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Form **990-EZ****Short Form**
Return of Organization Exempt From Income Tax

OMB No. 1545-1150

2009**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

► Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.

► The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning **July 1**, 2009, and ending **June 30**, 20 **10****B** Check if applicable:

- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

Partners In Island Education, Inc. a.k.a. P.I.E.

Number and street (or P.O. box, if mail is not delivered to street address) Room/suite

P.O. Box 664

City or town, state or country, and ZIP + 4

Vinalhaven, ME 04863

D Employer identification number

01-0527404

E Telephone number

207-863-4455

F Group Exemption Number ►

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Accounting Method: ☒ Cash ☐ Accrual
Other (specify) ►

I Website: ► www.vhpie.org**J** Tax-exempt status (check only one) — ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

H Check ☐ if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

K Check ☐ if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$500,000 or more, file Form 990 instead of Form 990-EZ ► \$ **70,379.****Part I** **Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See the instructions for Part I.)

Revenue	1	Contributions, gifts, grants, and similar amounts received	1	57,372.
	2	Program service revenue including government fees and contracts	2	131.
	3	Membership dues and assessments	3	0.
	4	Investment income	4	2,073.
	5a	Gross amount from sale of assets other than inventory	5a	
	b	Less: cost or other basis and sales expenses	5b	
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	0.
	6	Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here ► <input type="checkbox"/>		
	a	Gross revenue (not including \$ 0. of contributions reported on line 1)	6a	10,803.0
	b	Less: direct expenses other than fundraising expenses	6b	2510.0
c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c	8293.	
7a	Gross sales of inventory, less returns and allowances	7a		
b	Less: cost of goods sold	7b		
c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	0.	
8	Other revenue (describe ►)	8	0.	
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8	9	67,869.	
Expenses	10	Grants and similar amounts paid (attach schedule) SEE STATEMENT 1	10	27,208.
	11	Benefits paid to or for members	11	0.
	12	Salaries, other compensation, and employee benefits	12	18,357.
	13	Professional fees and other payments to independent contractors	13	0.
	14	Occupancy, rent, utilities, and maintenance	14	82.
	15	Printing, publications, postage, and shipping	15	4,956.
	16	Other expenses (describe ► Office supplies, fees, insurance, entertainment)	16	1,291.
	17	Total expenses. Add lines 10 through 16	17	51,894.
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	15,975.
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	191,207.
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 2	20	716.
	21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	207,898.

Part II **Balance Sheets.** If Total assets on line 25, column (B) are \$1,250,000 or more, file Form 990 instead of Form 990-EZ. (See the instructions for Part II.)

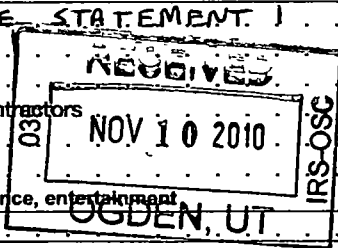
	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	191,207.	22 207,898.
23 Land and buildings	0.	23 0.
24 Other assets (describe ►)	0.	24 0.
25 Total assets	191,207.	25 207,898.
26 Total liabilities (describe ►)	0.	26 0.
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	191,207.	27 207,898.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 106421

Form **990-EZ** (2009)

SCANNED DEC 01 2010



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Part III Statement of Program Service Accomplishments (See the instructions for Part III.)

What is the organization's primary exempt purpose? See statement 3.

Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

Expenses
(Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts; optional for others.)

28	Vinalhaven School District - provide supplemental funding for facilities and programs that support educational excellence.		
	(Grants \$ 21,208) If this amount includes foreign grants, check here <input type="checkbox"/>	28a	21,208.
29	College scholarships awarded to 3 graduating Vinalhaven students for a four year college program.		
	(Grants \$ 6000.00) If this amount includes foreign grants, check here <input type="checkbox"/>	29a	6,000.
30			
	(Grants \$) If this amount includes foreign grants, check here <input type="checkbox"/>	30a	
31	Other program services (attach schedule)		
	(Grants \$) If this amount includes foreign grants, check here <input type="checkbox"/>	31a	
32	Total program service expenses (add lines 28a through 31a)	32	27,208.

Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated. (See the instructions for Part IV.)

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Margaret Qualey P.O. Box 71, Vinalhaven, ME 04863	President & director - 5	0.	0.	0.
Peter Manning 150 East End Ave., New York, NY 10028	Vice-President & director-1	0.	0.	0.
Linda Whittington P.O. Box 383, Vinalhaven, ME 04863	Secretary & director - 1	0.	0.	0.
Yvonne Thomas P.O. Box 695, Vinalhaven, ME 04863	Secretary & director - 1	0.	0.	0.
Keely Felton 4200 Mary Gates Mem. Drive, NW Unit P216; Seattle, WA 98105	Programs Director - 8	8187.	1356.	0.
Julianne Shane 461 Round The Island Rd., Vinalhaven, ME 04863	Finance Mgr. & director - 5	4181.	683.	0.
Wanatha Garner 137 Long Cove Road, Vinalhaven, ME 04863	Director	0.	0.	0.
William Lieber 27 Brockways Ferry Rd., Lyme CT 06371	Director	0.	0.	0.
Patsy Colhoun 21 Mill Run Road, Boxford, MA 01921	Director	0.	0.	0.
Abigail Trafford 2600 Upton St., Washington, DC 20008	Director	0.	0.	0.
Rona Hokanson 839 Sheridan Road, Bloomington IN 47401	Director	0.	0.	0.
Ann Osgood 61 Sands Road, Vinalhaven, ME 04863	Director	0.	0.	0.
Drew McGhee 43 Pierrepont St., Brooklyn NY 11201	Director	0.	0.	0.
Robert Warren P.O. Box 384, Vinalhaven, ME 04863	Director	0.	0.	0.
Heather White P.O. Box 322, Vinalhaven, ME 04863	Director	0.	0.	0.
Colette Oxtan P.O. Box 156, Vinalhaven, ME 04863	Director	0.	0.	0.
Katharine White P.O. Box 823, Vinalhaven, ME 04863	Director	0.	0.	0.
		0.	0.	0.

Part V Other Information (Note the statement requirements in the instructions for Part V.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	33	<input checked="" type="checkbox"/>
34	Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes <u>SEE ATTACHED UPDATED BYLAWS</u>	34	<input checked="" type="checkbox"/>
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T. <u>SEE STATEMENT 4</u>		
a	Did the organization have unrelated business gross income of \$1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?	35a	<input checked="" type="checkbox"/>
b	If "Yes," has it filed a tax return on Form 990-T for this year?	35b	
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N	36	<input checked="" type="checkbox"/>
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a 0.		
b	Did the organization file Form 1120-POL for this year?	37b	<input checked="" type="checkbox"/>
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return?	38a	<input checked="" type="checkbox"/>
b	If "Yes," complete Schedule L, Part II and enter the total amount involved	38b	
39	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on line 9	39a	
b	Gross receipts, included on line 9, for public use of club facilities	39b	
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0.		
b	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b	<input checked="" type="checkbox"/>
c	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T.	40e	<input checked="" type="checkbox"/>
41	List the states with which a copy of this return is filed. ▶ Maine		
42a	The organization's books are in care of ▶ Julianne Shane, Finance Manager Telephone no. ▶ 207-863-4455 Located at ▶ 461 Round The Island Road, Vinalhaven, ME ZIP + 4 ▶ 04863-3344		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	42b	<input checked="" type="checkbox"/>
	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts .		
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.?	42c	<input checked="" type="checkbox"/>
	If "Yes," enter the name of the foreign country: ▶		
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 —Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43		
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ	44	<input checked="" type="checkbox"/>
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ	45	<input checked="" type="checkbox"/>

Part VI

Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only. All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46–49b and complete the tables for lines 50 and 51.

	Yes	No
46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	46	<input checked="" type="checkbox"/>
47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	47	<input checked="" type="checkbox"/>
48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48	<input checked="" type="checkbox"/>
49a Did the organization make any transfers to an exempt non-charitable related organization?	49a	<input checked="" type="checkbox"/>
b If "Yes," was the related organization a section 527 organization?	49b	<input type="checkbox"/>

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

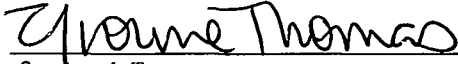
(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				

f Total number of other employees paid over \$100,000 ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
NONE		

d Total number of other independent contractors each receiving over \$100,000 ▶

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	 Signature of officer		11/4/2010 Date	
Paid Preparer's Use Only	Yvonne Thomas, President Type or print name and title			
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (See instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	EIN	Phone no.	
	May the IRS discuss this return with the preparer shown above? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No			

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

Partners In Island Education

Employer identification number

01 : 0527404

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- ☐ 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
 - ☐ 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
 - ☐ 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
 - ☐ 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
 - ☐ 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
 - ☐ 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
 - ☒ 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
 - ☐ 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
 - ☐ 9 An organization that normally receives: (1) more than 33⅓ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
 - ☐ 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
 - ☐ 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a ☐ Type I
 - b ☐ Type II
 - c ☐ Type III—Functionally integrated
 - d ☐ Type III—Other
 - ☐ e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
 - ☐ f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box _____
 - ☐ g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? _____
 - (ii) A family member of a person described in (i) above? _____
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above? _____
 - ☐ h Provide the following information about the supported organization(s).

[illegible]

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants")	43,716.	36,248.	23,698.	73,008.	57,372.	234,042.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	43,716.	36,248.	23,698.	73,008.	57,372.	234,042.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						54,955.
6 Public support. Subtract line 5 from line 4.						179,087.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	43,716.	36,248.	23,698.	73,008.	57,372.	234,042.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	3,922.	4,906.	1,810.	2,687.	2,073.	15,398.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						249,440.
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	72 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	74 %
16a 33⅓ % support test—2009. If the organization did not check the box on line 13, and line 14 is 33⅓ % or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33⅓ % support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓ % or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ►		<input type="checkbox"/>

Fiscal Year:
7/1/09 - 6/30/010

FEDERAL STATEMENTS

PAGE 1 of 1

Partner's In Island Education

01-0527404

STATEMENT 1
FORM 990-EZ, PART I, LINE 10
Grants in access of \$5000

Class of Activity: Grants given for drama teacher, enrichment programs, auditorium oversight & books
Name: Vinalhaven School, Arcola Lane, Vinalhaven, ME 04863
Amount given: \$21,208.00

STATEMENT 2
FORM 990-EZ, PART I, LINE 20
OTHER CHANGES IN NET ASSETS

The gain of \$716 resulted from the value of investments increasing due to the recovering market.

STATEMENT 3
FORM 990-EZ, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

Partner's In Island Education is non-profit organization located on the island of Vinalhaven, Maine. Our mission is to support educational excellence in our community by sponsoring art, literacy, and enrichment opportunities at the Vinalhaven School, by assisting with the development of school facilities and by supporting future aspirations by funding a scholarship program.

STATEMENT 4
FORM 990EZ, PART V, LINE 35
Non use of form 990-T

We did not file form 990-T for figures entered on lines 2 and 6a of form 990EZ, because none of this income was "unrelated" income.

Summary of proposed changes on below page.

Bylaws of PIE Meeting

March 2, 2010

3:00pm in library

Attendance: *Julie Shane, Ann Osgood, Rob Warren, Colette Oxtan, Rebecca Graham*

Discussion Points:

Article V Section 1

Specify annual meeting to be held in August or September (do not list specific day)

Article V Section 4

Change "notwithstanding" to despite/in spite of

Article VII Section 3

Change 3 consecutive 1 year terms to 5 consecutive one year terms

Article IX Section 2

Does not state that 2 signatures are required. Julie will bring this up at the board meeting.

Note:

PIE Fiscal year will coincide with Vinalhaven School: July 1st-June 30th

The above changes were made and voted on July 28, 2010

Julie Shane

 11/4/10
Treasurer

**BYLAWS OF
PARTNERS IN ISLAND EDUCATION**

ARTICLE I

Name

The name of this Corporation shall be Partners In Island Education.

ARTICLE II

Offices

Section 1. Principal Office. The principal office for the transaction of the business of the corporation shall be located in the State of Maine at the location selected from time to time by the Board of Directors.

Section 2. Other Offices. The Board of Directors may at any time establish branch or subordinate offices at any place or places, within the State of Maine.

ARTICLE III

Purposes

Section 1. Purpose. This Corporation has been established exclusively for all such charitable, religious, educational and scientific purposes as are permitted to organizations exempt from federal income tax under Section 501 © (3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code. Notwithstanding any other provision of the Articles of incorporation or the Bylaws, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation. The corporation shall have all the powers necessary to carry out the purposes as are permitted non-profit corporations under Title 13-B of the Maine Revised Statutes Annotated. The specific purpose of the corporation shall be to provide funding and other support to the Vinalhaven School District in order to encourage the arts and excellence in public school and education.

Section 2. Limitations.

A. No substantial part of the activities of the corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation and the corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

B. No part of the net earnings of the corporation shall inure to the benefit of any member, director, or officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation in carrying out one or more of its purposes), and no member, director or officer of the corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation. Upon dissolution of the corporation or the termination of its activities, the assets of the corporation remaining after the payment of all its liabilities shall be

distributed exclusively to one or more organizations organized and operated exclusively for such purposes as shall then qualify as an exempt organization or organizations under the Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended, and as a charitable, religious, eleemosynary, benevolent or educational corporation within the meaning of Title 13-B of the Maine Revised Statutes as amended.

C. The corporation shall be an equal opportunity and affirmative action employer, and it shall not discriminate on the basis of age, race, religion, color, creed, sex, sexual preference, handicap or national origin:

- i. in the persons served by the corporation
- ii. in the hiring, assignment, promotion, salary determination or other conditions of staff employment; or
- iii. in the membership of its Board of Directors.

D. The corporation shall neither exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status as a corporation which is exempt from federal income taxation as an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, or any successor provision.

E. If the corporation is determined to be a private foundation it will:

- i. not engage in any act of self-dealing which would give rise to any liability for the tax imposed by Section 4941 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
- ii. distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
- iii. not retain any excess business holdings which would give rise to any liability for the tax imposed by Section 4943 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
- iv. not to make any investments in such manner as to incur tax liability under Section 4944 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
- v. not make any taxable expenditures as defined in Section 4945 (d) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

ARTICLE IV

Board of Directors

Section 1. Number. The number of Directors shall be as set by the Board of Directors from time to time, provided there shall always be at least nine (9) and not more than twenty-one (21) directors.

Section 2. Selection, Qualification and Term. The first Board of Directors shall be appointed by the incorporators. The initial Board shall be appointed for staggered terms of one, two and three years such that approximately one third of the Board shall be elected each year, and thereafter, all directors shall serve for three year terms and until their successors are elected and qualified, except in the case of their earlier death, resignation or removal from office. Prior to the expiration of the terms of Directors, the Board of Directors then in office shall elect Directors to serve to succeed the Directors whose terms are expiring. At least one third of all Directors must be a resident of Vinalhaven, Maine and at all times the Board of Directors must have at least three Directors who are residents of Vinalhaven, Maine.

Section 3. Vacancies, Resignation and Removal. Any vacancy in the Board of Directors, including newly created directorships created by an increase in the number of directors, shall be filled at the time such vacancy arises or at any time thereafter by majority vote of the remaining directors in office. Any director may resign from office by delivering a written resignation to the President, Vice President or Secretary. Any director may be removed from office, with or without cause, upon the vote of two-thirds of the other directors then in office.

Section 4. Powers. The Board of Directors shall manage and control the business, property and affairs of the corporation. The Board of Directors may appoint an Executive Director who shall be responsible to the Board for the administrative and business management of the corporation. The Board may further delegate authority to committees or to individual Directors as it deems necessary for the carrying out of the purposes and business of the corporation.

Section 5. Ex-Officio Directors. From time to time, by majority vote of the Directors then serving in office, the Board of Directors may designate additional Ex-Officio Directors without voting rights who shall not be counted in determining the presence of a quorum.

ARTICLE V

Meetings of the Board of Directors

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall be held in the month of either August or September at such time and place as the Board of Directors may determine. Each director shall be notified of the time, place and date of such meeting at least three days in advance thereof in writing, by telephone, by fax, or in person by the President, the Vice President, the Treasurer or the Secretary of the corporation.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President, the Vice President, the Treasurer or a majority of the Board of Directors. The person or persons calling the special meeting shall fix the time and place thereof. Unless notice of a special meeting is waived in the manner prescribed by law or these bylaws, notice of such special meeting shall be made to the Board of Directors in writing, by telephone, by fax or in person shall be given by the person or persons calling the special meeting at least 48 hours in advance thereof. Any written notice shall be considered given a particular director if addressed to such director at such director's usual or last known business or residence address and

deposited in the United States mail in an addressed, post-paid envelope. Except as required by Article X, neither the business to be transacted at, nor the purpose of, any annual or special meeting of the Board of Directors need be specified in the notice of meeting.

Section 3. Attendance as Waiver of Notice. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except if a director attends for the express purpose, stated at the commencement of the meeting, of objecting to the transaction of any business because the meeting has not been lawfully convened.

Section 4. Quorum and Vote Required. At any meeting of the directors, a majority of the directors then in office shall constitute a quorum for the transaction of business. The directors present at a duly convened meeting at which a quorum was once present may continue to do business and take action at the meeting despite the withdrawal of enough directors to leave less than a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice if the time and place to which it is adjourned are fixed and announced at the time of adjournment. The vote of a majority of the directors present at a meeting at which a quorum is or has been present shall be the act of the Board of Directors unless the vote of a greater number is required elsewhere in these bylaws or by law.

Section 5. Action by Consent. Any action required or permitted to be taken at any meeting of the directors, or of a committee of the directors, may be taken without a meeting if a majority of the directors, or a majority of the members of a committee, as the case may be, sign written consents setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of directors' meetings or committee meeting, as the case may be, and shall have, and may be stated by any officer of the Corporation to have, the same effect as a majority vote or resolution of the Board of Directors or such committee as a duly convened meeting hereof. Any such action taken by majority written consents may, but need not be, set forth in such consents in the form of resolutions or votes.

Section 6. Telephone Meetings. Members of the Board of Directors or any committee designated thereby may participate in a meeting of the Board or of such committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participating in a meeting in such manner by any member who does not object at the beginning of such meeting to the holding thereof in such manner shall constitute presence in person at such meeting.

ARTICLE VI

Committees

Section 1. Creation. The Board of Directors may by resolution at any meeting of the board designate standing, ad hoc, and/or special committees of the board. The Board may appoint an Advisory Council. The terms of appointment and expectations of service of any advisory group shall be determined by the Board of Directors.

Section 2. Membership. Unless otherwise provided for in these Bylaws, the Board of Directors shall appoint the chair of each committee, who shall be a voting member of the

Board of Directors, and the chair of each committee shall appoint the other committee members in consultation with the President. Unless otherwise provided for in these Bylaws, any committee designated by the Board of Directors may include as full voting members of such committees persons who are not voting members of the Board of Directors. Each committee shall have the powers delegated to it by Board of Directors and in accordance with the laws of the State of Maine. Each committee shall keep minutes of its proceedings and report to the Board of Directors.

Section 3. Committee Meetings. Unless otherwise provided for in these Bylaws, a majority of the members serving on a Committee constitutes a quorum for the meeting of the committee and the vote of a simple majority of those present at a meeting at which a quorum is present constitutes an action of the Committee. Each Committee shall determine and schedule its meetings.

Section 4. Executive Committee. The Board of Directors, by resolution, may designate from among its members an Executive Committee consisting of the President, Vice President, Treasurer, Secretary and one or more directors, and may delegate to such Executive Committee all the authority of the Board of Directors in the management of the corporation's business and affairs in the interim between Board of Directors meetings, except as limited by law or by resolution establishing the Executive Committee or by any other resolution thereafter adopted by the Board of Directors, provided however, the Executive Committee shall not have the power to adopt the corporations budget, to take any action which is contrary to or a substantial departure from any direction established by the Board of Directors, to amend the Bylaws, or Articles of Incorporation, to adopt a plan of merger or consolidation, to sell or dispose of substantially all of the property or assets of the corporation or to voluntarily dissolve the corporation. Vacancies in the membership of the Executive Committee shall be filled by resolution adopted by the Board of Directors then in office. Members of the Executive Committee may be removed from membership on such committee, with or without cause, by resolution adopted by the Board of Directors. The Executive Committee shall meet as requested by the President. Notice of the time and place of meetings shall be given each member with not less than 24 hours notice. Four (4) members of the Executive Committee must be present to constitute a quorum for the transaction of business. The President shall act as chair of the Executive Committee.

ARTICLE VII

Officers

Section 1. Number. The officers of the corporation shall be a President, Vice President, a Secretary and a Treasurer. All officers shall be elected to office among the directors then serving at the time of election.

Section 2. Compensation of Officers. The officers of the corporation shall serve without compensation, although officers shall be entitled to be paid the cost of reasonable expenses incurred in the course of their duties.

Section 3. Vacancies, Term and Removal. The President, the Vice President, the Secretary and the Treasurer of the corporation and all other officers, shall be elected to serve

a one (1) year term and, except in the case of death, resignation, or removal, shall hold office until their successors are chosen and qualify. No Director may serve in one office for more than five consecutive one-year terms. Any officer may be removed, with or without cause, at any time at any Board of Directors meeting at which a quorum is present by vote of two thirds of the number of directors then serving in office. Vacancies among officers shall be filled by majority vote of the directors present at any regular or special meeting of directors at which a quorum is present.

Section 4. President. The President shall be the chief executive officer of the corporation, shall preside at all meetings of the reasonable, shall have charge of the general management of the business of the corporation and shall see that all orders and resolutions of the reasonable are carried into effect.

Section 5. Vice President. The Vice President shall, in case of the absence or disability of the President, perform the duties and exercise the powers of the President. In addition, the Vice President shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 6. Secretary. The Secretary shall attend all meetings of the Board of Directors and record all the proceedings of Board of Directors in a book kept for that purpose, and shall perform like duties for the executive committee, if any. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision the Secretary shall be. The Secretary shall have the authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and the attest the same.

Section 7. Treasurer. The Treasurer shall the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books kept for that purpose. The Treasurer shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision the Treasurer shall be.

Section 8. Bonding. Any officer or employee of the corporation having access to or major responsibility for the handling of money or securities of the corporation shall, if required by the Board of Directors, give such security to the faithful performance of his or her duties as the Board of Directors may require.

ARTICLE VIII

Indemnification and Insurance

Section 1. Indemnification. Every person who is or shall have been a Director, Officer or employee of the Corporation and his or her personal representatives shall be indemnified by the corporation against all costs and expenses reasonably incurred or imposed upon him or her in connection with or resulting from any action, suit, or proceeding to which he or she may be made a party by reason of his or her being or having been a Director, officer or employee of the corporation, except in relation to matters as to which he or she shall finally be adjudicated in such action, suit or proceeding to have acted in bad faith and other than in the reasonable belief that his or her action was in the best interests of the corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was

unlawful. Costs and expenses of actions for which the Article provides indemnification shall include among other things, attorney's fees, damages and reasonable amounts paid in settlements.

Section 2. Insurance. The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, trustee, partner, fiduciary, employee or agent of another corporation, partnership, joint venture, trusts, pension or other employee benefit plan or other enterprise 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.

ARTICLE IX

Financial Matters

Section 1. Deposit of Funds. All funds of the corporation not otherwise employed shall be deposited in such banks or trust companies or with such bankers or other depositories as the Board of Directors may from time to time determine.

Section 2. Checks. All checks, drafts, endorsements, contracts, agreements, notes and evidences of indebtedness of the corporation shall be signed by such officer or officers or agent or agents of the corporation and in such manner as the Board of Directors may from time to time determine.

Section 3. Fiscal Year. The fiscal year of the corporation shall end on June 30.

ARTICLE X

Amendment of Bylaws

The Bylaws of the corporation shall be subject to amendment or repeal, and new bylaws may be made, by the Board of Directors at any annual or special meeting thereof by a two-thirds vote of the voting Directors then serving in office. Any proposal to amend these bylaws shall be included with the notice of the meeting at which the amendment is proposed.