

## CORPORATE BYLAWS

### CUTLER DEVELOPMENT CORPORATION (A Maine Nonprofit Membership Corporation)

#### ARTICLES 1. IDENTITY

1.1 Articles of Incorporation: These Corporate Bylaws, the name, purposes and powers of the Corporation, its Directors, Officers and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Articles of Incorporation in effect from time to time.

1.2 Name: The name of the corporation shall be the name stated in the Articles of Incorporation of this Corporation as amended from time to time. The name of the Corporation may be changed by amendment of its Articles of Incorporation. The Corporation may register to do business under one or more assumed names by filing appropriate registrations with the Secretary of State of the State of Maine.

1.3 Offices: The principal office of the corporation shall be located at such place in the Town of Cutler, County of Washington and State of Maine as the Directors may determine from time to time. The location of the Corporation's principal office may be changed by the Directors from time to time without amendment of these Corporate Bylaws. The Corporation may also have offices at such other places, within or without the state of Maine, as its business and activities may require, and as the Directors may, from time to time, designate.

1.4 Registered Agent and Office: In compliance with the Maine Nonprofit Corporation Act, the Corporation shall have, and continuously maintain, a statutory registered agent who shall be a resident of the state of Maine. The Directors shall have the power to change the identity of the registered agent from time to time by filing an appropriate form with the Secretary of State of the State of Maine. The registered agent shall maintain a registered office within the state of Maine. The address of the registered office may be changed from time to time by either the registered agent, or the Directors, upon filing an appropriate form with the Secretary of State of the State of Maine.

1.4 Seal: The Directors may adopt a corporate seal and include the name of the corporation, the year of its incorporation and the name of the state in which it has been incorporated.

#### ARTICLE 2. PURPOSES

2.1 Purposes: This benevolent, charitable and efeemosynary institution has been organized and is incorporated under the Maine Nonprofit Corporations Act and shall be operated exclusively for charitable, religious, educational, literary, or scientific purposes within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986 (the "Code") as the same may be amended from time to time and exclusively for the benefit of, to perform the functions of, and to carry out the purposes of the towns of Cutler, Machias, Machiasport and East Machias (the "Towns") within the meaning of Section 509(a)(3) of the Code'

This Corporation shall be empowered to conduct any and all activities which fall within the corporate purposes of the Towns; provided that, in all events this Corporation: (i) shall at all times be operated exclusively for the above enumerated purposes; (ii) shall be operated in connection with the Towns; and (iii) shall not be controlled directly or indirectly by one or more disqualified persons (as defined in Section 4946 of the Internal Revenue Code to include substantial contributors) other than foundation managers and other than one or more public charities described in Section 509(a)(1) or 509(a)(2) of the Code.

Within the limitations of the aforesaid purposes, the purposes of the Corporation shall include (but not by way of limitation) the following purposes:

- (a) To encourage, stimulate and promote local economic development, expansion and diversification within the (so called) "Machias Bay area" composed of the geographic area of the Towns and neighboring municipalities adjacent to Machias Bay in Washington County, Maine;
- (b) To improve and encourage economic development in the Machias Bay area by promoting business growth that supports small communities and maintains environmental integrity;
- (c) To foster, encourage and assist the settlement or resettlement of industrial, manufacturing, fishing, agricultural, recreational and other business enterprises within the State of Maine and function as a "local development corporation" within the meaning of Title 5, Section 13081(6), M.R.S.A.; and
- (d) To lessen the burden of government by creating a larger tax base, combating community deterioration, alleviating unemployment and promoting social welfare for the benefit of all residents of the area served by the Corporation.

In furtherance hereof, but not by way of limitation, the Corporation shall be organized and empowered to do everything necessary, proper, advisable or convenient for the accomplishment of the foregoing purposes, and to do all other things incidental to them, or connected with them, that are not forbidden by law, the Articles of Incorporation, or these Corporate Bylaws; provided, however, that the Corporation shall not engage in any transaction, or do or permit any act or omission, which shall operate to deprive it of its tax exempt status as a Corporation described in Section 501(c)(3) of the Code.

**2.2 Tax-Exempt Purpose:** It is intended that the Corporation shall have the status of a Corporation (i) which is exempt from Federal income taxation under Section 501(c)(3) of the Code, (ii) contributions to which are deductible under Section 170(c)(2), 2055(a)(2) or 2522(a)(2) of the Code and (iii) which is "other than a private foundation" as defined in Section 509(a) of the Code. The Articles of Incorporation and these Corporate Bylaws shall be construed accordingly and all powers and activities of the Corporation shall be limited accordingly. In this

- (a) The Corporation shall not engage in any transaction, or do or permit any act or omission, which shall operate to deprive it of its tax exempt status under Section 501(c)(3) of the Code;
- (b) No substantial part of the activities of this Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; provided, however, that notwithstanding the foregoing, nothing in this Article shall be construed to prevent this Corporation from making the election available under Section 501(h) of the Code, but during any tax year for which an election under Section 501(h) of the Code shall be in effect for the Corporation or any other Affiliated Organization, "direct lobby expenditures" and "grass roots expenditures" by the Corporation in any given tax year shall not exceed the applicable limits under Section 501(h) calculated without regard to the "exempt purpose expenditures" of any other Affiliated Organizations;
- (c) No substantial part of the activities of this Corporation shall be the provision of "commercial type insurance" within the meaning of Section 501(m) of the Code;
- (d) This Corporation shall not, in any manner or to any extent, participate or intervene (including publishing or distribution of statements) in any political campaign on behalf of any candidate for public office; and
- (e) This Corporation shall not engage in any activities that are unlawful under applicable federal, state, or local laws.

2.3 Equal Opportunity Employer: The corporation shall be an equal opportunity and affirmative action employer, and it shall not discriminate on the basis of age, race, religion, color, creed, sex, sexual preference, handicap, financial status or national origin:

- (a) In the persons served or in the manner of service; or
- (b) In the hiring, assignment, promotion, salary determination or other conditions of staff employment; or
- (c) In the membership of the Board of Directors.

2.4 Dedication of Assets to Tax-Exempt Activities: All the assets and income of the Corporation shall be used exclusively for its charitable, educational, or scientific purposes and no part thereof shall inure to the benefit of any director, officer, or private individual; provided, however, that nothing contained herein shall be construed to prevent the payment by the Corporation of salaries and expenses to Officers and employees of the Corporation employed by it.

If this Corporation be dissolved or its legal existence terminated, either voluntarily or involuntarily, or upon final liquidation of the Corporation, none of its assets shall inure to the benefit of any director, officer, or private individual, and all of its assets remaining after payment of all of its liabilities shall be distributed by affirmative vote of the Directors exclusively to:

- (a) One or more nonprofit organization or organizations which may have been created to succeed the Corporation, as long as such organization) or each of such organizations) shall then qualify as an organization exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of such Code, as amended, and as a charitable, religious) eleemosynary, benevolent or educational corporation within the meaning of Title 13-B, of the Maine Revised Statutes as amended; and/or
- (b) One or more nonprofit organization or organizations having similar aims and objects as those of the Corporation and which may be selected as an appropriate recipient of such assets by the Directors, as long as such organization, or each of such organizations, shall then qualify as an organization exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of such Code, as amended, and as a charitable, religious, eleemosynary, benevolent or educational corporation within the meaning of Title 13-B, of the Maine Revised Statutes as amended; and/or
- (c) One or more States, or possessions of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia (provided that any such distribution shall be used for exclusively public purposes) and which may be selected as an appropriate recipient of such assets by the Directors, as long as such recipient, or each of such recipients, shall then be described in Section 170(b)(1) of the Code.

In the event the assets of the Corporation are not so distributed, said assets shall be distributed by a court of competent jurisdiction in the county where the principal office of the Corporation is located to a non-profit organization or organizations having similar aims and objects as the Corporation and which may be selected as an appropriate recipient of such assets as long as such organization, or each of such organizations, shall then qualify as an organization exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of such Code, as amended, and as a charitable, religious, eleemosynary, benevolent or educational corporation within the meaning of Title 13-B of the Maine Revised Statutes as amended.

### ARTICLE 3. MEMBERSHIP

3.1 Identification of Members: The Members of the Corporation shall be the Towns designated in the corporate purpose statement of either the Articles of Incorporation) or at Section 2.1 hereof, and such other Machias Bay area municipalities as may be elected to Membership by the Members from time to time. Each Member shall continue to serve as such until it resigns, or until its earlier dissolution, disorganization, annexation, merger or consolidation. Actions of the Members shall be taken in accordance with Section 7.2 of these Corporate Bylaws unless otherwise prescribed by law.

3.2 Rights and Powers: The Members shall have all the rights set forth in the Articles of Incorporation, these Corporate Bylaws, or under Chapter 6 of Title 13-B M.R.S.A. These rights include:

- (a) The election of additional Machias Bay area municipalities as Members of the Corporation;
- (b) The right of each Member to appoint one or more individuals to serve as Directors of the Corporation in accordance with Section 4.1 of these Bylaws and to remove any Director appointed by it;
- (c) The amendment, restatement, or modification of the Articles of Incorporation or Bylaws of the Corporation.
- (d) The approval of the sale, mortgage, lease, or other disposition of all, or substantially all, of the assets and property of the Corporation, the dissolution of the Corporation, or its merger with or consolidation into another corporation; and
- (e) Any other matter that the Directors determine to submit to a vote of the Members.

#### ARTICLE 4. BOARD OF DIRECTORS

- 4.1 Election and Qualifications: All of the activities, property and affairs of the Corporation shall be managed by its Directors. With the exception of the Directors appointed by the Machias Bay area Municipalities (the "Municipal Directors"), the Directors shall be elected by the incumbent Directors at the Annual Meeting of the Directors. At all times there shall be at least two (2) Non-Municipal Directors of the Corporation and there shall always be more Municipal Directors than Non-Municipal Directors. The Town Council or Board of Selectmen of each Machias Bay area Municipality shall have the right to appoint one individual to serve as a Municipal Director of the Corporation; provided that the Town Council or Board of Selectmen of the Town of Cutler may appoint a second Director. The number of Directors may be increased or decreased from time to time, but shall not be less than five (5) Directors, nor more than nine (9) Directors, and no decrease in number shall have the effect of shortening the term of any incumbent Director. Each Director shall be selected for his or her ability to participate effectively in fulfillment of the responsibilities of the Directors.
- 4.2 Terms of Office: Except for the Municipal Directors, Directors shall serve for terms of two (2) years and until their successors are elected and qualified, or until their prior death, removal, or resignation. The Municipal Directors shall serve for terms of one (1) year commencing at the Annual Meeting of the Directors and until their successors are appointed, or until their prior death, removal, or resignation. The initial Directors named in the Articles of Incorporation of the Corporation shall serve until the first Annual Meeting of the Corporation at which time the terms of all of the Directors shall expire and the Non-Municipal Directors shall be divided into two (2) classes by lots with staggered terms of one and two years such that (as nearly as possible) one -half of the Non-Municipal Directors shall be elected at each subsequent Annual Meeting.

To accomplish this result, at the 2003 Annual Meeting of the Directors, one-half of the Non-Municipal Directors shall be elected to a term of one year and one-half of the Non-Municipal Directors shall be elected to a full term of two years. At each annual meeting hereafter, one-half of the Non-Municipal Directors shall be elected to serve for a full term of two (2) years. In the event that there is a failure to elect Non-Municipal Directors as aforesaid, or if such Annual Meeting is not held, then Non-Municipal Directors shall be elected at any regular or Special Meeting of the Directors called for that purpose as soon thereafter as convenient.

4.3 Rights and Powers: Except for those voting rights of the Members set forth at Section 3.2 hereof, all of the business and affairs of the Corporation shall be managed by the Board of Directors and the acts of the Directors shall determine the action of the Corporation without any right of appeal to the Members. The Board of Directors shall manage the activities of the corporation in a manner consistent and in compliance with the purposes, objectives, philosophy, and limitations set forth in the Articles of Incorporation, these Corporate Bylaws and as otherwise required by law. The Board of Directors may delegate any part of such power to any Officer, or to any committee of the Corporation. No assignment, referral or delegation of authority by the Board of Directors, however, shall preclude the Board of Directors from exercising the authority required to meet its responsibility for the conduct of the Corporation. The Board of Directors shall retain the right to rescind any such delegations. The Directors shall have as their primary function the establishment of policies consistent with the purposes of the Corporation and the assumption of responsibility for resource management or stewardship on behalf of the Corporation. The powers of the Directors shall include the following extraordinary corporate acts in addition to all other powers granted by the Maine Nonprofit Corporations Act, the Articles of Incorporation and these Corporate Bylaws:

- (a) The election of non-municipal Directors.
- (b) The removal of non-municipal Directors.
- (c) The election of either Municipal or non-municipal Directors to fill any vacancies occurring on the Board of Directors between Annual Meetings of the Members or Directors, respectively;
- (d) The changing of the number of Directors constituting the Board of Directors within the limitations prescribed herein.

4.4 Compensation: Directors shall not receive compensation for service as Directors of the Corporation. Directors may be reimbursed for reasonable expenses incurred in their service as Directors.

4.5 Minutes: A written record of all Board meetings shall be maintained by the Secretary in one or more Corporate Books reserved for this purpose.

4.6 Rules: The Board of Directors may adopt rules governing the conduct of business and procedures for meetings that are not inconsistent with law, the Articles of Incorporation and these Corporate Bylaws. Such rules may be amended by the Board of Directors at any meeting, without notice.

## ARTICLE 5. OFFICERS

5.1 Number and Designation: The Officers of the Corporation shall be a President, Vice President, Secretary and Treasurer each of whom must be a Municipal Director. Also, the Board of Directors may appoint one or more additional vice-presidents, assistant secretaries, or assistant treasurers, and assign such duties to them, as from time to time it deems advisable.

5.2 Duties: Except as otherwise provided in these Corporate Bylaws, the Officers of the Corporation shall perform the duties usually pertaining to their respective offices in corporations organized under the Maine Nonprofit Corporations Act, such duties as may be required by the Articles of Incorporation or these Corporate Bylaws, and such other duties as may be prescribed from time to time by the Board of Directors. In addition. Officers shall have the following duties:

- (a) The President shall be the duly authorized representative of the Board of Directors in all matters in which the Board of Directors or these Corporate Bylaws have not formally designated some other person for that purpose. The President, or his or her designee, shall attend all meetings of the Board of Directors of the Corporation and any committees of the Board. The President shall preside at all meetings of the Board of Directors and shall be, ex officio, a voting member of all committees. The President shall appoint all members of committees, except as otherwise provided in the Articles of Incorporation or these Corporate Bylaws. The President may determine the order of business at meetings of the Board of Directors and shall serve as chairperson of such meetings. Unless otherwise expressly authorized by the Board of Directors) the President shall cosign with the Treasurer all notes, checks in excess of \$500.00, mortgages and other legal instruments given in the name of the Corporation. The President shall perform any other duties normally within the expressed or implied terms of the office that may be necessary for the best interest of the Corporation. The President shall perform such other duties as the Board of Directors shall, from time to time, direct.
- (b) The Vice President shall have the responsibility of assuming the duties of the President in the event of the death, resignation, or removal of the President and shall undertake any duties of the President upon the specific request of the President, or at the direction of the Board of Directors. The Vice President shall preside at meetings in the absence of the President.
- (c) The Secretary shall be responsible for assuring that proper minutes of all meetings of the Board of Directors of the Corporation are maintained in one or more Corporate Record Books, and shall be responsible for the maintenance of an attendance record of Directors in accordance with Section 7.8. The Secretary

shall maintain a role of the names and addresses of each Director of the Corporation indicating each Director's status as either a Municipal or Non-Municipal Director (and in the case of Municipal Directors, the name of the Town that appointed him or her) and the date upon which each Director's term of office expires. At least 60 days prior to the Annual Meeting of the Corporation, the Secretary shall give notice to each Town advising of the expiration of the term of Municipal Directors appointed by each and request the appointment or reappointment of Municipal Directors in advance of said Annual Meeting.

- (d) The Treasurer shall have custody of all funds of the Corporation, making payments therefrom as the Board of Directors authorizes, and with the approval of the Board of Directors, may delegate any of these duties to such person, acting under the direction of the Treasurer, as the Board of Directors may approve; provided, however, that all checks in amounts in excess of \$500.00 shall be cosigned by the Treasurer and the President. The Treasurer, acting on behalf of the Board of Directors, shall require that appropriate records be kept to give a full and accurate account of the financial transactions of the Corporation in order to present its financial condition, and to render such periodic and other reports as the Board of Directors may require. If directed by the Board of Directors, the Treasurer shall arrange for an external independent audit of the accounting and financial records of the Corporation within 90 days of the end of the fiscal year of the Corporation and shall report the findings of such audit to the Directors at their next regular meeting. The Treasurer will also serve as the chair for fundraising activities of the Corporation. The Treasurer, as directed by the Board of Directors, shall have authority to endorse for transfer in the name and on behalf of the Corporation, stock certificates, bonds and other securities and evidence of indebtedness standing in the name of the Corporation. If required by the Board of Directors, the Treasurer, at the expense of the Corporation, shall be bonded for the faithful performance of his or her duties.

5.3 Election and Tenure: The Officers of the Corporation shall be elected by the Board of Directors at the annual meeting of the Board of Directors. The term of office for each Officer of the Corporation shall be one (1) year, and each Officer shall hold office until the next annual meeting of the Board of Directors or until a successor has been duly elected and qualified, or until his or her prior death, resignation or removal. An Officer may be elected to succeed himself or herself. No individual may hold more than one office.

## ARTICLE 6. COMMITTEES OF THE CORPORATION

6.1 Special Committees: The President may appoint, from time to time, such special committees as may be (in his or her discretion) advisable to carry out the purposes of the Corporation. Such special committees shall serve as long as the purpose for which they were created exists, unless dissolved by vote of the Board of Directors. The purposes and authority of such committees shall be set forth in the Minutes of the meeting of the Directors at which the President announces the establishment of the committee. The Board of Directors may vote to

delegate such of their powers as they consider advisable (except those powers which by law, the Articles of Incorporation, or these Bylaws may not be so delegated) to such Special or ad hoc Committees as may from time to time be established.

6.2 Membership and Chairs: Members of all committees shall be appointed by the President and one ( 1 ) member of each committee shall be appointed chair by the President after receiving recommendations concerning this appointment from each committee. Except as otherwise provided below, membership on committees may include persons other than Directors, such as professional advisors, and other interested persons. Alternate or replacement members of any committee shall be appointed or elected, as the case may be, in the same manner as committee members are initially selected.

6.3 Tenure: A member of a committee shall serve until the next annual meeting of the Board of Directors of the Corporation or until his/her successor is appointed, unless the committee shall dissolve sooner or unless he/she is removed from such committee or unless the individual ceases to qualify as a member of such committee. Each year in advance of the annual meeting, each committee member shall submit a written review of the effectiveness of the committee Chair to the President.

## ARTICLE 7. MEETINGS

### Notice of Meeting

- (a) Notice of all meetings of the Members shall be given by the Secretary of the Corporation, or in the absence or disability of the Secretary, by the President or Vice President, by mailing to the Town Manager or Town Administrator of each Member a written or printed notice specifying the time and place of the meeting and, in the event of a special meeting, the purposes thereof, with a courtesy copy to a newspaper of general circulation in the Machias Bay area. Such notices and courtesy copies required hereby shall be addressed to such Member and such newspaper at its last known address and mailed with sufficient postage prepaid not less than thirty (30) days, nor more than fifty (50) days before the meeting.
- (b) The President shall select the date, time and place for holding regular and special meetings of the Board of Directors and shall cause notice to be given to all Directors with a courtesy copy to a newspaper of general circulation in the Machias Bay area not less than five (5) days prior to the call of the meeting.
- (c) Whenever all Members or all Directors are present at a meeting of the Members, or the Board of Directors, respectively, or when the Members or Directors not present at a meeting shall sign a consent to action, such action shall be of the same effect as if notice had been duly given as aforesaid. Presents of or actions of the Chairman of any Town Council, or First Selectman of any Board of Selectman of any Member shall be presumed to be authorized by the Member.

- (d) An affidavit of the mailing of any notice required hereunder with a copy of the notice attached made by the person mailing or publishing the notice shall be sufficient proof of compliance with these Corporate Bylaws.
- (e) Meetings of any committees of the Corporation may be called by the President of the Corporation or the chair of the committee who shall cause written notice of the date, time and place of a meeting of any committee to be given to all committee members and to each Director of the Corporation, with a courtesy copy to a newspaper of general circulation in the Machias Bay area, at least five (5) days in advance of the date of the meeting.
- (f) Whenever any notice whatever is required to be given under the Articles of Incorporation or these Corporate Bylaws or any provision of law, or a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the person or entity entitled to such notice, shall be deemed equivalent to the giving of such notice. Neither the purpose of nor business to be transacted at any annual regular or special meeting need be specified on the waiver of notice, unless specifically required by law. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a meeting is attended for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. No newspaper entitled to a courtesy copy of any notice provided pursuant to these Bylaws shall have any right to object to the holding of any meeting as long as a notice of the meeting has been provided to the newspaper prior to the convening of the meeting.

7.2 Meetings and Action of the Members:

- (a) The annual meeting of the Members shall be held during the month of May of each year, at such time and location as set forth in the notice of the meeting. In the event of a failure for any reason to hold an annual meeting as aforesaid, any business which might properly be transacted at an annual meeting may be transacted at a special meeting.
- (b) Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of thirty (30) percent of the Members of the Corporation.

7.3 Meetings of the Board of Directors: The annual meeting of the Board of Directors shall occur at the next regularly scheduled meeting of the Board of Directors following the annual meeting of the Members of the Corporation. Regular meetings of the Board of Directors shall normally be held at least quarterly. Directors may participate in regular or special meetings of the Board of Directors by telephone conference call; provided, however, that all of the Directors must be able to hear one another at the same time. The incumbent Directors and Officers shall retain their authority and responsibility until successor Directors assume their offices in accordance with the terms of these Corporate Bylaws.

7.4 Meetings of Committees: Meetings of standing committees and special committees may be called by the President of the Corporation or the chair of the committee. Except as otherwise provided in these Corporate Bylaws, each committee shall meet as often as necessary and appropriate to perform its duties. Each committee shall report to the Board of Directors at its next Regular Meeting subsequent to each meeting of the committee and such reports shall be kept as part of the minutes of the Board of Directors.

7.5 Quorum, Voting and Manner of Acting:

(a) At any meeting of the Members of the Corporation, a quorum for the transaction of business shall consist of not less than a majority of the Members; provided, however, that such majority must include the Town of Cutler. If less than a quorum is present, then a smaller number may adjourn such a meeting from time to time until a quorum is obtained.

(b) At any meeting of the Directors, or any committee of the Board of Directors, a majority of the Directors or persons serving on the committee that have been elected (or otherwise appointed) and qualified then in office shall constitute a quorum for the transaction of business at any meeting; provided, however, that such majority must include two Municipal Directors appointed by the Town of Cutler and at least one other Municipal Director. If less than a quorum is present, then a majority of the Directors or persons serving on the committee present may adjourn the meeting.

(c) The act of a majority of the Members, Directors or persons serving on a committee of the Board of Directors present at a meeting at which a quorum is present shall be the act of the body meeting, unless the act of a greater number is required by the Articles of Incorporation, these Corporate Bylaws, or any provision of law.

(d) Each Member, Director or individual serving on a committee of the Corporation who is present shall have one vote on each matter submitted to a vote at any meeting. Except at meetings of the Members where proxies shall be permitted, voting by proxy at meetings of the Directors or their committees shall not be permitted. At meetings of the Members, the Chairman of any Town Council, or the first Selectman of any Board of Selectmen, of any Member shall be presumed to be the person authorized to vote for the Member, but proxies duly executed in the name of the Member shall be conclusive evidence of the Member's authorized actions at any meeting of the Members.

7.6 Conduct of Meetings: The President of the Corporation, or in the absence of the President, the Vice President, shall call any meeting of the Members or Directors to order and shall act as the chairperson of the meeting. The chairperson of a committee, or in the absence of the Committee chair, a vice chairperson or chair pro tern, shall call any committee meeting to order and shall act as the chairperson of the meeting.

7.7 Mechanisms for Board Action In The Absence of a Meeting: If all the Members or Directors sign a written consent specifying any action desired to be taken by the Members or the Board of Directors of the Corporation, such action shall be a valid corporate action as though it had been authorized at a meeting of the Members or Directors and the secretary shall file such consent with the minutes of the meeting of the Members or Directors to be read at the ensuing regular meeting. A consent may be executed in counterpart originals as long as all counterparts are maintained in the corporate record book by the Secretary.

7.8 Conflicts of Interest:

- (a) Prior to taking his or her position on the Board of Directors and annually thereafter, each Director shall submit in writing to the President of the Corporation a list of all businesses and other organizations of which the Director is an officer, director, trustee, member, owner (either as a sole proprietor or partner), shareholder with at least 5% interest in all outstanding voting shares, employee or agent with which the Corporation has, or might be expected to have, a relationship or a transaction in which the Director might have a conflicting interest. Each written statement shall be resubmitted with any necessary changes annually. The President shall become familiar with the statements of all Directors in order to guide his or her conduct should a conflict arise. The Vice President of the Corporation shall be familiar with the statement filed by the President.
- (b) At such time as any matter comes before the Board of Directors in such a way as to give rise to a conflict of interest, the affected Director shall make known the potential conflict, whether disclosed by the Director's written statement or not, and after answering any questions that might be asked of the Director, shall withdraw from the meeting for so long as the matter shall continue under discussion. Should the matter be brought to a vote, the affected Director shall not vote thereon. In the event that any Director fails to withdraw voluntarily, the President is empowered to and shall require that the affected Director remove himself or herself from the room during both the discussion and vote on the matter. In the event the conflict of interest affects the President, the Vice President is empowered to and shall require that the President remove himself or herself in the same manner, and for the duration of discussion and action on the matter, the Vice President shall preside.
- (c) If the matter is the item of business for which a special meeting of the Directors was called, the affected Director shall not be counted to establish a quorum, nor shall said Director participate in the deliberations or vote thereon.
- (d) No Director shall use the name of the Corporation to imply that he or she represents the views of the Corporation unless directed by the Board of Directors to do so.

7.9 Attendance: Directors are expected to attend all meetings of the Board of Directors and of any committees on which they serve, unless excused by the President for good cause or unless

this provision is waived by unanimous vote of the remaining Directors. Participation in meetings by telephone conference call shall have the same effect as presence in person at the meeting.

#### ARTICLE 8. RESIGNATIONS, REMOVALS & VACANCIES

8.1 Resignation: Any Member, Director, Officer or person appointed to serve on a committee of the Corporation may resign as such at any time by giving written notice to the President or the Secretary, or (only in the case of a Director) by absence from three (3) successive meetings of the Directors. Written resignations shall take effect at the time therein specified, or upon receipt if no time shall have been specified. With respect to resignations of Directors deemed offered by three consecutive absences, they shall not be accepted except by affirmative vote of a majority of Directors present at a meeting subsequent to the meeting giving rise to the deemed offer of resignation. Unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

8.2 Removal: Any Member, Director, Officer or person serving on any committee of the Corporation may be removed at any time with or without cause by vote of the body or action of the individual that elected or appointed the individual as Member, Director, Officer or committee member whenever the best interest of the Corporation shall be served thereby. Such removal shall not affect any contract rights of the person so removed; provided, however, that the election or appointment of an individual to any position or office within the Corporation shall not, in itself, create contract rights.

8.3 Vacancies: In the event of a vacancy on the Board of Directors, or among the Corporate Officers occurring between Annual Meetings of the Members, the Directors may act to fill any such vacancy until the next Annual, Regular or Special Meeting of the Members at which time the Vacancy shall be filled in the manner, and for the unexpired term, of the person creating the vacancy. Vacancies shall be filled forthwith, and any person elected to fill a vacancy shall be so advised and shall serve with the same rights and duties of such person as they are elected to succeed.

#### ARTICLE 9. INDEMNIFICATION

9.1 Indemnification: The Corporation shall in all cases, to the fullest extent permitted by the Maine Nonprofit Corporation Act, indemnify any person who was or is involved in any manner (including, without limitation, as a party or a witness) in any threatened, pending or completed investigation, claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including, without limitation, any action, suit, or proceeding brought by, or in the right of, the Corporation to procure a judgment in its favor) by reason of the fact that that person is or was a director or officer of the Corporation, against all liabilities and expenses actually and reasonably incurred by the person in connection with such actions, suits or proceedings including but not limited to attorneys' fees, judgments, fines and amounts paid in settlement. This Section is subject to the limitations set forth in Section 9.2.

9.2 Limitations on Indemnification: No indemnification shall be provided for any person with respect to any matter as to which that person shall have been finally adjudicated in any action, suit or proceeding not to have acted in good faith in the reasonable belief that that person's action was in the best interests of the corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that that person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order or conviction adverse to such person, or by settlement or plea of nolo contendere or its equivalent, shall not of itself create a presumption that such person did not act in good faith in the reasonable belief that his action was in the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

9.3 Requirement of Indemnification: Any provision of Sections 9.1, 9.2 or 9.4 to the contrary notwithstanding, to the extent that a director or officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.1, or in defense of any claim, issue or matter therein, that person shall be indemnified against all expenses and liabilities, including attorneys' fees, actually and reasonably incurred by that person in connection therewith. The right to indemnification granted by this Section 9.3 may be enforced by a separate action against the Corporation, if an order for indemnification is not entered by a court in the action, suit or proceeding wherein such person was successful on the merits or otherwise.

9.4 Procedure: Any indemnification under Section 9.1, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because that person has met the applicable standard of conduct set forth in Sections 9.1 and 9.2. That determination shall be made by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion. Such a determination, once made by the Board of Directors may not be revoked by the Board of Directors, and upon the making of such determination by the Board of Directors, the director or officer may enforce the indemnification against the Corporation by a separate action notwithstanding any attempted or actual subsequent action by the Board of Directors.

9.5 Expenses: Expenses incurred in defending a civil, criminal, administrative investigation, or any such action, suit or proceeding may be authorized and paid by the Corporation in advance of the final disposition of that action, suit or proceeding upon a determination made in accordance with the procedure established in Section 9.4 that, based solely on the facts then known to those making the determination and without further investigation, the person seeking indemnification satisfied the standard of conduct prescribed by Sections 9.1 and 9.2. Those persons making such determination may) in their discretion, require such person to provide the following to the Corporation:

(a) A written undertaking by or on behalf of the officer or director to repay that amount if that person is finally adjudicated:

- (1) Not to have acted honestly or in the reasonable belief that the person's action was in or not opposed to the best interests of the Corporation;
  - (2) With respect to any criminal action or proceeding, to have had reasonable cause to believe that the person's conduct was unlawful; and
- (b) A written affirmation by the officer or director that the person has met the standard of conduct necessary for indemnification by the Corporation as authorized in this section.

The undertaking required by Paragraph A shall be an unlimited general obligation of the person seeking the advance, but need not be secured and may be accepted without reference to financial ability to make the repayment.

9.6 Enforceability: The indemnification and entitlement to advances of expenses provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of disinterested directors or otherwise, both as to action in that person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, trustee, partner or fiduciary and shall inure to the benefit of the heirs, executors and administrators of such a person. A right to indemnification may be enforced by a separate action against the Corporation, if an order for indemnification has not been entered by a court in any action, suit or proceeding in respect to which indemnification is sought.

9.7 Insurance: The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director or officer against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Corporation would have the power to indemnify that person against such liability under this Article.

## ARTICLE 10. GENERAL PROVISIONS

10.1 Definitions: As used in these Corporate Bylaws the following terms mean:

- (a) Internal Revenue Code or Code: The U.S. Internal Revenue Code of 1986, as amended by any successor provisions of federal tax law.
- (b) Ex Officio: Service as a member of a body by virtue of an office or position held.
- (c) Affiliated Organization: This Corporation, any corporation that controls this Corporation, or any corporation that controls, or is controlled by, any Affiliated Organization.

10.2 Fiscal Year: The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June of each year.

10.3 Gender: Any word or reference contained in these Corporate Bylaws which implies one gender shall be applied to the other gender as appropriate.

10.4 Construction of Titles and Headings: The titles of Articles and headings of sections of these Corporate Bylaws are intended to aid the reader in locating the substantive provisions contained herein, and they shall neither be interpreted as making or modifying any addition to or change in the substance of the operative provisions of these Corporate Bylaws nor be understood to summarize the provisions to which they relate.

10.5 Severability: In the event that any provision of these Corporate Bylaws is deemed to be invalid or unenforceable for any reason, then the remaining provisions of these Corporate Bylaws shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

10.6 Amendment: These Corporate Bylaws may be amended or restated by affirmative vote of a majority of the Members of the Corporation then in office acting at any duly called meeting of the Members; provided, however, that the text of the amendment or restatement shall have first received the approval of the Board of Directors after being circulated to the Directors at least five (5) days prior to the meeting at which approval is obtained.

END OF BYLAWS