LAKE FAIRLEE ASSOCIATION, INC
BYLAWS

Article I — Organization

Section 1.1 - Name. The name of the corporation is Lake Fairlee Association, Inc. (hereinafter "the Association").

Section 1.2 - Purposes. The Association is organized and shall be operated exclusively for charitable purposes to preserve, protect and enhance the distinctive ecology and natural resources of Lake Fairlee and its surrounding watershed.

Section 1.3 - Limitations. No part of the earnings or assets of the Association shall inure to the benefit of or be distributable to its trustees, officers or other private persons, except that the Association may pay reasonable compensation for services rendered and may make distributions in furtherance of its purpose. The Association shall not engage in any impermissible types or amounts of political activities, including carrying on of political propaganda as a substantial part of its activities or any participation in the political campaign of a candidate for public office. The Association shall not lend money to or guarantee the obligation of a trustee or officer.

Section 1.4 - Nondiscrimination. The Association shall not discriminate in connection with admission to membership, participation, or in the conduct of its activities on the basis of race, color, religion, creed, national origin, ancestry, age, sex, gender, gender identity or expression, sexual orientation, marital status, disability, genetic information, veteran or military status, political affiliation, or any other characteristic protected by applicable federal, state, or local law.

Article II — Membership

Section 2.1 - Admission. Membership in the Association shall be voluntary and open to any person eighteen (18) years of age or older, who is in accord with the purposes of the Association, and who desires to further its activities. Applicants shall be admitted to membership upon submitting such information as may be required by the Board. Members shall pay such dues or fees on an annual, or other periodic basis as is determined by the Board, subject to review at a membership meeting. Membership in the LFA is allocated on an individual (per person) basis; individuals within a household must purchase discrete memberships. Membership in the LFA includes the implicit understanding that the member agrees with and accepts the LFA Purpose and Bylaws.

Section 2.2 - Rights. Each member shall have the right to participate in the governance of the Association as described in these bylaws and to receive a copy of these bylaws. Members shall be provided access to the books and records of the Association for a proper purpose and at a reasonable time, subject to approval by the Board in case of doubtful propriety.

Section 2.3 - Settlement of disputes. In any dispute between the Association and any of its

members or former members which cannot be resolved through informal negotiation, it shall be the policy of the Association to prefer the use of mediation whereby an impartial mediator may facilitate negotiations between the parties and assist them in developing a mutually acceptable settlement. Neither party with a grievance against the other concerning membership transactions and affairs of the Association shall have recourse to litigation until the matter is submitted to mediation and attempted to be resolved in good faith.

Section 2.4 - Termination. Membership may be terminated in any of the following ways:
(i) Voluntarily by a member upon notice to the Association;
(ii) Automatically upon delinquency in payment of membership dues or fees to an extent determined by the Board. LFA voting rights are predicated on receipt of annual dues and/or fees payment by the Call to Order at the annual meeting; and
(iii) For cause by the Board but only upon not less than fifteen days prior written notice of the proposed termination and the reasons therefore and an opportunity for the member to be heard orally or in writing not less than five days before the effective date of the termination.

Article III — Membership Meetings

Section 3.1 - Annual meeting. An annual membership meeting shall be held between July 1 and August 15 of each year. The purposes of the annual meeting shall be to hear reports on the activities and finances of the Association, to elect trustees and a Clerk, and to conduct such other business as may properly come before the meeting. Unless one-third or more of all members are present at such meeting, the only matters that may be conducted at an annual meeting are those described in the notice of the meeting.

Section 3.2 - Special meetings. Special membership meetings may be called by the Board or by the President. Special meetings shall be called by the Clerk upon receipt of one or more written requests of five percent of all members that describe the purpose or purposes of such meeting. Only those matters that are within the purposes described in the notice of the meeting may be conducted at a special meeting.

Section 3.3 - Time and place. The time and place of all meetings shall be determined by the Board or, in the absence of such determination, by the Clerk. Meetings shall be at a place convenient to members.

Section 3.4 - Notice. Notice of the time, place and purposes of any membership meeting shall be delivered by first class postal mail or, with the consent of a member, by electronic mail or other electronic means, to all members not less than ten days nor more than sixty days prior to the date of the meeting. A member may consent to electronic notice by providing an electronic mail address to the Clerk. Such consent may be revoked in writing at any time.

Section 3.5 - Quorum. The presence at the opening of a meeting of not fewer than twenty-five members, shall be necessary and sufficient to constitute a quorum for the transaction of business at any membership meeting.

Section 3.6 - Voting. Each member shall have one and only one vote on each matter submitted to a vote of members. Proxy voting shall not be permitted, unless in exceptional circumstances, by a unanimous vote of the Board. Unless otherwise required by these bylaws or unless a higher

number is required by law, action on a matter by members is approved if the votes cast for the action exceeds the votes cast against the action. Meetings shall be conducted in accordance with generally accepted rules of parliamentary procedure. Voting privileges are contingent upon yearly payment of annual membership dues or fees by the Call to Order of the annual meeting.

Section 3.7 - Record dates. Unless otherwise determined by the Board, only persons who are members at the close of business on the business day immediately preceding the date of distribution of notices shall be entitled to notice of a membership meeting. Unless otherwise determined by the Board, only persons who were members for ten days before the date of the meeting shall be eligible to vote at a meeting. Only persons who were members at the Call to Order at the start of a meeting shall be eligible to vote at a meeting.

Section 3.8 - Membership list. After the record date for notices of a meeting, the Association shall prepare an alphabetical list of members and update it periodically to account for additional members, if any, who were not entitled to notice but are entitled to vote at the meeting. Such list shall be available for inspection by any member at the principal office of the Association for the purpose of communicating with other members concerning the meeting, and shall also be available for inspection by any member at the meeting.

Section 3.9 - Issues submitted by members. Notice of a membership meeting shall include any proper issue submitted by petition of five members. Petitions must be received by the Association not less than seventy five days before the date of the meeting.

Article IV — Board of Trustees

Section 4.1 - Powers and duties. The corporate powers of the Association shall be exercised by or under the authority of, and the affairs of the Association managed under the direction of, the Board of Trustees (sometimes referred to herein as "the Board"). The duties of the Board shall include, but not be limited to, overseeing the operations of the Association and assuring that the purposes of the Association are properly carried out.

Section 4.2 - Composition and qualifications. The Board shall consist of nine trustees unless a different number, but not less than three, is established at a membership meeting. To be qualified as a trustee, an individual must be a member of the Association and must not have any overriding conflict of interest with the Association. When practicable, there shall be at least one trustee from each of the towns of Fairlee, Thetford and West Fairlee and at least one trustee from the commercial recreation camps for children having facilities on Lake Fairlee.

Section 4.3 - Nominations, election and terms. Trustees may be nominated by the Board or from the floor. Trustees shall be elected by members at the annual meeting or a special meeting in lieu thereof. Trustees shall be elected by plurality vote. The terms of trustees shall be staggered so that, as nearly as may be practicable, one-third shall expire in each year. Trustees may periodically be elected for one or two-year terms in order to accomplish this result. At other times trustees shall be elected for terms of three years. Unless they sooner resign or are removed, all trustees shall serve for their specified terms or until election of their successors.

Section 4.4 - Compensation. Trustees shall receive no compensation for their services as trustees. Trustees may be reimbursed for expenses reasonably and necessarily incurred by them on behalf of the Association or in connection with the performance of their duties, as determined

by the Board.

Section 4.5 - Standards of conduct. Trustees are responsible at all times for discharging their duties in good faith, in a manner that they reasonably believe to be in the best interests of the Association and with the care that an ordinarily prudent person in a like position would use under similar circumstances.

Section 4.6 - Conflicts of interest. Trustees shall have an affirmative obligation to disclose any direct or indirect interest they may have in any matter under consideration by the Board or by a committee, and such interest shall be made a matter of record in the minutes of the meeting. A trustee having such interest may not participate in the discussion or decision of such matter. A proposed transaction in which a trustee has a conflict of interest may be approved only by a majority of trustees who have no direct or indirect interest in the transaction and only if the material facts of the transaction and the conflict of interest are fully disclosed or known and the transaction is reasonably and in good faith believed to be fair to the Association. Each trustee and officer shall annually complete a written disclosure statement identifying any known potential conflicts of interest, which shall be filed with the Clerk and retained in the records of the Association. The Board shall adopt and maintain a written Conflict of Interest Policy consistent with IRS Form 990 requirements (the Lake Fairlee Association Conflict of Interest Policy), and compliance with such policy shall be a condition of continued service as a trustee or officer.

Section 4.7 - Committees. The Board of Trustees may designate one or more committees to have such powers and to perform such duties as is determined by the Board. No committee shall have or may exercise powers of the Board unless it is composed only of trustees and such powers are specifically described and strictly limited in scope and duration. The Board may designate an Executive Committee consisting of the President, Vice President, Treasurer, and Clerk, which shall have authority to act on behalf of the Board between Board meetings on time-sensitive matters. The Executive Committee shall not have authority to amend the bylaws; approve a merger, dissolution, or sale of substantially all assets; elect or remove trustees or officers; adopt or amend a budget; or take any action that by law or these bylaws requires approval of the Board or the membership. All actions of the Executive Committee shall be reported to the Board at its next meeting.

Standing Committees:

a. Nominations and Governance
This committee recruits and nominates
new board members, facilitates orientation, and oversees board evaluations
to ensure effective governance practices, including bylaw oversight and
review.
b. Finance
Oversee the organization's financial health, including budgeting, financial
reporting, and investment strategies. This committee ensures accurate financial records,
compliance with fiscal policies, and monitoring compliance with legal and ethical
standards.

Section 4.8 - Termination. The term of office of a trustee may be terminated prior to its expiration in any of the following ways:

(i) Voluntarily by a trustee upon notice to the Association;
(ii) Automatically upon termination of membership;
(iii) For failure to attend two consecutive Board meetings without adequate explanation, by a majority vote of the trustees then in office;
(iv) Without cause, as to a trustee elected by the Board, by vote of two-thirds of the trustees then in office; and
(v) Without cause, as to a trustee elected by the membership, by vote of the membership sufficient to have elected the trustee, provided that a purpose of the meeting as stated in notice of the meeting is to consider removing the trustee.

Section 4.9 - Vacancies. The Board may fill any vacancy among trustees occurring between annual meetings with an interim appointment that expires at the next annual meeting.

Article V — Meetings of Board

Section 5.1 - Convening. The first meeting of each newly constituted Board shall be held immediately after the annual membership meeting. The Board may determine the times and places of other regular meetings. Special meetings may be called by the President and shall be called by the Clerk upon request of any three trustees. The Board shall meet no less frequently than twice each year. Trustees may participate in any meeting of the Board by means of telephone conference call, video conference, or other communications equipment by means of which all persons participating in the meeting can hear each other simultaneously. Such participation shall constitute presence in person at the meeting.

Section 5.2 - Notice. Regular meetings, that is, those called by resolution of the Board, shall require no notice to trustees, it being the responsibility of absent trustees to make inquiry as to meetings that may have been scheduled in their absence. For all other meetings of the Board actual notice, either written, electronic or oral, of the time and place of the meeting shall be given to all trustees. Written and/or electronic notice shall be mailed/sent not less than ten (10) days before the date of the meeting, and oral notice shall be provided not less than twenty-four hours before the date of the meeting. Notice need not include the purposes of the meeting.

Section 5.3 - Quorum. The presence in person of a majority of trustees, but not less than three trustees, shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 5.4 - Decision making. Decisions of the Board shall be made by majority vote of trustees present unless a higher percentage is required by law or by these bylaws. Meetings shall be conducted in accordance with generally accepted rules of parliamentary procedure.

Section 5.5 - Open meetings. Meetings of the Board shall be open to all members of the Association. Sessions of a meeting may be closed only as to issues of a particularly sensitive nature. Such closed sessions shall be for purposes of discussion only and no decisions shall be made in closed sessions.

Section 5.6 - Action by consent. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a written consent to the action is signed by all trustees and entered into the corporate records of meetings.

Article VI — Officers

Section 6.1 - Designation. The principal officers of the Association shall consist of President, Vice President, Treasurer and Clerk. The same individual may not simultaneously hold the offices of President and Clerk. The Board may designate other officers or assistant officers.

Section 6.2 – Election, term and removal. Except as otherwise provided in these bylaws, officers shall be elected annually by the Board. The principal officers shall be trustees. Terms of office shall be for one year or until their successors are elected. Officers may be removed from office and replaced at any time by the Board whenever, in its opinion, the best interests of the Association would thereby be served. In the event of a vacancy in any officer position, the Board shall elect a successor to serve the remainder of the unexpired term at its next regular or special meeting.

Section 6.3 - Powers and duties. In addition to signing or attesting to formal documents on behalf of the Association as authorized by the Board, officers shall have the following powers and duties together with such other powers and duties as may be determined by the Board:

(a) The President shall coordinate the activities of the Board, shall preside at all meetings unless otherwise determined by the Board, and shall present a report on the activities of the Association to the annual meeting.
(b) Vice President: The Vice President shall perform the duties of the President in the President's absence or inability to act and shall carry out such other duties as may be assigned by the Board of Directors.
(c) The Treasurer shall have charge of the funds of the Association; shall keep accurate accounts of receipts and disbursements; shall be responsible for the filing of required reports and returns; and shall submit a written financial report to the annual meeting and to the Board as requested.
(d) The Clerk shall be responsible for the issuance of all notices under these bylaws, shall prepare and keep minutes of all meetings, shall have custody of all non-financial records of the Association, shall attend to official correspondence of the Association, shall maintain the membership list, and shall authenticate records of the Association.

Article VII — Fiscal Matters

Section 7.1 - Fiscal year. The fiscal year of the Association shall coincide with the calendar.

Section 7.2 - Books and records. The Association shall keep correct and complete books and records of account and accurate minutes of the proceedings of the Board of Trustees and all committees exercising any powers of the Board. The Board shall adopt and maintain a written Document Retention and Destruction Policy that establishes minimum retention periods for corporate records and prohibits the destruction of documents relevant to any pending or threatened litigation, government investigation, or audit. No document shall be destroyed in violation of such policy or applicable law.

Section 7.3 - Loans. No loan agreements or other evidences of indebtedness shall be executed in the name of the Association unless authorized by the Board of Trustees. The Association shall

not lend money to or guarantee the obligation of a trustee or officer.

Section 7.4 - Deposits and checks. All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies or other depositories as determined by the Board. All checks, drafts or other orders for the payment of money issued in the name of the Association shall be signed by such officers or agents of the Association as is determined by the Board. The Board shall by resolution establish authorization thresholds for expenditures, specifying which expenditures may be approved by officers and which require prior Board approval. Any single expenditure not included in the adopted budget shall require advance approval by the Board or the Executive Committee.

Article VIII — Indemnification, Whistleblower Protection, and Dissolution

Section 8.1 - Indemnification. The Association shall indemnify each trustee, officer, non-trustee committee members of the Association against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending, or completed civil, criminal, administrative, or investigative action, suit, or proceeding arising out of or related to such person's service as a trustee or officer or committee member, provided that such person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Association. The Association may maintain directors', officers' and non-trustee committee members' liability insurance to support this indemnification obligation. Indemnification shall not apply to matters in which the trustee, officer or non-trustee or committee member is found to have acted with gross negligence, willful misconduct, or in bad faith.

Section 8.2 - Whistleblower Protection. The Association shall not retaliate against any trustee, officer, employee, or volunteer who in good faith reports a suspected violation of law, these bylaws, or Association policy, or who participates in any investigation or proceeding related to such a report. Any person who believes they have been subjected to retaliation under this section may report such retaliation to the President or, if the President is involved, to the Board. The Board shall adopt and maintain a written Whistleblower Protection Policy consistent with IRS Form 990 requirements.

Section 8.3 - Dissolution. In the event of the dissolution of the Association, after paying or making provision for the payment of all liabilities of the Association, all remaining assets of the Association shall be distributed to one or more organizations that are organized and operated exclusively for charitable, scientific, or educational purposes as described in Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue law), and which have purposes consistent with the preservation, protection, and enhancement of the ecology and natural resources of Lake Fairlee and its surrounding watershed. No part of the assets shall be distributed to or for the benefit of any private individual. If the Board is unable to agree upon such an organization, a court of competent jurisdiction shall determine the distribution in accordance with applicable law.

Article IX — Construction and Amendment

Section 9.1 - Severability. In the event that any provision of these bylaws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these bylaws.

Section 9.2 - Amendment. These bylaws may be amended only by approval of the board and then by approval at a membership meeting by two-thirds of the votes cast or a majority of all members, whichever is less, provided that notice of the membership meeting states that the purpose or one of the purposes of the meeting is to consider the proposed amendment and the notice is accompanied by a copy or a summary of the proposed amendments.
I certify that the foregoing is a complete and accurate copy of the Bylaws of Lake Fairlee Association, Inc., including all amendments to date.

Lisa J. Johnson

Clerk

Dated: August 1, 2026