

Attachment V

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) dated May 30, 2018 is between CENTRAL MAINE POWER COMPANY (“CMP”), a Maine corporation, and WESTERN MOUNTAINS & RIVERS CORPORATION (“WM&RC”), a Maine nonprofit corporation.

BACKGROUND

- A. CMP has submitted a proposal in response to the Massachusetts 83D Clean Energy Request for Proposals (“RFP”) for transmission services in connection with the New England Clean Energy Connect generation and transmission project (the “Project”), and the Project has been conditionally selected under the RFP to proceed to contract negotiation and regulatory approvals.
 - B. The transmission line to be constructed as part of the Project is proposed to cross the Kennebec River in the area of the Kennebec Gorge, Somerset County, which crossing may be above-ground or underground.
 - C. WM&RC is a Maine nonprofit public benefit corporation formed for the purpose of expanding conservation of the Kennebec, Dead, Sandy, Moose, Sebasticook and Carrabassett rivers; developing recreation projects; developing education programs about the history, ecology and uses of Maine’s rivers; and expanding economic development opportunities along the rivers of Western Maine.
 - D. CMP and WM&RC wish to establish a framework to mitigate any environmental, natural resource and community impacts of the Project and to provide additional economic development opportunities to Somerset County.
1. Initial Support for WM&RC. As a demonstration of its good faith efforts to mitigate the environmental, natural resource and community impacts of the Project in Somerset County, within ten (10) days following the execution of this MOU, CMP will donate the amount of \$250,000 to WM&RC to support its charitable mission, including funding WM&RC’s initial start up expenses such as legal, accounting, consulting, staffing, travel and planning expenses.
 2. Additional Support for WM&RC. Subject to (a) the receipt of all permits, licenses and approvals required for the Project to be constructed and operated (“Required Approvals”); and (b) the execution and delivery by CMP, the generator participating in the Project, and the Massachusetts utilities sponsoring the RFP of the power purchase, transmission services and other agreements needed to move forward with the Project (the “Project Contracts”) and such permits, licenses and approvals have become final and not subject to appeal or rehearing (collectively, the “Preconditions”), CMP agrees to:

- (i) Consultation as to Project. To ensure that the Project does not unreasonably interfere with or adversely affect existing scenic, aesthetic, recreational, or navigational uses, consult with WM&RC on the design, construction, and ongoing maintenance plan for the portion of the Project in the vicinity of the Kennebec Gorge, including with respect to the location and design of the transmission lines crossing the Kennebec Gorge and the nearby structures, equipment requirements, construction timing, vegetation plans, and buffering of the transmission facilities crossing the Kennebec River Gorge from other uses and resources.
 - (ii) WM&RC Support Funding. Commencing on the first anniversary of the execution of this MOU by both parties, provide to WM&RC annual grants for five (5) years in the amount of \$50,000 each year to support WM&RC's charitable mission, including in particular, the promotion of outdoor activities in Central and Northern Somerset County and the improvement of the current trail and track network in the area.
- 3. CMP Land. Subject to the fulfillment of the Preconditions, CMP further agrees to (A) negotiate in good faith with any Central and Northern Somerset County business lawfully operating on land leased from CMP with respect to an option to purchase such land as well as adjacent land owned by CMP that is not essential to CMP's current or anticipated future needs and reasonably necessary for the expansion needs of such business, (B) consider in good faith making available land owned by CMP located in Central and Northern Somerset County and not essential to CMP's current or anticipated future needs for economic development, such as for an outfitting center, reservations center, public tourist services center, or a meeting space or classroom for local business and educational institutions, as part of broader discussions relating to economic development plans for the area among CMP, WM&RC and other interested parties, (C) make available to WM&RC access to gravel pits and use of gravel for development and maintenance of recreational assets at no fee to WM&RC, and (D) cooperate in good faith to facilitate access to the use of Project corridor for ATV, snowmobile and other recreational uses, consistent with applicable laws, regulations, ordinances, permits and licenses and CMP's generally applicable standards and practices. WM&RC shall be responsible for obtaining all permits required to remove or utilize such gravel and for all costs of obtaining any such permits and of removing or utilizing such gravel.
 - (i) Harris Station, Indian Pond & Carrybrook Public Access. To the extent permitted by FERC and Brookfield (where applicable), provide public and commercial access to Harris Station, Indian Pond & Carrybrook for whitewater rafting, boating, fishing, and snowmobile, ATV, bicycle and other motorized and non-

motorized trail uses through CMP's existing easement rights or through CMP's purchase of the Indian Pond Road from Moxie Lands LLC, and negotiate a no fee easement for commercial recreational access on Lower Enchanted Road.

- (ii) Optical Ground Cable. In the event that CMP constructs the Project, it will include an optical ground cable with multiple strands of fiber optic cable at CMP's sole expense, enabling expanded broadband, wide area Wi-Fi and other enhanced communication services for the residents and businesses of Somerset and Franklin counties through the ability to loop fiber on the Route 27 and 201 corridors.

4. Specific Project Mitigation and Community Benefits Commitments.

- (a) In the event that the Project is constructed such that it crosses Kennebec Gorge overhead, and subject to the Preconditions being met, CMP agrees to:
 - (i) Design the portion of the Project that crosses Kennebec Gorge so as to minimize and mitigate, to the extent reasonably technically and commercially feasible, any visual impact thereof, such as by the placement of structures to eliminate or at least substantially reduce visibility of Project structures from the river user's perspective.
 - (ii) In order to support economic development in Central and Northern Somerset County, evaluate and negotiate in good faith donations of CMP land that is not essential to CMP's current or anticipated future needs for trails, huts, Kennebec River leases and other recreational infrastructure or amenities benefitting the region, including as part of this evaluation the following:
 - Old Rail Bed from Indian Pond to Route 15 in Rockwood
 - River Frontage below The Forks
 - 670 Acres on the Dead River below Grand Falls to be potentially made available to WM&RC or to one or more other charitable and/or environmental organizations designated by WM&RC
 - Flagstaff Hut lease released
 - Hut Sites leased at Grand Falls, Chase Stream and Indian Pond and trails under license agreement to Maine Huts & Trails
 - Moxie Falls trail easements acquired and assured for 1 motorized and 1 non-motorized trail from town to the falls.
 - Availability for single track bike trails off the existing and proposed bike trail system
 - North End of Indian Pond

- Below the dam on the Kennebec River

It is intended that these land donations and acquisitions for trails would complete and connect The Forks Area trails system (formerly the FAST trail, Ridge Trail section) from the Flood Road to the center of town.

- (iii) Contribute in a lump sum to the trust described in Section 4(c) \$16,000,000 to support and enhance tourism and outdoor recreation in the Central and Northern Somerset County, including construction, operation and staffing of a visitor center, maintenance of trails, funding of education programs to improve the local tourism economy; WM&RC commits to leverage these grant funds to obtain funds from philanthropic donations, the local tourism bureau, local businesses and other sources to the maximum extent possible.
 - (iv) Contribute in a lump sum to the trust described in Section 4(c) \$6,000,000 to fund maintenance costs associated with the tourism infrastructure described in clause (iii) above and for continued funding of education and other programs to improve the local tourism.
- (b) In the event that the Project is constructed such that it (i) crosses the Kennebec Gorge underground, (ii) crosses overhead at Harris Dam, or (iii) completes the Project by any other overhead or underground crossing of the Kennebec or Dead rivers, and subject to the Preconditions being met, CMP agrees to contribute in a lump sum to the Trust described in Section 4(c) to support the programs described in clause (a)(iii) above of at least \$5,000,000, but in no case exceeding \$10,000,000.
- (c) CMP commits to create an irrevocable Maine charitable trust to hold the contributions described in Sections 4(a)(iii) and (iv) or 4(b) above, as applicable, (the "Contributions"). By good faith agreement of WM&RC and CMP, the Trust shall have three trustees, one of which shall be designated by WM&RC, one of which shall be designated by CMP, and one to be chosen by mutual agreement of WM&RC and CMP. With regard to the Contributions, upon request of WM&RC for a distribution from the trust, the Trustees shall distribute the requested funds unless a majority of the Trustees find that the intended use is clearly outside of the charitable mission of WM&RC. If WM&RC requests the distribution of funds to a governmental entity or other tax-exempt organization for purposes consistent with WM&RC's charitable mission, which will allow said distribution of funds to be leveraged for additional funds, public or private, the Trustees shall distribute the funds requested by WM&RC, subject to compliance with all applicable laws and regulations, unless a majority of the Trustees find that the intended use of such funds is clearly outside the charitable mission of

WM&RC. CMP and WM&RC further agree to cooperate in good faith to establish and memorialize the charitable trust described herein within sixty (60) days of execution of this MOU. Within ten (10) days of completion of the Project and satisfaction of the Preconditions, CMP shall make the Contribution(s) to the Trust provided under Sections 4(a)(iii)-(iv) or Section 4(b), as applicable.

5. Tax Exempt Organization Matters. WM&RC is in the process of applying for 501(c)(3) tax-exempt status as a publicly supported charitable organization. Until WM&RC is designated by the Internal Revenue Service as such 501(c)(3) tax exempt organization, the funds to be provided by CMP under this MOU will be delivered to the Somerset Economic Development Corporation (“SEDC”) in its capacity as fiscal sponsor for WM&RC. As a precondition to the delivery of any such funds to SEDC, WM&RC shall deliver to CMP a written acknowledgment executed by SEDC and reasonably satisfactory to CMP in which SEDC confirms its agreement to act as fiscal sponsor for WM&RC as provided herein (including an executed copy of such agreement) and to disburse the funds provided by CMP hereunder in accordance with WM&RC’s charitable mission, an executed copy of which SEDC acknowledges receiving and reviewing. In addition, such written acknowledgement shall also provide that SEDC will agree to confirm to CMP in writing its receipt of funds from CMP hereunder and to promptly notify CMP in writing of each disbursement by SEDC of funds provided hereunder by CMP to or at the direction of WM&RC. Following WM&RC’s receipt of its 501(c)(3) certification and the termination of SEDC’s role as fiscal agent, any and all funds provided by CMP hereunder (and interest and investment income thereon), (other than the funds to be contributed to the Trust described in Section 4(c)) shall be transferred to WM&RC.
6. Future Collaboration on Impact Mitigation Measures. In the event that CMP does not receive the Required Approvals for the Project, but CMP nonetheless elects to pursue the construction and operation of a transmission line that will cross the Kennebec River in the area of the Kennebec Gorge, Somerset County, which crossing may be above-ground or underground (an “Alternate Transmission Line”), CMP agrees to:
 - (a) Negotiate in good faith with WM&RC with respect to a memorandum of understanding specific to the Alternate Transmission Line relating to environmental and resource impact mitigation and regional economic development initiatives;
 - (b) Consider in good faith, following consultation with WM&RC, alternative locations for crossing the Kennebec River, including the utilization of existing corridors and crossing at or below Harris Dam;
 - (c) If applicable and appropriate, negotiate in good faith with other land and easement owners to secure the necessary land rights for alternative

transmission corridors without implicating significant changes to the existing Harris Dam FERC license (except for a line crossing at or below Harris Dam or widening existing corridors); and

- (d) Regularly update WM&RC on the status of the activities contemplated by clauses (b) and (c) hereof.

7. Agreements of WM&RC.

- (a) At the request of CMP, WM&RC will provide written and/or oral testimony to one or more regulatory agencies with the power to issue one or more of the Required Approvals. The essence and extent of WM&RC's testimony will be that the mitigation packages for the crossings described in Sections 4(a) and 4(b) of this MOU are appropriate offsets to the environmental, natural resource and community impacts of the Project because the benefits of the packages to the region are substantial and long lasting.
- (b) WM&RC will apply for 501(c)(3) status as soon as it is eligible to do so, will diligently pursue such status and will act in accordance with the requirements of the Internal Revenue Code, related regulations and applicable provisions of Maine law relating to such status.
- (c) WM&RC will file Articles of Amendment with Maine Secretary of State in the form attached hereto as Exhibit A.
- (d) WM&RC will amend its bylaws as set forth in the attached Exhibit B.
- (e) WM&RC will expend any funds provided to it by CMP under this MOU or by the Trust described in Section 4(c) in accordance with its charitable mission and in compliance with all applicable legal and regulatory requirements, including without limitation, the Maine Nonprofit Corporation Act, 13-B MRS § 101 et. seq., as amended, and Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

8. WM&RC Representations and Warranties. WM&RC represents and warrants as follows:

- (a) It has been duly incorporated and is in good standing as a Maine non-profit corporation;
- (b) The execution and delivery of this MOU by WM&RC and the performance by WM&RC of the obligations contained herein have been duly authorized by all necessary corporate action on the part of WM&RC, and do not conflict with or

violate any agreement to which WM&RC or any of its directors or officers is a party; and

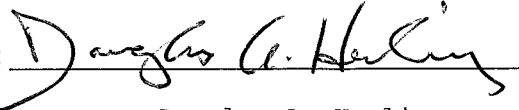
- (c) The board of directors and officers of WM&RC are listed on Exhibit C attached hereto.

9. Miscellaneous.

- (a) This MOU shall be governed by Maine law.
- (b) Each party shall (i) comply with all applicable laws, regulations, codes and guidance relating to anti-bribery and anti-corruption, including without limitation the U.S. Foreign Corrupt Practices Act (the “Anti-Corruption Requirements”); and (ii) maintain and enforce adequate procedures and policies to comply with the Anti-Corruption Requirements.
- (c) This MOU shall be binding upon the parties’ respective successors and assigns. Neither party may assign this MOU without the written consent of the other party except as otherwise expressly allowed herein.
- (d) This MOU constitutes the entire agreement between CMP and WM&RC with respect to its subject matter and supersedes any and all prior oral or written agreements, expressions or understandings with respect to such subject matter. This MOU may be amended only by a written amendment executed by both parties.

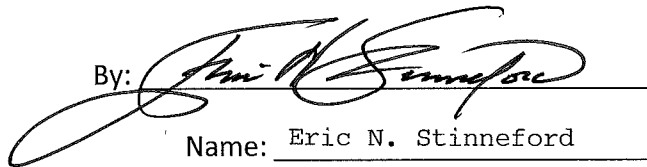
IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed and delivered by their duly authorized representatives as of the date first written above.

CENTRAL MAINE POWER COMPANY

By: 

Name: Douglas A. Herling

Title: President & CEO

By: 

Name: Eric N. Stinneford

Title: V.P., Treasurer & Controller

WESTERN MOUNTAINS & RIVERS CORPORATION

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed and delivered by their duly authorized representatives as of the date first written above.

CENTRAL MAINE POWER COMPANY

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

WESTERN MOUNTAINS & RIVERS CORPORATION

By: Russell Walters

Name: RUSSELL WALTERS

Title: President

EXHIBIT A

Minimum Filing Fee \$10.00. An additional \$10 filing fee if changing the purpose

**DOMESTIC
NONPROFIT CORPORATION**

STATE OF MAINE

ARTICLES OF AMENDMENT

<p>_____ Deputy Secretary of State</p> <hr/> <p>A True Copy When Attested By Signature</p> <hr/> <p>_____ Deputy Secretary of State</p>
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Western Mountains & Rivers Corporation
(Name of Corporation)

Pursuant to 13-B MRSA §§802 and 803, the undersigned corporation executes and delivers the following Articles of Amendment:

FIRST: ("X" one box only.) public benefit corporation mutual benefit corporation

SECOND: Describe **NATURE OF CHANGE** (i.e. change in name of corporation, purpose, number of directors, adding or deleting section or revision of section, etc.) as well as **TEXT** of amendment. Attach additional pages as needed.

Exhibit B referenced in Article Eighth of the Corporation's Articles of Incorporation is amended
in its entirety as set forth on the attached additional pages.

EXHIBIT A

THIRD: ("X" one box only.) The amendment was adopted on (date) _____ as follows:

- By the members at a meeting at which a quorum was present and the amendment received at least a majority of the votes which members were entitled to cast.
- (If the Articles require more than a majority vote.) By the members at a meeting at which the amendment received at least the percentage of votes required by the Articles of Incorporation.
- By the written consent of all members entitled to vote with respect thereto.
- (If no members, or none entitled to vote thereon.) By majority vote of the board of directors.

FOURTH: The address of the registered office of the corporation in the State of Maine is _____

1488 Middle Road, New Portland, ME 04961 - PO Box 92, Kingfield, ME 04947 (mailing)
(street, city, state and zip code)

DATED _____

*By _____
(signature)

Russell Walters, President

(type or print name and capacity)

*By _____
(signature)

(type or print name and capacity)

**MUST BE COMPLETED FOR VOTE
OF MEMBERS**

I certify that I have custody of the minutes showing the above action by the members.

(signature of clerk, secretary or asst. secretary)

*This document MUST be signed by any duly authorized officer. (13-B MRSA §104.1.B)

Please remit your payment made payable to the Maine Secretary of State.

SUBMIT COMPLETED FORMS TO: CORPORATE EXAMINING SECTION, SECRETARY OF STATE,
101 STATE HOUSE STATION, AUGUSTA, ME 04333-0101

Exhibit B to Articles of Incorporation
of
Western Mountains & Rivers Corporation

(a Maine Nonprofit Public Benefit Corporation)

Number of Directors. The number of Directors of the Corporation may be increased or decreased by a resolution of the Directors, provided that no decrease in number shall have the effect of shortening the term of any incumbent Director.

No Inurement. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, Officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Second hereof.

Dissolution; Distribution of Assets. Upon the dissolution of the Corporation, all of its assets remaining after payment of all of its liabilities shall be distributed to one or more nonprofit organizations engaged in activities in support of conservation, recreation and economic development opportunities in the State of Maine, or other activities substantially similar to those of the Corporation (within the meaning of 13-B M.R.S. § 407) and which may be selected by the Directors as an appropriate recipient of such assets, as long as such organization, or each of such organizations, shall then qualify as an organization exempt from federal income taxation under Section 501(c)(3) of the Code, Internal Revenue Code of 1986 as amended (the "Code"), or the corresponding section of any future federal tax code, and is classified as a public benefit corporation within the meaning of 13-B M.R.S. §1406.

Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the Corporation is then located to such organization or organizations, as said Court shall determine, whose activities are substantially similar to those of the Corporation, as long as such organization, or each of such organizations, shall then qualify as an organization exempt from federal income taxation under Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, and is classified as a public benefit corporation within the meaning of 13-B M.R.S. §1406.

Tax Exempt Status. It is intended that the Corporation shall be entitled to exemption from federal income tax under Section 501(c)(3) of the Code. Notwithstanding any other provision of these Articles, the Corporation shall not engage in any activity or exercise any power which would deprive it of any exemption from federal income tax which the Corporation may receive under Section 501(c)(3) of the Code and contributions to which a deduction may be claimed under Sections 170(c)(2) and 2055(a)(2) of the Code.

No Discrimination. The Corporation shall be an equal opportunity employer, and shall not discriminate on the basis of age, race, religion, color, creed, sex, physical or mental

disability, sexual orientation or national origin: (i) in the persons served, or in the manner of service; (ii) in the hiring, assignment, promotion, salary determination, or other conditions of employment; or (iii) in the membership of the Board of Directors.

Amendment. Any amendment to these Articles of Incorporation shall be made by adoption of such amendment at a meeting of the Board of Directors upon receiving the favorable vote of three-quarters (3/4) of the Directors then in office; provided, however, that the Articles may not be amended in such a way as to cause the Corporation to lose its status (i) as a corporation which is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Code, or (ii) as a corporation to which contributions are deductible under Sections 170(c)(2) and 2055(a)(2) of the Code, and provided, further, that Exhibit A to these Articles of Incorporation may not be amended without providing notice to the Maine Attorney General pursuant to 13-B M.R.S. §802(5).

EXHIBIT B

BYLAWS OF

Western Mountains & Rivers Corporation

Adopted: August 8, 2017

Revised: _____, 2018

ARTICLE I
GENERAL

Section 1.1. Name. The name of this Corporation shall be as set forth in the Articles of Incorporation as the same may be amended from time to time.

Section 1.2. Registered Agent. The Registered Agent of the Corporation shall be the person designated in the Articles of Incorporation, provided that the directors shall have the power to change the identity of the registered agent from time to time through an appropriate filing with the Maine Secretary of State.

ARTICLE II
PURPOSES

Section 2.1. General Purposes. The purposes of this Corporation shall be as set forth in the Articles of Incorporation as the same may be amended from time to time.

Section 2.2. Powers. This Corporation shall have all such powers as are authorized under Maine law, including without limitation the Maine Nonprofit Corporation Act, 13-B MRSA §101 and following (the “Act”), or as otherwise limited by the Board of Directors.

Section 2.3. Prohibition of the Inurement of Assets and Income to Private Persons. All the assets and income of the Corporation shall be used exclusively for its charitable, scientific, and educational purposes, and no part thereof shall inure to the benefit of any private individual; provided, however, that nothing contained herein shall be construed to prevent the payment by the Corporation of reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation.

Section 2.4. Dissolution. If this Corporation is dissolved or its legal existence terminated, either voluntarily or involuntarily, or upon final liquidation of the Corporation, none of its assets shall inure to the benefit of any private individual, and all of its assets remaining after payment of all of its liabilities shall be distributed to one or more organizations which the Board of Directors then determines is qualified both as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, and as a public benefit corporation engaged in activities substantially similar to those of this Corporation (within the meaning of Section 407 of the Act).

Section 2.5. Tax Exempt Status. It is intended that the Corporation shall have and continue to have the status of a corporation which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended, or successor provisions of

EXHIBIT B

federal tax law (the “Code”) as an organization described in Section 501(c)(3) of such Code, and to which contributions are deductible under Section 170(c)(2) and 2055(a)(2) of the Code which is other than a private foundation as defined in Section 509(a) of the Code. The Articles of Incorporation and these Bylaws shall be construed accordingly and all powers and activities shall be limited accordingly. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation provided that the Corporation shall have the power to make an election under Section 501(h) of the Code. Likewise, the Corporation shall not participate or intervene in any manner or to any extent in any political campaign on behalf of any candidate for public office. Furthermore, the Corporation shall not engage in any activities that are unlawful under applicable federal, state or local laws, including, but not limited to, activities prohibited for an exempt organization under Section 501(c)(3) of the Code and regulations thereunder as they now exist or as they may hereafter be amended.

ARTICLE III MEMBERSHIP

Section 3.1. No Members. The Corporation shall have no members.

ARTICLE IV BOARD OF DIRECTORS

~~Section 4.1. Management by Board. The affairs of the Corporation shall be managed by its Board of Directors, which may exercise all powers of the Corporation and do all lawful acts and things necessary or appropriate to carry out the purposes of the Corporation.~~
Management by Board; Powers and Duties. The affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall have all powers and duties necessary, appropriate, or convenient for the administration of the affairs of the Corporation and for the management and operation of the Corporations property and activities, and may do and perform all acts and things not prohibited by law, the Articles of Incorporation, or these Bylaws. These powers and duties shall include, but not be limited to: (i) establishing and reviewing board policies governing the Corporation and its operations; (ii) ensuring adequate resources for the operation of the Corporation; (iii) identifying, cultivating, soliciting and acknowledging donors; (iv) establishing and supervising adequate accounting and financial procedures; and (v) promoting the goals and purposes of the Corporation and evaluating the Corporation against such goals and purposes. Notwithstanding anything in these Bylaws to the contrary, the Board of Directors is not empowered to perform any activity on behalf of the Corporation not permitted to be carried on by an organization exempt from federal income taxation under Section 501(c)(3) of the Code.

Section 4.2. Number of Directors; Eligibility. The number of Directors shall not be less than three (3) or more than twenty-five (25) and shall be fixed by the Board of Directors within the range set forth in the Articles of Incorporation, provided that no diminution in the number of Directors shall serve to reduce an incumbent Director’s term. Each Director shall be selected for his or her ability to participate effectively in fulfillment of the responsibilities of the Board. In addition, a director must demonstrate an interest in the purposes and activities of the Corporation and must be interested in donating his or her time, advice, skill, energy, and support in

EXHIBIT B

furtherance of the Corporation and its purposes and activities. Directors need not be residents of the State of Maine. Any individual is eligible for election to the Board; provided, however, that no more than forty-nine percent (49%) of the Directors may be “financially interested persons,” as hereinafter defined. “Financially interested persons” shall mean any individual who (i) has received compensation from the Corporation for personal services rendered to the Corporation by that individual within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, consultant or otherwise, excluding any reasonable payments made to Directors for serving as directors, (ii) is entitled to receive a portion of the net income of a corporate or other business entity that provides, for compensation, personal services to the Corporation, or (iii) is the spouse, brother, sister, parent or child of any such individual. In the process of selection of individual candidates as Directors, consideration should be given to those individuals with skills, experience, interests, and expertise in areas of value to the Corporation.

Section 4.3. Election and Term of Office. The number of Directors to serve as the initial Board of Directors of the Corporation shall be four (4), to serve until the first Annual Meeting of the Board. Thereafter, the Directors shall be elected by the Board of Directors at its Annual Meeting. At the first Annual Meeting of the Board, the Directors will be elected to staggered terms so that, as nearly as possible, one third of the Directors will be elected for a one (1) year term, one third will be elected for a two (2) year term, and one third will be elected for a three (3) year term. Such terms will be assigned to the Directors by random drawing or similar means. Thereafter, each Director shall be elected to serve for a three (3) year term of office unless he or she sooner resigns or is removed.

Section 4.4. Vacancies. Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors. A person appointed to fill a vacancy shall serve until expiration of the term that would have been served had the vacancy not occurred.

Section 4.5. Removal of Directors. The Board of Directors may suspend or remove a Director at any time, with or without cause by a two-thirds (2/3) affirmative vote of the Directors then in office.

Section 4.6. Resignation. Any Director may resign at any time by giving written notice to the President of the Corporation. Such resignation shall take effect on the date of receipt or at any later time specified in such notice.

Section 4.7. Absences. If a Director misses three (3) consecutive meetings without excuse, such absences shall be deemed to constitute such Director’s tender of his or her resignation from the Board of Directors; provided, however, the Board of Directors shall have the authority to accept or reject such resignation.

Section 4.8. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, the expense of attendance, if any, may be allowed for attendance at any meeting of the Board; but nothing herein shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

EXHIBIT B

Section 4.89. Loans to Directors and Officers Prohibited. The Corporation shall make no loans to any Director or Officer.

ARTICLE V MEETING

Section 5.1. Annual Meeting. The Board of Directors shall meet annually (the “Annual Meeting”) for the purpose of electing the Directors and Officers then standing for election or reelection as the case may be, and for the transaction of such other business as may come before the meeting. The Annual Meeting shall be held during the month of June at such time and place as shall be designated by the Board of Directors. If for any reason the Annual Meeting is not held on the date specified herein, a substitute annual meeting may be held at any time following such date in lieu thereof, and any business transacted or elections held at such substitute annual meeting shall be as valid as if transacted or held at the Annual Meeting. A substitute annual meeting may be called in the same manner and by the person or persons authorized to call special meetings of the Directors.

Section 5.2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and at such place as may from time to time be determined by the Board of Directors.

Section 5.3. Special Meetings of Directors. Special Meetings of the Board of Directors may be called by the President of the Corporation on his or her own motion or upon written request of a majority of the Directors, and held not less than three (3) nor more than twenty-eight (28) days after such notice is given to each Director.

Section 5.4. Waiver. Whenever under the provisions of any statute, the Articles of Incorporation or these Bylaws notice is required to be given to any Director, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting unless required by law or these Bylaws.

Section 5.5. Directors’ Participation by Telephone. The Board of Directors or any committee of the Board of Directors may hold a meeting by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence of the Director or committee member at such meeting. Notice of such meeting shall give each Director or committee member the telephone number at which, or other manner in which, he or she may participate in the meeting.

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Section 5.6. Manner of Acting. Except as specified by law or these Bylaws, the Board of Directors shall act by a majority vote of the Directors present at any duly called and noticed meeting at which a quorum is present. Each Director shall have one (1) vote.

Section 5.7. Quorum; Adjournment. A majority of the Directors then in office shall constitute a quorum for the transaction of business.

Section 5.8. Conduct of Meeting; Record of Meetings. The President of the Corporation, or in his or her absence, the Treasurer, or in his or her absence, any Director chosen by the Directors present, shall call meetings of the Board of Directors to order and shall act as the presiding officer for the meeting. The Secretary, or if he or she does not participate in the meeting, one of the Directors designated by the Board participating in the meeting, shall keep a record of the meeting.

Section 5.9. Board Action by Unanimous Consent. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if each Director consents to such action described in writing setting forth the action so taken, signed by all of the Directors, and filed with the minutes of the meetings of the Board of Directors.

Section 5.10. Informal Action by Directors. Action of the Directors may be taken in accordance with the provisions of Section 708 of the Act. In amplification of, and not in limitation of the foregoing, action taken by agreement of a majority of Directors shall be deemed action of the Board of Directors if all Directors know of the action taken and no Director makes prompt objection to such action. Objection by a Director shall be effective if written objection to any specific action so taken is filed with the Secretary of this Corporation within twenty-one (21) days of such specific action.

Section 5.11. Notice. Whenever under the provisions of any statute, the Articles of Incorporation or these Bylaws notice is required to be given to any Director, such notice must be given in writing by personal delivery, electronic mail, U.S. mail, reputable commercial mail carrier, or telephone, at the address, email address, or phone number last supplied to the Corporation by such Director, with postage or other delivery fees prepaid. Notice by regular mail shall be deemed to be given at the time it is deposited in any facility of the United States Postal Service.

ARTICLE VI OFFICERS AND AGENTS

Section 6.1. Officers. The Officers of the Corporation shall be a President, a Treasurer, a Secretary, and such other officers as the Board of Directors may from time to time designate. The initial Officers of the Corporation shall be elected by the Board of Directors at the first meeting of the Board of Directors. Thereafter, the Officers of the Corporation shall be elected by the Board of Directors at each Annual Meeting, after the election of Directors.

Section 6.2. Other Officers and Agents. The Board of Directors may appoint additional officers and agents, as it shall deem necessary. Such officers and agents shall hold their offices

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for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 6.3. Compensation. The compensation, if any, of the Officers and any additional officers and agents of the Corporation shall be fixed by the Board of Directors.

Section 6.4. Term and Removal of Officers. Each Officer shall hold office for a term of one (1) year or until his or her successor has been duly nominated and elected, but this provision shall not be construed as prohibiting an individual from holding an office for two (2) or more consecutive terms. The term of each Officer shall commence upon election. Any Officer may be removed with or without cause at any time by an affirmative vote of a majority of the Directors at a duly called and noticed meeting of the Board of Directors at which a quorum is present, or in accordance with Section 5.9 of these Bylaws. Any vacancy occurring in any office of the Corporation shall be filled by vote of the Directors.

Section 6.5. President of the Corporation. The President of the Corporation shall, when present, chair all meetings of the Board of Directors. He or she shall inform himself or herself concerning all affairs of the Corporation and see that the duties of the Officers and employees are properly discharged, that the Bylaws of the Corporation are observed, that all statements and returns required by law are made, and he or she shall assume such share in the management of the Corporation's business as the Directors may determine. The President shall perform all duties incident to the office of the President.

Section 6.6. Treasurer. The Treasurer shall have charge and custody of and be responsible for all corporate funds and securities, keep full and accurate accounts of receipts and disbursements and books belonging to the Corporation, and deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors at its regular meetings or when the Directors shall require, an account of his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall provide a bond in such sum and with such surety or sureties as the Board of Directors shall determine; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her.

Section 6.7. Secretary. The Secretary shall keep written records of all meetings of the Corporation and the Board of Directors. The Secretary shall be responsible for keeping all additional documentation necessary for the administration and management of the Corporation and shall be responsible for providing required notice of meetings to the Directors. The Secretary shall provide all written records of the Corporation to his or her successor.

ARTICLE VII COMMITTEES

Section 7.1. Committees. The Board of Directors may establish an Executive, Governance, Finance, Program and other committees and may delegate, to the extent permitted

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by law, to such committee or committees all the authority of the Board of Directors, or any such portion of authority, as it deems appropriate to assist in the management of the Corporation.

Section 7.2. Composition. The Board of Directors shall appoint the members of each committee. Each committee shall consist of at least ~~one (1) Director~~ three (3) Directors, one of whom shall be appointed by the President to serve as the Chairperson of such committee.

ARTICLE VIII FINANCES

Section 8.1. Checks. All checks or demands for money and notes of the Corporation shall be signed by the Treasurer or Secretary and such other officers or persons as the Board of Directors may from time to time designate.

Section 8.2. Financial Commitments. No person shall financially commit the Corporation without the express authorization of the Board of Directors.

Section 8.3. Fiscal Year. The fiscal year of the Corporation shall end on June 30 unless otherwise fixed by resolution of the Board of Directors.

ARTICLE IX LIABILITY; INDEMNIFICATION

Section 9.1. Indemnification. The Corporation shall in all cases, to the fullest extent permitted by the Act, indemnify any person who was or is involved in any manner (including, without limitation, as a party or a witness) in any threatened, pending or completed investigation, claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including, without limitation, any action, suit, or proceeding brought by or in the right of the Corporation to procure a judgment in its favor) by reason of the fact that that person is or was a Director or Officer of the Corporation, against all liabilities and expenses actually and reasonably incurred by the person in connection with such actions, suits or proceedings including but not limited to attorneys' fees, judgments, fines and amounts paid in settlement. This Section is subject to the limitations set forth in Section 9.2.

Section 9.2. Limitations on Indemnification. No indemnification shall be provided for any person with respect to any matter as to which that person shall have been finally adjudicated in any action, suit or proceeding not to have acted in good faith in the reasonable belief that that person's action was in the best interests of the Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that that person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order or conviction adverse to such person, or by settlement or plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that such person did not act in good faith in the reasonable belief that his action was in the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

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Section 9.3. Requirement of Indemnification. Any provision of Sections 9.1, 9.2 or 9.4 to the contrary notwithstanding, to the extent that a Director or Officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.1, or in defense of any claim, issue or matter therein, that person shall be indemnified against all expenses and liabilities, including attorneys' fees, actually and reasonably incurred by that person in connection therewith. The right to indemnification granted by this Section 9.3 may be enforced by a separate action against the Corporation, if an order for indemnification is not entered by a court in the action, suit or proceeding wherein that person was successful on the merits or otherwise.

Section 9.4. Procedure. Any indemnification under Section 9.1, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director or Officer is proper in the circumstances because that person has met the applicable standard of conduct set forth in Sections 9.1 and 9.2. That determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion. Such a determination, once made by the Board of Directors, may not be revoked by the Board of Directors and upon the making of such determination by the Board of Directors, the Director or Officer may enforce the indemnification against the Corporation by a separate action notwithstanding any attempted or actual subsequent action by the Board of Directors.

Section 9.5. Expenses. Expenses incurred in defending a civil, criminal, administrative or investigative action, suit or proceeding may be authorized and paid by the Corporation in advance of the final disposition of that action, suit or proceeding upon a determination made in accordance with the procedure established in Section 9.4 that, based solely on the facts then known to those making the determination and without further investigation, the person seeking indemnification satisfied the standard of conduct prescribed by Sections 9.1 and 9.2. Those persons making such determination may, in their discretion, require such person to provide the following to the Corporation:

- (a) A written undertaking by or on behalf of the Officer or Director to repay that amount if that person is finally adjudicated:
 - (i) Not to have acted honestly or in the reasonable belief that the person's action was in or not opposed to the best interests of the Corporation;
 - (ii) With respect to any criminal action or proceeding, to have had reasonable cause to believe that the person's conduct was unlawful; and
- (b) A written affirmation by the Officer or Director that the person has met the standard of conduct necessary for indemnification by the Corporation as authorized in this section.

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The undertaking required by Paragraph (a) shall be an unlimited general obligation of the person seeking the advance, but need not be secured and may be accepted without reference to financial ability to make the repayment.

Section 9.6. Enforceability. The indemnification and entitlement to advances of expenses provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of disinterested Directors or otherwise, both as to action in that person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director or Officer and shall inure to the benefit of the heirs, executors and administrators of such a person. A right to indemnification may be enforced by a separate action against the Corporation, if an order for indemnification has not been entered by a court in any action, suit or proceeding in respect to which indemnification is sought.

Section 9.7. Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director or Officer against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Corporation would have the power to indemnify that person against such liability under this Article.

ARTICLE X CONFLICTS OF INTEREST

Section 10.1. General. In the exercise of its powers under the provisions of any statute, the Articles of Incorporation, or these Bylaws, the Corporation and its Directors and Officers shall act in accordance with the Conflict of Interest Policy appended hereto as Exhibit A.

ARTICLE XI AMENDMENTS

Section 11.1. General. These Bylaws may be amended or repealed or new Bylaws adopted by a two-thirds (2/3) vote of the Directors then in office.

ARTICLE XII EFFECTIVE DATE

Section 12.1. General. These Bylaws shall take effect from the time of their adoption.

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EXHIBIT A TO BYLAWS OF

Western Mountains & Rivers Corporation

CONFLICT OF INTEREST POLICY

Article I

Purpose

1.1 Purpose. The purpose of this Conflict of Interest Policy (this “Policy”) is to protect the interests of this tax-exempt organization (the “Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable federal laws or laws of the State of Maine governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

2.1 Interested Person. Any Director, Officer, or member of a committee with powers delegated by the Board of Directors, who has a direct or indirect financial interest, as defined below, is an “Interested Person.”

2.2 Financial Interest. A person has a “Financial Interest” if the person has, directly or indirectly, through business, investment, or family:

- (a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- (b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A Financial Interest is not necessarily a conflict of interest. Under Article III, Section 3.2 of this Policy, a person who has a Financial Interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

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Article III Procedures

3.1 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 and members of committees with powers delegated by the Board of Directors considering the proposed transaction or arrangement.

3.2 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, the Interested Person shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors or committee members shall decide if a conflict of interest exists.

3.3 Procedures for Addressing the Conflict of Interest.

- (a) An Interested Person may make a presentation at the Board of Directors or committee meeting, but after the presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Board of Directors or committee 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.
- (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

3.4 Violations of the Conflicts of Interest Policy.

- (a) If the Board of Directors or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the

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member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV Records of Proceedings

4.1 Minutes. The minutes of the Board of Directors and all committees with powers delegated by the Board of Directors 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 of Director's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussion 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.

Article V Compensation

5.1 Recusal of Directors Required. 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.

5.2 Recusal of Certain Committee Members Required. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.3 Information May Be Presented. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Annual Statements

6.1 Signed Statements Required. Each Director, Officer and member of a committee with powers delegated by the Board of Directors shall annually sign a statement which affirms such person:

- (a) Has received a copy of this Policy;

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- (b) Has read and understands this Policy;
- (c) Has agreed to comply with this Policy; and
- (d) Understands the Corporation is charitable and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII Periodic Reviews

7.1 Review Procedure. 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.

Article VIII Use of Outside Experts

8.1 Use of Outside Experts. When conducting the periodic reviews as provided for in Article VII, Section 7.1 of this Policy, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

EXHIBIT C

List of WM&RC Directors and Officers

A. Directors

Name	Address
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Russell Walters

Larry Warren

Suzanne Hockmeyer

Joseph Christopher

John Philbrick

Heather Johnson

Peter Mills

Lloyd Trafton

B. Officers

<u>Name</u>	<u>Position</u>
Russell Walters	President
John Philbrick	Treasurer
Suzanne Hockmeyer	Secretary
Larry Warren	Registered Agent