

AGREEMENT OF INTENT TO UNIFY

Between

DAMARISCOTTA RIVER ASSOCIATION (DRA)
and
PEMAQUID WATERSHED ASSOCIATION (PWA)

UNIFICATION SUBJECT TO MEMBER RATIFICATION AS DESCRIBED HEREIN

I. Purpose

The purpose of this AGREEMENT is to establish a work plan, tasks and a timeline for the unification of Damariscotta River Association (DRA) and Pemaquid Watershed Association (PWA) to enhance land conservation, environmental education and preservation of water quality in the geographic areas currently served by the two organizations.

This Agreement represents a non-legally binding expression of good faith intent for DRA and PWA to unify the two organizations to minimize duplication of efforts, promote economies of scale and maximize effective and efficient use of resources to improve ecosystems on the Pemaquid Peninsula and the Damariscotta River region.

It is the intent of DRA and PWA to continue to work cooperatively, in good faith; to act and plan collaboratively; to think and act strategically; and to work with openness and transparency toward creating a unified entity.

DRA and PWA have a long history of partnering to conserve critical lands, the high point of which was and continues to be the Crooked Farm project. In the early days, DRA and PWA had even once co-located, sharing an office with Damariscotta Lake Watershed Association (DLWA).

Beginning in early October 2017, DRA and PWA expressed a mutual interest in exploring a more formal arrangement of collaboration between the two organizations. DRA and PWA, therefore began a series of exploratory meetings.

On October 25, 2017, DRA (represented by Steven Hufnagel, DRA Executive Director and Joel Russ, President of the DRA Board of Trustees) met with PWA (represented by former PWA Executive Director, Jennifer Hicks, and PWA Board President, Sandi Day). The meeting concluded with a commitment to continue discussions toward some form of expanded collaboration.

Follow-up meetings were held in December of 2017 and agreement was reached that DRA would draft a Memorandum of Understanding (MOU) that could, if approved by both organizations, serve as an outline for ongoing discussions and a potential formal working relationship between the two organizations.

On January 8, 2018, DRA Board of Trustees unanimously approved the MOU. On January 11, 2018, PWA Board of Directors approved the MOU. The MOU was signed on 1/19/18.

On April 19, 2018, the PWA Board of Directors unanimously adopted a resolution to proceed with vetting collaboration scenario 3 which was the path toward unification. At that time, the PWA Board also extended the MOU until July 19, 2018. All tasks were accomplished within the time frames set forth in the MOU.

On May 7, 2018, the DRA Board of Trustees unanimously approved a resolution to proceed with the unification of the DRA and PWA no later than July 2019.

II. Agreement

The DRA and the PWA agree to work together to achieve the unification of the two organizations, undertaking the tasks outlined herein and to achieve those tasks and unification within the time frames indicated:

A. To continue the work of the Collaboration Working Group which consists of the President of the DRA Board of Trustees and two additional DRA board members, the President of the PWA Board of Directors and three additional PWA board members, the Executive Director of the DRA and a staff member of PWA as needed.

B. To undertake the following tasks within the timelines indicated:

<u>TASK</u>	<u>TIMELINE</u>
1. DRA invitational “coffee open house” to let interested parties know about the progress of our collaboration efforts	June 19, 2018
2. PWA invitational “coffee open house” to let interested parties know about the progress of our collaboration efforts	June 19, 2018
3. DRA annual meeting	June 27, 2018
4. PWA annual meeting	July 26, 2018
5. Enter into a formal Unification Agreement setting forth the mutual intent to unify the two organizations as one entity, subject to member ratification and subsequent satisfactory due diligence.	No later than July 15, 2018

6. Fundraise for the costs associated with due diligence to be performed by the two organizations, with joint representation. Estimated costs \$30,000 (excluding lands-related due diligence - see below) July – September 2018
7. Prepare a 3-year financial plan for a unified entity No later than September 5, 2018
8. Propose new board structure, including representation on a unified board and suggestions for an executive committee No later than Sept. 5, 2018
9. Draft single organization by-laws No later than September 5, 2018
10. Hold a joint information session for both memberships September 12, 2018
11. Schedule special meetings of membership and board of directors/trustees to ratify the Agreement, approve by-laws and elect new board and executive committee, no later than September 30, 2018, for implementation on February 15, 2019, contingent on satisfactory due diligence
12. Schedule a professionally-facilitated joint board/staff strategic planning session, after mutually agreeing on third party facilitator October 2018
13. Assuming adequate funds are raised, conduct due diligence in the following areas: No later than November 15, 2018
 - a. Legal
 - b. Financial, including operating budgets, Forms 990, restricted funds (amounts and restrictions, etc.), mortgages and/or loans if any, endowments and bequests
 - c. Review of governance documents, including by-laws, board and committee structures
 - d. Real estate holdings other than preserved land
 - d. Contractual relationships with service providers, vendors
 - e. Employment agreements, if any, and compensation packages
14. Prepare staff integration plan No later than December 15, 2018
15. Prepare co-location plan No later than December 15, 2018
16. Co-locate, integrate staff, implement newly adopted by-laws, seat joint board and begin joint operations February 15, 2019
17. Initiate re-branding of the new entity, including planning strategic roll-out of a name change February 15, 2019

18. Raise and/or identify funds (including available PWA funds) necessary to incorporate PWA lands into unified holdings while maintaining DRA's accreditation, estimated to be in the range of \$200,000 to \$300,000 in total, including available PWA assets, to cover surveys, easement defense and stewardship funds, preserve stewardship fund and title and legal

August 2018 – September 2019

19. Maintain PWA's EIN as a holding entity for PWA lands until funds are raised to transition said lands into a common accredited portfolio

No later than March 1, 2020

III. Confidentiality: To treat discussions between the two organization in strict confidence. Should press regarding this process be deemed necessary by mutual agreement, press releases and related material shall be vetted and agreed upon by both organizations' representatives.

IV. Exclusivity

During these discussions and for as long as they occur, neither organization will engage in similar discussions with any other entity.

V. Non-Disclosure

The parties agree that the information required to be provided in this Agreement will only be shared between the Board of Trustees and staff of DRA and the Board of Directors and staff of PWA. No other party will be provided with the information, unless agreed to by the boards of both organizations.

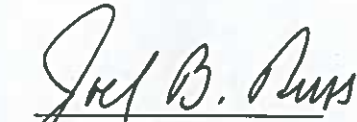
VI. Effective Date

This Unification Agreement will become effective upon signature by the President of the Board of Trustees of Damariscotta River Association and the President of the Board of Directors of Pemaquid Watershed Association and shall remain in effect until termination by either Party. Either Party may terminate this Agreement upon 30 days written notice to the other party. Any changes to this Agreement must be mutually agreed upon in writing.

VII. Other Agreements

There are no superseding Agreements on this topic between the parties hereto.

Seen and agreed to on this 17th day of August, 2018.


Joel B. Russ
President

Board of Trustees
Damariscotta River Association



Sandi Day
President
Board of Directors
Pemaquid Watershed Association

8/17/18
(Date)

8/17/18
(Date)