

By-Laws of the LOLO WATERSHED GROUP

A Nonprofit Corporation

ARTICLE I. OFFICES

The principal office of the corporation in the State of Montana shall be located in the County of Missoula. The corporation may have such other offices, either within or without the State of Montana, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

The corporation shall have and continuously maintain in the State of Montana a registered office, and a registered agent whose office is identical with such registered office, as required by the Montana Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Montana, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II. BOARD OF DIRECTORS

Section 1: General Powers. The officers and other members of the Board of Directors shall serve as the corporation's Board of Directors. Board of Directors members **must** be residents of the State of Montana. The Board of Directors' President shall have the authority to appoint general or special committees from time to time as deemed necessary, and also to terminate those general or special committees with the consent of a majority of other Board of Directors members. The primary purpose of the Board of Directors is to act upon issues and affairs before the Lolo Watershed Group, a simple majority vote of the Board of Directors being sufficient for approval of motions. The full membership of the Lolo Watershed Group shall have final approval, by majority vote, on motions approved by the Board of Directors. The Board of Directors will poll members for opinions regarding issues before the board.

Section 2: Election. The membership of the Lolo Watershed Group (LWG) shall annually meet to nominate and elect new Board of Directors members, as necessary. Election shall require a majority vote of those members present. A Board of Directors member may be reelected to his or her position. All members elected to the Board of Directors shall have memberships in good standing. The Board of Directors will select officers (President, Vice-President, Treasurer and Secretary) among themselves as their first order of business.

Section 3: Number, Tenure, and Qualifications. The number of Board of Directors members shall be not less than five (5). Board of Directors members shall serve a term of 3 (three) years, renewable by majority vote of the LWG at regular elections, excepting that they resign, or be removed by unanimous vote of all other Board of Directors members after due cause having been shown. The initial terms of Board of Directors members shall be staggered by alphabetical order of last name, with terms of 1, 2 and 3 years consecutively. The Board of Directors will consist of two self-identified agricultural/ranching interests, two self-identified conservation interests, at least one (1) at-large or community interest, and the non-voting LWG Coordinator. **Voting members of the Board of Directors must be residents of the state of Montana and at least one more than one half of the officers must be residents of the Lolo Creek Watershed or the Lolo Community.**

Section 4: Meetings. **Up to six (6) regular meetings of the Board of Directors may be held without other notice than this by-law during each year. Meetings of the full LWG may be held up**

to six (6) times during each year.

The Lolo Watershed Group membership and its board of directors shall fully comply with all applicable anti-discrimination laws, rules, and regulations. In particular, it shall not discriminate on the basis of race, color, sex, national or ethnic origin, sexual orientation, or age in its admission to membership, its election to board of directors or officers, or in its selection of contractors or volunteers.

Section 5: Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President of the Board of Directors or a majority of Board of Directors members. Such special meetings of the Board of Directors shall be held at the principal office of the corporation or at the time and place specified in the notice. As a matter of efficiency and convenience, special meetings may also be transacted by means of telecommunication.

Section 6: Notice. Notice of any emergency meeting of, or telephone conference among, Board of Directors shall be given prior to that meeting sufficient to allow attendance by all existing Board of Directors members. However, the President may approve a telephone poll of Board of Directors members without such notice for time-limited affairs requiring action. Any Board of Directors member may waive notice of any meeting. The attendance of Board of Directors members at any meeting shall constitute a waiver of notice of such meeting. Neither business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Section 7: Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 8: Manner of Acting. The act of a majority of the Board of Directors members present at a meeting shall be the act of the Board of Directors.

Section 9: Vacancies. Board of Directors vacancies may be filled temporarily by the Board of Directors' President, pending the next regular election. A Board of Directors member appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

Section 10: Compensation. Board of Directors members as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; but nothing herein contained shall be construed to preclude any Board of Directors member from serving the corporation in any other capacity and receiving compensation therefor.

Section 11: Informal Action by Board of Directors. Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of Board of Directors members, may be taken without a formal meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

ARTICLE III. NOTIFICATION OF ATTORNEY GENERAL

Section 1: Notification of Attorney General. The secretary of the corporation shall notify the attorney general of the State of Montana when dissolution, indemnification, merger, removal

of directors, and the sale of assets (as defined in the Montana Nonprofit Corporation Act) occur. The secretary shall deliver notice in the manner required by each event and cooperate with the Attorney General in providing necessary information.

(1) Dissolution.

(a) In the event of dissolution, the secretary shall give the Attorney General written notice that the corporation intends to dissolve at or before the time the secretary delivers articles of dissolution to the secretary of state. The notice must include a copy or summary of the plan of dissolution.

(b) The corporation shall not transfer or convey assets as part of the dissolution process until 20 days after the secretary has given the written notice required by section 1(1)(a) to the Attorney General or until the Attorney General has consented in writing to the dissolution or indicated that the Attorney General will not take action in respect to transfer or conveyance, whichever is earlier.

(c) When the corporation has transferred or conveyed all or substantially all of its assets following approval of dissolution, the board shall deliver to the Attorney General a list showing those, other than creditors, to whom the corporation transferred or conveyed assets. The list must indicate the address of each person, other than creditors, who received assets and an indication of what assets each received.

(2) Indemnification. The secretary of the corporation must give the Attorney General written notice of its proposed indemnification of a Board of Directors member. The corporation may not indemnify a Board of Directors member until 20 days after the effective date of the written notice.

(3) Merger. The secretary of the corporation must give the Attorney General written notice of a proposed merger of the corporation, and include with the notice a copy of the proposed plan of merger, at least 20 days before consummation of any merger.

(4) Removal of Board of Directors members. The secretary of the corporation must give written notice to the Attorney General if the corporation, or at least a majority of its directors, commence a proceeding to remove any director by judicial proceeding.

(5) Sale of assets. The secretary of the corporation must give written notice to the Attorney General 20 days before it sells, leases, exchanges, or otherwise disposes of all or substantially all of its property if the transaction is not in the usual and regular course of its activities, unless the Attorney General has given the corporation a written waiver of this subsection.

ARTICLE IV. INDEMNIFICATION OF BOARD OF DIRECTORS (JULY 2005)
MEMBERS, AGENTS AND EMPLOYEES

Section 1: Indemnification of Board of Directors Members.

(1) General. An individual made a party to a proceeding because the individual is or was a member of the corporation may be indemnified against liability incurred in the proceeding, but only if the indemnification is both:

- (a) determined permissible and
- (b) authorized, as defined in subsection (2) of this section 1. (The indemnification is further subject to the limitation specified in subsection (4) of this section 1.)

(2) Determination and Authorization. The corporation shall not indemnify a director under section 1 of Article IV unless:

(a) Determination. Determination has been made in accordance with procedures set forth in the Montana Nonprofit Corporation Act that the director met the standard of conduct set forth in subsection (3) below, and

(b) Authorization. Payment has been authorized in accordance with procedures listed in the Montana Nonprofit Corporation Act based on a conclusion that the expenses are reasonable.

(3) Standard of Conduct. The individual shall demonstrate that:

(a) the individual acted in good faith; and

(b) the individual reasonably believed:

(i) in acting in an official capacity with the corporation, that the individual's conduct was in the corporation's best interests;

(ii) in all other cases, that the individual's conduct was at least not opposed to the corporation's best interests; and,

(iii) in the case of any criminal proceeding, that the individual had no reasonable cause to believe that the conduct was unlawful.

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, is not, of itself, a determination that the member did not meet the standard of conduct described in this section.

(4) No Indemnification Permitted in Certain Circumstances. The corporation shall not indemnify a member under section 1 of Article IV if:

(a) the member was adjudged liable to the corporation in a proceeding by or in the right of the corporation; or,

(b) the Board of Directors member was adjudged liable in any other proceeding charging that said member improperly received personal benefit, whether or not the individual acted in an official capacity.

(5) Indemnification Limited. Indemnification permitted under section 1 of Article IV in connection with a proceeding by the corporation or in the right of the corporation is limited to the reasonable expenses incurred in connection with the proceeding.

(6) Notice. A member shall give prompt notice to the corporation of any pending or threatened proceeding within the scope of this Amendment to Bylaws. The member shall cooperate with Board of Directors to assist in determining whether the director's conduct met the standards set forth in subsection (3) above.

Section 2: Advance Expenses of Board of Directors Members. The corporation may pay for or reimburse, in advance of final disposition of the proceeding, the reasonable expenses incurred by a Board of Directors member who is a party to a proceeding if:

(1) by following the procedures of the Montana Nonprofit Corporation Act the Board of Directors determined that the member met requirements (3)- (5) listed below; and

(2) the Board of Directors authorized an advance payment to a member; and

(3) the Board of Directors member has furnished the corporation with a written affirmation of the member's good faith belief that the member has met the standard of conduct described in section 1 of Article IV; and

(4) the Board of Directors member has provided the corporation with a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct; and,

(5) the Board of Directors determines that the facts then known to it would not preclude indemnification under section 1 of this Article IV or the Montana Nonprofit Corporation Act.

Section 3: Indemnification of Officers, Agents and Employees. The Board of Directors may choose to indemnify and advance expenses to any officer, employee or agent of the corporation applying those standards described in sections 1 and 2 of Article IV.

Section 4: Mandatory Indemnification. Notwithstanding any other provisions of these bylaws, the corporation shall indemnify a Board of Directors member or officer, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the member or officer was a party because he or she is or was a member or officer of the corporation, against expenses incurred by the director or officer in connection with the proceeding.

ARTICLE V. OFFICERS

Section 1: Officers. The officers of the corporation shall be a President, a Vice-President, a Treasurer and a Secretary, which officers shall be appointed by unanimous vote of the remaining Board of Directors members, and such other officers as may be appointed in accordance with the provisions of this Article. Officers shall be members of the Board of Directors. The President may appoint such other officers as he or she shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the President. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor shall have been duly elected and/or appointed.

Section 2: Removal of Officer Title. Any officer may have his or her title removed by unanimous vote of the remaining Board of Directors members whenever, in the Board of Directors' judgment, the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 3: Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the President for the unexpired portion of the term.

Section 4: Board of Directors President. The President shall be the principal executive officer of the corporation and shall be in general supervision and control of all of the business and

affairs of the corporation. He or she shall preside at all meetings of the Board of Directors. He or she may sign, with any proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, leases, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other office or agent of the corporation; and in general shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5: Vice-President. The Vice-President will serve as President or in the President's stead in all duly authorized activities of the Lolo Watershed Group in the vacancy or absence of, or in the event of resignation of, the President.

Section 6: Treasurer. The Treasurer will have responsibility for overseeing the financial performance, administration and reporting of the corporation. Where appropriate and necessary, he or she will work with the corporation's staff in order to ensure the accurate and timely completion of all of the corporation's financial responsibilities which may include, but not be limited to, preparation of all reports required by the U.S. Internal Revenue Service and Montana Department of Revenue; preparation of financial reports necessary for the Board of Directors to conduct the corporation's business, and the general assistance and oversight of the corporation's financial system of controls, checks and balances. The Treasurer shall perform such other duties as from time to time may be assigned by the President.

Section 7: Secretary. The Secretary will have responsibility for overseeing and coordinating the administrative business of the corporation. Where appropriate and necessary, he or she will work with the corporation's staff in order to ensure the timely completion of all of the corporation's administrative responsibilities which may include, but not be limited to, preparation of all reports required to maintain the corporation's good standing as a corporation in the state of Montana and the city and county of Missoula, and; maintain an accurate and orderly record of the proceedings of all meetings of the corporation's Board of Directors. The Secretary shall perform such other duties as from time to time may be assigned by the Board of Directors.

ARTICLE VI. CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 1: Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by 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.

Section 2: Checks, Drafts, Etc. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by the President. In the absence of such determination by the Board of Directors, such instruments shall be signed by the President or the Treasurer.

Section 3: Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4: Gifts. The Executive Committee Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

ARTICLE VII. BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board of Directors and any committees.

ARTICLE VIII. FISCAL YEAR

The fiscal year of the corporation shall be the calendar year, but may be varied by resolutions of the Board of Directors.

ARTICLE IX. AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a vote of at least two-thirds (2/3) of all of the existing Board of Directors, if at least five (5) days' written notice is given all existing Board of Directors members of intention to alter, amend, or repeal or to adopt new Bylaws at such meeting. Provided, however, that no amendment, alteration, or repeal of a Bylaw is permitted which would cause the corporation to lose its status as an exempt, nonprofit charitable organization under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. Any such attempted amendment, alteration, or repeal shall be deemed null and void ab initio.

ARTICLE X. ADOPTION OF BYLAWS

These Bylaws were adopted by resolution passed by the affirmative vote of a majority all of the present Board of Directors members of the corporation serving as of the 26th day of February, 2014.

DATED this 26th day of February, 2014.

(Roberta Bartlette)
President
