Approved Capital Budget may be updated or modified during the year subject to the Board's review and approval by the Board of Directors at a meeting duly called and held where the notice for the meeting specifies that action is to be taken at the meeting on a revision to the Approved Capital Budget. Before being presented to the Board of Directors for approval, the budget for capital improvements must be approved by the President, the Treasurer and the Audit & Finance Committee or any special subcommittee thereof designated in accordance with Section 6.3 above. Distributions from the Squam Lakes Fund shall also be permitted so that the Corporation may maintain the appropriate and prudent amount of cash liquidity in a FDIC insured money market account ("Bank Account"). Prior to the beginning of each calendar year, such amount of liquidity ("Required Liquidity") will be proposed by the consensus of the Executive Director, the President, the Treasurer and other members of the Audit & Finance Committee or any special subcommittee thereof designated in accordance with Section 6.3 above; and approved by the Board of Directors at a meeting duly called and held where the notice for the meeting specifies that action is to be taken at the meeting on a determining the amount of Required Liquidity.

*10.5.1* The calculation of the adjustment to maintain the appropriate Required Liquidity shall be made in accordance with this Subsection 10.5.1. Prior to the beginning of each calendar year a payment must be made either from the Bank Account to the Squam Lakes Fund, or

from the Squam Lakes Fund to the Bank Account (“Annual Liquidity Adjustment”) in order to achieve the appropriate Required Liquidity balance in the Bank Account in accordance with the following formula:

$$A - B - C = \text{Annual Liquidity Adjustment}$$

Where:

A is the Calendar Year End Balance for the Bank Account;

B is the estimated Required Liquidity for the next calendar year; and

C is the Approved Capital Budget.

If such calculation results in a POSITIVE figure, then such amount shall be transferred at or near the beginning of the next calendar year from the Bank Account to the Squam Lakes Fund. If such calculation results in a NEGATIVE figure, then such amount shall be transferred at or near the beginning of the next calendar year from the Squam Lakes Fund to the Bank Account.

## **Article XI**

### **CONFLICTS OF INTEREST**

**Section 11.1. Duty to Disclose and Voting Requirements.** Any possible conflict of interest on the part of any member of the Board of Directors or officer of the Corporation, shall be disclosed in writing to the Board of Directors and made a matter of record through an annual procedure and also when the interest involves a specific issue or transaction before the Board of Directors. Where the transaction involving a board member or officer exceeds five hundred dollars (\$500) but is less than five thousand (\$5,000) in a fiscal year, a two-thirds vote of the Board of Directors approving the transaction is required. Where the transaction involved exceeds five thousand dollars (\$5,000) in a fiscal year, then a two-thirds vote of the Board of Directors approving the transaction and publication of a legal notice in a newspaper of general circulation in the community in which the Corporation’s principal office is located is required, together with written notice to the Director of Charitable Trust, of the New Hampshire Attorney General’s Office. The minutes of the meeting shall reflect that a disclosure was made; that the interested Director and all other Directors with a pecuniary transaction with the Corporation during the fiscal year were absent during both the discussion and the voting on the transaction. Every new member of the Board of Directors will be advised of this requirement upon entering the duties of his or her office and shall sign a statement acknowledging, understanding of and agreement to this policy. The foregoing provisions are intended to assure compliance with the requirements of NH RSA 17-9.

**Section 11.2. Other Statutory Requirements.** The Board of Directors will comply with all requirements of New Hampshire laws dealing with pecuniary benefit transactions (RSA 7:19-a and RSA 292: 6-a) and all such laws are incorporated in full into and made a part hereof. These requirements include, but are not limited to, absolute prohibition on any loans to any director or officer of the Corporation, and prohibition of any sale or lease (for a term greater than five years) or conveyance (other than a conveyance pursuant to a donation to the Corporation) of real estate from an officer or director without the prior approval of the probate court. These requirements extend to both direct and indirect financial interests, as defined by the Revised Statutes of New Hampshire.

## **ARTICLE XII**

### **LIMITATION OF LIABILITY; INDEMNIFICATION AND INSURANCE**

**Section 12.1. Limitation of 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, or other entities extending credit to, contracting with, or having any claim against, the Corporation shall look only to the funds and property of the Corporation for the 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.

**Section 12.2. 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 or she may be made a party arising out of any act or failure to act while serving in his or her official capacity as officer or director of the Corporation or as a Committee member acting within the scope of his or 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 or her conduct was in or not opposed to the best interests of the Corporation. For purposes herein, the term ‘expenses’ shall include counsel fees; the term ‘liability’ means the obligation 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.

**Section 12.3. Insurance.** The Board of Directors may authorize, by a vote of a majority of the entire Board of Directors, the Corporation to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, member of a standing or special committee of the Board of Directors, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against and incurred by such person in any such capacity, or arising out of such person’s status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of Section 12.2 above.

## **ARTICLE XIII**

### **AUDIT AND FINANCE**

**Section 13.1. Fiscal Year.** Unless otherwise decided by the Board of Directors, the fiscal year of the Corporation shall end on December 31, in each year.

**Section 13.2. Audit.** The accounts of the Corporation shall be audited annually by a Certified Public Accountant and a copy of such audit shall be submitted to the Board of Directors.

## **ARTICLE XIV**

### **AMENDMENT OF BY-LAWS**

**Section 14.1. Amendment by Directors.** These By-Laws may be amended or restated by the vote of two-thirds of the Directors then in office at any regular or special meeting of the Board of Directors at which a quorum is present if the notice of meeting specified the action to be taken and was given not less than thirty (30) calendar days before the meeting.

**Section 14.2. Amendment by Members.** These By-Laws may be amended or restated upon petition by the Members: (i) upon request by the Board of Directors in accordance with such procedures as may be established by the Board of Directors; or (ii) in accordance with the procedures set forth in this Section and in Section 3.7 above. The petition to amend the By-Laws must identify with specificity the language to be added, deleted or altered and shall be signed by at least seventy-five (75) Members as determined by reference to the current membership roster. Each Member on the petition must list his or her name, address used for purposes of the Corporation membership and current phone number or email address. Upon verification of the petition's signatures and satisfaction of the seventy-five (75) Member requirement, a meeting of the members shall be convened and the proposed amendment or restatement of the By-Laws shall be considered and acted upon in accordance with Section 3.7 above.

## **ARTICLE XV**

### **GENERAL PROVISIONS**

**Section 15.1. Definitions.** Capitalized terms used in these Restated By-Laws shall have the meaning defined below or at the referenced location:

- 15.1.1. "Board of Directors" means the board of directors of the Corporation constituted in accordance with Article IV of these By-Laws
- 15.1.2. "By-Laws" means these Restated By-Laws, as from time to time amended in accordance with the terms hereof.
- 15.1.3. "Corporation" means the Squam Lakes Association.
- 15.1.4. "Extraordinary Matter" is defined in Subsection 3.7.1 above
- 15.1.5. "Minimum Annual Contribution" is defined in Section 2.2 above.
- 15.1.6. "Member" is defined in Section 2.1 above.
- 15.1.7. "Conservation Fund" means the Squam Lakes Association Conservation Fund, constituted and governed in accordance with Article IX above.
- 15.1.8. "Squam Lakes Fund" means the Squam Lakes Fund, constituted and governed in accordance with Article X above.

**Section 15.2. Corporate Seal.** The Corporate Seal of the Corporation shall be circular in form, with the name of the Corporation and the date of organization (July 24, 1905) so engraved on the face that it may be embossed on paper by pressure.

**Section 15.3. Transactions Relating to Interests in Real Estate.** Subject to the requirements of law, the Articles of Association and these By-Laws, transactions relating to interests in real estate may be approved as follows:

- 15.3.1. Acquisitions.** All acquisitions of real estate or any interest therein shall be approved by a majority vote of the Board of Directors; *provided, however,* that if any such acquisition requires the expenditure of funds that these By-Laws require to be authorized by the Members, then such authorization shall also be obtained.
- 15.3.2. Dispositions.** All transactions by the Corporation relating to the sale, disposal, or conveyance of title to real estate owned by the Corporation shall require the approval of the Members in accordance with these By-Laws.

**15.3.3. Dispositions of Other Interests.** Transactions by the Corporation relating to the transfer of limited interests in the Corporation's real estate such as leases, grants of conservation easements or similar interests may be made under circumstances and upon terms that are consistent with the purposes of the Corporation and after approval by the majority vote of the Board of Directors.

**15.3.4. Execution.** Any recordable instrument purporting to affect an interest in real estate may be executed in the name of the Corporation by two of its officers, of whom one shall be the President or a Vice President and the other shall be the Treasurer or Secretary, shall be binding on the Corporation in favor of a purchaser or other person relying in good faith on such instrument notwithstanding any inconsistent provisions of the Articles of Association, Bylaws, Resolutions, or vote of the Corporation.

**Section 15.4. Execution of Other Papers.** Except as the Board of Directors may generally or in particular cases authorize the execution thereof in some other manner, all contracts, bonds, notes, checks, drafts, and other obligations made, accepted, or endorsed by the Corporation shall be signed by the President or by the Treasurer.

**Section 15.5. Minutes and Records.** An original or duplicate record of the minutes of meetings of the Board of Directors and of the Committees of the Board, the books or records of account, and the By-Laws, shall be kept at the principal office of the Corporation.

