

Bylaws of Squannacook Greenways

Article I: Name

The name of the Corporation shall be Squannacook Greenways, Inc..

Article II: Purpose

Squannacook Greenways is organized exclusively for charitable and educational purposes and to build, maintain, and promote the Squannacook River Rail Trail as a source of recreation and safe non-motorized transportation. Squannacook Greenways will also work to integrate the Squannacook River Rail Trail with other facilities, such as trails and sidewalks, to encourage the use of human-powered transportation and improve access to our town's natural areas.

Article III: Membership

Section 1:

The Board of Directors may by resolution establish one or more levels of membership and the dues for each level of membership.

Section 2: Eligibility

Membership is open to any interested individuals or organizations. The membership year shall be the calendar year. Membership is contingent upon payment of annual dues.

Section 3: Voting

Each Member shall be entitled to one vote on each matter submitted to a vote of the Members.

Section 4: Suspension

The Board of Directors, by affirmative vote of two-thirds of all the Directors, may suspend or expel any Member for cause. Any Member may resign by filing a written resignation with the Clerk.

Article IV: Meetings

Section 1: Board Meetings

The Board of Directors shall meet on a quarterly basis or as otherwise determined by the Board at a mutually agreed upon time and place. The Board may agree at a quarterly meeting to meet monthly during the following quarter.

Section 2: Special Meetings

Special meetings of the Board of Directors or the Membership may be called by the President.

Section 3: Notice

Notice of each meeting of the Board of Directors shall be given to each Director in writing not less than 48 hours in advance. Writing may include e-mail so long as each Director agrees in advance.

Section 4: Annual Meeting

An annual meeting shall be held and Members shall be notified at least one week in advance of the time, place and purpose of the meeting.

Article V: Board of Directors

Section 1: Board Role, Size, Compensation

The Board of Directors is responsible for overall policy and the direction of the organization and to delegate responsibility to the various committees to achieve the objectives of the organization. The Board shall have up to 13 and not fewer than 6 members. For the purposes of this document, a member of the Board of the Directors shall be referred to as a Director. The Board of Directors receives no compensation other than reasonable expenses. It is preferable that Board of Directors include members from towns in the area of the Squannacook River Rail Trail.

Section 2: Board Elections

Election of new Directors will occur annually as the first item of business at the regular annual meetings. Directors will be elected by a majority vote of Members attending the annual meeting.

Section 3: Terms

All Directors shall serve 3 year terms, but are eligible for re-election; the initial board to be composed of three classes of members with terms of 1 year, 2 years and 3 years. There are no term limits for Directors or Officers.

Section 4: Quorum

A quorum must be attended by at least 5 of the Directors or a majority of current the Board of Directors before business can be transacted or motions passed.

Section 6: Vacancies

When a vacancy exists on the Board of Directors, nominations for new Directors may be received from the present Directors by the Clerk two weeks in advance of a Board meeting. These nominations shall be sent out to Directors with the regular meeting announcement, to be

voted upon at the next Board meeting. These vacancies will be filled effective immediately upon Board approval and only to the end of the particular Director's term.

Section 7: Resignation, Termination and Absences.

Resignation from the Board of Directors must be in writing and received by the Clerk. All Directors are expected to attend meetings on a regular basis or submit a proper resignation. A Director may be removed by a two-thirds vote of the other Directors.

Section 8: Non-liability of Directors.

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation. The Directors of the corporation shall be indemnified by the corporation to the fullest extent permissible under the law. This corporation may buy insurance that would be used to reimburse any director for any liability incurred by acting as an agent of this corporation.

Article VI: Officers

Section 1:

There shall be four officers consisting of a President, Vice President, Clerk and Treasurer.

Section 2: President

The President shall convene regularly scheduled Board meetings, should preside at or arrange for other Directors to preside at each meeting in the following order: Vice-President, Clerk, and Treasurer.

Section 2: Vice President

In the absence of the President or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 2: Clerk

The Clerk will be responsible for keeping records of the Board actions, including overseeing the taking of minutes at all Board meetings, sending out meeting announcements, distributing copies of the minutes and agenda to each Board member and assuring that corporate records are maintained.

Section 3: Treasurer

The Treasurer shall be responsible for the receipt, disbursement and investment of the funds of the corporation and for required financial filings with the state, IRS, etc. He/she shall make a report at each Board meeting. Treasurer shall chair the finance committee, assist in the preparation of the budget, help develop fundraising plans, and make financial information

available to Directors and the public. The Board of Directors shall arrange for an annual audit of the financial records of the corporation.

Section 4: Non-liability of Officers.

The officers shall not be personally liable for the debts, liabilities, or other obligations of the corporation. The officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the law. This corporation may buy insurance that would be used to reimburse any officer for any liability incurred by acting as an agent of this corporation.

Article VII: Committees

Section 1:

The Board of Directors may create committees as needed, such as fundraising, trail construction, publicity, etc.

Section 2: Annual Reports

Annual reports are required to be submitted to the Board of Directors by Committee Chairmen by February 1st showing committee activity, income, expenditures and pending income. The financial records of the organization are public information and shall be made available to the members, public and the Board of Directors.

Article VIII: Amendments to Bylaws

Section 1:

These bylaws may be amended when necessary by a two-thirds vote of the Board of Directors present at the meeting. Proposed amendments must be submitted to the Clerk to be sent out with regular Board announcements to all Directors.

Article IX: Contracts and Check Signing Authority

Section 1: Check Signing

The Treasurer and Clerk are authorized to sign checks. Checks up to and including \$1,000 require only one signature. Checks over \$1,000 must be signed by both the Treasurer and Clerk.

Section 2: Contracts

Unless otherwise specified by the Board of Directors, only the President will enter into contracts or execute and deliver any instrument in the name of and in behalf of the organization. In any such situation, the President may act only following a vote of the Board of Directors authorizing such act.

Article X: Dissolution

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organizations organized and operated exclusively for charitable, educational, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Superior Court of the County in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Article XI: Conflict of Interest and Compensation Approval Policies

Section 1: Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest 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 any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. 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.

Section 2: Definitions

- a. **Interested Person.** Any Director, Officer, Member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family, where family is defined below:
 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or

3. 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 Section 3, paragraph B, 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.

- c. **Family:** A member of the family includes any spouse, ancestors, children, grandchildren, great grandchildren, and spouses of children, grandchildren, and great grandchildren. A brother or sister of an individual is not a member of the family for this purpose. A legally adopted child of an individual will be treated as a child by blood.

Section 3: Conflict of Interest Avoidance Procedures

- a. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose, in writing, the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and Members of committees with governing board delegated powers considering the proposed transaction or arrangement. The written disclosure will be retained with any resulting record of board and board committee proceeding as described in Section 4 of this Article.
- b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. **Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

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.

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

If a substantially equivalent transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the

transaction or arrangement is in the 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.

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

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.

Section 4: Records of Board and Board Committee Proceedings

The minutes of meetings of the governing 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 Board of Director's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation Approval Policies

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

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

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest

requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the Board or a duly constituted compensation committee of the Board shall also comply with the following additional requirements and procedures:

- a. The terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
- b. All Members of the Board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 4. has no material financial interest affected by the compensation arrangement; and
 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the Board or Committee Member.
- c. The Board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
 2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the Board of Directors or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the Board of Directors or compensation committee that approved the compensation. Such documentation shall include:
1. the terms of the compensation arrangement and the date it was approved;
 2. the Directors or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each Director or committee Member;
 3. the comparability data obtained and relied upon and how the data was obtained;
 4. If the Board of Directors or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the Board of Directors or committee shall record in the minutes of the meeting the basis for its determination;
 5. If the Board of Directors or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the Board of Directors or committee meeting;
 6. any actions taken with respect to determining if a Director or Committee Member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
 7. The minutes of Board of Directors or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next Board of Directors or committee meeting or 60 days after the final actions of the Board of Directors or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the Board of Directors and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next Board of Directors or committee meeting following final action on the arrangement by the Board of Directors or committee.

Section 6: Annual Statements

Each Director, Officer, and Member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. has received a copy of the conflicts of interest policy;
- b. has read and understands the policy;
- c. has agreed to comply with the policy; and
- d. understands the 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 purposes.

Section 7: Periodic Reviews

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.

Section 8: Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.