

BY-LAWS OF THE SAND DAM RESERVOIR ASSOCIATION

Adopted 06/19/2019

DEDICATION

These By-Laws are dedicated to the founders of the Sand Dam Reservoir Association, under the leadership of Walter Coupe, whose efforts helped to establish a community of landowners interested in preserving the quality of the Smith and Sayles Reservoir.

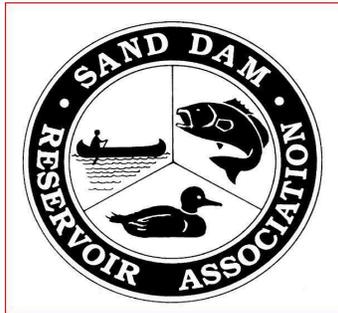


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ARTICLE I: SAND DAM RESERVOIR ASSOCIATION INFORMATION

Section 1. Name

This Association shall be known as the Sand Dam Reservoir Association (SDRA).

Section 2. Address

The address of the Association shall be PO Box 284, Chepachet, Rhode Island 02814.

Section 3. Mission

The Smith & Sayles Reservoir, also known as Sand Dam Reservoir, has a voluntary Association (SDRA) of concerned landowners and neighbors whose mission is to provide stewardship to the lake and its community. Members come together to preserve, protect, and improve the quality of our environment here: our water and habitat, for recreation and tranquility, now and in the future.

Section 4. Corporate Seal

The corporate seal shall be circular in form and shall contain around its outer edge the words "Sand Dam Reservoir Association" and in its center the words "Incorporated 1950 Rhode Island".

Section 5. Fiscal Year

The fiscal year shall be July 1st through June 30th.

Section 6. Non-Profit Status

SDRA shall register as a non-profit corporation with the Rhode Island Secretary of State and maintain such registration. It shall register as a 501(c)3 or 501(c)4 tax-exempt entity with the IRS and maintain such registration. The activities of SDRA, shall be conducted in accordance with the Articles of Incorporation as filed with the Secretary of State, State of Rhode Island and in accordance with SDRA's IRS 501(c) 3 or 501(c)(4) tax exempt status.

Section 7: Tax Exemption Provisions

- a) *Limitations On Activities:* There shall be no substantial portion of SDRA funds nor activities directed to political purposes, including propaganda, campaigning in support of or opposition to any political candidate for public office, or attempts to influence legislation (except otherwise provided for by Section 501(c)3 or 501(c)4 of the Internal Revenue Code).
- b) *Prohibition Against Private Inurement:* No part of SDRA funds shall be used or distributed to the benefit of any of its Board of Directors nor its members. SDRA may pay reasonable compensation for services rendered and to expend funds in furtherance of the purposes of the Association.
- c) *Distribution of Assets:* Should the SDRA be dissolved, its assets remaining after payment, or provision for payment, of all debts and liabilities of SDRA shall be

distributed for one or more purposes within the meaning of Section 501(c)3 or 501(c)4 of the Internal Revenue Code.

ARTICLE II: ELIGIBILITY FOR MEMBERSHIP

Section 1. Eligibility

Any landowner(s) with property adjacent to the Sand Dam Reservoir is eligible to join the Association and become a voting member of the Association. A member of the SDRA shall be the recorded landowner(s) of property abutting the Reservoir and must pay annual dues for such membership.

However, landowners holding land-in-common are eligible only as a group for a single voting membership with dues the same as a single full membership. The landowners-in-common shall designate a representative of their choosing to cast one vote for the group in all SDRA matters. ("Landowners-in-common" as intended in these by-laws refers to such landowner groups as planned communities, condominiums, plats, or similar landowner groupings that hold common land abutting Sand Dam Reservoir.)

Section 2. Associate Membership

An associate member may be any individual or group interested in the SDRA. Such membership shall pay half the full membership dues and have access to all SDRA meetings and events but shall have no voting rights.

Section 3. Special Consideration

Honorary Membership: Upon the recommendation of the Board of Directors and with the approval of a majority of members present at the annual meeting of the SDRA, an individual who does not own property abutting Sand Dam Reservoir may become an honorary member of the Association. Honorary members are exempt from paying dues and may attend any and all meetings of the Association but shall not have power to cast a vote at any such meetings.

Special Membership: Any person currently residing in a home that abuts Sand Dam Reservoir under the terms of a 12-month lease or any extension thereof may be considered for Special Membership if, in addition, that person has demonstrated a strong commitment to the mission of the SDRA over a period of at least 3 years. Special Membership may only be granted upon the recommendation of the Board of Directors and with the approval of a majority of the members present at the annual meeting of the SDRA. Special members shall pay the same dues prescribed for regular members, may attend and vote at any and all meetings, and shall be eligible to serve as an officer or director provided that such person meets the requirements for eligibility to serve as a Board member

Section 4. Addresses of Members

Each member shall furnish the Secretary with an email address or USPS address to which all notices may be sent. In default thereof, the Secretary may send notices to the last known

residence of the member and notices so addressed shall be binding upon the member whether or not received.

Section 5. Annual Dues and Assessment

Payment of annual dues constitutes membership in SDRA for the upcoming year. The dues for annual membership shall be determined by the Association at its annual meeting, provided, however, that if the Association at its annual meeting fails to determine the amount of dues for the ensuing year, the dues for the preceding year shall continue in force. The annual dues shall become due and payable not later than September 1st of the new fiscal year. If dues are not paid within 60 days of the due date, membership rights, including the power to vote at any and all meetings of the SDRA, shall be suspended until such time as they are paid in full. (Non-dues paying lake property owners still benefit from funds expended to benefit the lake, as do numerous boaters who access the lake via the State public boat ramp.)

The Association may make special assessments, with such assessments being made equally upon each member, provided that such action has been presented at the annual meeting or at a special membership meeting where a quorum of the entire membership as defined by these by-laws is present, and approval is voted by the majority of the members present.

ARTICLE III: BOARD OF DIRECTORS

Section 1. Number, Qualifications and Election

The Board of Directors shall consist of seven members, including the four executive officers of the Association and three persons from the membership at large. To serve on the Board one must currently be a member in good standing. In addition, to serve as an officer one must also have been a member of the SDRA for at least three years whereas members-at-large need only have been a member for one year. If more than one person is landowner on a property, only one may serve on the Board in any role at the same time.

Section 2. Powers

The Board of Directors shall have general control and management of all the business and property of the Association, subject to the specific direction, if any, of the members of the Association as voted at any annual or special meeting at which a quorum of the membership is present. And, subject thereto, the Board of Directors may exercise all powers of the Association which are not by statute or by the Articles of Association or by these By-Laws required to be exercised by the members of the Association.

Section 3. Board of Directors Meetings

The Board of Directors shall meet from time to time throughout the year to conduct regular or special business of the Association. One such meeting shall be held not later than May 15 to set the agenda for the Annual SDRA membership meeting; the agenda shall include a motion for election of a slate of Officers and Directors-at-large, as well as any other formal motions, if applicable, to be presented for the Annual SDRA Meeting. Board of Directors meetings shall be held at such time and place as the Directors by general resolution may direct. At all Board

meetings, a majority of officers/directors shall be necessary to constitute a quorum for the transaction of any business. Action taken by the Board of Directors shall require an affirmative vote of a majority of the Directors present and voting. In the event of an emergency*, a special meeting may be called to bring together a majority of the Board members in as short a time as possible, thereby suspending the time frames noted above for special meetings, and recognizing that member participation in such a meeting may be via electronic communication.

**(An emergency as defined here includes but is not limited to: catastrophic weather, flooding of lands abutting to or affected by the Reservoir, sudden and severe damage to the dam, acts of war impacting our Reservoir.)*

Section 4. Action Without Formal Notice

Any vote, resolution or other form of action which shall be in writing and signed by a majority of the Directors shall constitute lawful action by the Board of Directors without any formal meeting of said Board. Such action shall be reported in writing to the membership within 30 days of such action and may be communicated separately or included in the minutes of a subsequent Board meeting.

Section 5. Conflict of Interest

It is the policy of SDRA that individuals who serve in elected or appointed positions do so in a fiduciary capacity that requires loyalty to the Association and avoids any improper gain for themselves, directly or indirectly. In addition, persons elected or appointed shall exercise particular care that no detriment to SDRA results from conflict between their interests and those of SDRA. Should such a situation arise, the individual must fully disclose the possible conflict and shall refrain from participating with regard to this matter until the conflict has been resolved satisfactorily. All Board members shall annually review this Conflict of Interest Policy.

ARTICLE IV: OFFICERS AND DIRECTORS AT LARGE

Section 1. Enumeration, Term of Office, Manner of Election and Powers

The executive officers of the Association shall be a President, a Vice-President, a Treasurer and a Secretary, all of whom shall be landowner members of the Association and shall be elected by the members at the annual meeting of the Association. Executive officers shall be elected for a two-year term. There shall be no more than two consecutive terms in said office. No one person shall hold more than one of the aforesaid offices. The executive officers shall hold office from the end of the meeting in which they are elected until the end of the next annual meeting of the Association. A nominating committee will be formed at each annual meeting to present a slate of Directors (including specification of officers) for the next Annual meeting.

Section 2. President

The President shall preside at all meetings of the Association and shall sign all deeds, contracts, and other written instructions made and executed on behalf of the Association. The President shall have charge and supervision of the business and the affairs of the Association subject to control of the Board of Directors, and shall perform such other duties as may from

time to time be assigned by the Board of Directors. The president shall have responsibility to confirm the presence of a quorum at the start of each Board and membership meeting.

Section 3. Vice-President

In the absence of the President, the Vice-President shall preside at all meetings of the Association. In the event of illness or absence of the President, or when requested in writing by the President to do so, the Vice-President shall perform all the duties of the President. The Vice-President shall also perform such duties as may from time to time be assigned by the Board of Directors.

Section 4. Treasurer

The Treasurer shall be responsible for the collection and depositing of all monies payable to the Association and shall keep its financial books and records. The Treasurer shall sign all hard copy/paper checks, with the President co-signing any of these paper checks greater than \$999.99. The financial books, records and electronic bank card(s) data of the Association shall be available for inspection by any other Board member. The Board of Directors shall either personally or through their nominee or nominees audit the books of the Treasurer at least once a year. If required by the Board of Directors, the Treasurer shall give bond for the faithful performance of duties, with such surety and in such amount as the Board may determine, but the Association shall pay the cost of the surety on such bond.

The books and accounts of SDRA shall be kept in accordance with generally accepted accounting practices and the Treasurer shall act to ensure compliance with applicable federal and state laws and reporting requirements for SDRA's non-profit status.

The Treasurer shall have responsibility for certifying the eligibility of members to vote at the annual meeting and all other membership meetings.

Section 5. Secretary

The Secretary shall act as clerk at all meetings of the Association and the Board and shall keep the minutes of such meetings; the Secretary shall be responsible for sharing those minutes with the membership within 30 days of their approval. The Secretary shall also keep a register of the names and addresses of all the members of the Association and shall be responsible for timely communication electronically or by post office mailing of meeting notices and other correspondence. The Secretary shall be responsible for maintaining the Association's non-profit corporate status by timely filing all documents necessary with the Rhode Island Secretary of State.

The Secretary shall have custody of the seal of the Association, of the minutes of the meetings of the membership and Board of Directors and all other papers and documents belonging to the Association, and shall perform such other duties as may be assigned by the Board.

Section 6. Directors-at-Large

Directors-at-Large are elected for three-year terms, rotating on the Board such that each year one new member-at-large joins the Board and the longest sitting member rotates off the Board.

Section 7. Delegation of Duties

In case of the absence of any officer of the Association or for any other reason that the Board may deem sufficient, the Board of Directors may delegate, for the time being, some or all of their duties to any other Board Member, provided a majority of the Board concur.

Section 8. Compensation

Directors shall not receive any salary or other compensation for their services as Directors. However, they may be reimbursed for such actual expenses as they may incur on behalf of the Association. In addition, as approved by the membership, funds may be allocated for the performance of specific duties apart from such role.

Section 9. Vacancies

If the office of any executive officer or Director becomes vacant, the Board of Directors, by a majority vote of those remaining, may fill such vacancy until the next special or annual meeting of the Association shall fill the vacancy.

Section 10. Committees

The Board of Directors may establish standing or *ad hoc* committees as necessary to carry out the activities of SDRA. The President, Officers, Board of Directors and Members may serve on those committees. The President shall appoint the chairpersons of all committees within thirty (30) days of the committee's establishment. Standing committees shall be the Nominating Committee, Budget Committee and By-Laws Committee. The Board shall have responsibility to abolish an ad hoc committee upon the completion of its work and may restructure ad hoc committees as deemed necessary or beneficial to furthering the mission of the SDRA.

ARTICLE V: MEMBERSHIP, MEETINGS AND VOTING

Section 1. Procedures

Robert's Rules of Order shall be in force at meetings of the Association, of the Board of Directors, and of all Association committees.

Section 2. Voting Eligibility

Each member shall be entitled to vote upon each question properly presented at any meeting of the members of the Association. Voting qualifications are as follows:

- a) ownership of property shall be entitled to one vote;
- b) property jointly held by multiple owners shall have one vote;
- c) no owner shall have more than one vote.

Section 3. Quorum

At all Board Meetings a majority of its members shall constitute a quorum for the transaction of all business. At the Annual Meeting and all other membership meetings one-third of the members of the Association shall constitute a quorum. However, should a quorum not exist, all essential business shall be brought to the Board of Directors for action.

Section 4. Voting Methods

Members may vote by voice, roll call, show of hands, ballot or proxy. A signed proxy shall be filed with the Secretary of the Association at least 24 hours in advance of a meeting to exercise voting privilege. The proxy shall be given to a voting member of the Association and shall be general or shall specify the items to which the proxy pertains.

Section 5. Majority Vote

At all meetings, except as otherwise required by law or by these By-Laws or by the Articles of Association, the affirmative vote of a majority of the members voting shall be necessary to pass any vote or resolution or to take any other Association action.

Section 6. Annual Meeting

The annual meeting of the Association shall be held on the third Wednesday of June in each year at such time and location in the State of Rhode Island as shall be specified in the notice of said meeting. In the event of failure to hold said meeting, any and all such business which might have been transacted at such meeting may be transacted at the next meeting, whether special or annual.

Section 7. Special Meetings

Special meetings of the Association shall be called by the Secretary at any time by order of the President or by a majority of the Directors. If the Secretary fails to call a meeting upon such request, it may be called by any other officer. Any business may be transacted at any special meeting, whether stated in the notice of such meeting or not, except as otherwise provided in these By-Laws.

Section 8. Notices of Meetings

Notices of meetings shall be given at least 14 days prior to the date of meeting. Such notices shall be transmitted via latest electronic address provided or shall be deposited by the SDRA Secretary in a US Post Office to last known address.

ARTICLE VI: AMENDMENTS OF BY-LAWS

Section 1. Vote

With advance notice of at least 14 days these By-Laws may be altered or amended by the affirmative vote of two-thirds of the members of the Association present at any annual or special meeting.

Section 2. Notices

These By-Laws may not be altered or amended at any annual or special meeting of the Association unless the notice thereof shall contain a statement of the substance of the proposed alteration or amendment.

Section 3. Initiation

Initiation of a proposal to amend or alter the By-Laws may be made by the Board of Directors or by any two officers or by petition to the Board of Directors signed by any five members.

Section 4. Severability Clause

If any provision, paragraph, sentence, word or section of these By-Laws shall be invalidated by any court of competent jurisdiction, the remaining paragraphs, sentences, words or sections shall not be affected, and shall remain in full force and effect.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE

PRESIDENT

DATE: _____

SECRETARY

DATE: _____

SEAL OF SDRA

END OF DOCUMENT