

BYLAWS

FOREST VILLAGE NORTH

CONDOMINIUM ASSOCIATION

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ARTICLE 1 - INTRODUCTORY PROVISIONS.

Section 1.1. Applicability.

These Bylaws ("Bylaws") shall relate solely to the property called Forest Village Condominium North located at Wells, Maine, (the "Property"), more fully described in the Declaration of Condominium and the Plats and Plans for the Condominium, dated _____ 2005, recorded in the York County Registry of Deeds, as the same may be amended from time to time.

Section 1.2. Definitions.

The capitalized terms used in these bylaws without definition shall have the same definitions as such terms have in the Declaration and the Maine Condominium Act, Section 1601-103 et. seq. (the "Act"). Unless otherwise provided in the Act, in the event of inconsistencies in definitions between the Act and the Declaration, the Declaration shall control.

Section 1.3. Compliance.

Every Unit owner and all persons entitled to occupy a Unit shall comply with these Bylaws.

Section 1.4. Office.

The office of the Condominium, the Association and the Board of Directors shall be located at the Property or at such other place as may be designated by the Board of Directors.

Section 1.5. Incorporation of Statutory Law.

Except as otherwise provided in these Bylaws, the Declaration or the Maine Condominium Act, the Association shall be governed by the provisions of any applicable statute of the State of Maine.

Section 1.6. Mutual Benefit Corporation.

This Association is a mutual benefit corporation under Title 13-B, the Maine Non-Profit Corporation Act.

ARTICLE 2 - THE ASSOCIATION

Section 2.1. Membership.

The Association is a Maine nonprofit corporation, all the members of which are the Unit owners of the Property. The Declarant, being the initial owner of all Units, initially shall constitute all of the members of the Association. A person, corporation, trust or other entity shall automatically become a member of the Association at the time of acquisition of legal title to a Unit, and shall continue to be a member until title is transferred elsewhere. A Unit owner shall not be permitted to resign from membership in the Association prior to the time of transfer. No membership may be transferred in any way except as appurtenant to the transfer of title to the Unit to which that membership pertains. Transfer of membership shall be automatic upon transfer of title, but the Association may treat the prior Unit owner as the member for all purposes until satisfactory evidence of the Recording of the instrument transferring title shall be presented to the Secretary of the Board of Directors. The date of Recordation of the deed to a Unit in the York County Registry of Deeds shall be determinative of all disputes concerning the date of transfer of title to any Unit or Units. A mortgage conveyance of all Units, however, shall not operate to transfer membership until the mortgage is foreclosed or the Unit sold in lieu of foreclosure.

Section 2.2. Meetings.

Meetings of the Association shall be conducted in accordance with the following:

(a) Annual Meetings.

- (1) Required. Unit owners shall hold Annual Meetings. The Annual Meeting of Unit owners shall be held on the second Saturday of June of each year unless such date shall be a legal or religious holiday, in which event the meeting shall be held on the next following day. The Board of Directors shall have the power to determine the exact date of any given annual meeting as long as it is within 30 days before or after the meeting date set forth above.
- (2) Purpose. The purpose of the Annual Meetings of the Association shall be to elect the members of the Board of Directors, unless the Unit owners are able to elect these members without a meeting by complying with section 2.2 (g). The Unit owners may also conduct such other business as may be required or permitted by law, the Declaration or these Bylaws to be done by a vote of Unit owners.
- (3) Treasurers Report Required. Treasurer of the Board of Directors shall present at each Annual Meeting a compiled financial report prepared and certified by an independent public accountant of the receipts and Common Expenses for the Association's immediately preceding fiscal year.

(b) Special Meetings.

- (1) When Called. The President shall call a special meeting of the Association if so directed by resolution of the Board of Directors or

upon petition signed and presented to the Secretary by Unit owners entitled to cast at least 5 votes.

- (2) Notice requirements. The notice of any special meeting shall state the time, the place and the purpose of the meeting.
- (3) Time requirements. Such meetings shall be held within forty-five days after receipt by the President of said resolution or petition. However, if the purpose includes the consideration of the rejection of a budget or capital expenditure under Section 5.8 of these bylaws, such meeting shall be held within fifteen days after receipt by the President of said resolution or petition, as required by the Maine Condominium Act.
- (4) Limitation on Business transacted. No business shall be transacted at a special meeting except as stated in the notice.
- (5) Special meeting required when Declarant gives up control. Within sixty days immediately preceding the date by which all members of the Board of Directors must resign pursuant to Section 12.1 of the Declaration, a special meeting of the Association shall be held. At the time of this meeting all of the members of the Board of Directors shall resign, and the Unit owners, including the Declarant if the Declarant owns one or more Units, shall elect successor members of the Board of Directors to act in the place of those resigning.

(c) Notice.

- (1) How delivered. Notices to Unit owners of meetings of the Association shall be either hand delivered or sent prepaid by U.S. mail to the mailing address of each Unit or to another mailing address designated in writing by the Unit owner to the Board of Directors.
- (2) Notices to Eligible Mortgage Holders required in some instances. If this notice includes an item on the proposed agenda which would require the approval of Eligible Mortgage Holders, a copy of such notice will also be sent to the Eligible Mortgage Holders.
- (3) Time for delivery of notices. All such notices shall be delivered to all Unit owners (and Eligible Mortgage Holders, if applicable) by the Secretary not less than ten nor more than sixty days in advance of the date of the meeting to which the notice relates, as required by the Maine Non-Profit Corporation Act.
- (4) Content of notices. The notices shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws.
- (5) Secretary responsible for notices. The Secretary of the Board of Directors shall cause all such notices to be delivered.
- (6) When notice is deemed delivered. Notice sent by mail shall be deemed to have been delivered on the earlier of the second day after the date of mailing, or the date of deposit in the Unit owner's or Eligible Mortgage Holder's mailbox.

- (7) Decisions limited to items mentioned in notice. No decision may be made at any Annual Meeting or Special Meeting of the Association, unless the notice for such meeting stated that such subject would be discussed at such meeting.

(d) Quorum.

The presence in person or by proxy of 60% percent of the Unit owners at the commencement of a meeting shall constitute a quorum. If a quorum is not present, Unit owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting for up to forty-eight hours. The quorum at such second meeting shall be 40% percent of the Unit owners present in person or by proxy at the commencement of the meeting.

(e) Voting.

- (1) Number of votes for each Unit determined by Declaration. Voting at all meetings of the Association shall be as provided in Exhibit B attached to the Declaration.
- (2) One Unit, multiple owners. Where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one person owning such Unit is present, then such vote shall be cast only in accordance with the majority in interest of the owners of that unit, pursuant to Section 1603-110 of the Act. There shall be deemed to be majority agreement if any one of the multiple owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit.
- (3) No voting rights except in person or by written proxy. Wherever the approval or disapproval of a Unit owner is required by the Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Association.
- (4) Reserved.
- (5) Voting for Board of Directors members. In all elections for Board of Directors members, each Unit owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit owner as provided in Exhibit B of the Declaration. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected. Except as set forth in Section 2.2(b)(2) above, if the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. Unit owners who are not current in payment of condominium assessments shall be disqualified from voting for the election of members of the

Board, if this fact is pointed out to, or known in advance of the vote, by the Secretary

- (6) Votes for Units owned by Association not counted. No votes allocated to a Unit owned by the Association may be cast.
- (7) No cumulative or class voting or splitting of votes. There shall be no cumulative or class voting or splitting of votes.

(f) Proxies.

A vote may be cast in person or by proxy.

- (1) Unit owned by more than one person. If a Unit is owned by more than one person, each owner of the Unit may vote through a duly executed proxy.
- (2) Persons to whom proxies may be given. Such proxy may be given by any Unit owner only to another Unit owner, the holder of a mortgage on a Unit or the Declarant.
- (3) Other requirements for proxies. Proxies must be in writing and signed by the person giving the proxy. They must designate the meeting for which the proxy is given and are valid only for that meeting. They must also be filed with the Secretary before the beginning of the meeting. Written proxies submitted to the Secretary can only be revoked by a writing signed by the person who gave the proxy. No proxy shall be valid for more than 11 months after it is signed. A proxy is void if it is not dated or purports to be revocable without notice.

(g) Actions of Association without a Meeting.

Any action required or permitted to be taken by a vote of the Association may be taken without a meeting if all Unit owners shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the Secretary. One or more Unit owners may participate in and be counted for quorum and be counted for voting purposes at any meeting by means of conference telephone or similar communication equipment if all persons participating in the meeting can hear each other.

(h) Conduct of Meetings.

The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted at the meeting as well as keep a record of all transactions occurring at the meeting.

(i) Rules of Order.

The Unit owners may adopt and amend, from time to time, Rules of Order to govern its meetings. Until the Unit owners adopt their own Rules of Order, the most current edition of Robert=s Rules of Order shall govern the meetings of the owners.

Section 2.3. Copies of Condominium Documents And Association Records.

The Association shall have current copies of the Articles of Incorporation, Declaration, these Bylaws, the Rules and Regulations and any other rules concerning the Condominium available for inspection by Unit owners or holders, insurers and guarantors of first Mortgages secured by Units.

The Board of Directors shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors and shall keep at its registered office or principal office in this State a record of the names and addresses of its members entitled to vote. All books and records of the Association may be inspected by any officer, director or voting member or the officer's, director's or voting member's agent or attorney, for any proper purpose at any reasonable time, in accordance with the Maine Condominium Act. The books, records, and financial statements shall available for inspection at normal business hours by holders, insurers, and guarantors of first mortgages that are secured by units in the project.

Refusal by the Board to make the books and records available for inspection or imposition of unreasonable restrictions thereon may make the Association liable for costs and attorneys fees under Title 13-B, Section 715, of the Maine Revised Statutes.

ARTICLE 3 - BOARD OF DIRECTORS

Section 3.1. Composition.

The affairs of the Association shall be governed by the Board of Directors. The Board of Directors shall consist of five natural individuals, at least a majority of whom shall be Unit owners or spouses of Unit owners, or designees of the Declarant.

Section 3.1-A. Duties of Directors and Officers.

A director shall discharge the director's duties:

- (a). In good faith;
- (b). With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c). In a manner the director reasonably believes to be in the best interests of the Association and not for their own personal interest.

Section 3.2. Election and Term of Office.

(a) (a) The five members of the Board of Directors elected after the period of Declarant control ends shall serve until the next annual meeting of Unit owners, at which time their terms shall expire. Five new members of the Board of Directors shall be elected at this next annual meeting of Unit owners. At such meeting, two (2) members shall be elected for a three year term, two (2) members for a two year term, and one (1) member for a one year term. All

subsequent elections to the Board at the annual meeting shall be for three year terms. The only exceptions are those members of the Board of Directors which may be appointed by the Declarant, and those members who may be appointed because of a vacancy. The members of the Board of Directors shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal or resignation. A Board of Directors member may serve an unlimited number of terms and may succeed himself.

(b) Cumulative voting for members of the Board of Directors is prohibited.

(c) The Board of Directors may appoint a nominating committee to recruit candidates for the Board.

(d) Persons qualified to be members of the Board of Directors may be nominated for election only as follows:

(1) Any Unit owner may submit to the Secretary at least thirty days before the meeting at which the election is to be held a nomination petition signed by Unit owners owning at least five Units. The Secretary shall mail or hand deliver the submitted items to every Unit owner together with the notice of such meeting; and,

(2) The Nominating Committee may submit to the Secretary at least thirty days before the meeting at which the election is to be held a recommendation for nominees to fill positions on the Board coming up for election. The Secretary shall mail or hand deliver the submitted items to every Unit owner together with the notice of such meeting; and,

(3) Nominations may be submitted from the floor at a meeting at which the election is held for each vacancy on the Board of Directors.

Section 3.3. Meetings.

Meetings of the Board of Directors shall be conducted as follows:

(a) Time and Location.

The Board of Directors shall hold an Annual meeting within ten days following the Annual Meeting of the Association to elect officers and conduct any other business which they have the authority to conduct. The first such Board of Directors meeting shall be held promptly after the date on which the Declaration is Recorded. The President or a majority of the Board of Directors can call meetings. The Board of Directors shall meet at least 3 times each fiscal year unless all members of the Board of Directors shall waive such requirements as to a particular meeting or meetings. The President shall designate the time and location of Board of Directors meetings. No business shall be transacted at Board of Directors meetings other than specified in the notice of the meeting.

(b) Notice.

Forty-eight hour written notice is required for Board of Directors meetings. The notice must contain the date, time and place of the meeting. The notice can be given by hand, by mail, email, facsimile or telegram, but in any event it must be given to each Board of Directors member. Any Board of Directors member may waive notice of a meeting or consent to any action of the Board of Directors

without a meeting. A Board of Directors member's attendance at a meeting shall constitute his waiver of notice at such meeting.

In addition to notice to the Directors, the Board shall make reasonable efforts to notify unit owners of the time and place of meetings of the Board by posting notices at the Association offices, by email, web site postings or other methods, but notification to every unit owner is not a prerequisite to the validity of such meetings.

(c) Quorum of the Board of Directors.

At all meetings of the Board of Directors, a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Board of Directors may participate in and be counted for quorum and voting purposes at any meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

(d) Voting.

Each Board of Directors member shall be entitled to cast one vote. A vote of the majority of the members of the Board of Directors present at any meeting at which a quorum is present shall bind the Board of Directors for all purposes unless otherwise provided in the Declaration or these Bylaws. No proxy voting is allowed in meetings of the Board of Directors because the duties of directors are non-delegable.

(e) Organization.

Board of Directors meetings may be held under such reasonable rules consistent with these Bylaws as the Board of Directors may determine.

(f) Conduct of Meetings.

The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a Minute Book of the Board of Directors meetings, recording all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. The Board may set aside as a separate agenda item a time for unit owners to speak.

(g) Action without a Meeting.

Any action required or permitted to be taken by a vote of the Board of Directors may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action and forward these consents to the Secretary.

If a meeting otherwise valid of the Board of directors or of any committee is held without call or notice where such is required, any action taken at such meeting shall be deemed ratified by a director or committee member who did not attend, unless, after learning of the action taken and of the impropriety of the meeting, he makes prompt objection thereto.

Objection by a member, director or committee member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the clerk or the secretary of the Association.

(h) Informal or Irregular Action by directors.

Action taken without a meeting by agreement of a majority of directors shall be deemed action of the Board of Directors if the Directors take informal action pursuant to a custom of the Association known generally to its members and all directors know of the action taken, and no director makes prompt objection thereto.

(i) Rights of Unit Owners at Meetings of the Board of Directors.

Unit owners have no right to participate in meetings of the Board unless invited to do so by the Board. The Board may have as an agenda item for each meeting, a time set aside for comments and questions from Unit Owners. The Board may establish rules or policies providing reasonable limits to such comments.

(j) Executive Sessions.

All meetings of the Board of Directors shall be open for unit owners to attend, except that the Board of Directors may go into Executive Session to discuss those legal issues, personnel issues, and other sensitive matters which are ordinarily the subject of Executive Sessions under Maine's Freedom of Access laws which regulate the conduct of state and local governments in Maine. The motion to go into Executive Session must be accompanied by an explanation of the precise nature of the business of the Executive Session, and no other business shall be discussed while in Executive Session. The Board of Directors may decide that there shall be no formal minutes of Executive sessions, except such decisions as may be required by law to be recorded.

Section 3.4. Resignation and Removal.

At a special meeting of members called expressly for that purpose, the entire Board of Directors or any individual director may be removed, with or without cause, by a vote of the members. Such removal may be accomplished by the affirmative vote of 2/3 of the members entitled to vote for directors. If any or all directors are removed at such meeting of the members, new directors may be elected at the same meeting without express notice being given of such election. Directors may be removed by a court in accordance with Title 13-B, Section 704-A of the Maine Revised Statutes.

This section does not apply to Board of Directors members which the Declarant has the right to appoint.

Section 3.5. Vacancies.

Any vacancy or vacancies on the Board of Directors (except members appointed by the Declarant), whether caused by resignation, removal, death, adjudication of incompetency, or an increase in the size of the Board of Directors, shall be filled by the Board of Directors with an interim appointee who shall serve until the next Annual Meeting of the Association, at which time such vacancy may

be filled by the vote of more than fifty percent of the votes of the Unit owners. If the vacancy results from the removal by vote of the Unit owners, the election of a new member or members may be held at the same meeting where such removal takes place and notice of an election for removal shall be considered notice of an election to fill each vacancy so caused. The vote of more than fifty percent of the Unit owners present at such meeting in person or by proxy shall cause the postponement of the election to a later date, but if such vacancy is not filled within sixty days after it occurs, the Board of Directors shall promptly thereafter elect a replacement.

Section 3.6. Compensation.

No member of the Board of Directors shall receive pay for performing his duties as a member of the Board of Directors unless such pay is expressly authorized or approved by a vote of more than fifty percent of the votes of all Unit owners, at any Annual or Special Meeting of the Association.

Section 3.7. Conflict-of-interest Transaction.

A conflict-of-interest transaction is a transaction in which a director or officer of the Association has a direct or indirect financial interest. For the purposes of this section, a director or officer has an indirect interest in a transaction if:

- (a). Another entity in which the director or officer has a material interest or in which the director or officer is a general partner is a party to the transaction; or
- (b). Another entity of which the director or officer is a director, officer or trustee is a party to the transaction.

A conflict-of-interest transaction is not voidable or grounds for imposing liability on a director or officer of the Association if the transaction was fair at the time it was entered into or is approved as provided in the subsection below.

A transaction in which a director or officer has a conflict of interest may be approved by the directors or the members of the Association before or after consummation of the transaction as follows:

(1) The Board of Directors or a committee of the Board may authorize, approve or ratify a transaction under this section if the material facts of the transaction and the director's or officer's interest are disclosed or known to the Board or committee of the Board.

(2) A conflict-of-interest transaction is approved if it receives the affirmative vote of a majority of the directors on the Board of Directors of the Association or on a committee of the Board who have no direct or indirect interest in the transaction, but a transaction may not be approved under this subsection by a single director. If a majority of the directors on the Board who have no direct or indirect interest in the transaction vote to approve the transaction, a quorum is present for the purpose of taking action under this section.

The Board of Directors, without regard to this section, has authority to fix the compensation of directors for their services as directors or officers or in any other capacity.

Section 3.8. Reserved.

Section 3.9. Powers of the Board of Directors.

(a) Enumeration.

The Board of Directors shall have all of the powers and duties granted by the Act and the laws governing corporations and unincorporated associations.

(b) Limitation.

Nothing in this section or elsewhere in these Bylaws shall be considered to grant to the Board of Directors or to the officers of the Association any powers or duties which, by law, are possessed by the Unit owners.

(c) Delegation of Powers; Managing Agent.

The Board of Directors may employ for the Condominium a managing agent at a compensation established by the Board of Directors. The managing agent shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws. Where a managing agent does not have the power to act under the Act, the Declaration or these Bylaws, the managing agent may act as an advisor to the Board of Directors. The Board of Directors may delegate to the managing agent all of the powers granted to the Board of Directors by the Act, the Declaration and these Bylaws other than the following powers:

- (i) to adopt an annual budget and any amendment thereto or to assess Common Expenses;
- (ii) to adopt, repeal or amend Rules and Regulations;
- (iii) to designate signatories on Association bank accounts;
- (iv) to borrow money on behalf of the Association;
- (v) to acquire mortgages on Units; and
- (vi) to assign Common Elements as Limited Common Elements.

Any contract with the managing agent must provide that it shall be cancelable by either party without cause and without a termination fee upon not less than sixty days nor more than ninety days written notice and shall be cancelable by the Board of Directors with cause upon not less than thirty days written notice. Any such contract negotiated by the Declarant shall not exceed three years but may be renewed upon consent of the Association.

Section 3.10. Scope of Rulemaking Authority.

The Board has authority to enact rules relating to the Common Elements.

The Board does not have authority to enact rules changing the uses to which any Unit is restricted, or to enact any other rules affecting units, except as they are ancillary to the Board's power to control the Common Elements.

Limitations on leasing and occupancy of units are considered to be ancillary to control of the Common Elements, since lessees use the Common Elements.

The Board may not enact rules which contravene the Maine Condominium Act, the Declaration of Condominium, the Bylaws, the Maine Non-profit Corporation Act or other state or federal law.

ARTICLE 4 - OFFICERS

Section 4.1. Election.

The Board of Directors shall elect officers at its Annual Meeting, provided a quorum is present. The term of office for each officer is one year. They shall, however, serve until their successors are elected. The officers to be elected are: President, Secretary, Treasurer and such other officers as the Board of Directors shall determine. Each officer may serve an unlimited number of terms so long as such member or officer continues to be re-elected to the Board of Directors. Any member may hold two offices simultaneously, except that the President shall not hold any other office.

Section 4.2. Duties.

The duties of the officers shall be as follows:

(a) President.

The President shall:

1. be the chief executive officer of the Association and the chairperson of the Board of Directors.
2. be responsible for implementing the decisions of the Board of Directors and in that capacity shall direct, supervise, coordinate and have general control over the affairs of the Association and the Board of Directors, subject to the limitations of the laws of the State of Maine, the Condominium Documents and the actions of the Board of Directors.
3. have the power to sign checks and other documents on behalf of the Association and the Board of Directors, or both, with or without the signatures of any other officers as may be determined by the Board of Directors.
4. preside at all meetings of the Association and the Board of Directors at which he is in attendance. If the President is absent from such meetings, the senior officer in terms of service on the Board, present at such shall preside, and in the absence of any officer, the body holding the meeting shall elect a person to preside.
5. have any or all of the powers and duties ordinarily attributable to the chief executive officer of a corporation domiciled in Maine, and.
6. To prepare or cause to be prepared, amendments to the Declaration on behalf of the Association, and to execute, certify and record such amendments.

(b) Secretary.

Unless otherwise determined by the Board of Directors, the Secretary shall:

1. Keep, or cause to be kept, all records (or copies thereof if the original documents are not available to the Association) of the Association and the

- Board of Directors and shall have the authority to affix the seal of the Association to any documents requiring such a seal;
2. Give, or cause to be given, all notices as required by law, the Declaration or these Bylaws;
 3. Keep, or cause to be taken and kept, minutes of all meetings of the Association and the Board of Directors;
 4. Take and keep, or cause to be taken and kept, at the Association's office a record of the names and addresses of all Unit Owners as well as copies of the Declaration, the Plats and Plans, these Bylaws and the Rules and Regulations, all of which shall be available at the office of the Association for inspection by Unit Owners, or prospective Unit Owners, during normal business hours and for distribution to them at such reasonable charges (if any) as may be set from time to time by the Board of Directors;
 5. Keep, or cause to be kept, the register of Eligible Mortgage Holders.
 6. Perform all duties and have such other powers as are ordinarily attributable to the Secretary of a corporation domiciled in Maine.
- The Secretary need not be a member of the Board of Directors nor a unit owner.

(c) Treasurer.

Unless otherwise determined by the Board of Directors, the Treasurer shall:

1. Have the charge and custody of, and be responsible for, all funds and securities of the Association;
2. Deposit, or cause to be deposited, all such funds in such depositories as the Board of Directors may direct;
3. Keep, or cause to be kept, correct and complete accounts and records of all financial transactions of the Association and the Board of Directors;
4. Submit, or cause to be submitted, to the Board of Directors and the Association such reports as the Act, the Declaration, the Board of Directors or these Bylaws may require. Such records shall:
 - i. Include chronological listings of all receipts and expenditures on account of the Common Elements, Limited Common Elements and each Unit;
 - ii. Include the amount of each assessment for Common Expenses and expenses assessable to individual Units, if any, and the amount paid and the amounts due on such assessments.
 - iii. Specify and itemize the maintenance, repair and replacement expenses relating to the Common Elements and the Limited Common Elements and any other expenses incurred by the Association.These financial records shall be kept at the Association's office and shall be available there for inspection by Unit Owners, or prospective Unit Owners, during normal business hours.
5. Upon request, provide a statement of unpaid assessments under Section 1603-116(h) of the Act, and resale certificates under Section 1604-108(b) of the Act.

6. Perform such duties and have such powers as are ordinarily attributable to the Treasurer of a Maine corporation.

The Treasurer need not be a member of the Board of Directors or a unit owner.

Section 4.2-A. General standards for officers.

An officer with discretionary authority shall discharge that officer's duties under that authority:

- (a). In good faith;
- (b). With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) . In a manner the officer reasonably believes to be in the best interests of the Association and its members and not for the officers own personal interest.

Section 4.3. Compensation.

Except for the Treasurer, the officers of the Board of Directors shall serve without compensation for their services in such capacity unless such compensation is expressly authorized or approved by a vote of more than fifty percent of the votes of all Unit owners, at any Annual or Special Meeting of the Association. The Board of Directors may pay the Treasurer such compensation as it deems suitable.

Section 4.4. Resignation and Removal.

Any officer may resign at any time by written notice to the Board of Directors. This resignation will become effective at the next Board of Directors meeting. Any officer, except for the Treasurer or Secretary, who ceases to be a member of the Board of Directors for any reason also shall be deemed to have resigned. Any officer may be removed from his office at any time by a majority vote of the Board of Directors whenever in the judgment of the Board of Directors member the interests of the Association will be best served thereby, or by the vote of the Association with or without cause, in the same manner as set forth for the removal of Board of Directors members in Section 3.4.

Section 4.5. Vacancies.

Vacancies caused by resignation or removal of officers or the creation of new offices may be filled by a majority vote of the Board of Directors members, if the vacancy resulted from action by the Board of Directors. If, however, the vacancy resulted from action by the Unit owners, such vacancy shall be filled in the same manner as set forth in Section 3.5 for filling Board of Directors vacancies.

ARTICLE 5 - COMMON EXPENSES: BUDGETS

Section 5.1. Fiscal Year.

The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors. However, the first fiscal year shall begin upon the Recordation of the Declaration and end on December 31 of the same year.

Section 5.2. Preparation and Approval of Budget.

(a) Adoption.

On or before November 1 of each year (or sixty days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Board of Directors shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay:

1. the cost of wages, maintenance, management, operation, repair, services, supplies, replacement of the Common Elements as to which it is the responsibility of the Board of Directors to maintain, repair and replace;
2. the cost of such insurance and utilities as may be furnished by the Association;
3. the amount of such reserves as shall be reasonably established by the Board of Directors including operating contingency reserves for expenses both unanticipated and extraordinary and reserves for periodic maintenance, repair and replacement of the Common Elements and Limited Common Elements; and
4. such other expenses of the Association as may be approved by the Board of Directors including operating deficiencies, if any, for prior periods.
5. The maintenance responsibilities assumed by the Board are set out in the Declaration. Those provisions are incorporated herein by reference.

(b) Available for Inspection.

On or before November 5th (or fifty-five days before the beginning of the fiscal year, as the case may be), the Board of Directors shall make the budget available for inspection at the Association office and shall mail to each Unit owner a summary of the budget in a reasonable itemized form that sets forth the amount of the Common Expenses. Such budget shall be the basis for determining each Unit owner's assessments for General Common Expenses of the Association.

(c) Ratification of Budget.

Within 30 days after adoption of any budget for the condominium, the Board of Directors shall provide a summary of the budget to all the unit owners, and shall set a date for a meeting of the unit owners to consider ratification of the budget not less than 14 nor more than 30 days after mailing of the summary. Unless at that meeting a majority of all the unit owners or any larger vote specified in the declaration reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the unit owners shall be continued until such time as the unit owners ratify a subsequent budget proposed by the Board of Directors.

(d) Reasonable Efforts.

The Board of Directors 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 5.3 Assessment and Payment of Common Expenses.

(a) General Common Expenses.

(1) Annual Assessments required. The Board of Directors shall determine and make assessments against Unit owners at least annually.

(2) Calculation of Assessments. The Board of Directors shall calculate the Regular Assessments for General Common Expenses against each Unit in accordance with the Declaration.

(3) When Assessments are payable. Such assessments, shall be due and payable at such times within the fiscal year as the Board of Directors shall determine from time to time and shall be a lien against each Unit owner's Unit as provided in the Declaration.

(4) Accounting required. Within ninety days after the end of each fiscal year, the Board of Directors shall prepare and deliver to each Unit owner and to each Eligible Mortgage Holder an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves.

(5) Shortages. Any net shortage in General Common Expenses shall be assessed promptly against the Unit owners and shall be payable as a Special Assessment, in such manner as the Board of Directors may determine.

(b) Reserves.

(1) Payment of Extraordinary Expenses. 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.

(2) Reserves inadequate to pay Extraordinary Expenses. If the reserves are inadequate, the Board of Directors may levy a Special Assessment. The Special Assessment shall be levied against each Unit owner according to each owner's Percentage Liability for Common Expenses, and shall be payable as the Board of Directors shall determine.

(3) Service charges. Service charges (other than Common Expenses) may be assessed separately to each Unit or group of Units benefited thereby and shall be paid by the Unit owner within 15 days of deposit in the U.S. Mail or hand delivery of the notice of such charges, and shall be a lien on the Unit with the same status as a lien for common charges set forth in the Declaration.

Section 5.4. Notice of Assessments.

The Board of Directors shall serve notice on all Unit owners of Assessments by a statement in writing giving the amount and reasons for the Assessment. Such further assessments, unless otherwise specified in the

notice, shall become effective with the next Regular Assessment which is due more than ten days after the delivery of such notice of further assessments. All Unit owners so assessed shall be obligated to pay such Regular Assessments. Such assessment shall be a lien as of the effective date as set forth in the preceding Sections 5.3.(a) and 5.3.(b).

Section 5.5. Initial Budget.

The Board of Directors shall adopt a budget at or prior to the time of the first Assessment, for the period beginning on the date of the first Assessment, and ending on the last day of the fiscal year.

Section 5.6. Effect of Failure to Prepare or Adopt Budget.

If the Board of Directors fails to prepare or adopt a budget in time, the Unit owners shall continue to pay each Regular Assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

Section 5.7. Accounts; Compilations.

(1) Single fund authorized. All sums collected by the Board of Directors may be commingled into a single fund.

(2) Accepted accounting practices required. All books and records of the Association shall be kept in accordance with good and generally accepted accounting practices.

(3) Annual verification required. Association accounts shall be verified at least once each year by an independent accountant retained by the Board of Directors.

(4) Financial statements furnished to mortgagees. The Association shall make a financial statement for the preceding fiscal year available to any holder, insurer or guarantor of a first Mortgage secured by any Unit who submits a written request therefor to the Association.

Section 5.8. Limitations on Expenditures and Borrowing.

The Association, by a vote of more than fifty percent of all votes in the Association, may reject any capital expenditure or borrowing approved by the Board of Directors, within thirty days after approval by the Board of Directors.

Section 5.9. Statement of Common Expenses.

When requested in writing, the Board of Directors shall promptly provide any Unit owner, contract purchaser or proposed Mortgagee with a written statement of all unpaid assessments for Common Expenses and Limited Common Expenses, if any, due from such Unit owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation.

ARTICLE 6 - REPAIR OR RECONSTRUCTION

Section 6.1. Restoration of Property Out of Common Expense Fund.

The Board of Directors shall promptly repair and restore any damage to or destruction under the provisions of Article 9 of the Declaration and Sections 1603-113(e) and (h) of the Act. The disbursements of funds for such repair or reconstruction shall, at the option of the Board of Directors, be made only as the work progresses upon approval of a qualified person who shall have furnished a description satisfactory to the Board of Directors of the costs involved and the services and materials to be furnished by the contractors, subcontractors and materialmen.

Unit owners may apply the proceeds from their individual property insurance policies, if any, to the share of such Common Expenses as may be assessed to them. The Board of Directors shall be responsible for restoring the Property only to substantially the same condition, as determined by the Board of Directors, as it was immediately prior to the damage. Each Unit owner shall personally assume the additional expense of any improvements to his Unit which he desires, to restore it beyond such condition. If any physical changes are made to any restored Unit or the Common Elements, or any combination of them, which makes inaccurate the Plats and Plans which are then of Record, the Board of Directors shall Record amended Plats and Plans showing such changes.

ARTICLE 7 - SEPARATE REAL ESTATE TAXES

Each unit shall have separate property tax bills. However, in the first year of the existence of the Condominium, if there are no tax assessments against individual Units, each Unit owner shall pay a portion of the tax bill for the whole Condominium in accordance with that Unit's Percentage Interest.

ARTICLE 8 - AMENDMENTS

Section 8.1. General Requirements; Consent of Declarant or Holders of Mortgages; Curative Amendments to Bylaws.

(1) Amendments require majority of all Unit owners. Except as otherwise provided in any one or more of these Bylaws, or the Declaration, these Bylaws may be amended by the vote of the Unit owners entitled to cast a majority of the votes in the Association, cast in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws.

(2) Declarant's assent required in certain cases. If the amendment makes any change which would have a material effect upon any rights, privileges, powers and options of the Declarant, the amendment shall require the joinder of the Declarant.

(3) Mortgagees assent required in certain cases. No amendment seeking (i) to abandon, partition, subdivide, encumber, sell or transfer any portion of the Common Elements, or (ii) to abandon or terminate the form of ownership of the

Property except as otherwise provided in the Declaration, shall be effective without the prior written approval of all Mortgagees encumbering the Units.

(4) Two thirds vote required for "material" changes. Notwithstanding the foregoing, amendments of a material nature require a two thirds vote of Unit owners and a majority vote of Eligible Mortgage Holders.

(5) What constitutes a "material" change. Reference is made to Section 17.7 of the Declaration for a definition of a Amaterial@ change.

(6) Corrective amendments. If any amendment is necessary in the judgment of the Board of Directors to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision of the Bylaws, the Maine Non-Profit Corporation Act or the Declaration, then the Board of Directors, acting through the President, may amend these Bylaws without the approval of the Unit owners or the holders of any liens on all or any part of the Property, upon receipt by the Board of Directors of a written opinion from legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. The amendment must specifically reference this section of the Bylaws.

Section 8.2. Amendments to the Declaration.

The President or Secretary may prepare, execute, certify and record amendments to the Declaration.

ARTICLE 9 - GENERAL PROVISIONS

Section 9.1. 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 unless the deletion of such invalid or unenforceable provision shall destroy the uniform plan for development and operation of the project which the Declaration (including the Plats and Plans and these Bylaws) are intended to create.

The Maine Non-Profit Corporation Act and the Declaration shall control in the event of any conflict between them and the Bylaws. The Maine Non-Profit Corporation Act, the Declaration and these Bylaws shall control in the case of any conflict between them and the Rules and Regulations. In the event that these sources do not provide a clear answer in matters of interpretation, it is the intent that these provisions be interpreted in accordance with the provisions of the Maine Condominium Act.

Section 9.2. Notices.

(1) Writing required. All notices or other communications required or permitted under these Bylaws shall be in writing.

(2) Time. All notices and other communications 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 :

(a) if to a Unit owner at the single address which the Unit owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit owner, or

(b) if to the Association, the Board of Directors or to the managing agent, at the principal office of the Association and to the managing agent or at such other address as shall be designated by notice in writing to the Unit owners pursuant to this Section.

(3) Multiple owners. If a Unit 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.

Section 9.3. Headings.

The headings preceding the various Sections of these Bylaws and the Table of Contents 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 of them.

Section 9.4. 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.

Section 9.5. Disposal of Assets

Upon dissolution of the Association, all remaining assets after the payment of debts and expenses, shall be disposed of in accordance with the Maine Condominium Act.

ARTICLE 10 - CORPORATE SEAL

Section 10.1. Seal.

The form of the seal of the Association shall contain the name of the Association and the words "State of Maine".