

BYLAWS
OF
BIG ALUM LAKE ASSOCIATION, INC.

Article 1.

Definitions

Section 1.01 Name. The “Corporation” shall mean: Big Alum Lake Association, Inc.

Section 1.02 Board. The “Board” shall mean the Board of Directors of the Corporation

Section 2.01 Purposes. The purposes for which the Corporation is organized are social welfare within the meaning of Section 501(c)(4) of the Internal Revenue Code or the corresponding provision of any further United States Internal Revenue Law. The specific purposes of this Corporation are to protect Big Alum Lake and its environs (including its water shed) (collectively, the “Lake”) by promoting social welfare within the meaning of section 501(c)(4) of the Internal Revenue Code or charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, including but not limited to the following items: prevent and reduce pollution and maintain the proper ecological balance of the Lake and surrounding area; conduct scientific testing of the Lake and surrounding areas; cooperate with government agencies relating to environmental and regulatory matters impacting the Lake and surrounding areas, including the prevention and treatment of weeds and invasive species; promote the proper and safe use of the Lake for swimming, fishing, and boating; and foster a collegial relationship with residents near and on the Lake and surrounding areas to promote the foregoing items and to inform such residents of various Lake and resident matters.

Section 2.02 Governing Instruments. The Corporation shall be governed by its Articles of Incorporation and its Bylaws.

Article 3.

Membership

Section 3.01 Number. The Corporation shall have two classes of Members consisting of Full Members and Associate Members.

Section 3.02 Requirements for Membership. A “Full Member” shall mean a property which meets one or more of the following qualifications: (i) a permanent or seasonal property with a residence located on the shores of Big Alum Lake; (ii) a property located

on any of Lake Road, Big Alum, Roy Road, Hemlock Path, Paradise Lane, South Paradise Lane, Mt. Dan Road, The Trail, or Clark Road Extension in Sturbridge, Massachusetts, which property paid into the sewer betterment assessment for the Big Alum Sewer Project; or (iii) those properties which were members of The Trail at Big Alum Lake Association, Inc. or the Paradise Beach Association Trust as of August 19, 2017. There shall only be one vote per property regardless of the number of owners of each property. An "Associate Member" shall mean any individual, eighteen (18) years or older, who has elected to become an Associate Member of BALA and has paid his/her dues for the current year. No Associate Member shall be entitled to vote.

Section 3.03 Meetings. There shall be one annual Member meeting each year to be held on a Saturday at 10:00am during the month of August or such other similar time as the Board shall determine. In addition, one other informative Member meeting shall be held in June or July on a Saturday at 10:00am or such other time as the Board shall determine. Special meetings of the Members may be called by the President or by the Board. At least seven days' notice stating the time, place, and purpose of any Member's meeting shall be given to the Members entitled to participate. Notice of all meetings may be sent by way of the USPS or electronically via email.

Section 3.04 Voting. Each Full Member in good standing with paid dues shall be entitled to one vote. Unless otherwise allowed by these Bylaws, the manner of voting on any matter, including changes in the articles or these Bylaws, shall be as determined by a majority vote of the Full Members present, including by (a) voice vote, (b) show of hands, or (c) written ballot.

Section 3.05 Other Voting Procedures. No proxies shall be allowed at any Member meeting, but absentee ballots shall be allowed if received by the Clerk no later than on the day prior to the meeting. In addition, the Board may provide for voting by mail or electronic mail if such means of voting is noted in the meeting notice and the question to be voted upon is set forth in such meeting notice. A quorum for any meeting of the Members shall be fifteen Full Members (including those voting by absentee ballot, mail, or email) and a majority of the Officers then in office. If so determined by the Board and set forth in the meeting notice, Members in good standing may attend and participate in such meeting by telephone or video.

Section 3.06 Written Consent of Members in Lieu of a Meeting. Any action required or permitted to be taken by the membership of the Corporation may be taken without a meeting if two thirds of the Full Members in good standing consent in writing to the adoption of a resolution authorizing the action. The resolution and written consent of actions to be taken shall be signed by such Full Members and filed with the Clerk of the Corporation.

Section 3.07 Expulsion from Membership. Any Member may be expelled from Membership upon a two-thirds vote of all Members present at a duly convened meeting of the Members.

Section 3.08 Resignation. Any Member may resign such position at any time. Such resignation is to be made in writing and to take effect from the time of its receipt by the Corporation, unless some later time may be fixed in the resignation, and then from that date. Once the resignation is received, the Member relinquishes all rights and protections afforded under these Bylaws.

Section 3.09 Dues. Dues paid by Full Members for each calendar year shall be set at the annual Member meeting of the prior year and be payable on or before the first day of March for such calendar year; provided that dues must be paid at least one day prior to any meeting in order to be heard and/or vote at such meeting. Associate Members are permitted to become an Associate Member to benefit from incentives BALA might be offering Full Members regarding social, recreation, and educational opportunities. The dues of each Associate Member shall be set at the same time as the Full Members and shall be due on the same date. Dues paid each year are collected for the calendar year.

Article 4.

Directors

Section 4.01 Board of Directors. There shall be a Board of Directors consisting of the Officers, the Chair of each Committee selected as set forth in Section 5.09, and up to two additional persons designated by the President and approved by a majority of the other Officers (“Appointed Directors”).

Section 4.02 Number. The number of Directors constituting the entire Board shall be fixed by the Board and shall not be less than three (3).

Section 4.03 Election and Term of Office. The initial Directors of the Corporation shall be those persons specified in the Articles of Incorporation of the Corporation. Each Director shall hold office until the expiration of their term, until such Director’s successor has been elected and qualified, or until his or her death, resignation, or removal. For Directors that are Officers and Appointed Directors, their term shall expire at the annual meeting of Members held in August of each annual year that ends in an even number. For Directors that are Committee Chairs, their term shall expire their termination or upon designation of their successor Committee Chair, all as set forth in Section 5.09.

Section 4.04 Powers and Duties. Subject to the provisions of law, of the Articles of Incorporation and of these Bylaws, but in furtherance and not in limitation of any rights and powers thereby conferred, the Board shall have the control and management of the

affairs and operations of the Corporation and shall exercise all the powers that may be exercised by the Corporation.

Section 4.05 Board Meetings. Regular and special meetings of the Board may be held at such times as the President may from time to time determine. Meetings of the Board may also be called at any time by the majority of the Directors then in office.

Section 4.06 Notice of Meetings. Notice of any regular meeting of the Board shall be given via e-mail. Notice of a special meeting of the Board shall be given by service upon each Director in person, via e-mail or by mailing the same to him at his or her post office address as it appears upon the books of the Corporation at least two business days (Saturdays, Sundays and legal holidays not being considered business days for the purpose of these Bylaws) if given in person or via e-mail, or at least four business days, if given by mailing the same, before the date designated for such meeting specifying the place, date and hour of the meeting. Whenever all of the Directors shall have waived notice of any meeting either before or after such meeting, such meeting shall be valid for all purposes. A Director who shall be present at any meeting and who shall not have protested, prior to the meeting or at its commencement, the lack of notice to him, shall be deemed to have waived notice of such meeting. In any case, any acts or proceedings taken at a Directors' meeting not validly called or constituted may be made valid and fully effective by ratification at a subsequent Directors' meeting that is legally and validly called. Except as otherwise provided herein, notice of any Directors' meeting or any waiver thereof need not state the purpose of the meeting, and, at any Directors' meeting duly held as provided in these Bylaws, any business within the legal province and authority of the Board may be transacted.

Section 4.07 Quorum. At any meeting of the Board, a majority of the Directors then in office shall be necessary to constitute a quorum for the transaction of business. However, should a quorum not be present, a majority of the Directors present may adjourn the meeting from time to time to another time and place, without notice other than announcement at such meeting, until a quorum shall be present.

Section 4.08 Voting. At all meetings of the Board, each Director shall have one vote and except as otherwise required in these Bylaws all actions taken by the Board shall require at least a majority of all Directors present.

Section 4.09 Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if each Director consents in writing to the adoption of a resolution authorizing the action. Such unanimous consent shall also be considered to have occurred if each Director approves such action via email, The resolution and the written consents (including the email approvals) of the Directors shall be filed with the minutes of the proceedings of the Board.

Section 4.10 Removal. Any Director may be removed by vote of the Board provided there is a quorum as required by Section 4.07.

Section 4.11 Resignation. Any Director may resign from office at any time by delivering a resignation in writing or via email to the Board, and the acceptance of the resignation, unless required by its terms, shall not be necessary to make the resignation effective.

Section 4.12 Vacancies. Any newly created directorships and any vacancy occurring on the Board arising at any time and from any cause may be filled by the vote of Board at any Directors' meeting. All individuals nominated for Director shall be vetted by the Nominating Committee in a process determined by such Committee and the Board before a vote is taken. A Director elected to fill a vacancy shall hold office for the unexpired term of his or her predecessor.

Section 4.13 Participation by Video or Telephone. Any Director may participate in a meeting of the Board or such committee by means of a conference telephone, videoconference or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Article 5.

Officers and Committees

Section 5.01 Election and Qualifications; Term of Office. The Officers of the Corporation shall be a President, a Clerk, a Corresponding Secretary, a Treasurer, and a Vice-President (the "Full Officer Slate"). The Full Officer Slate shall be elected by the Full Members every two years at the annual meeting of the Members on the even annual years, and each Officer shall hold office until such Officer's successor has been elected or appointed and qualified, unless such Officer shall have resigned or shall have been removed as provided in Sections 8 and 9 of this Article V. Each Officer must be an owner of a property that is a Full Member.

Section 5.02 Election Procedures

- a. In the even annual years, the Board through any procedure it deems appropriate will nominate a person for each Officer position, provided such person has been vetted by the Nominating Committee. In addition, the Board will solicit the Full Members to determine whether any such Full Member would like to appear on the Officer ballot at the annual Member meeting. Once all candidates have been determined, the names and positions will be forwarded to the Clerk at least 10 days before the annual Member's meeting for preparation of the ballots.
- b. If there are no contested races, there will be no ballots. Rather, the Board will present the Full Officer Slate. The President will ask if there are any nominations from the floor. If there are none, the President will ask that one vote be cast for the entire slate.

If there is a nomination(s) from the floor, a vote will be taken for each individual position, all accordance with the voting procedures set forth in Article 3.

Section 5.02 Vacancies. Any vacancy occurring in any office, whether because of death, resignation or removal with cause, or any other reason, shall be filled by the Board. The person filling such vacant position shall serve the remaining term of the vacant office.

Section 5.03 Powers and Duties of the President. The President shall from time to time make such reports of the affairs and operations of the Corporation as the Board may direct. It shall be the duty of the President to preside at all meetings of the Corporation and to call meetings whenever the President considers it advisable, or when requested to do so by a majority of the Directors. The President shall also perform such other duties as may set forth in these Bylaws or as shall from time to time be assigned to the President by the Board.

Section 5.04 Powers and Duties of the Clerk. The Clerk shall record and keep the minutes of all meetings of the Board. The Clerk shall be the custodian of, and shall make or cause to be made the proper entries in, the minute book of the Corporation and such books and records as the Board may direct. The Clerk shall be the custodian of the seal of the Corporation and shall affix such seal to such contracts, instruments and other documents as the Board or any committee thereof may direct. The Clerk shall have such other powers and shall perform such other duties as may from time to time be assigned to the Clerk by the Board.

Section 5.06 Powers and Duties of the Vice President. The Vice President shall assist the President in the discharge of all presidential duties and officiate in the absence of the President.

Section 5.07 Powers and Duties of the Corresponding Secretary. The Corresponding Secretary shall notify Members of meetings as required by these Bylaws, conduct all correspondence with the Members, and keep a correct roll of the Full and Associate Members.

Section 5.05 Powers and Duties of the Treasurer. The Treasurer shall be the custodian of all funds and securities of the Corporation. Whenever so directed by the Board, the Treasurer shall render a statement of the cash and other accounts of the Corporation, and the Treasurer shall keep a full and accurate account of the Corporation's receipts and disbursements. The Treasurer shall at all reasonable times exhibit the books and accounts to any Director upon written request by such Director to the Treasurer and President. The Treasurer shall have such other powers and shall perform such other duties as may from time to time be assigned to the Treasurer by the Board.

Section 5.06 Delegation. In case of the absence of any Officer, or for any other reason that the Board may deem sufficient, the Board may at any time and from time-to-time delegate all or any part of the powers or duties of any Officer to any other Officer or to any Director or Directors.

Section 5.07 Removal. Any Officer may be removed from office at any time, with cause, by a vote of the Directors at any meeting of the Board. An Officer may also be removed without cause by a unanimous vote of the Directors (not including the Officer being removed) in writing or at a meeting.

Section 5.08 Resignation. Any Officer may resign his or her office at any time, such resignation to be made in writing and to take effect immediately without acceptance by the Corporation.

Section 5.09 Committees of the Corporation. The President, with the approval of the Board, may create such standing and special Committees of the Corporation as the President may deem necessary to promote the purposes and carry on the work of the Corporation, although there must be a Nominating Committee (the purpose of which is to nominate qualified persons to be Officers) with three members (none of which shall be the President). Each Committee shall have a Chair appointed by the President and approved by at least two of the other Officers. The Chair of each Committee may be removed by President at any time.

Article 6.

Bank Accounts, Checks, Contracts, and Investments

Section 6.01 Bank Accounts, Checks and Notes. The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation. The Board shall determine who shall be authorized from time to time on the Corporation's behalf to sign checks, drafts, or other orders for the payment of money, acceptances, notes or other evidence of indebtedness.

Section 6.02 Contracts. The Board may authorize any Officer or Officers, agent or agents, in addition to those specified in these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or render it liable for any purpose or to any amount.

Section 6.03 Investments. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds or other securities, as the Board may deem desirable.

Article 7.

Conflict of Interest Policy

Section 7.01 Purpose. The purpose of the conflict-of-interest policy is to protect the Corporation's interest when it is contemplating entering a transaction or arrangement that might benefit the private interest of an Officer, Director, or committee member 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.

Section 7.02 Definitions

- a. Interested Person: Any Director, Officer, or committee member 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:
 - (i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
 - (ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
 - (iii) 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.
- c. A financial interest is not necessarily a conflict of interest. Under Section 7.03(b), a person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists.

Section 7.03 Procedures

- a. 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 considering the proposed transaction or arrangement.
- 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 Board while the determination of a conflict of interest is discussed and voted upon. The remaining Board shall decide if a conflict of interest exists.

c. Procedures of Addressing Conflict of Interest

(i) An interested person may make a presentation at the Board 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.

(ii) The President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Board 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.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board 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 Conflicts of Interest Policy. If the Board has reasonable cause to believe Director, Officer, or committee member has failed to disclose actual or possible conflicts of interest, it shall inform such Person of the basis for such belief and afford such Person an opportunity to explain the alleged failure to disclose. If, after hearing such Person's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 7.04 Records of Proceedings

The minutes of the Board 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 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 7.05 Compensation

- a. A Director who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that Director's compensation.
- b. Any committee member 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.
- c. Any Director or any committee member 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.
- d. The Corporation does not intend to compensate any Director or committee member directly or indirectly. It shall reimburse reasonable expenses for activities that are directly related to its charitable mission.

Section 7.06 Annual Statements Each Director shall annually sign or confirm by email a statement which affirms such Director has received a copy of the conflicts of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands that the Corporation is charitable and to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7.07 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 7.08 Use of Outside Experts. When conducting the periodic reviews as provided for in Section 7.07, 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.

Article 8.

Amendments

These Bylaws may be altered, amended, added to, or repealed at any meeting of the Members by the vote of a majority of the Members.

These Bylaws were adopted at a meeting of the Board of Directors on February 1, 2022

Colleen Molta
Clerk of the Corporation