

DRAFT
Bylaws of the
Pleasant Lake Preservation Association, Inc.

History of PLPA ByLaws

Organization First Established in 1958 (Not Incorporated)

First Incorporated August 14, 1981 (Revision 0)

First Adopted Revision June 2011 (Revision 1)

**This Document is Proposed New Revision 2
to be dated July 30th 2022**

**Unanimously approved by the PLPA Board of Directors on June 23rd 2022
to be adopted at the July 30th 2022 Annual Members Meeting**

Pleasant Lake Preservation Association, Inc.

Bylaws

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ARTICLE

I

Name, Purpose, and Location

1. **Name:** The name of the Corporation shall be Pleasant Lake Preservation Association Inc.
2. **Purpose:** This Association shall be operated solely to engage in any service, work, or undertaking which preserves the quality and environmental health of Pleasant Lake or promotes the general welfare thereof. To accomplish its objectives specifically, the Association may engage in activities identified in the Articles of Agreement including, but not limited to, the following:
 - A. Maintain and preserve the quality of the lake and its resources.
 - (1) Survey or monitor as appropriate to develop indices of trends, especially to maintain or improve quality of water in the lake and the usage thereof.
 - (2) Take any reasonable and responsible action necessary, legal, and timely to accomplish this goal.
 - B. Urge membership and others to comply with all federal, state, and local laws and regulations likely to impact safety, health, and quality of the lake environment.
 - C. Encourage recreational and other activities of interest and concern to the members and local communities.
 - D. Provide information and education sources to inform members and others in the selection of appropriate practices for the safe use and protection of the natural resources in the lake area.
 - E. Cooperate with local, regional, or state organizations that will enhance the objectives of the Association.
3. **Location:** For the purpose of certain legal documents, grants and other official programs, the principal office of the Association, filed with the U.S. Post Office shall be located at the residence of the current PLPA President or as otherwise directed by the Board of Directors. For all other general correspondence, the address of the PLPA is PO Box 53, Deerfield, NH 03037.

ARTICLE

II

Definitions

1. **Articles of Agreement** shall mean, for the reasons stated therein, the legal document establishing the Pleasant Lake Preservation Association as a charitable corporation under 501 (C) (3) of the Internal Revenue Service Code of 1954. The Articles were initially filed for record as required with both the New Hampshire Secretary of State's Office on August 14, 1981, and with the Deerfield Town Clerk's Office for recording in 'The Book of Deeds'. An Affidavit of Amendment was likewise filed on November 20, 2010, officially changing the name of the corporation from 'Pleasant Lake Association of Deerfield, Inc.' to 'Pleasant Lake Preservation Association, Inc.' to more clearly represent the primary mission of the corporation.
2. **Association or PLPA** shall mean the Pleasant Lake Preservation Association, Inc.
3. **Association Years:**
 - A. The Fiscal Year shall be established by the treasurer of the Association.
 - B. The Membership Year shall be the calendar year beginning January 1 and ending December 31.
 - C. The Term Year for Officers shall be the day after the Annual Members Meeting through the following Annual Members Meeting.
4. **Board or BOD** shall mean the Association's Board of Directors.
5. **Contributor** shall mean any person or organization contributing to the Association.

6. The membership is divided into ten Districts defined as follows. Nine of the Districts geographically represent a section of the Pleasant Lake shoreline. Shoreline ownership means residents with deeded access rights to the Pleasant Lake shoreline.

1. Dam District
2. Veasey District
3. West District
4. South Cove District
5. Loon Cove District
6. Pout Point District
7. Broad Cove District
8. The Ledges District
9. North District
10. Friends of the Lake (off-lake) District

7. **Eligible Voter** shall mean any current Member as defined in Article IV.

8. **Member** shall mean one who has met all the requirements described in Article IV.

9. **Officer** shall mean a Member duly elected to serve in a particular office and on the Board of Directors as provided in Article VI.

10. **Quorum** shall mean the number of eligible voting members available to officially conduct the following Association business.

A. Ten Percent (10%) shall be required for Annual Members Meeting or for a Special Meeting.

B. A majority of the Board of Directors shall be required to conduct official Board meetings.

11. **Voting** shall mean voting by a Member in person, by ballot, or email, to conduct the Association's official business.

12. **"The Pleasant Ponderings"** shall mean a periodic newsletter published by the PLPA several times each year with PLPA business and educational information to all active members.

ARTICLE III Meetings

1. **Annual Members Meeting**. The Annual Members Meeting of the Association shall be held in June, July or August each year at such hour and location designated in the meeting notice which shall be published in The Pleasant Ponderings, posted in the Gulf Road kiosk, and announced on the Association website. The purpose of the Annual Members Meeting is as follows...
 - A. To present the Treasurer's financial report for the previous year.
 - B. To review the BOD's recommended nominations for Officers, to solicit additional nominations from the membership, and to vote to approve the Officers for the following year.

2. **Special Meetings**. Special Meetings of the Association can be called at any time by the President or by a majority of the Board of Directors and must be called by the President on receipt of a written petition signed by no less than ten percent (10%) of the Members. There will be a notice mailed, e-mailed and / or posted on the Association website at least fifteen (15) days before the date of said meeting. The objective(s) of such Special Meeting shall be stated in the notice thereof. Action taken at the Special Meeting will be limited to the objective(s) for which the meeting was called.

3. **Board of Director (BOD) Meetings**: Each year, the President will issue the dates for the BOD meetings for conducting PLPA business. Typically, these meetings are in mid May, late June, and in mid August. The Annual Members Meeting typically falls in late July and typically precludes the need for a BOD in July. As much as possible, the President should issue these dates as soon as they can be defined to allow BOD members to plan to attend each meeting with minimal scheduling conflicts. From time to time, an advance meeting date may need to be altered and the President will notify the BOD at least two weeks in advance of the meeting.

ARTICLE
III
Meetings

3. **Voting**. Only current Members as defined in Article IV may vote at Annual or Special Meetings. There is only one vote per membership on the PLPA membership roll.

4. **Miscellaneous**. Meetings shall be generally conducted according to parliamentary procedures as described in Roberts Rules of Order or as otherwise amended either by the BOD or by the PLPA President who is the Presiding Officer over all member meetings. Whenever the Members shall meet in person or remotely, such meeting, whether annual or special, shall be valid for all purposes, without call or notice and at such meeting any and all actions may be taken. Virtual electronic attended meetings can be called at the discretion of the PLPA President when he/she sees reason to do so.

5. **Winter Planning Meeting**: The President may elect to call a “Winter Planning Meeting” typically in February or March to allow the organization to plan for the coming season and make a general assessment of the organization and finances.

**ARTICLE
IV
Membership**

1. PLPA membership is open to anyone who is interested in supporting the mission of the Pleasant Lake Preservation Association. This includes all those who live at the lake, in the surrounding watershed area of the lake, or in the surrounding communities. The PLPA recognizes that the preservation of Pleasant Lake is a community responsibility of everyone who lives in the greater Pleasant Lake watershed area as well as the surrounding communities that use the lake for public recreation.
2. To become a member, a person should remit their annual dues.
3. The annual membership year is the calendar year (January 1st through December 31st) and dues are not prorated for partial years. Dues are due on January 1st of each year. However, members have up until the day preceding the Annual Members Meeting to remit their dues to the Treasurer. Any member who does not pay their dues by this deadline is automatically, and without notice, designated as a non-active member on the membership role for that year and does not participate in voting or other member rights during that calendar year.
4. General voting rights are one vote per paid membership.
5. In certain cases, issues may come to a vote that specifically affect restrictions on the shoreline property owners or has significant potential impact on the property value of those shoreline properties but do not unduly affect the restrictions or property values of those members who do not live along the lake shoreline. In these cases, and at the PLPA's President as Presiding Officer or his or her designate, the PLPA President may elect to restrict the voting for such special cases to shoreline resident members only.

ARTICLE

V

Member Lake Preservation Contribution

1. The annual basic lake preservation contribution required for PLPA membership shall be reviewed and established at the discretion of the BOD and changed when warranted without notice.
2. Contributions amounts above the basic contribution amount required for membership may be designated by the donor to fund any specific activities currently sponsored by the organization; for example the Lake Host Program. Amounts contributed above the basic amount with no specific designation will be added to the "General Fund".
3. Although the annual dues for active membership are considered the minimum contribution, there may be cases of financial hardship which precludes a person from making such monetary contribution. In such rare cases, the BOD, at their discretion, may elect to reduce or waive the annual dues to allow those in financial hardship to participate in the organization as members.

**ARTICLE
VI
Officers Term of Office**

1. The affairs of the Association shall be managed by a Board of Directors whose members are the officers of the Association. Elections of officers shall be held at the Annual Members Meeting. The Board of Directors may, by majority vote, fill a vacancy on the Board when caused by, resignation, or other cause. Such appointee shall serve through the next Annual Members Meeting. No Board member shall cast multiple votes no matter how many positions that person might hold. One vote per Board member.

2. **Officers and Terms of Office:**

1	Chairperson of the Board	1 year
1	President	1 year
1	Advisor Emeritus	1 year
1	Treasurer	1 year
1	Recording Secretary	1 year
1	Corresponding Secretary	1 year
1	Education & Communications Committee Chair	1 year
1	Environmental Protection Committee Chair	1 year
1	Lake Host Program Chair	1 year
1	Social Activities Committee Chair	1 year
10	Each of the ten District Directors. Note that the "District Membership Chair" is elected from the ten District Directors and thereby has a BOD vote as a District Director.	1 year

20 Officers comprising the Board of Directors All 1 year

3. Terms for Officers shall be based on the one year beginning the day after the Annual Members Meeting and through the following Annual Members Meeting.

4. Any officer or director may be removed from office for any just cause by a majority vote of the BOD at any Board meeting, or by a majority vote of the Membership at a duly called Special Meeting or the Annual Members Meeting.

5. District Directors should reside in or own deeded property within the boundaries of their districts. In the event that no person from the District is available to serve as Director, the BOD may approve a temporary Director from outside the District until such time that a district resident can be found.rep

ARTICLE VII

Nominations

1. Nominations for the election of officers shall be made by the PLPA Board of Directors to establish a slate of nominated candidates.

2. The slate of nominees shall be recommended to the PLPA membership at the Annual Members Meeting. M o t i o n s for additional nominations shall also be accepted from the membership at the Annual Members Meeting.

3. All persons nominated must be active members of the Association as defined in Article IV.

4. Election of officers shall be made by a majority vote cast by the members at the Annual Members Meeting.

ARTICLE VIII

Duties of Officers

1. **Chair of the Board**. The Chair of the Board of Directors shall serve as a general advisor and provide continuity for the incoming president and other officers. As such, this position is restricted to a past President of the PLPA.
2. **President**. The President shall act as chief executive of the Association, shall preside at all meetings of the Board of Directors and the Association and shall perform all duties usually incumbent upon the presiding officer of the Association. The President shall be responsible for, but not limited to: calling meetings, preparation of meeting agenda, appointing committees and committee chairs as needed or requested by the Members or the Directors, authorizing expenditures to the PLPA Treasurer and the paying of bills, signing checks, and providing assistance in preparation of The Pleasant Ponderings. The President is the ex- officio Member of all committees and officially represents the Association at public affairs, hearings, of legislative actions of concern to the Association. In the event that the President is unavailable to perform his/her duties, the President may temporarily delegate the duties of the President, in his/her absence, to be performed by either the PLPA Chair or the District Membership Chair. In the event that the President is unable to delegate, the BOD should delegate the President's duties to allow the continuance of the organization's business.
3. **The Advisor Emeritus** is an honorary position reserved for a person who has devoted many years of dedicated service to the PLPA but who no longer serves in any other Board position. This person is considered an advisor to the Board and offers advice based on their long experience and the historical continuity and perspective they can offer. This position is appointed by the Board each year only if a person of sufficient merit can be identified. If there is no qualified person,

this role can remain as an open position until such time that a qualified person can be recognized and appointed by the Board.

4. **Treasurer**. The Treasurer shall be responsible for the following:
 - A. Keeping a true and accurate account of all Association funds received or paid out and have the custody thereof,
 - B. Maintaining appropriate bank accounts, signing checks and paying monetary obligations of the Association,
 - C. Maintaining lists of names, addresses, of active Members and of all annual membership contributions,
 - D. Paying all bills of the Association upon being authorized by the President,
 - E. Providing financial statements as appropriate for all meetings,
 - F. Arranging to have financial records audited periodically by a qualified person when requested by the BOD
 - G. Performing all other fiduciary duties as required by law.

6. **Recording Secretary**. The Recording Secretary shall keep a complete and accurate summary record of the meetings of the Association and of the Board of Directors, shall have custody of the records of the Association other than financial records, and shall perform such other duties as are required by law.

7. **Corresponding Secretary**. The Corresponding Secretary shall prepare Association correspondence, literature, and perform such other duties as designated by the President.

8. **Directors**. Each Director shall:
 - A. Represent the Members of the districts from which the Director is elected or to which the Director is assigned,
 - B. Be responsible for two-way communication between the Members in the

Director's district and the Board of Directors,

- C. Aid in the collection of monetary dues contributions,
- D. Provide to the Treasurer an up-to-date list of property owners, and home addresses,
- E. Attend all meetings of the Board to represent the members of their District,
- F. Serve on committees as requested, be alert to the need for committee work and perform other duties as assigned by the President.

9. PLPA Committee Chairs:

- A. **Lake Host Chair:** Responsible to coordinate and lead all aspects of the PLPA Annual Lake Host Program. This includes funding requests, scheduling, monitoring, and record keeping.
- B. **Social Activities Chair:** Responsible for coordinating the annual planning and executing of PLPA's social activities and clubs.
- C. **Education & Communications Chair:** Responsible for the annual planning and conducting of the PLPA's education and the communications with the members. This includes maintenance of the website, The Pleasant Ponderings newsletter, the EBlasts, Social Media, and special speakers and seminars throughout the year.
- D. **Environmental Projects Chair:** Responsible for the activities and projects that will improve the water quality and the environmental health of the lake. This includes identifying needs, securing funding and grants, and managing the projects. In addition this Committee oversees water monitoring and testing functions.

**ARTICLE
IX
Business Management**

Powers of the Board of Directors. The Board of Directors shall manage the business of the Association and may appoint such agents, hire such employees, or purchase services as in their judgment may be necessary for transacting the business thereof. The Board may delegate to any of the officers such of its powers allowed by law or these Bylaws. The Board may exercise all such powers of the Association and do all such lawful acts and things allowed by law or these Bylaws. The Board may assign additional duties to any officer and may change the assignment of duties of officers as prescribed in these Bylaws and may declare the office of a Member of the Board to be vacant in the event such Member shall have more than three (3) unexcused absences from the meetings of the Board.

Contracts. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to a specific instance. Unless so authorized by the Board, no officer, agent, or employee shall, on their own, have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or render it liable from a pecuniary basis for any purpose or in any amount.

Board of Directors' Meetings. The President, or any two directors, may call a meeting of the Board of Directors at a date, time and place to be specified by giving notice to the other officers at least two days prior to the date and time fixed for such meeting. Emergency or Special Meetings of the Board may be held at any date, time and place without previous notice if a majority of the officers is actually present. At such meetings, Board action shall be restricted to the purpose for which the Emergency or Special Meetings was called.

Quorum. A majority of the Board of Directors shall be a quorum for the transaction of business.

ARTICLE
X
Indemnification and Insurance

1. **Indemnification**. The Association shall, subject to the determination defined below, (a) indemnify and (b) pay reasonable interim expenses (including attorneys' fees) incurred by any person (including such person's heirs or estate) who is sued in a civil or criminal proceeding on account of actions taken or not taken by such person in his/ her capacity as an officer of the Association to the maximum extent permitted under applicable law, including NH RSA 293-A:8.50 - 8.56 as amended and any future statute permitting indemnification by New Hampshire corporations. The determination as to whether the Association shall indemnify or pay interim expenses in any specific case shall be made by the Board of Directors in accordance with NH RSA 293-A:8.55(b)(1) or the comparable provision of any future statute permitting indemnification by New Hampshire corporations. No amendment or repeal of this section or of any relevant provision of applicable law shall in any way diminish the right to indemnification under this section with respect to any act or omission occurring prior to such amendment or repeal.

2. **Insurance**. The Association shall purchase and maintain insurance, at its expense, to protect itself and any officer against liability asserted against or incurred by him/ her in such capacity, whether or not the Association would have the power to indemnify such person pursuant to the foregoing provision of this Article.

ARTICLE
XI
Bylaws Revision or Amendments

1. These Bylaws may be altered, amended, or repealed by the following procedure:

First: Any proposed amendments, alterations, or repealing of these Bylaws must first be proposed to the Board of Directors for review, discussion, and approval by the Board.

Second: Such Board approved Bylaws will be published as a proposed revision to the PLPA website at least 30 days prior to the Annual Members Meeting for adequate review by the membership prior to a motion to adopt at the Annual Members Meeting.

Third: The proposed revision, as recommended and approved by the BOD, will be presented by the President for approval by the membership at the Annual Members Meeting.

2. The Bylaws as amended or revised shall be effective immediately upon passage.

ARTICLE XII

Conflict of Interest Policy

- Duty to Disclose:** Each officer, prior to taking his/her position on the Board, and all present officers shall submit in writing to the Chair of the Board a list of all businesses or other organizations of which he/she is an officer, director, trustee, member, owner (either as a sole proprietor or partner), shareholder, employee, or agent, with which the Association has, or might reasonably in the future enter into a relationship or a transaction in which the director would have conflicting interests. The Chair of the Board shall become familiar with the statements of all officers in order to guide the Chair's conduct should a conflict arise.
- Voting - General:** At such time as any matter comes before the Board in such a way as to give rise to a conflict of interest, the affected officers shall make known the potential conflict, whether disclosed by his/her written statement or not, and after answering any questions that might be asked of him/her, shall withdraw from the meeting for so long as the matter shall continue under discussion. Should the matter be brought to a vote, the affected officers shall not vote.
- Voting - Pecuniary Benefit Transactions:** At such time as a matter comes before the Board involving a proposed transaction between the Association and an officer, or entity of which an officer (or immediate family member of an officer) is a proprietor, partner, employee, or officer, the affected officer shall withdraw from the meeting in the manner described in (2) above. In addition, other officers who themselves have had pecuniary benefit transactions with the Association within the same fiscal year, should also not be present and not participate in the discussion. Should the matter be brought to a vote, neither the affected officer nor any other officer with a pecuniary benefit transaction with the Association in the same fiscal year shall vote on it. The minutes of the meeting shall record the vote and reflect that a disclosure was made and that the interested officer and all other officers with a pecuniary transaction with the Association

during the fiscal year were absent during both the discussion and the voting on the transaction. The Board will comply with all the requirements of New Hampshire law where conflicts of interest are involved including, but not limited to, the requirement of a vote of two-thirds of the governing board (excluding those ineligible to vote) where the financial benefit to the officer (immediate family member of the officer) is between \$500 and \$5,000 in a fiscal year, and to the requirement of a similar two-thirds vote and publication in the required newspaper where the financial benefit exceeds \$5,000 in a fiscal year.

4. Statutory Requirements. The New Hampshire statutory requirements dealing with pecuniary benefits (RSA 7:19 II; 7:19-a; and 292:6-a) are hereby incorporated in full into and made an integral part of this conflict of interest policy; and a copy of the relevant New Hampshire statutes are attached hereto so that every Board Member is aware of the statutory requirements. These requirements include, but are not limited to, (i) absolute prohibitions on loans from a charitable trust to a director or officer; and (ii) prohibition of any sale or lease (for a term greater than five years) or conveyance of real estate from an officer, director, or trustee without the prior approval of the probate court. These requirements extend to both direct and indirect financial interests, as defined by the attached statutes.

5. Distribution Upon Dissolution: Upon termination or dissolution of the PLPA, any assets and resources lawfully available for distribution shall be distributed to one or more qualifying organizations described in Section 501(c)(3) of the 1986 Internal Revenue Code (or described in any corresponding provision of any successor statute) which organization has a charitable purpose which, at least generally, includes a purpose similar to the PLPA.

The organization to receive the assets of the PLPA shall be selected in the discretion of the managing body of the PLPA, and if its members cannot agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the PLPA by one or more of the PLPA managing body which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon finding that this section is applicable shall select the qualifying organizations to receive the assets and resources to be distributed, giving preference, if practicable to organizations located within the State of New Hampshire.

**ARTICLE
XIII**

Miscellaneous

In the event of a conflict between the Articles of Agreement and these Bylaws, the Articles shall control.

ADOPTED: Officially approved by the Members of the Pleasant Lake Preservation Association at its Annual Members Meeting, July 30th, 2022.

Witness

President, PLPA

Witness

Any Officer, PLPA

STATUTES
Director of Charitable Trusts
Section 7:19

7:19 Authority; Register Authorized; Pecuniary Benefit Limited.

I. RSA 7:19 through 32-a inclusive shall apply to all trustees holding property for charitable purposes and to all persons soliciting for charitable purposes or engaging in charitable sales promotions; and the attorney general shall have and exercise, in addition to all the common law and statutory rights, duties and powers of the attorney general in connection with the supervision, administration and enforcement of charitable trusts, charitable solicitations, and charitable sales promotions, the rights, duties and powers set forth in RSA 7:19 through 32-a inclusive. The attorney general shall also

have the authority to prepare and maintain a register of all charitable trusts heretofore or hereafter established or active in this state. However, this subdivision does not apply to the United States; any state, territory or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico or to any of their agencies or governmental subdivisions or to any religious organization which holds property for charitable or religious purposes or their integrated auxiliaries or to conventions or associations of churches.

II. Directors, officers, and trustees of charitable trusts shall serve on the governing boards of such charitable trusts only for the charitable purposes of the organization. If such directors, officers or trustees are serving for any other expressed or intended reasons, they shall not serve on the governing board of the organization.

7:19-a Regulation of Certain Transactions Involving Directors, Officers, and Trustees of Charitable Trusts.

I. Definitions. In this section:

(a) "Director, officer, or trustee" means a director, officer, or trustee of a charitable trust.

(b) "Financial interest" means an interest in a transaction exceeding \$500 in value for any officer, director, or trustee, on an annual aggregate basis. An "indirect" financial interest arises where the transaction involves a person or entity of which a director, officer, or trustee, or a member of the immediate family of a director, officer, or trustee, is a proprietor, partner, employee, or officer.

(c) "Pecuniary benefit transaction" means a transaction with a charitable trust in which a director, officer, or trustee of the charitable trust has a financial interest, direct or indirect. However, the following shall not be considered as pecuniary benefit transactions:

(1) Reasonable compensation for services of an executive director, and expenses incurred in connection with official duties of a director, officer, or trustee;

(2) A benefit provided to a director, officer, or trustee or member of the immediate family thereof if:

- (A) The benefits are provided or paid as part of programs, benefits, or payments to members of the general public; and
 - (B) The charitable trust has adopted written eligibility criteria for such benefit in accordance with its bylaws or applicable laws; and
 - (C) The director, trustee, or family member meets all of the eligibility criteria for receiving such benefit;
- (3) A continuing transaction entered into by a charitable trust, merely because a person with a financial interest therein subsequently becomes a director, officer, or trustee of the charitable trust.

(d) "Charitable trust" does not include, for purposes of this section only, an organization qualified as a private foundation under the applicable provisions of the United States Internal Revenue Code.

II. A pecuniary benefit transaction shall be prohibited unless it is in the best interest of the charitable trust and unless all of the following conditions are met:

(a) The transaction is for goods or services purchased or benefits provided in the ordinary course of the business of the charitable trust, for the actual or reasonable value of the goods or services or for a discounted value, and the transaction is fair to the charitable trust;

(b) The transaction receives affirmative votes from at least a 2/3 majority of all the disinterested members of the governing board of the charitable trust, which majority shall also equal or exceed any quorum requirement specified in the bylaws of the charitable trust:

(1) After full and fair disclosure of the material facts of the transaction to the governing board and after notice and full discussion of the transaction by the board;

(2) Without participation, voting, or presence of any director, officer, or trustee with a financial interest in the transaction or who has had a pecuniary benefit transaction with the charitable trust in the same fiscal year, except as the board may require to answer questions regarding the transaction; and

(3) A record of the action on the matter is made and recorded in the minutes of the governing board;

(c) The charitable trust maintains a list disclosing each and every pecuniary benefit transaction, including the names of those to whom the benefit accrued and the amount of the benefit, and keeps such list available for inspection by members of the governing board and contributors to the charitable trust. The list shall also be reported to the director of charitable trusts each year as part of the charitable trust's annual report required under RSA 7:28;

(d) If the transaction, or the aggregate of transactions with the same director, officer, or trustee within one fiscal year, is in the amount of \$5,000 or more, the charitable trust publishes notice thereof in a newspaper of general circulation in the community in which the charitable trust's principal New Hampshire office is located, (or if there is no such office, then in a newspaper of general circulation

throughout the state), and gives written notice to the director of charitable trusts, before consummating the transaction. At a minimum, such notice shall state that it is given in compliance with this section and shall include the name of the charitable trust, the name of any director, officer, or trustee receiving pecuniary benefit from the transaction, the nature of the transaction, and the specific dollar amount of the transaction.

III. Every director, officer, or trustee, or member of the immediate family of such director, officer, or trustee, who engages in a pecuniary benefit transaction with a charitable trust shall provide copies of all contracts, payment records, vouchers, other financial records or other financial documents at the request of the director of charitable trusts in accordance with RSA 7:24. All documents so provided may be disclosed to the public for inspection and copying, subject to applicable confidentiality laws.

IV. Every charitable trust shall adopt policies pertaining to pecuniary benefit transactions and conflicts of interest.

V. No charitable trust shall lend money or property to its directors, officers, or trustees. Any director, officer, or trustee who assents to or participates in the making of any such loan shall be jointly and severally liable to the charitable trust for the amount of such loan until it is repaid.

VI. No charitable trust shall sell, lease for a term of greater than 5 years, purchase, or convey any real estate or interest in real estate to or from an officer, director, or trustee without the prior approval of the probate court after a finding that the sale or lease is fair to the charitable trust. However, this paragraph shall not apply to a bona fide gift of an interest in real estate to a charitable trust by a director, officer, or trustee of the charitable trust.

VII. A pecuniary benefit transaction undertaken in violation of this section is voidable. The director of charitable trusts may investigate complaints regarding pecuniary benefit transactions and if, after an investigation pursuant to RSA 7:24, the director determines that a pecuniary benefit transaction is in violation of this section, the director may institute appropriate proceedings under RSA 7:28-f to enforce these provisions.

VIII. Any member of the governing board of a charitable trust shall have standing to petition, pursuant to RSA 491:22, for a declaratory judgment that one or more pecuniary benefit transactions of the charitable trust are void.

IX. The provisions of this section shall not apply to transactions between a charitable trust and its incorporators, members, or other contributors who are not also directors, officers, or trustees of the charitable trust, provided that such transactions are fair to the charitable trust.

X. Notwithstanding subparagraph I(c) of this section, in the case of hospitals, "pecuniary benefit transaction" shall not include reasonable compensation for

professional services of members of the hospital's professional medical or nursing staff who also serve as members of the governing board of the hospital, if persons receiving such compensation do not constitute more than 25 percent of the membership of such board or the governing board of the charitable trust which owns the hospital.

XI. Notwithstanding subparagraph I(c) of this section, in the case of educational organizations normally maintaining a regular faculty and curriculum and normally having a regularly enrolled body of pupils or students in attendance at the place where their educational activities are regularly carried on, "pecuniary benefit transaction" shall not include reasonable compensation for professional services of members of the organization's faculty and staff who also serve as members of the governing board of the educational organization if such persons do not constitute more than 25 percent of the membership of such board.

Formation of Corporation

Section 292:6-a

292:6-a Board of Directors of Charitable Nonprofit Corporations. – In the interest of encouraging diversity of discussion, connection with the public, and public confidence, the board of directors of a charitable nonprofit corporation shall have at least 5 voting members, who are not of the same immediate family or related by blood or marriage. No employee of a charitable nonprofit corporation shall hold the position of chairperson or presiding officer of the board. This section shall not apply to those nonprofit corporations in existence on August 10, 1996, until one year after August 10, 1996, nor to any organization qualified as a private foundation under the applicable provisions of the United States Internal Revenue Code, nor to religious organizations, churches, or the integrated auxiliaries thereof or to conventions or associations of churches. The provisions of this section may be waived with the approval of the director of charitable trusts after application for such waiver.