

# CORPORATE BYLAWS

**CHEBEAGUE ISLAND COMMUNITY ASSOCIATION, INC.  
d/b/a CICA  
(A Maine Nonprofit Public Benefit Corporation with Members)**

Adopted this 6th day of June, 2006

## PREAMBLE

*The following, as amended from time to time, shall constitute the Bylaws of CHEBEAGUE ISLAND COMMUNITY ASSOCIATION, INC., d/b/a CICA (hereinafter the "Corporation"). The Corporation has been organized and shall exist as a nonprofit, public benefit, membership, corporation pursuant to its Articles of Incorporation and the Maine Nonprofit Corporation Act, Title 13-B, Sections 101 et Seq., M.R.S.A. (the "Act"). Notwithstanding the foregoing, the Corporation shall be operated at all times as a 501(c)(3) organization within the meaning of the U.S. Internal Revenue Code of 1986 as amended from time to time (the "Code") and the activities of the Corporation shall be limited accordingly. Tax I.D.# 20-3025485*

## ARTICLE 1. IDENTITY

1.1 Name; Purpose: The name of the corporation shall be as set forth in the Articles of Incorporation of this corporation (hereinafter the "Corporation") as shall be filed with the Secretary of State of the State of Maine as amended from time to time. 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. These Corporate Bylaws, the 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. The purpose of the Corporation may be changed by amendment of its Articles of Incorporation; provided, however, that if an amendment of the articles of incorporation results in a material change in the nature of the activities conducted by the Corporation, then the corporation shall give notice to the Attorney General of the amendment simultaneously with the filing of the amended articles with the Secretary of State pursuant to Section 802.5 of the Maine Nonprofit Corporation Act, Title 13-B, Section 101 et seq., M.R.S.A. (the "Act").

1.2 Offices: The principal office of the corporation shall be located at such place in the County of Cumberland 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.

1.3 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 Corporate Seal: If it is desired, the corporate seal shall have inscribed thereon "Chebeague Island Community Association" and the words "Corporate Seal". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. In the event it is inconvenient to use such a seal at any time, the signature of the President followed by the word "Seal" enclosed in parentheses, shall be deemed the seal of the Corporation.

## ARTICLE 2. PURPOSES

2.1 Purposes: This benevolent, charitable and eleemosynary institution has been organized and is incorporated as a public benefit corporation under the Act, and shall be operated exclusively for charitable, or educational purposes within the meaning of §501(c)(3) of the Code. Within these purposes, the purposes of the Corporation shall include (without limitation) the assistance of local, county and state governments whose jurisdictions include the islands and portions of islands in Casco Bay, Maine, that are (on the date of filing of the Articles of Incorporation of the Corporation) within the political boundaries of the Town of Cumberland, Maine, and Maine School Administrative District No. 51, by studying and recommending regional policies directed at the solution of community problems that impact residents of geographically isolated islands and thereby lessen the burdens of government. In furtherance hereof, but not by way of limitation shall be organized and operated for the following purposes:

- (a) To promote the common good and general community welfare of all the people residing on the aforementioned islands of Casco Bay and to ensure the survival and viability of Great Chebeague Island as a year-round community.
- (b) To relate specific governance proposals to the quality of life on the aforementioned islands as a unique coastal community and inform decision-makers concerning the impact of such proposals on the sustainability of jobs in the local economy in general, and the fishing industry in particular, which draw people to island living;
- (c) To promote the interests of residents of the aforementioned island communities as users of such services as public safety, public education, public health and recreation, public transportation and other public services, where the peculiar circumstances of island living are an important factor;
- (d) To promote the availability of such public services and programs as may encourage and support island living for residents of the aforementioned island communities;
- (e) To support and promote local community economic development efforts that are determined by the Board of Directors to be beneficial to residents of the island community;
- (f) To provide adequate, safe, decent and affordable housing to low income residents of the island community and their families in order to provide relief of the poor and distressed all within the terms of IRS Revenue Procedure 96-32, 1996-1 C.B. 717 (Jan. 1996), by any means the Board of Directors determines appropriate including, among others, to serve as sponsor, member, owner, developer, manager, partner, limited partner or mortgagor of low-income housing units, including existing, new or rehabilitated properties and, when appropriate, either to convey such properties to other permanent

sponsors and mortgagors, or operate rental housing programs, or participate in home ownership programs designed to provide home ownership opportunities for families that cannot otherwise afford to purchase safe and decent housing;

(g) To promote, design, initiate, develop, implement and/or participate in corporations, partnerships, joint ventures and other enterprises in the capacity of sponsor, member, owner, developer, shareholder, partner or limited partner with other private and public organizations regardless of whether for-profit, not-for-profit or governmental, to improve social, housing and economic programs for the benefit of low income persons and their families in cooperation with other public, private and community organizations with emphasis on activities which promote the growth of social and economic stability for residents of the island community; and

(h) 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 §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(a) of the Code by being described within 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 regard:

- (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;
- (c) 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
- (d) This Corporation shall not engage in any activities that are unlawful under applicable federal, state, or local laws.

2.3 Dedication of Assets to Tax-Exempt Activities: All the assets and income of the Corporation shall be used exclusively for its charitable, or educational purposes and no part thereof shall inure to the benefit of any member, director, officer, or private individual; provided,

however, that nothing contained herein shall be construed to prevent the payment or reimbursement by the Corporation of salaries and expenses of its Officers and employees.

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 member, 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 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 §501(a) of the Code as an organization described in §501(c)(3) of such Code and as a public benefit corporation within the meaning of the Act.

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 §501(a) of the Code as an organization described in §501(c)(3) of such Code and as a public benefit corporation within the meaning of the Act.

### ARTICLE 3. MEMBERSHIP

3.1 Identification of Members: There shall be one class of Members of this Corporation. The initial Members of the Corporation shall be those individuals who are year-round or seasonal residents of Chebeague Island who have been admitted to Membership in the Corporation in accordance with the provisions of these Bylaws. Individuals may become Members of the Corporation from time to time upon satisfaction of such criteria as the Directors may establish at their discretion and election or appointment by, or in a manner provided by, the Directors. Membership fees and dues as well as any other criteria required for Membership in the Corporation shall be established by the Directors of the Corporation from time to time.

Members shall Serve for terms of one year renewable annually upon payment of current Membership fees and dues as well as satisfaction of any criteria for continued Membership as the Directors may determine.

3.2 Rights and Powers: The Members shall have all the voting 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 and the removal of Directors as well as any change in the number of Directors constituting the Board of Directors within the limitations prescribed in the Articles of Incorporation;
- (b) Establishment of the amount of membership dues to be charged by the Corporation;
- (c) The amendment, restatement, or modification of the Articles of Incorporation or Bylaws of the Corporation whether proposed or recommended by the Directors or upon motion of the members;

- (d) The approval of the sale, or other disposition (but not the mortgage or pledge) 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 may vote to submit for approval by vote of the Membership.

#### ARTICLE 4. BOARD OF DIRECTORS

4.1 Identity & Qualifications: The activities, property and affairs of the Corporation shall be managed by its Directors. Unless the Members shall act to set a larger or smaller number of Directors, twelve (12) Directors, or so many thereof as may be needed to fill vacancies among the Board of Directors, shall be elected by the Members at the Annual Meeting from among nominees presented by the Nominating Committee. The number of Directors may be increased or decreased from time to time by the Members, but shall not be less than seven (7) Directors nor more than fifteen (15) 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. In the process of selection of individual candidates as Directors, consideration should be given to those individuals with financial management skills and experience, and those with interests and expertise in areas of value to the Corporation. When selecting Directors, the Directors shall observe the requirement that no more than 49% of the Directors may be "financially interested persons" as hereinafter defined. For purposes of the preceding sentence, the term "financially interested persons" shall mean any person who (i) receives compensation from the corporation for performing personal services, (ii) is entitled to receive a portion of the net income of a business that is paid for providing personal services to the corporation, or (iii) is the spouse, brother, sister, parent or child of any of the foregoing people.

4.2 Terms of Office: Directors shall serve for terms of three (3) years and until their successors are elected and qualified, or until their prior death, removal, or resignation. The initial Directors shall serve until the first Annual Meeting of the Corporation at which time the elected Directors shall be divided into three (3) classes by lots with staggered terms of one, two and three years such that (as nearly as possible) one-third of the elected Directors shall be elected at each subsequent Annual Meeting. To accomplish this result, at the first Annual Meeting of the Members, four of the Directors shall be elected to a term of one year, four of the Directors shall be elected to a term of two years and four of the Directors shall be elected to a full term of three years. Thereafter, at each Annual Meeting of the Members, four of the Directors shall be elected to serve for a full term of three years. In the event that there is a failure to elect Directors as aforesaid, or if such Annual Meeting is not held, then Directors shall be elected at any Regular or Special Meeting of the Members called for that purpose as soon thereafter as convenient.

4.3 Rights and Powers: All of the business and affairs of the Corporation not expressly reserved to the Members shall be managed by the Board of Directors. 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 its 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 affairs 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 Directors shall have all the rights set forth in the Articles of Incorporation, these Bylaws, or under Chapter 6 of Title 13-B of the Maine Revised Statutes as amended by and through §604(4) thereof. These rights include, but shall not be limited to the following:

- (a) To propose or recommend any amendment, restatement, or modification of the Articles of Incorporation of the Corporation or these Corporate Bylaws; provided, however, that an affirmative vote of at least 2/3rds of the Directors then in office shall be required and notice setting forth the proposed amendment, restatement or modification is circulated to the Directors at least five (5) days in advance of the meeting at which action is to be taken;
- (b) To recommend approval of the sale, 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 for action by the Members;
- (c) To elect corporate officers;
- (d) To acquire or take by purchase, gift, grant, lease, devise, bequest or in any other manner and form, any and all property, real and personal, absolutely, in trust or otherwise; and also to give, grant, bargain, sell, encumber, mortgage, pledge, lease, exchange, convey or otherwise dispose of any and all property; to borrow money and to execute notes or other evidences of indebtedness, and to do all acts necessary and proper for the carrying into effect of the purposes above set forth;
- (e) To authorize any officer or officers in the name of and on behalf of the corporation, to enter into any contract or execute and deliver any instrument, or to sign checks, drafts or other orders for the payment of money or notes or other evidences of indebtedness and such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer shall have power or authority to bind the Corporation by any contract or engagement or to render it liable for any purpose in any amount;
- (f) All funds of the Corporation not otherwise employed shall be deposited, from time to time, to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select, or as may be selected by the Treasurer or any other officer of the Corporation to whom such power may, from time to time, be delegated by the Board, or shall be invested in such securities (of any nature) as the Board may determine from time to time;
- (g) In all cases where gifts are made and accepted under grants which restrict the use thereof to specified purposes, the Corporation may, at the option of the Directors, hold and manage the funds and property so given for purposes of investment and management, and if commingled with any other fund or funds, the principal or income of such special gift shall at the time of any determination thereafter, be

considered to be that portion of the principal or income of the combined fund as the amount of such special gift shall bear to the total amount of such combined fund;

- (h) To determine and periodically review the purposes and mission of the Corporation;
- (i) To exercise responsibility for overall direction of the corporation by determining annual operating and capital budgets as well as the general, financial and investment policies of the Corporation, reviewing those policies periodically, and delegating authority for implementation of Board policy and day-today management as appropriate;
- (j) To establish, review and approve changes in the activities of the Corporation consistent with the corporate purpose;
- (k) To oversee the establishment of selection criteria for any employees, to review and approve job descriptions for all personnel, to set salary or wages as well as the benefits (if any) of all employees through the annual budgeting process;
- (l) To oversee the establishment of personnel policies, review and approve the general terms and conditions of employment for all personnel and require that these policies and practices be carried out in a manner consistent with applicable law and regulation governing fair employment practices and equal opportunity in employment;
- (m) To select and appoint an auditor and legal counsel as needed for the Corporation; and
- (n) To authorize officers and/or agents of the Corporation to: purchase, lease, manage and sell land and buildings; incur debt and secure the same by mortgage and pledge of real and personal property, tangible and intangible; to purchase and/or sell securities or other financial investment instruments; to accept gifts or bequests on behalf of the Corporation; and to make gifts or grants to other qualified IRC 501(c)(3) tax exempt organizations that have been classified as "other than private foundations" by the Internal Revenue Service.

The foregoing listing shall not be deemed to limit any authority granted by law to the Board of Directors not otherwise restricted in these Bylaws or the Articles of Incorporation.

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 Loans to Directors and Officers Prohibited: The Corporation shall make no loans to any Director or Officer.

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

4.7 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, Secretary, and Treasurer. In addition, the Board of Directors may appoint one or more vice-presidents, assistant secretaries, or assistant treasurers, and assign such duties to them, as from time to time it deems advisable. Officers need not be Directors.

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 shall advise the Board of Directors as to the formulation and implementation of policies for the organization and operation of the Corporation. The President shall report to the Board of Directors at each of its meetings on the activities of the Corporation and on developments that affect the delivery of charitable services to the community served by the Corporation. The President shall represent the Corporation in its relationships with other organizations and agencies. The President, 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. 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 Secretary shall be responsible for assuring that proper minutes of all meetings of the Board of Directors and/or the Members of the Corporation are maintained, and shall be responsible for the maintenance of an attendance record of Directors in accordance with Sections 7.9 and 8.1.
- (c) 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. The Treasurer, acting on behalf of the Board of Directors, shall require that appropriate records be kept to give a full and accurate history 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. 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. No later than three (3) months after the end of the fiscal year, the Treasurer shall prepare:

- (i) A balance sheet showing in reasonable detail the Corporation's financial condition as of the close of its immediately preceding fiscal year, and
- (ii) A profit and loss statement showing the results of its operations during the preceding fiscal year.

Upon written request, the Corporation shall promptly mail to any member of record a copy of the most recent such balance sheet and profit and loss statement.

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.

## ARTICLE 6. COMMITTEES OF THE CORPORATION

6.1 Committees: The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee may have two or more members, who serve at the pleasure of the Board of Directors. To the extent specified by the Board of Directors or in the Articles of Incorporation or other provisions of these Bylaws, each committee may exercise the authority of the Board of Directors under Article 4.3 of these Bylaws. A committee may not, however: (1) authorize distributions, (2) approve or recommend to members dissolution, revocation of dissolution, merger, consolidation, or the sale, pledge, or transfer of all or substantially all of the Corporation's assets, (3) elect, appoint, or remove directors or fill vacancies on the Board of Directors or on any of its committees, (4) adopt, amend or repeal the Articles of Incorporation or Bylaws.

6.2 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. So far as applicable, the provisions of these Bylaws which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board apply to committees and their members as well.

## ARTICLE 7. MEETINGS

7.1 Notice of Meetings:

- (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 publishing a written or printed notice specifying the time and place of the meeting and, in the event of a special meeting, the purposes thereof. Such

publication shall be made by conspicuously posting a notice in at least five (5) locations on Chebeague Island where such notices are typically posted.

- (b) Notice of the date, time, place, or purpose of annual and other regular meetings of the Board of Directors or any committee need not be given. Notice of any special meeting, setting forth the date, time and place of the meeting, shall be given to each director or committee member, as the case may be, by oral, email, or other written notice delivered to each director or committee member personally not less than two (2) days before the meeting, or by written notice deposited in the United States mail, first class postage prepaid, postmarked at least three (3) days prior to the date of the meeting. The notice need not describe the purpose of the special meeting unless otherwise required by the Articles of Incorporation or other provisions in these Bylaws.
- (c) Whenever any notice whatever is required to be given under the Articles of Incorporation or these Corporate Bylaws or any provision of law, 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.

#### 7.2 Meetings and Action of the Member:

- (a) The annual meeting of the Members shall be held during either the month of July or August 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, including the election of Directors, 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 twenty (20) percent of the Members of the Corporation.

7.3 Meetings of the Board of Directors and Committees: The Board of Directors shall hold an annual meeting immediately following the Annual Meeting of the Members in each year. By resolution, the Board may establish a date or dates on which regular meetings of the Board or any committee shall be held between annual meetings. A committee of the Board may meet on the dates so established or, if none, on the date set at its previous meeting or when earlier called by its chairman or a majority of its members. Special meetings of the Board may be called at any time by the President or by any seven (7) Directors. Directors may participate in 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.

#### 7.4 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 the lesser of either ten percent (10%), or twenty-five (25), of the Members; provided, however, that a smaller number may adjourn such a meeting from time to time until a quorum is obtained.

(b) Unless otherwise required by the Articles of Incorporation or Bylaws, a quorum of the Board of Directors consists of a majority of the fixed number of directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors unless the Articles of Incorporation or other provisions of these Bylaws otherwise require the vote of a greater number of directors. If a quorum shall not be present at any meeting of the Board or committee, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(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 its committees shall not be permitted.

7.5 Presumption of Assent. A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (1) he objects at the beginning of the meeting (or promptly upon his arrival) to holding it or transacting business at the meeting, or (2) his dissent or abstention from the action taken is entered in the minutes of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

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 her absence, a vice chairperson or chair pro tem, 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 transaction may be approved by the Directors (or a committee thereof) notwithstanding a conflict of interest (hereinafter a "Conflict of Interest Transaction")

either if the Conflict of Interest Transaction is fair at the time it was entered into, or if the material facts of the Conflict of Interest Transaction and the director's or officer's interest are disclosed or known to the Board of Directors (or a committee thereof), when they approve the Conflict of Interest Transaction; provided, however, that, in order for a Conflict of Interest Transaction to be authorized, the Conflict of Interest Policy attached hereto as Exhibit A (and by this reference made a part hereof) shall be followed.

(a) A conflict -of interest transaction is a transaction described in the Conflict of Interest Policy, or any transaction in which a director or officer of the corporation has a direct or indirect financial interest. For the purposes of this section, a director or officer has an indirect interest in a transaction if:

- (i) Another entity in which the director or officer has a material interest or in which the director or officer is a general partner is a party to the transaction; or
- (ii) Another entity of which the director or officer is a director, officer or trustee is a party to the transaction.

(b) A transaction in which a director or officer of the Corporation has a conflict of interest may be approved before or after consummation of the transaction by the board of directors, or a committee of the Directors, only if the transaction is fair and equitable to the Corporation and pursuant to the Conflict of Interest Policy. The board or committee may authorize, approve or ratify a transaction under this section if the material facts of the transaction and the director's or officer's interest are disclosed or known to the board or committee of the board. A Conflict of Interest transaction is approved if it receives the affirmative vote of a majority of those Directors who do not have a conflict of interest with respect to the transaction (hereafter the "Disinterested Directors"), but such a transaction shall not be approved by a single director. If a majority of the Disinterested Directors of the Corporation then in office vote to approve the transaction, then a quorum shall be deemed to be present.

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 Corporations 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 he 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 Section 9.1 and Section 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 or investigative 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 Section 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:
  - (i) 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;
  - (ii) 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 Fiscal Year: The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each year.

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

10.3 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.

10.4 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.

10.5 Amendment: These Corporate Bylaws may be amended or restated by affirmative vote of the Members; provided, however, that (a) any such amendment shall have first received a recommendation approved by at least two-thirds of the Directors then in office acting at any duly called meeting of the Directors, (b) the text of the amendment or restatement shall have been circulated to the Members and the Directors at least five (5) days prior to the meeting at which action by either body is to be taken and (c) any amendment of provisions also contained in the Articles of Incorporation shall not be approved without also amending the Articles of Incorporation.

**EXHIBIT A TO CORPORATE BYLAWS  
of  
THE CHEBEAGUE ISLAND COMMUNITY ASSOCIATION, INC.**

**CONFLICT OF INTEREST POLICY**

Article 1. Purpose

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

Article 2. Definitions

2.1 Interested Person: Any person who serves this Corporation as a director, officer, or member of a committee with board delegated powers, who has a direct or indirect financial interest, as defined below, is an "Interested Person."

2.2 Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- (b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Article III, Section 3.2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article 3. Procedures

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

3.2 Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the governing board or committee meeting while the determination of a



conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### 3.3 Procedures for addressing the Conflict of Interest:

- (a) An Interested Person may make a presentation at the board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

### 3.4 Violation of the Conflicts of Interest Policy:

- (a) If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## Article 4. Records of Proceedings

4.1 Minutes: The minutes of the board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## Article 5. Compensation

5.1 Recusal of Directors Required: A voting member of the board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that Director's compensation.

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

5.3 Information May Be Presented: No voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## Article 6. Annual Statements

6.1 Signed Statements Required: Each director, principal officer and member of a committee with board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of this Conflicts of Interest Policy;
- (b) Has read and understands the policy;
- (c) Agrees to comply with the policy; and
- (d) Understands the Corporation is charitable and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt charitable purposes.

## Article 7. Periodic Reviews

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

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

7.2 Use of Outside Experts: When conducting the periodic reviews as provided for in Article VII, Section 7.1, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted.

## **ADDENDUM**

CICA Non-discrimination and Anti-harassment policy

### Statement of Non-discrimination and Anti-harassment:

CICA's policy is that discrimination and sexual harassment of any type are not to be tolerated. CICA will not discriminate; i.e., it will provide equal access to and opportunity to participate in its activities, ventures, and employment to all qualified individuals regardless of race, color, religion, gender, sexual orientation, age, national origin, or disability, and to maintain an environment in its affairs free of unfair discrimination or harassment related to any of these factors any of these factors.