

BY-LAWS
of the
WATERSHED AGRICULTURAL COUNCIL OF THE
NEW YORK CITY WATERSHEDS, INC.

ADOPTED February 23, 1993
AMENDED September 28, 1993
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AMENDED & ADOPTED April 23, 1996
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Article I
GENERAL

- Section 1 The name of the organization shall be the Watershed Agricultural Council of the New York City Watersheds, Inc. (“Watershed Agricultural Council,” “WAC” or the “Corporation”).
- Section 2 The organization is a Charitable not-for-profit corporation, with the mission to promote the economic viability of agriculture and forestry, the protection of water quality, and the conservation of working landscapes through strong local leadership and sustainable public-private partnerships.
- Section 3 Notwithstanding any other provision of these articles, the Watershed Agricultural Council is organized exclusively for one or more of the following purposes: charitable, scientific, testing for public safety, literary, or educational purposes, as specified in Section 501(c) (3) of the federal Internal Revenue Code of 2017, as amended, and shall not carry on any activities not permitted by a corporation exempt from federal income tax under Section 501(c) (3) of the federal Internal Revenue Code.
- Section 4 No substantial part of the activities of the Watershed Agricultural Council shall be carrying on propaganda, or otherwise attempting to influence legislation (except as

otherwise provided by the federal Internal Revenue Code Section 501(b)), or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

Article II
BOARD OF DIRECTORS

- Section 1 The Corporation shall have no members and shall be governed by a Board of Directors (the “Board”). The entire body of the Watershed Agricultural Council Board of Directors shall consist of not less than eleven (11), and not more than nineteen (19) directors, including officers and at large directors. Directors shall be farmers, forest landowners or representatives of agribusiness or forest industry representing the distribution of these activities within the eight (8) counties of the New York City watershed region, with the option of four (4) directors ‘at large’ representing the interests of the Watershed Agricultural Council. At large members are full voting members. The exact number of Directors within such range, comprising the entire Board, shall be established from time to time at the discretion of the Board of Directors. The Board of Directors of the Watershed Agricultural Council shall include the Commissioner of the NYC Department of Environmental Protection (DEP) or his/her designee.
- Section 2 The general management of the affairs of this Corporation shall be vested in a Board of Directors. The Board of Directors shall have control of the property of the Corporation and shall determine its policies with the advice of its various committees. It shall have power to employ necessary staff and other help, authorize expenditures and take all necessary and proper steps to carry out the purposes of this Corporation and to promote its best interest.
- Section 3 Watershed Agricultural Council Directors shall be nominated by the Watershed Agricultural Council Governance Committee and/or from the floor at the time of the election and shall be elected by a majority vote of the entire Watershed Agricultural Council Board of Directors. To be eligible for nomination as a Director, either from the floor or by the Governance Committee, a nominee must reside or own sufficient agricultural or forest land to qualify as a program participant within the eight counties of the New York City watershed region with the exception of the ‘at large’ Directors.
- Section 4 Directors of the Watershed Agricultural Council shall be elected to serve a term of two (2) years. One-half of the Directors shall be elected annually. There shall be no limitation on the number of terms any Director may serve.
- Section 5 Directors shall notify the Board of Directors of the Watershed Agricultural Council in writing thirty (30) days prior to resigning from their directorship. Director vacancies shall be filled upon nomination by the Watershed Agricultural Council Governance Committee, pursuant to the procedures established under Article II, Section 3, by a majority vote of the entire Board of Directors of Watershed Agricultural Council.
- Section 6 Any Director, at any regular meeting or any special meeting called for the purpose, may

be removed with or without cause by a two-thirds vote of the entire Board of Directors. Notice of the time, place and purpose of any such meeting shall be given in the manner prescribed by these By-Laws to all Directors and to the Director against whom the removal is sought. Such Director shall at the same time be informed, in writing, of the reasons why removal is sought, and at such meeting shall have an opportunity to be heard in-person and to produce and examine witnesses. Such Director shall not be present at the final deliberations and voting with regards to his or her proposed removal.

Section 7 Duties of Care, Loyalty & Obedience

7.1. Duty of Care. All Directors shall exercise that same care that a reasonable person, with similar abilities, acumen & sensibilities, would under similar circumstances at all times. A Director, an Officer or employee will undertake to understand all, or substantially, all of the consequences of their actions or the omissions of their actions.

7.2. Duty of Loyalty. No Officer, Director or employee shall engage in, or condone, any conduct that is disloyal, disruptive, damaging or competes with the Corporation. No Officer, Director or employee shall take any action, or establish any interest, that compromises his/her ability to represent the Corporation's best interest.

7.3. Duty of Obedience. All officers, directors and employees shall remain faithful to the mission of the Corporation and will not act in a way that is inconsistent with the determinations of the board or with any rules, regulations or laws to which the Corporation is subject.

Section 8 Director attendance shall be set forth as per WAC Policy located in the Policy Book.

Article III
OFFICERS AND DUTIES OF OFFICERS

Section 1 Officers, Election, Term. The Board of Directors shall elect by majority vote a Chair, Vice-Chair, Secretary and Treasurer, and such other Officers as it may determine, who shall be given such duties, powers and functions as hereinafter provided. Nominations shall be from the Watershed Agricultural Council Governance Committee and/or from the floor. Officers shall be elected to hold office for two (2) years from the date of election with elections held every odd year. The election shall be held at the Board's annual meeting, which is held in January. If there is more than one candidate for an office the election shall be by paper ballot collected by a Chair appointed teller. Each Officer shall hold office for the term for which he or she is elected and until his or her successor has been elected. No two offices may be held by the same person.

Section 2 Removal, Resignation. Officers serve at the discretion of the Board of Directors. Any Officer elected by the Board may be removed from office by a two-thirds vote of the entire Board of Directors. In the event of the death, resignation or removal of an Officer, the Chair of the Board shall appoint an acting successor to fill the un-expired term. This appointment shall be confirmed or disapproved by the full Board within the next two regular meetings.

Section 3 Duties.

3.1. Chair. The Chair shall in general supervise and control all of the business and affairs of the Corporation. He/she shall preside at all meetings of the Board of Directors. The Chair, or any other person authorized by the Board of Directors may sign any deeds, mortgages, bonds, contracts or other instruments that 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 By-Laws or by statute to some other Officer or agent of the Corporation. In general, the Chair shall perform all duties as may be prescribed by the Board of Directors from time to time. These duties shall include calling special meetings of WAC, creation and/or dissolution of committees with WAC approval, developing committee charges for WAC approval, appointment of committee members and chairs, facilitating development of WAC vision and strategic plan, ensuring that appropriate oversight of WAC occurs, ensuring the longevity of the Watershed Agricultural Council Board of Directors through recruitment and development of Board members, maintaining liaison with elected officials and supporting fundraising efforts. The Watershed Agricultural Council Chair shall be the Chair of the Watershed Agricultural Council Executive Committee. The Chair of the Watershed Agricultural Council may appoint non-Director as committee members to serve on Watershed Agricultural Council Committees of the Corporation, as defined herein.

3.2. Vice Chair. In the absence of the Chair, or in the event of his/her inability or refusal to act, the Vice Chair shall perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as from time to time may be assigned to him/her by the Chair and/or the Board of Directors.

3.3 Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors in accordance with records retention policies and procedures provided for that purpose, see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law, and be custodian of the corporate records of the Corporation. The Secretary shall keep a register of the post office address of each Director and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Chairperson and/or the Board of Directors. In addition, the Secretary shall notify Directors of their election to office or their appointment to committees and keep a record of the transactions of the Corporation and of the Executive Committee.

3.4. Treasurer. The Treasurer shall be responsible for the supervision of an account of all monies received or expended by the Corporation. In general, the Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Chair or by the Board of Directors. He/she shall report to the Board at all meetings, according to a format prescribed by the Board of Directors.

Article IV

EXECUTIVE DIRECTOR AND OTHER EMPLOYEES

The Board of Directors may employ an Executive Director (chief executive officer) who shall have general charge, subject to the overall control and direction of the Board, oversight and direction of the affairs and business of the Corporation, and sole responsibility for the employment and discharge of staff. The Executive Director shall be the principal executive officer of the Corporation, charged with the duties of effectuating the purposes of the Corporation, carrying out the directives of the Board of Directors in performing any and all functions necessary and proper to ensure that the policies, objectives and aims of the Corporation are carried out. The Executive Director's responsibilities shall include supporting the WAC Board of Directors and Committees, managing WAC staff including hiring, terminating and evaluating, managing fiscal and physical resources of WAC including preparation of budget and financial statements, and inventory of physical assets, negotiating and securing approval of all non DEP contracts, obtaining funding from various sources to conduct WAC programs, acting as contracting and procurement officer, maintaining minutes of corporate meetings, providing Directors notification of meetings, maintaining all corporate records, acting as liaison with WAC partners, stakeholders, media and grantors and other responsibilities as assigned by the Board. The Executive Director leads the effort for the development of all contracts and fundraising activities.

Article V

LIABILITY OF DIRECTORS AND EMPLOYEES

Indemnification & Insurance

- Section 1 Authorized Indemnification. Unless clearly prohibited by law or these By-Laws, this Corporation shall indemnify any person (an "Indemnified Person") made or threatened to be made a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by the Corporation, by reason of the fact that s/he (or her/his Testator or Administrator, if then deceased), whether before or after adoption of this Article: (a) is or was a Director or Officer of the Corporation, or; (b) is serving or served, in any capacity, at the request of the Corporation, as a Director or Officer of any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Corporation shall have consented to such settlement) and reasonable expenses including attorneys' fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding.
- Section 2 Prohibited Indemnification. The Corporation shall not indemnify any person if a judgment, or other final adjudication, adverse to any Indemnified Person establishes, or the Board of Directors in good faith determines, that such person's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that s/he personally garnered any financial profit or other advantage to which s/he was not legally entitled.
- Section 3 Advancement of Expenses. The Corporation shall, on request of any Indemnified Person

who is, or may be, entitled to be indemnified by the Corporation, pay or promptly reimburse an Indemnified Person's reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified Person makes a written commitment to repay the Corporation, with interest, for any amount advanced for which it is ultimately determined that s/he is not entitled to be indemnified pursuant to statute or these By-Laws. An Indemnified Person shall cooperate with any request by the Corporation that common legal counsel be used by the parties for such action or proceeding who are similarly situated unless it would be inappropriate to do so because of real or potential conflicting interests of the parties.

- Section 4 Indemnification of Others. Unless clearly prohibited by law or these By-Laws, the Board of Directors may approve indemnification by the Corporation, as set forth in Section 1 of this Article, or advancement of expenses as set forth in Section 3 of this Article, to a person (or her/his Testator or Administrator, if then deceased) who is or was employed by the Corporation or who is or was a volunteer for the Corporation, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the Corporation in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.
- Section 5 Determination of Indemnification. Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court, the Board of Directors shall, upon written request by an Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these By-Laws. Before indemnification can occur, the Board of Directors must expressly find that such indemnification will not violate the provisions of Section 2 of this Article. No Director with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested Directors is not obtainable, the Board of Directors shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these By-Laws.
- Section 6 Binding Effect. Any person entitled to indemnification under these By-Laws has a legally enforceable right to indemnification that cannot be abridged by amendment of these By-Laws with respect to any event, action or omission occurring prior to the date of such amendment.
- Section 7 Insurance. The Corporation is required to purchase Directors and Officers ("D & O") liability insurance. To the extent permitted by law, such insurance shall insure the Corporation for any obligation it incurs as a result of this Article, or operation of law.
- Section 8 Nonexclusive Rights. The provisions of this Article shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board of Directors

is authorized to enter into agreements on behalf of the Corporation with any Director, Officer, employee or volunteer to provide them rights to indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this Article, subject in all cases to the limitations of Sections 2 and 3 of this Article.

Article VI COMMITTEES

Section 1 All committees will either be a “Committee of the Board” or a “Committee of the Corporation.” “Committees of the Board” must be comprised solely of Directors and are those Committees that may have the power to bind the Board within the limitations of these By-Laws and the Not-for-Profit Corporation Laws of New York. “Committees of the Corporation” are those that cannot bind the Board and may include non-members of the Board of Directors.

Section 2 In accordance with statutory limitations, no Committee of the Board shall have any authority in the following matters:

- i. submission to Directors , if any, of any act, or action, requiring Directors approval by statute and/or these By-Laws;
- ii. filling of vacancies on the Board, or in any of its various committees;
- iii. fixing of compensation for Directors, Officers or members of its various committees;
- iv. authorization of any form of Fundamental Corporate Change, as set forth in these By-Laws, including, but not limited amendment, or repeal, of these By-Laws or the adoption of new By-Laws;
- v. amendment, or repeal, of any resolutions of the Board, which by its terms, shall not be capable of amendment or repeal;
- vi. election or removal of Officers and Directors;
- vii. approval of a merger or plan of dissolution;
- viii. adoption of a resolution recommending to the Board, if any, an action on the sale, lease, exchange, or other disposition of all or substantially all the assets of the Corporation, or if there are no Directors entitled to vote, the authorization of such transaction; or
- ix. approval of amendments to the Certificate of Incorporation.

Additional limitations on the authority of Committees of the Board may exist as stated in these By-Laws or by majority vote of the Entire Board.

Section 3 The Executive Committee

The Executive Committee, as directed by the Board of Directors, shall be a Committee of the Board, and shall supervise and conduct the Programs of the Watershed Agricultural Council. All members of the Executive Committee shall be Board Directors. It shall consist of the Chair, the Vice-Chair, the Treasurer, the Secretary, the Commissioner of the NYC Department of Environmental Protection, or his/her designee, and two (2)

additional Directors as elected by a majority vote of the Board of Directors every even year at the organizational meeting. The Executive Committee shall meet as determined by the Chair, keep minutes of its proceedings and submit such minutes (whether they have been approved yet or not by said committee) to the Board at the next meeting thereof. The Executive Committee shall also function as a search committee for the purpose of soliciting and nominating a candidate for the Executive Director position to the Board of Directors for action. This committee is also responsible, on behalf of the Board of Directors, for the evaluation of the Executive Director.

Section 4 The Governance Committee

4.1 The Governance Committee shall be a Committee of the Board, and shall carry out business as per its committee charge in addition to meeting to recommend the nomination of Directors, officers and the elected members of the Executive Committee. The Governance Committee and its Chair shall be appointed by the Board's Chair and approved by a majority vote of the entire body of the Watershed Agricultural Council Board. The WAC Chair shall provide a list of proposed appointments to the Governance Committee and to each Director ten (10) days prior to the regular meeting at which they are to be approved. The Governance Committee shall consist of a minimum of five (5) Directors, of which no more than two (2) shall be on the Executive Committee.

4.2 The Committee shall also be responsible for the adoption, implementation of and compliance with the Corporation's Conflict of Interest, and Whistleblower Policies, and shall have the responsibilities as set forth in these By-Laws, as well as any and all matters required to be handled by Independent Directors pursuant to Section 712-a or any other provision of the Not-for-Profit Corporation Laws of New York State, as it may be amended from time to time.

Section 5 The Audit and Regulatory Oversight Committee

5.1 The Audit and Regulatory Oversight Committee shall be a Committee of the Board comprised solely of Independent Directors, and shall consist of a minimum of three (3) Directors, appointed by the Chair and approved by a majority vote of the Board of Directors. Members of the Audit and Regulatory Oversight Committee shall not serve simultaneously on the Executive Committee, with the exception of the Treasurer who may serve on both committees but not as the Chair of either committee.

5.2 The Audit and Regulatory Oversight Committee shall review the financial records of the Watershed Agricultural Council within two (2) months of the close of the fiscal year to verify that the records are true and correct. This Committee shall also be responsible for the appointment and communication with any independent auditor, as well as all discussions and implementation of any recommended internal control oversight policies or procedures.

Section 6 The Easement Committee

The Easement Committee, as duly authorized by the Board of Directors, shall be a Committee of the Board and shall carry out the business of the Easement Program according to the provisions of applicable funding agreements. The Easement Committee shall consist of a minimum of five (5) Directors with no more than three (3) as easement holders and a maximum of eight (8) Directors appointed by the Board Chair plus the Board representative appointed by DEP. The Easement Committee shall meet regularly, keep minutes of its proceedings and submit such minutes to the Board of Directors at the next meeting thereof (whether they have been approved yet or not by said committee).

Section 7 All other committees approved by the Board of Directors shall be comprised of the number of Directors as outlined in the Committee Charges as appointed by the Chair and approved by the Board. Each committee shall meet as appropriate, keep minutes of its proceedings and submit such minutes to the Board of Directors at the next meeting thereof (whether they have been approved yet or not by said committee) and carry out business as per its committee charge.

Section 8 Additional committees may be created and/or dissolved by the Chair with approval of the Board Directors. These committees shall meet as appropriate, keep minutes of its proceedings and submit such minutes to the Board of Directors at the next meeting thereof (whether they have been approved yet or not by said committee). They shall carry out the charges of said committee.

Section 9 The Chair of the Board, or his/her designee, and the Commissioner of the NYC Department of Environmental Protection, or his/her designee, shall be voting members of all standing or ad hoc committees of the Board, except that neither the Chair nor the Commissioner of NYC Department of Environmental Protection, nor their designees, shall be a member of either the Board Governance or Audit and Regulatory Oversight Committee.

Section 10 The Chair of the Board may appoint non-Board members as voting members to serve on any Committees of the Corporation of the Board, for two-year terms.

Article VII VOTING

Section 1 Each Director shall have one (1) vote. A quorum shall consist of at least fifty (50) percent of the entire body of the Board of Directors. A quorum of a committee shall consist of at least fifty (50) percent of the voting members of that committee.

Section 2 Except where it indicates that a vote or action must be by the majority of the entire body, or if a greater percentage is required under the law or in these By-Laws, a vote or action shall be effective if taken by a majority of the Board Directors at a meeting at which a quorum is present. A vote of a committee shall be effective if taken by a majority of voting members of that committee at a meeting at which a quorum is present unless alternative voting requirements are approved by the Watershed Agricultural Council Board of Directors.

Section 3 When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any Directors. Directors who are present at a meeting but not present at the time of a vote due to a conflict of interest or related party transaction shall be determined to be present at the time of the vote for purposes of determining if a quorum is present at such time.

Article VIII
MEETINGS

Section 1 Board meetings shall be scheduled once a month as called for by the Chair. The annual meeting shall be held in January each year at such time as chosen by the Chair. Committee meetings shall be scheduled as needed by the Chair of that committee.

Section 2 The Chair shall choose the regular meeting dates of the Board at the annual meeting. Special meetings of the Directors may be called by the Chair or by a majority vote of the Board of Directors. Notice of the date, time, location and purpose of every Board meeting shall be given to each Director by written or electronic mail, at least ten (10) days prior to such meeting. Previous minutes shall be reviewed and approved at each regular meeting. Special meetings may only discuss and take action on the specific purposes listed in the notice.

Section 3 Board and committee meetings shall be governed by the “Roberts Rules of Order,” subject to the Certificate of Incorporation and By-Laws of the Board.

Section 4 Any action required or permitted to be taken by the Board of Directors or a committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee. Such writings can be either written or electronic. If written, the consent must be executed by the Director by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means, including, but not limited to, facsimile signature. If electronic, the transmission of the consent must be sent by electronic mail or other similar medium and set forth or be submitted with sufficient information from which it can reasonable be determined that the transmission was authorized by the Director.

Section 5 One or more of the members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or committee by means of a conference telephone, video conference, or similar communications equipment that allows all persons participating in the meeting to hear each other at the same time and meaningfully participate. Participation by such means shall constitute presence in-person at a meeting.

Section 6 A Director who participates in a meeting of the Board of Directors at which an act, or action, on any corporate matter is taken shall be presumed to have concurred to the action taken unless said Director:

- i. assures that his/her dissent is entered in the minutes of the meeting;
- ii. files a written dissent to such act or action with the Secretary of the meeting before the adjournment thereof, or;
- iii. forwards a written dissent, by regular mail, facsimile, electronic communication, or personal delivery, to the Secretary, immediately after the adjournment of the meeting.

Article IX
FUNDAMENTAL CORPORATE CHANGES

Section 1 These By-Laws may be amended, repealed, or altered in whole, or in part, at any annual, regular or special meeting called for that purpose of the Board by a two-thirds vote of the entire body of the Board of Directors provided there is a quorum. Proposed amendments must be submitted at a regular meeting prior to the regular meeting in which they are to be voted on. Proposals from the floor shall be referred to the Governance Committee for review and recommendation for action to the Board of Director's vote.

Section 2 Certificate of Incorporation.

2.1. Amendment. An amendment, repeal, restatement or alteration, in whole or in part, of the Corporation's Certificate of Incorporation shall be authorized, by a two-thirds (2/3) majority vote of the entire Board of Directors, at any annual, regular, or special meeting called for that purpose, provided there is a quorum for all corporate meetings at which such actions are taken, and shall become effective once all statutory approvals are subsequently secured and the applicable Certificate of Amendment or Restated Certificate of Incorporation is accepted for filing by the New York State Department of State.

2.2. Governing Effect. If there is any conflict between the provisions of the Certificate of Incorporation, as may be amended, and these By-Laws, the provisions of the Certificate of Incorporation shall govern.

Section 3 Merger or Consolidation. The Merger or Consolidation of this Corporation shall be authorized, by a two-thirds (2/3s) majority vote of the entire Board of Directors at any annual, regular, or special meeting called for that purpose, provided there is a quorum for all corporate meetings at which such actions are taken, and shall become effective once all statutory approvals are subsequently secured and the applicable Certificate of Merger or Consolidation is accepted for filing by the New York State Department of State.

Section 4 Dissolution.

4.1. Procedure. The Watershed Agricultural Council may be disbanded by resolution of the Board at an annual, regular or special meeting of the Board, providing written notice of the intended action on such resolution, together with the basis for action and plan of dissolution, is provided to each Director at least thirty (30) days before action is to be taken on such resolution. The Dissolution of this Corporation shall be authorized, by a two-thirds (2/3s) majority vote of the entire Board of Directors at any organizational, regular, or special meeting called for that purpose, provided there is a quorum for all

corporate meetings at which such actions are taken, and shall become effective once all statutory approvals are subsequently secured and the applicable Certificate of Dissolution is accepted for filing by the Department of State.

4.2 Upon dissolution of the Watershed Agricultural Council by resolution of the Directors, the Watershed Agricultural Council shall continue for the purpose of discharging any existing obligations and doing all other acts required to adjust and finalize its affairs.

4.3 Residual Assets. In the event of dissolution, the remaining assets and property of the Corporation, after necessary expenses thereof, shall be distributed by the Board of Directors to such organization(s) as shall then qualify under Section 501(c)(3) of the Internal Revenue Code which have purposes similar to that of the Corporation. Any such assets not so disposed of shall be distributed by an order of a Justice of the Supreme Court of the State of New York, exclusively for such purposes or to such organization as said Court shall determine. The Corporation's plan of dissolution shall incorporate any and all donor and or funding agreement restrictions to which the Corporation's assets are subject.

Section 5 Creation of Corporate Affiliation Relationship. This Corporation may enter into an Affiliate relationship, such as a parent/subsidiary with another corporation, or form a new corporation for purposes of establishing an Affiliate relationship, by a two-thirds (2/3s) vote of the entire Board of Directors.

Section 6 Disposition of All or Substantially All, Assets or Acquisition of any Material Assets. In any transaction where the Corporation endeavors to dispose of "all, or substantially all, assets," as defined by statute, it shall first obtain all statutorily required consents. In any event, where "all, or substantially all," assets, or other material assets, are to be disposed of, or acquired, no related transaction shall be authorized on behalf of the Corporation in the absence of a two-thirds (2/3s) majority vote of the entire Board present at any annual, regular or special meeting convened for that purpose.

Article X FINANCES

Section 1 In addition to an audit by the City of New York, if so required, the books of the Watershed Agricultural Council shall be audited annually by a certified public accountant, and two (2) copies of the certified accountant's report shall be retained. The retention and review of the annual auditor shall be the duty of the Audit and Regulatory Oversight Committee.

Article XI COMPENSATION

Section 1 Each Director and voting committee member not already being compensated shall be entitled to reimbursement for mileage and out-of-pocket expenses when traveling or conducting business as an authorized representative of the Watershed Agricultural

Council. Reimbursement shall be made based upon reimbursement policies and procedures established at the annual organizational meeting.

Section 2 The Directors and employees may be compensated for the carrying out of their duties pursuant to the Certificate of Incorporation and By-Laws of the Watershed Agricultural Council.

Section 3 No individual may be present at deliberations or voting regarding his or her compensation, but the Committee responsible for said deliberations, or the Entire Board, may require the individual to present information or answer questions prior to deliberating or voting upon compensation to that individual.

Article XII
STATUTORY COMPLIANCE

Section 1 Conflicts of Interest.

2.1. Definition. Should any term, phrase or understanding relative to any topic addressed in these By-Laws and/or the policies of the Corporation be specifically defined in a document entitled, “By-Law and Corporate Policy Definitions,” a copy of which is annexed hereto, and made a part hereof of these By-Laws as Appendix “A,” the stipulated definition of such term in said document shall govern for purposes of interpreting the By-Laws and/or corporate policies.

Section 2 Conflicts of Interest Protocols. The Corporation shall adopt, and at all times honor, the terms of a written conflicts of interest policy to ensure that its Directors, Officers and key persons act in the Corporation's best interest and comply with applicable legal, regulatory and ethical requirements. The conflicts of interest policy of the Corporation shall include, at a minimum, the following provisions:

- i. Procedures. Procedures for disclosing, addressing, and documenting Conflicts of Interest and Related Party Transactions to the Board of Directors, or authorized committee, as appropriate;
- ii. Restrictions. Stipulations that when the Board of Directors, or authorized committee, as appropriate, is considering a real/potential conflict of interest, the interested party shall not:
 - a. be present at, or participate in, any deliberations;
 - b. attempt to influence deliberations; and/or;
 - c. cast a vote on the matter;
- iii. Definitions. Definitions of circumstances that could constitute a conflict of interest;
- iv. Documentation. Requirements that the existence and resolution of the conflict be documented in the records of the Corporation, including in the minutes of any meeting at which the conflict was discussed or voted upon; and,
- v. Audit-Related Disclosure. Protocols to ensure for the disclosures of all real or potential conflicts of interest are properly forwarded to the Audit and Regulatory Oversight Committee and the Board of Directors of this Corporation for purposes of audit-related consideration.

- Section 3 Conflicts of Interest and Related Party Transaction Policy. The Conflicts of Interest Policy of the Corporation required to comply with the mandates of this Article is located in the Policy Book.
- Section 4 Potential Conflicts Disclosure Statement. The Potential Conflicts Disclosure Statement of the Corporation required to comply with the mandates of this Article is located in the Policy Book.
- Section 5 Audit Oversight. If required by statute, regulation, or contract, if deemed necessary and practicable by the Board of Directors, or if mandated by any empowered governmental agency or required by binding contract, the accounts of the Corporation shall be subject to an annual audit prepared by an independent Certified Public Accountant to be overseen by the Audit and Regulatory Oversight Committee.
- Section 6 Audit Oversight Policy. The Audit Oversight Policy is required in order to comply with the mandates of this Article is located in the Policy Book. This policy may only be amended, modified or repealed by a two-thirds (2/3s) majority vote of the Board of Directors present at any organizational, regular, or special meeting called for that purpose with the change in policy to not be applicable to any pending or currently processing audit report or audit review.
- Section 7 Whistleblower Protection Protocols. The Corporation shall endeavor to protect any Director, Officer, employee, including any key person, or volunteer who provides substantial services to the Corporation, from intimidation, bullying, harassment, discrimination or other forms of retaliation on the part of the Corporation, its affiliated subsidiary corporation (if any), or any of their respective Directors, Officers, employees, including key persons, or volunteers, as a consequence of the good faith filing of a report relative to possible violations of any statute, regulation, applicable ethical standard or policy or procedure of the Corporation and/or the affiliated subsidiary corporation, if any. Should the Corporation and the affiliated subsidiary corporation, if any, collectively, have twenty (20) or more employees (full-time, part-time, or a combination thereof) and annual revenue exceeding one million dollars (\$1,000,000), and/or if, otherwise, mandated by other applicable statute, regulation and/or contractual obligation, the Corporation shall adhere to the terms of a written Whistleblower Protection Policy, which, in the absence of such considerations, shall be considered advisable.
- Section 8 Whistleblower Protection Policy. The Whistleblower Protection Policy of the Corporation is required in order to comply with the mandates of this Article is located in the Policy Book. This policy may only be amended, modified or repealed by a two-thirds (2/3s) majority vote of the Board of Directors present at any organizational, regular, or special meeting called for that purpose with the change in policy to not be applicable to any threatened, pending or currently being investigated whistleblower claim.

Article XIII
CONSTRUCTION

If there is any conflict between the provisions of the certificate of incorporation and the By-Laws, provisions of the certificate of incorporation shall govern. If there is any conflict between the New York State Not-for-Profit Corporation Laws and the provisions of the certificate of incorporation, these By-Laws, or any other governing document of WAC, the New York State Not-for-Profit Corporation Laws shall govern.

APPENDIX A—Definitions

1. **Affiliate-** means any entity controlled by, or in control of, the Corporation.
2. **Charitable Corporation-** Any Not-for-Profit Corporation formed, or deemed to be formed, for charitable purposes, including those formerly considered by the Not-for-Profit Corporation Law to be Type “B” or “C” Corporations, as well as former Type “D” with Charitable purposes.
3. **Director-** means any member of the governing Board of the Corporation, whether designated as Director, Trustee, manager, governor, or by any other title.
4. **Entire Board or Board-** means the total number of Directors entitled to vote which the Corporation would have if there were no vacancies. If the By-Laws provide that the Board shall consist of a fixed number of Directors, then the “Entire Board or Entire Board” shall consist of that number of Directors. If the By-Laws provide that the Board may consist of a range between a minimum and maximum number of Directors, then the “Entire Board” shall consist of the number of Directors within such range that were elected as of the most recently held election of Directors, as well as any Directors whose terms have not yet expired.
5. **Independent Auditor-** means any Certified Public Accountant performing the audit of the financial statements of the Corporation who is not, nor is any member of his/her firm, an Officer, Director, employee, or volunteer of the Corporation or has a Relative who is such an individual.
6. **Independent Director-** means a Director who:
 - i. is not, and has not been within the last three (3) years, an Employee or Key Person of the Corporation or an Affiliate of the Corporation and does not have a Relative who is, or has been within the last three (3) years, a Key Person (as defined by these By- Laws) of the Corporation or an Affiliate;
 - ii. has not received, and does not have a Relative who has received, in any of the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation or an Affiliate (other than reimbursement for expenses reasonably incurred as a Director or reasonable compensation for service as a Director if permitted by statute and regulation);
 - iii. is not a current Employee of or does not have a substantial financial interest in, and does not have a Relative who is a current Officer of or has a substantial financial interest in, any entity that has provided payments, property or services to, or received payments, property or services from, the Corporation or an Affiliate of the Corporation if the amount paid by the Corporation to the entity, or received by the Corporation from the entity for such property or services, in any of the last three (3) fiscal years, exceeded the lesser of:
 - a. ten thousand dollars (\$10,000) or two percent (2%) of such entity's consolidated gross revenues, if the entity's consolidated gross revenue was less than five hundred thousand dollars (\$500,000);

- b. twenty-five thousand dollars (\$25,000), if the entity's consolidated gross revenue was five hundred thousand dollars (\$500,000) or more but less than ten million dollars (\$10,000,000);
- c. one hundred thousand dollars (\$100,000), if the entity's consolidated gross revenue was ten million dollars (\$10,000,000) or more; or.
- d. is not and does not have a Relative who is a current owner, whether wholly or partially, Director, Officer, or Employee of the Corporation 's outside auditor or who has worked on the Corporation 's audit at any time during the past three (3) years.

- For purposes of this definition, the term “compensation” does not include reimbursement for expenses reasonably incurred as a Director or reasonable compensation for service as a Director;
- For purposes of this definition, the term "payment” does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the Corporation at fixed or non-negotiable rates or amounts for services received, provided that such services by and to the Corporation are available to individual members of the public on the same terms, and such services received by the Corporation are not available from another source.

7. **Key Person-** means any person, other than a Director or Officer, whether or not an employee of the Corporation, who:

- i. has responsibilities, or exercises powers or influence over the Corporation, as a whole in a manner similar to the responsibilities, powers, or influence of Directors and Officers;
- ii. manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income, or expenses of the Corporation; or
- iii. alone, or with others, controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

8. **Member-** means any person afforded rights, entitlements, or obligations with respect to the governance and operations of the Corporation, as identified in the By-Laws and/or the Certificate of Incorporation, as may be amended. For instance, if a Membership is authorized to elect Directors or approve By-Laws changes.

9. **Non-Charitable Corporation-** Any Not-for-Profit Corporation formed, or deemed to be formed, for other than the purposes of a Charitable Corporation, including, but not limited to one formed for any one, or more of the following non-pecuniary purposes: civic, patriotic, political, social, fraternal, athletic, agricultural, horticultural, or animal husbandry, or for the purpose of operating a professional, commercial, industrial, trade or service association, including those formerly considered by the Not-for-Profit Corporation Law to be Type “A” Corporations, as well as former Type “D” with Non-Charitable purposes.

10. **Officer-** means any Director, Trustee, manager, governor, or by any other title, any individual holding an office of the Corporation identified in the Certificate of Incorporation and/or By-Laws.

11. Relative- of an individual means his or her spouse, domestic partner, ancestors, brothers, and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and/or great-grandchildren.