

AMENDED AND RESTATED BYLAWS  
OF  
FARNHAM POINT ASSOCIATION  
Revised July 27, 2019

ARTICLE I

Section 1. Name. The name of this organization shall be FARNHAM POINT ASSOCIATION and shall hereinafter be referred to as the "Association".

Section 2. Location. The Association shall be located at Farnham Point, East Boothbay, Town of Boothbay, Lincoln County, Maine 04544. The current address of the Association is PO Box 132, East Boothbay, Maine 04544.

Section 3. Registered Office and Registered Agent. The Association shall have a registered office and registered agent. The registered office and registered agent may be changed from time to time as the Members deem advisable by filing notice of such changes with the Secretary of State in accordance with the Maine Nonprofit Corporation Act, 13-B M.R.S.A. § 101 et seq. (the "Act").

ARTICLE II

Purposes

The purposes of the Association are to maintain common property and to carry out all other actions permitted under the Certificate of Organization (see attachment A) and the laws of the State of Maine.

An additional purpose of the Association is to promulgate and enforce and regulations governing the use of common property.

The Association shall not engage in any business or activity other than such as may be incidental to and for the purpose of carrying out the purposes stated above; and provided further that no gains, profits or dividends shall be paid or distributed to any of the Members of the Association, and that no part of the net income, net earnings, funds or assets of this Association shall inure to the benefit of any Member, Director or Officer of the Association (nothing contained herein shall be construed to prevent the payment by the Association of salaries for the performance of a duty and expenses to Members, Directors and Officers of the Association employed by it), and provided further that in the event of the voluntary dissolution of this Association or the voluntary transfer of substantially all of its assets, the assets shall be distributed or transferred only in accordance with the affirmative vote of two-thirds (2/3) of the total Membership.

## ARTICLE III

### Membership

Section 1. Members. Under the Certificate of Organization only persons owning fee single title to summer or permanent residences or owning fee simple title to property available for development for residences (each a "Record Owner"), in the Town of Boothbay, County of Lincoln, State of Maine (the "Town") shall be eligible to become a member (a "Member") of the Association. For purposes of these Bylaws, each such parcel of land in the Town is referred to as a "Lot". Two or more parcels of land located adjacent to each other (next to each other on the same side of a road and/or across from one another) and owned by the same Record Owner may be treated as one Lot for purposes of these Bylaws at the discretion of the Association unless the subject Lots have residences on each of them at which point each Lot with a residence shall be treated as a separate Lot for voting and assessment purposes.

Persons who own lots that are within the area defined by V. Allen Brown (see map attachment B) must have in their deeds the minimum set of covenants and restrictions specified by V. Allen Brown including that they pay Association assessments. Such persons irrespective of their membership in the Association are required to pay Association assessments. These persons, their families, guests and tenants will have full access to Association property and facilities subject to Association Rules and Regulations.

Eligible persons who agree to pay all Association assessments may become Members of the Association with the affirmative vote of two-thirds (2/3) of the members present at a duly called meeting. A person who is granted Membership may continue to be a Member until he or she becomes ineligible under the Certificate of Organization (no longer holds title to a Lot, dies, resigns or is removed). A Member may be removed from Membership with an affirmative vote of two-thirds (2/3) of the members present at a duly called meeting for cause, provided that he or she has been afforded at least 30 days' notice that such action is contemplated. A Member may resign at any time by giving at least 30 days' notice to the President.

Section 2. Voting. Each Member shall be entitled, at all meetings of the membership, to one vote per Lot owned by him or her. When there is more than one Record Owner of the same Lot, all such persons may participate as, and shall have all the benefits and obligations of, Members of the Association and the one vote for such group shall be exercised as they among themselves may determine, but the Association may accept the vote of any such Member as the vote of the group, and in no event shall more than one vote be cast with respect to any such group.

## ARTICLE IV

### Rights, Powers and Duties

Section 1. Membership Rights. Members shall have the right to use Association property and facilities subject to rules and regulations adopted by the Association. The Association shall make the Association property and facilities available for use only to its Members and/or Lot owners, as well as such person's families, guests and tenants).

Members who are in arrears with respect to payment of Association assessments will have their voting rights automatically suspended until such time as the payments are current and such suspended voting rights shall not count towards the determination of a quorum or any other voting requirement.

Section 2 Officers and Directors. Subject to Article VI, Section 2 of these Bylaws, the membership shall at its Annual Meeting elect no more than nine (9) Directors of the Association who will take office immediately following the Meeting.

Section 3. Budget and other Powers. A vote of the Members at an Annual or Special Meeting with a quorum by simple majority in person or by proxy shall be required to conduct the routine business of the meeting including the election of Directors, and approval of the Rules and Regulations.

The Members shall ratify the annual budget proposed by the Directors in accordance with the process defined in Article IX, Section 2c of these Bylaws. The Members may reject a special assessment, capital expenditure or borrowing in excess of \$5000 approved by the Board of Directors by a vote of more than half (1/2) of the total Membership as defined in Article IX, Section 7.

The Members shall with an affirmative vote of a majority of the total Membership eligible to vote have the right to amend these Bylaws. The Members shall with an affirmative vote of two-thirds of the members present at a duly called meeting approve new Members and remove current Members.

The Members shall with an affirmative vote of two-thirds of the total Membership eligible to vote accept new roads, support the sale and purchase of property including the granting of easements, approve dissolution of the Association or the voluntary transfer of substantially all of its assets, and remove Directors.

## ARTICLE V

### Meetings of Members

Section 1. Annual Meeting. The Annual Meeting of the Members of the Association shall be held at 10:00 A.M. on the last Saturday in July in each year, at such place as the Board may designate.

Section 2. Special Meetings. Special meetings of Members of the Association shall be called by the Secretary at the request of the President, or by a writing signed by a majority of the Directors or by a writing signed by Members having one-tenth (1/10) of the total Membership.

Section 3. Notices. A notice of any Annual or Special Meeting shall be communicated not less than fourteen (14) or more than fifty (50) days before such meeting to all Members by email, if their email address is on file with the Secretary of the Association, or, if not, then by US mail sent to their respective addresses as the same appear on the records of the Secretary of the Association. Notices of all meetings shall state the time, place and purpose of (proposed agenda for) the meeting. Members may submit agenda items for consideration at a meeting to the Secretary at least thirty (30) days prior to such meeting and the proposed items may, at the discretion of the Board, be added to the agenda under new business.

Section 4. Quorum and Attendance. Except as otherwise provided herein, one third (1/3) of the total Membership shall constitute a quorum for any meeting of the Members and, with a quorum being present, Members may take action at any meeting. A quorum for a vote equals those physically present, plus those members who have given their proxy for the vote or who are on the telephone and their presence has been duly recorded by the Secretary of the meeting. If a quorum is not present, the presiding officer may, without further notice being required, adjourn the meeting to a day and hour fixed by him.

Section 5. Proxies. Any Member entitled to vote at any Annual or Special Meeting may vote by written proxy filed before voted with the Secretary. Any proxy shall specify the meeting for which it is given and shall be dated not more than six (6) months prior to the date thereof. The proxy may be transmitted by mail, in person or by any electronic method. Any Member entitled to vote may also vote if present by telephone and whose presence shall have been duly noted by the Secretary of the meeting.

Section 6. Order of Business. At meetings of the Members, the order of business shall be as follows (unless modified by affirmative vote of the board of directors and listed on the meeting agenda):

- a. Approval of the minutes of the immediate prior meeting.
- b. Reports of Officers.
- c. Reports of Committees.
- d. Old business. .
- e. New business.
- f. Election of Directors.
- g. Adjournment.

## ARTICLE VI

### Officers and Directors

Section 1. Officers. The Officers of the Association shall be a President, Treasurer, and Secretary, to be elected by a simple majority vote of the Directors. The Board may provide for and elect such other Officers as they deem advisable from time to time for the transaction of the business of the Association. All Officers shall hold office for one (1) year or until their successors have been elected, unless removed from office by a two-thirds (2/3) vote of the Directors. The Officers will take office immediately following election.

Section 2. Board of Directors. The board shall consist of no fewer than five (5) nor more than nine (9) directors. Each member of the board shall serve as a director for a term of three (3) years, unless a shorter term for a director(s) is necessary to insure that no less than two (2) directors are elected each year by the membership. No member shall serve on the board as a director for more than six (6) consecutive years.

Section 3. Vacancies. Any vacancy in the position of any officer or Director may be filled for the unexpired term by majority vote of the Directors then in office.

#### Section 4. Removal of Directors.

A. Removal. At a special meeting of Members called expressly for that purpose, the entire Board or any individual Director may be removed, with or without cause, by a vote of the Members as provided in this section. The Members, provided there is a quorum present, will as their first order of business elect by simple majority a Member at large to preside over the meeting.

B. Vote of 2/3 of the total Membership is required for removal.

C. Election of replacement Directors. If any or all Directors are removed at such a meeting of the Members, new Directors may be elected at the same meeting without express notice being given of such election.

## ARTICLE VII

### Powers and Duties of Officers and Directors

Section 1. The President. The President, when present, shall preside at all meetings of the Members except as specified under Article VI, Section 4A and shall execute official documents on behalf of the Association as the Board may from time to time designate. The President shall appoint the Chairpersons and all members of all Committees established by the Board to assist in the conduct of the affairs of the Association. In the absence of the President, the Treasurer or the Vice President, if any, may preside at any meeting of the Association and shall perform the duties of President.

Section 2. The Treasurer. The Treasurer shall collect, receive, deposit and disburse all funds of the Association and shall be a member of any Finance Committee. The Treasurer shall keep or arrange for the keeping of proper records of all receipts and payment of all moneys, and shall deposit or arrange for the deposit of all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board. He shall file an Annual Report at the Annual Meeting of the Members and shall promptly on request render to the President and to the Board an account of all his transactions as Treasurer and of the financial condition of the Association.

Section 3. The Secretary. The Secretary shall be a resident of the State of Maine and shall keep the corporate records and shall maintain at all times a list of the names and addresses of the Members and of the Officers and Directors of the Association and shall carry on such correspondence as may be required on behalf of the Association. The Secretary shall send notices of all meetings of the Association to all Members entitled thereto. The Secretary shall perform such other duties as the President or the Board may from time to time designate.

Section 4. The Board of Directors. The Board shall be responsible for the general management and control of all of the business, effects and assets of the Association. It will have such other duties as prescribed by the Membership and shall have all other powers of the Board of a non-profit corporation under the laws of the State of Maine. It shall have the authority to contract with, employ, retain, and discharge such personnel as are or may

be necessary to carry out the Association purposes. It shall establish rules and regulations relating to conduct and activities by Members that may tend to adversely affect the Association property and facilities and to fix the penalty for any violation of said rules and regulations. The Rules and Regulations will be approved by the Membership as specified in Article IV Section 3.

Section 5. Committees. The Board may establish and vote expenditures of monies for such committees as it deems advisable to assist in conducting the general management and control of the business, effects, and assets of the Association, which committees may include, without limitation, the following:

- a. Finance Committee: To prepare the estimated budget for each fiscal year of the Association, for approval by the Board and adoption by the membership and to apportion the annual assessments to the Owners and oversee the collection thereof; and
- b. Association Property Committee: To plan and oversee the operation, maintenance and repair of the Association property and facilities.
- c. Nominating Committee: To nominate prospective members of the Board.

## ARTICLE VIII

### Meetings of Directors

Section 1. The Annual Meeting. The Annual Meeting of the Board shall be held immediately following the Annual Meeting of Members of the Association. If a majority of the Directors are not present at such meeting, or do not proceed immediately thereafter to hold a meeting of the Board, the Annual Meeting of the Board shall be called as provided with respect to calling of Special Meetings of the Board.

Section 2. Special Meetings. Special Meetings of the Board shall be called by the Secretary whenever requested by the President or by a majority of the Directors then in office.

Section 3. Quorum. At any meeting of the Board of Directors a majority of the number of Directors as then properly elected shall constitute a quorum for the transaction of business. Meetings may be conducted using telephone or other acceptable telecommunications or Internet techniques.

Section 4. Notices. As provided above, notice of any Special Meeting of the Board shall be given to each Director. Notices of Directors' meetings need not specify' the purposes thereof.



Section 5. Place of Meeting. All meetings of the Board shall be held at such place, wherever situated, as may be designated in the notice thereof.

Section 6. Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board shall individually or collectively consent to such action. Any such consent shall be noted in the Minutes of the proceedings of the Board.

## ARTICLE IX

### Common Expenses and Budgets

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year otherwise determined by the Board.

Section 2. Preparation and Approval of Budget.

a. Adoption- On or before the first day of July 1 of each year, the Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Association property and facilities and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common by these Bylaws or a resolution of the Association and which will be required during the ensuing fiscal year for management and administration expenses; the estimated cost of repairs, maintenance and replacement of the Association property and facilities; the cost of such insurance and utilities as may be furnished by the Association; the amount of such reserves as shall be reasonably established by the Board including operating contingency reserves for expenses both unanticipated and extraordinary and reserves for periodic maintenance, repair and replacement of the Association property and facilities; and such other expenses of the Association as may be approved by the Board including operating deficiencies, if any, for prior periods.

b. Available for Inspection. Twenty-one (21) days or more before the Annual Meeting of the Members, the Board shall make the budget available for inspection and shall communicate to each Member and/or Lot owner a summary of the budget in a reasonably itemized form that sets forth the amount of the expenses of the Association. Such budget shall constitute the basis for determining each Member and/or Lot owner's assessments for expenses of the Association.

c. Ratification of Budget. The Budget shall be reviewed at the Annual Meeting of the Members. Approval will be accomplished by a simple majority of the Members present whether or not there is a quorum. In the event such proposed budget is

rejected, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

d. Reasonable Efforts. The Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

### Section 3. Assessment and Payment of Expenses of the Association.

a. General Common Expenses The Board shall calculate the yearly assessments for expenses of the Association against each Membership and/or Lot by dividing (i) the total amount of the estimated funds required for the operation of the Association property and facilities and the Association set forth in the budget adopted by the Board in the fiscal year in question by (ii) the number of Memberships and/or Lots. Such assessments shall be billed in January of each fiscal year of the Association and shall be due and payable on the first day of March of such fiscal year of the Association, or such other date as is designated by the Board.

b. Reserves. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against reserves for working capital, operations, contingencies and replacements, if any. If the reserves are deemed to be inadequate for any reason, including non-payment of any Member and/or Lot owner's assessments, the Board may at any time levy further assessments for expenses of the Association which shall be assessed against the Members and shall be payable as a special assessment. Special assessments may be rejected by a vote of more than one half (1/2) the total Membership.

Section 4. Further Assessments. The Board shall serve notice on all Members and/ or Lot owners of any further assessments pursuant to Section 3 hereof or otherwise as permitted or required by these Bylaws giving the amount and reasons therefore, and such further assessments, and shall become effective and due and payable on the date or dates specified in such notice.

Section 5. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Member and/or Lot owner's obligation to pay his or her allocable share of the expenses of the Association as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Member and/or Lot owner shall continue to pay each annual assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

Section 6. Statement of Common Expenses. The Board shall promptly provide any Member and/or Lot owner so requesting the same in writing with a written statement of all

unpaid assessments for expenses of the Association, if any, due from such Member and/or Lot owner. The Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation.

Section 7. Limitations on Expenditures and Borrowing. The Membership by a vote of more than one half (1/2) of the total Membership may reject any capital expenditure or borrowing approved by the Board of Directors within thirty (30) days after approval by the Board.

Section 8. Failure to Pay Common Expenses or Assessments. If a Member fails to pay any expenses or assessments due from such Member within thirty (30) days of the date when due, the Member's voting rights will be automatically suspended until such time as all such expenses and assessments shall have been paid in full.

In addition any assessment or other amount due to the Association from a Member which is not paid by the Member within said thirty days (30) days after the due date shall be deemed in default and shall bear interest from the original due date of the assessment or amount due at the per annum interest rate of 12%. Such interest rate shall be adjusted on the annual anniversary date each year said lien remains outstanding. In the event of such default, the Association may elect to accelerate and make immediately due and payable the applicable Member's full assessment and amount's due for that year and may also place a lien on the Member's Lot or the Record Owner's Lot for the assessed amount plus, recording fees, costs of collection including for reasonable attorney fees incurred, and the above cited interest. A lien shall be created by the Association recording of certificate of lien at the Lincoln County Registry of Deeds specifying the amount of the lien, the name of Record Owner(s) of the applicable Lot and Member if different, the property liened, and such other information as the Board of Directors deems appropriate.

The Association may bring legal action against the applicable Member to pay the same and/or the Member's Lot or Record Owner's Lot for which the assessment and amounts due is made, in accordance with these Bylaws and all other applicable laws available to the Association. The Association may foreclose the lien against the applicable Lot for which the assessment is made, or take such other legal actions as it chooses to legally collect on the amount due hereunder including but not limited to by foreclosure, sheriff sale, and/or other collection action or proceeding. The Association may take these or other steps simultaneously or at different times, and in either case may collect in its claim the interest set forth above, along with costs of collection including reasonable attorney fees and any advances the Association had to make to protect its interest in the Lot.

Any action on behalf of the Association as provided herein shall be by vote of a majority of Directors at a duly called meeting or by unanimous written resolution signed by the Board of Directors. The officers of the Association are authorized to act at the direction of the Board of Directors.

## ARTICLE X

### Checks. Drafts. Notes and Other Instruments

Checks, drafts, notes and other instruments for the payment of money drawn or endorsed in the name of the Association shall be signed by the President or the Treasurer or by such other person or persons as the Board may from time to time authorize. Amounts of \$5,000 or more will be approved by both the President and the Treasurer or in lieu of either of these individuals by such other Board member or officer as the Board shall designate by majority vote. No check or other instrument as aforesaid shall be signed or endorsed in blank. All contracts shall be signed by the President or the Treasurer, or as the Board may from time to time designate. All deeds or other instruments or transfer of property shall be executed in the name of the Association by the President or the Treasurer, or by such other Board member or officer as the Board may from time to time designate.

## ARTICLE XI

### Amendments

These Bylaws may be amended by vote of a majority of the total Membership then eligible to vote. Advanced notice shall be provided that gives a brief, concise and accurate statement of the nature of the amendment proposed and the reasons for such amendment.

## ARTICLE XII

### Liability of Board Members and Officers

Section 1. Exculpation. No Board Member or Officer of the Association shall be liable for acts or defaults of any other Officer or Board Members or for any loss sustained by the Association or any Member thereof, unless the same has resulted from his own willful misconduct or gross negligence.

Section 2. Indemnification. Every Board Member and Officer of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been a Board Member or Officer of the Association whether or not he or she continues to be such Board Member or Officer of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful

misconduct or gross negligence toward the Association in the performance of his or her duties, or in the absence of such final adjudication, any determination of such liability by the opinion of the legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person. The Association will obtain Directors and Officers insurance and post a bond to secure this indemnification

## ARTICLE XIII

### General Provisions

Section 1. Severability. The provisions of these Bylaws shall be deemed independent and severable and the invalidity, partial invalidity or unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision or portion thereof.

Section 2. Notices. All notices or other communications required or permitted under these Bylaws shall be in writing and shall be deemed to have been given when personally delivered or on the second business day after the day on which mailed by certified mail, return receipt requested, postage prepaid or, if by email, on the day after the email is sent (a) if to a Member at the single mailing or email address which the Member shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Member or (b) if to the Association, or the Board of Directors, at the principal office of the Association or at such other address as shall be designated by notice in writing to the Member pursuant to this Section. If a Lot is owned by more than one person, each such person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 3. Heading. The headings preceding the various Sections of these Bylaws are intended solely for the convenience of readers of the Bylaws and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.