

**BYLAWS OF
OAKWOOD LANE CONDOMINIUM OWNERS' ASSOCIATION
(restated in 2010)**

**ARTICLE I
Introductory Provisions**

1.1. Unit Ownership. The land located at, Acorn Circle and Oakwood Lane Kennebunk, York County, State of Maine, more particularly described in the Declaration dated December 29, 1982 executed by Baywood Corp. and recorded in the York County Registry of Deeds in Book 3025, Page 265, said Declaration having been restated and amended by an instrument dated January 27, 1984, recorded in said Registry in Book 3245, Page 218, (as amended, the "Declaration"), together with all improvements to be constructed thereon (the "Property"), has been submitted to the provisions of the Maine Unit Ownership Act (33 M.R.S.A. § 560 et seq.) and, pursuant to the transition provisions of 33 MRSA § 1601-102(a), has been or shall be submitted to the provisions of the Maine Condominium Act, Chapter 31 of Title 33 of the Maine Revised Statutes of 1964, as amended (the "Act"), by the Declaration and declared as a condominium to be known as "Oakwood Lane Condominium" (hereinafter called the "Condominium"). These Bylaws have been adopted as required by the Unit Ownership Act and by Section 1603-106 of the Act to govern this Unit Owner's Association of the Condominium (hereinafter called the "Association"). The Bylaws have been adopted in anticipation of the transition of the Condominium to governance pursuant to the Act from the Unit Ownership Act. Prior to the completion of such transition, any provision of these Bylaws which expressly conflicts with any provision of the Unit Ownership Act shall be deemed ineffective until such time as the said transition is complete as evidenced by the recordation of a revised Declaration in the Registry affirming the transition to the Act.

1.2. Name. The name of this Association is Oakwood Lane Owners' Association.

1.3. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Property of the Condominium and to the use and occupancy thereof. All present and future Unit Owners, Mortgagees, lessees and occupants of the Units and their employees and any other persons who may use the facilities of the Condominium in any manner are subject to these Bylaws, the Declaration and to the Rules and Regulations established by the Board of the Association as hereinafter set forth. Any reference herein to any provision of the Maine Condominium Act shall, to the extent required by law, also include a reference to any relevant provision of the Unit Ownership Act, but only to the extent the Unit Ownership Act must apply under the rules governing transition from the Unit Ownership Act to the Maine Condominium Act. Upon completion of the transition, any reference to the Unit Ownership Act shall be rendered null and void.

1.4. Office. The principal office of the Association and of the Board of Directors (the "Board" (which may be called the "Executive Board")) shall be located at any location or Unit within the Condominium on Acorn Circle or Oakwood Lane, Kennebunk, Maine, or at such other location as the Board may designate from time to time.

1.5. Corporation Law. Except as otherwise expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of the Maine Nonprofit Corporation Act, Title 13-B of the Maine Revised Statutes of 1964, as amended (the "Nonprofit Corporation Act").

1.6. Nonprofit Status. The Association is not organized for profit and no property or profit thereof shall inure to the benefit of any person except in furtherance of the nonprofit-making purposes of the Association or in the course of acquiring, constructing or providing management, maintenance or care of the Condominium.

1.7. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in said Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.

ARTICLE II The Association

2.1. Composition. The Association has been organized prior to the date hereof as a nonprofit corporation pursuant to the Nonprofit Corporation Act. The Association shall consist of all of the Unit Owners acting as a group in accordance with the Act, the Declaration, and these Bylaws. The membership of the Association shall consist of all the Unit Owners of the Condominium, or, following any termination of the Condominium as provided in Section 1602-118 of the Act of all former Unit Owners entitled to distributions of proceeds under said Section 1602-118, or their heirs, successors or assigns, but shall not include persons having an interest in a Unit solely as security for an obligation. The terms "member" and "Unit Owner" appearing in these Bylaws are interchangeable.

2.2. Non-transferability of Interests. Except as provided herein or in the Declaration, membership shall not be transferable. The membership of each Unit Owner shall terminate upon a sale, transfer or other disposition, other than by mortgage, of the ownership interest of such Unit Owner in the Property, accomplished in accordance with the provisions of the Declaration, and thereupon the membership and any interest in any reserve or other common funds shall automatically transfer to and be vested in the next Owner or Owners succeeding to such ownership interest. The Association may, but shall not be required to, issue certificates or other evidence of membership therein.

2.3. Powers and Duties. The Association shall have the following purposes, duties and powers to: (a) Adopt and amend Bylaws and rules and regulations for the operation of the Association and Condominium; (b) Adopt and amend budgets for revenues, expenditures and reserves and collect assessments for Common Expenses from Unit Owners; (c) Hire and terminate managing agents and other employees, agents and independent contractors; (d) Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium; (e) Make

contracts and incur liabilities relating to the purposes of the Association stated in these Bylaws and the Declaration; (f) Regulate the use, maintenance, repair, replacement and modification of the Common Elements; (g) Cause additional improvements to be made as a part of the Common Elements; (h) Acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to Section 1603-112 of the Act and subject to the prior approval of Eligible Mortgage Holders to the extent required under the Declaration or the Act; (i) Grant easements, leases, licenses and concessions through or over the Common Elements; (j) Impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements (other than Limited Common Elements) and for services provided to Unit Owners; (k) Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration and of these Bylaws and rules and regulations of the Association; (l) Impose reasonable charges for the preparation and recordation of amendments to the Declaration and statements of unpaid assessments; (m) Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance; (n) Assign its right to future income; (o) Exercise any other powers conferred to it by the Declaration; (p) Exercise all other powers that may be exercised in the State of Maine by corporations organized pursuant to the Nonprofit Corporation Act, as the same or its equivalent may be amended or modified from time to time; and (q) Exercise any other powers necessary and proper for the governance and operation of the Condominium by the Association.

The foregoing responsibilities shall be performed by the Board or managing agent as more particularly set forth in these Bylaws.

2.4. Meeting of Members. Meetings of the membership shall be held at the principal office of the Association or at such other place as may be specified in the notice of the meeting.

2.5. Annual Meetings. The annual meetings of the members shall be held each year in such place and at such time as the Board of Directors shall determine. At such meetings the members shall elect by ballot a Board of Directors. The members shall also transact such other business as may properly come before them.

2.6. Special Meetings: The Secretary shall call a special meeting of the Association if so directed by resolution of the Board, or upon a petition signed and presented to the Secretary by Unit Owners of the Units to which are allocated not less than fifty percent (50%) of the Votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held no earlier than ten (10) days and no later than forty-five (45) days after receipt by the President of said resolution or petition. No business shall be transacted at a special meeting except as stated in the said notice unless with the consent of three-fifths (3/5ths) of the members present, either in person or by proxy.

2.7. Notice of Meeting. It shall be the duty of the Secretary, or upon his or her failure or neglect then of any other officer, to give notice of each annual or special meeting, the time and place of the meeting, and the items on the agenda for that meeting, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes and any

proposal to remove a member of the Board or officer, to each member of record including the Declarant as long as it is the Owner of record of a Unit and to each Eligible Mortgage Holder as long as it is the record holder of a first Mortgage of a Unit. With respect to any annual or special meeting such notice shall be so mailed at least ten (10) days but no more than sixty (60) days prior to the date so set for the meeting.

2.8. Quorum. The presence, either in person or by proxy, of the Owners of the Units to which are allocated at least fifty percent (50%) of the Votes in the Association shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of members.

2.9. Adjournment of Meetings. If at any meeting of members a quorum shall not be in attendance, those members who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time at which the original meeting was called.

2.10. Votes in Association. The total number of votes of all Unit Owners shall be 30, and each Unit shall be allocated 1 vote. The allocation of votes to Unit Owners shall be as set forth in Schedule B to the Declaration.

2.11. Voting. If a Unit is owned of record by one person, that Unit Owner's right to cast the Votes allocated to that Unit shall be established by the record title to the Unit. If ownership of a Unit is in more than one person, the person who shall be entitled to cast the Vote allocated to that Unit shall be the person named in a certificate executed by all of the Owners of such Unit and filed with the Secretary of the Association. If ownership of a Unit is in a corporation, limited liability company ("LLC"), partnership, trust or estate, the officer or employee of that corporation, manager of that LLC, partner of that partnership, trustee of that trust, or agent of that estate, entitled to cast for the corporation, LLC, partnership, trust or estate the Vote allocated to such Unit shall be designated in a certificate for that purpose executed by the president or a vice president of that corporation, and attested to by the secretary or clerk of that corporation, executed by all the managers of that LLC, executed by all the partners of that partnership, executed by all the beneficiaries of that trust, or executed by either all the devisees of that estate or by order of probate court and filed with the Secretary of the Association. Such certificates of multiple owners, corporations, LLC's, partnerships, trusts and estates shall be valid until revoked by a subsequent certificate similarly executed and filed with the Secretary. Wherever the vote, approval or disapproval of a Unit Owner is required by the Declaration, these Bylaws, or the Act, such vote, approval or disapproval shall be made only by the person who would be entitled pursuant to such certificate to cast at any meeting of the Association the Votes allocated to such Unit. If the person named or designated in said certificate for a particular Unit shall be absent from a meeting of the Association, no person may cast the Votes allocated to that Unit at the meeting although the presence at the meeting of an unnamed or undesignated co-Owner or member, officer, manager, employee, agent or designee of such Owner shall be counted in determining whether a quorum is present. If a multiple Owner of a Unit that is not a corporation, LLC, partnership, trust or estate has failed to file said certificate with the Secretary and only one of the multiple Owners is present at a meeting of the Association, he or she shall be entitled to cast at the meeting the Vote allocated to that Unit without establishing the concurrence of the absent Owners just as though that person were the sole Owner of the Unit. If a multiple Owner

of a Unit that is not a corporation, LLC, partnership, trust or estate has failed to file said certificate with the Secretary and if more than one Owner of that Unit is present at the meeting, the Vote allocated to that Unit may be cast only in accordance with the agreement of a majority of the multiple Owners present at the meeting. Such majority agreement shall be conclusively presumed if any one of those multiple Owners shall cast the Vote allocated to the Unit without protest being promptly made to the person presiding over the meeting by any other Owners of that Unit. Any provision of this Paragraph to the contrary notwithstanding, in the event of any proposed actions to terminate the Condominium pursuant to Section 1602-118 of the Act; change the Allocated Interests appurtenant to any Unit, change the boundaries of a Unit, or subdivide a Unit; merge or consolidate the Condominium with another Condominium; convey or subject to a security interest any portion of the Common Elements; or use any proceeds of property insurance required to be maintained by the Association pursuant to the Declaration for purposes other than repair and restoration of the damaged property in accordance with these Bylaws, the Declaration, the Plats and Plans, the original elevation thereof and original building plans and specifications therefor; then: an Eligible Mortgage Holder shall have the right, but not the obligation in place of the Owner of the Unit subject to the Mortgage held by such Eligible Mortgage Holder to cast the Vote allocated to that Unit or to give or withhold any consent required of such Unit Owner for such action by delivering written notice to the Association with a copy to the Unit Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by prepaid United States mail, return receipt requested, or by delivery in hand, securing a receipt therefor; failure of the Eligible Mortgage Holder to so exercise such rights shall constitute a waiver thereof and shall not preclude the Unit Owner from exercising such right. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the members to cast the Votes allocated to such Unit or Units. No votes allocated to a Unit owned by the Association may be cast.

2.12. Majority Vote Required. Unless by express provisions of the Act, these Bylaws or the Declaration a different vote is required, each question presented at a meeting shall be determined by a majority vote of Unit Owners. As used in these Bylaws, the term "majority of Unit Owners" shall mean the Unit Owners of those Units to which are allocated more than fifty percent (50%) of the total authorized Votes allocated to all of the Units that are present in person or by proxy and voting in any meeting of the Association at which a quorum is present as determined in accordance with these Bylaws.

2.13. Informal Action. Any action required or permitted to be taken at any meeting of the members may be taken without a meeting if a written consent thereto is signed by all the members. The Secretary shall file such written consent with the records of the meetings of the members and such consent shall be treated as a unanimous vote of members for all purposes.

2.14. Proxies. A vote may be cast in person or by proxy. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. Proxies shall be duly executed in writing and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of written notice of revocation from the grantor(s) of the proxy. No proxy shall be valid for a

period in excess of eleven (11) months after the execution thereof unless it specifies a shorter term. A proxy is void if it is not dated or purports to be revocable without notice.

2.15. Order of Business. The order of business at all meetings of the members shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting for approval of same;
- (d) Reports of Board or of officers or of the manager;
- (e) Reports of committees, if any;
- (f) Fix number of members of Board (when so required);
- (g) Election of inspectors of election (when so required);
- (h) Election of members of the Board (when so required);
- (i) Unfinished business;
- (j) New business.

At all meetings of the Association or of the Board, Robert's Rules of Order, as then amended, shall be followed, except in the event of conflict in which these Bylaws or the Declaration, as the case may be, shall prevail.

ARTICLE III Board of Directors

3.1. Number and Qualification. The affairs of the Association shall be governed by a Board (which may be called the "Executive Board") composed of not less than three (3) and not more than six (6) natural persons, all of whom shall be Unit Owners set forth on the deed to the Unit or in the case of a Unit Owner which is a corporation, LLC, partnership, trust or estate, a designated agent thereof. The individuals on the Board may be referred to herein as 'Directors' or 'members of the Board'.

3.2. Election and Term of Office. The Directors shall be elected as follows:

3.2.1. At the annual meeting of the Association, the election of Directors shall be held. The term of office of any Director to be elected shall be fixed at three (3) years. Subject to the foregoing, the number of members on the Board shall be determined at each annual meeting prior to the elections. Insofar as it can be effectuated without affecting the term of any sitting Director, the terms of the individual Directors shall be arranged to expire on a staggered basis. The 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. Any Director may serve an unlimited number of terms to succeed himself.

3.2.2. Persons qualified to be Directors may be nominated for election only as follows:

3.2.2.1. Any Unit Owner may submit to the Secretary at least thirty (30) days before the meeting at which the election is to be held a nominating petition signed by the owner(s) of at least two (2) Units and a statement that the person nominated is willing to serve on the Board. The Secretary shall mail or hand deliver the submitted items to every Unit owner along with the notice of such meeting;

3.2.2.2. Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Board.

3.3. (reserved)

3.4. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and shall have all powers and duties referred to in the Declaration and the statutes of the State of Maine pertaining to corporations without capital stock, as amended from time to time, and may do all such other acts and things provided from time to time by the Act to be done by a Board or by the Unit Owners collectively except such acts or things as are by law or by these Bylaws or by the Declaration directed to be exercised and done by the Unit Owners individually. The powers and duties of the Board shall include but not be limited to the following:

3.4.1. The power and duty to determine the Common Expenses of the Condominium and the assessments to each Unit for the Common Expenses.

3.4.2. The power and duty to make assessments against Unit Owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of annual assessments for Common Expenses.

3.4.3. The power and duty to provide for the operation, care, upkeep, maintenance and repair (structural or otherwise) of all of the Common Elements and other Property and services of the Condominium.

3.4.4. The power and duty to designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties.

3.4.5. The power and duty to collect the assessments for Common Expenses against the Unit Owners, deposit the proceeds thereof in any bank depositories or money market funds designated by the Board and use the proceeds to carry out the administration of the Property.

3.4.6. The exclusive power to make and amend rules and regulations covering the details of the operation and use of the Property.

3.4.7. The power to open bank accounts on behalf of the Association and designate the signatories thereon.

3.4.8. The power and duty to make, or contract for the making of, repairs, additions and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

3.4.9. The power to enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations and duty and power to act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding.

3.4.10. The power and duty to obtain and carry insurance against casualties and liabilities, as provided in the Declaration, pay the premiums therefor and adjust and settle any claims thereunder.

3.4.11. The power and duty to pay the cost of all authorized services rendered to the Association and not billed to Unit Owners of individual Units.

3.4.12. The power to notify an Eligible Mortgage Holder of any default hereunder by the Unit Owner of the Unit subject to the Mortgage of such Holder, in the event such default continues for a period exceeding thirty (30) days.

3.4.13. The power to borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep, maintenance and repair (structural or otherwise) of the Common Elements.

3.4.14. The power to acquire, hold and dispose of Units and mortgage the same on behalf of the Unit Owners.

3.4.15. The power to designate and impose such restrictions and conditions on the use of Common Elements from time to time, as the Board deems appropriate.

3.4.16. The power and duty to furnish statements as required by Section 1603-116 (h) of the Act.

3.4.17. The power to do such other things and acts not inconsistent with the Act or the Declaration which the Board may be authorized to do by a resolution of the Association.

3.4.18. The power to invest and reinvest funds of the Association and to take all actions necessary and proper in connection therewith, and for any year in which the

Board exercises this power to invest and reinvest funds of the Association, the Board shall have the duty to invest the funds of the Association subject to any investment policy that the Board may adopt which reflects the basic investment objectives of safety, liquidity and income return. At least annually, the Board shall disclose to the members a listing on an itemized basis as to amount, type and rate of return, of the instruments, funds, investments and accounts in which the funds of the Association are invested or deposited.

3.5. Delegation of Powers; Managing Agent. The Board may employ for the Condominium a "Managing Agent", "Property Manager" or "Manager" at a compensation established by the Board. The managing agent shall perform such duties and services as the Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws; provided, however, where a Managing Agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Board. The Board may delegate to the Managing Agent all of the powers granted to the Board by the Act, the Declaration and these Bylaws other than the powers: (a) to adopt the annual budget and any amendment thereto or to assess any Common Expenses; (b) to adopt, repeal or amend rules and regulations of the Association; (c) to designate signatories on Association bank accounts; (d) to borrow money on behalf of the Association; (e) to acquire and mortgage Units; (f) to designate Reserved Common Elements; (g) to allocate Limited Common Elements; (h) to sign tax returns or otherwise act as a "Tax Matters Person".

3.6. Removal or Resignation of Members of the Board. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by Unit Owners entitled to cast at least seventy-five percent (75%) of all the Votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Unit Owner proposing removal of a Director shall give notice thereof to the Secretary. Any Director whose removal has been proposed by a Unit Owner shall be given at least ten (10) days notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A Director may resign at any time and shall be deemed to have resigned upon transfer of title to his or her Unit.

3.7. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining board members at a special meeting of the Board held for such purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board for the remainder of the term of the Director being replaced and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled upon expiration of the term of his or her predecessor. In the case of multiple vacancies, the Director receiving the greatest number of votes shall be elected for the longest term.

3.8. Organizational Meeting. The first meeting of the Board following each annual meeting of the Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the President (even if he or she is the outgoing President) at the meeting at

which such Board shall have been elected, and no notice shall be necessary to the newly elected members of the Board in order to legally to constitute such meeting, if a majority of the Directors shall be present at such meeting.

3.9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the members. Notice of regular meetings of the Board shall be given to each member and Eligible Mortgage Holder by the Secretary in the manner provided in the Declaration for service of notice upon Unit Owners and Eligible Mortgage Holders, at least ten (10) business days prior to the day named for such meeting.

3.10. Special Meetings. Special meetings of the Board may be called by the President on at least three (3) business days' notice by the Secretary to each member and Eligible Mortgage Holder, given by mail, telegraph or hand delivery, securing a receipt therefor, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board.

3.11. Waiver of Notice. Any member may at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Board shall constitute a waiver of notice by him or her of the time, place and purpose of such meeting unless the sole purpose of the member's attendance is to protest the holding of the meeting. If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.12. Quorum of the Board. At all meetings of the Board, a majority of the Directors originally present shall constitute a quorum for the transaction of business, notwithstanding the departure of Directors from that meeting and the votes of a majority of the Directors present at the meeting at which a quorum is originally present shall constitute the decision of the Board. If at any meeting of the Board 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 may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

3.13. Compensation. No member of the Board shall receive any compensation from the Association for acting as such, but may be reimbursed for any reasonable expenses incurred in the performance of his or her duties.

3.14. Conduct of Meetings. The President shall preside over all meetings of the Board and the Secretary shall keep a minute book of the Board meetings, recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at

such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board if and to the extent not in conflict with the Declaration, these Bylaws or the Act.

3.15. Action Without 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 in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board.

3.16. Validity of Contracts with Interested Board Members. No contract or other transaction between the Association and one or more of its Board members or between the Association and any corporation, firm or association in which one or more of the Board members are directors or officers, or are financially interested, shall be void or voidable because such Board member or members are present at any meeting of the Board which authorized or approved the contract or transaction or because his or her or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

3.16.1. The fact that a Board member is also such a director or officer or has such financial interest is disclosed or known to the Board and is noted in the minutes thereof, and the Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Board member or members; or

3.16.2. The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

3.17. Inclusion of Interested Board Members in the Quorum. Any Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Paragraph 3.16.

ARTICLE IV Officers

4.1. Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The Board shall also elect a Registered Agent, and may elect a clerk, both of whom need not be Unit Owners, and who shall have the responsibilities set forth in Maine law and as otherwise delegated by the Board. The President, Secretary and Treasurer shall all be Unit Owners, or a director of any corporation Unit Owner, a manager of any LLC Unit Owner, a partner of any partnership Unit Owner, personal representative of any estate Unit Owner, or a trustee of any trust Unit Owner (collectively referred to herein as Unit Owner designees); and a

member of the Board. Any other officers (if any) may, but need not, be Unit Owners, Unit Owner designees, or members of the Board. An officer other than the President may hold more than one office.

4.2. Election of Officers. The officers of the Association shall be elected annually by the Board at the annual meeting of the Board and shall hold office at the pleasure of the Board.

4.3. Removal and Replacement of Officers. Upon the affirmative vote of a majority of all members of the Board, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Board called for such purpose.

4.4. President. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Board and have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Maine including without limitation the power to appoint committees from among the Unit Owners from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall cease holding such office at such time as he or she ceases to be a member of the Board.

4.5. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board, have charge of such books and papers as the Board may direct, maintain a register setting forth the place to which all notices to Unit Owners and Eligible Mortgage Holders hereunder and pursuant to this Declaration shall be delivered and, in general, perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Maine. The Secretary shall, within ten (10) days after receipt of request, provide any person, or cause to be provided to any person, entitled thereto at the expense of the person requesting the same a written statement or certification of the information required to be provided by the Association pursuant to Section 1603-116(h) of the Act and Paragraph 5.18.

4.6. Treasurer. The Treasurer shall have the responsibility for the safekeeping of Association funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, be responsible for providing to the Secretary the financial and budgetary information necessary for the Secretary to provide the certifications required by Paragraph 4.5, and be responsible for the deposit of all monies in the name of the Association or the managing agent, in such depositories as may from time to time be designated by the Board and, in general, perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Maine.

4.7. Execution of Documents. Except as provided elsewhere herein, all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Five Thousand Dollars (\$5,000.00) shall be executed by the President or the Secretary and the Treasurer of the Association. All such instruments for expenditures or obligations of Five Thousand Dollars (\$5,000.00) or less may be executed by any one officer of

the Association or such other person or employee as the Board may designate in writing.

4.8. Compensation of Officers. No officer who is also a member of the Board shall receive any compensation from the Association for acting as such officer, but may be reimbursed for any out-of-pocket expenses incurred in performing his or her duties.

ARTICLE V Operation of the Property

5.1. Fiscal Year. The fiscal year of the Association shall begin on such date as shall be established by the Board, except for the first fiscal year of the Association which shall begin at the date of incorporation of the Association. The commencement date of the fiscal year so established shall be subject to change by the Board.

5.2. Preparation and Approval of Budget:

5.2.1. On or before sixty days (60) before the beginning of the fiscal year for which a Common Expense assessment is made, the Board shall adopt an annual budget for the Association containing an estimate of the total amount of the Common Expenses considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Condominium Documents or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. The budget shall include such amounts as the Board shall consider necessary to provide working capital, a general operating reserve fund for current Common Expenses, and a reserve fund for contingencies, replacements, capital improvements, and other items which cannot be expected to occur on a regular basis.

5.2.2. On or before the thirtieth (30th) day after the adoption of an annual budget as provided in subparagraph 5.2.1. the Board shall make such budget available for inspection during business hours by any Unit Owner or Mortgagee at the Property and the Secretary shall provide to the Unit Owners and Eligible Mortgage Holders a summary of that budget in reasonably itemized form setting forth the separate amounts of the Common Expenses and shall set a date for a special meeting of the Unit Owners and Eligible Mortgage Holders to consider ratification of such budget no less than fourteen (14) days nor more than thirty (30) days after mailing of such summary of budget accompanied by notice of the meeting to each Unit Owner and Eligible Mortgage Holder. Unless at the meeting a majority in voting interest of all the Unit Owners reject the proposed budget or revised budget, that budget is ratified irrespective of whether a quorum is present at said meeting. In the event such budget shall be rejected at the meeting, the budget last ratified with respect to the period covered by the proposed

budget shall be continued as the budget for the Condominium until such time as the Unit Owners ratify a subsequent budget proposed by the Board upon the same conditions as are provided in this subparagraph with respect to the original budget.

5.2.3. Subject to subparagraph 5.2.2. the budget adopted pursuant to this Paragraph shall constitute the basis for determining each Unit Owner's assessments for Common Expenses and shall automatically take effect at the beginning of the fiscal year for which it is adopted.

5.3. Assessment of Common Expenses. The total amount of the estimated funds for Common Expenses required from assessments for the operation of the Property as described in subparagraph 5.2.1. and set forth in the budget adopted by the Board shall be assessed on an annual basis against each Unit Owner in proportion to his or her respective Common Expense Liability as provided in Article IV, Paragraph 1 of the Declaration.

5.3.1. Limited Expenses. Limited Expenses are those Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element and shall be assessed against the Unit or Units to which that Limited Common Element has been assigned or allocated.

5.4. End of Fiscal Year. Within ninety (90) days after the end of each fiscal year for which a Common Expense assessment was made, the Board shall prepare and deliver to all Unit Owners and Eligible Mortgage Holders, and to each Mortgagee requesting in writing the same, an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any net shortage with regard to Common Expenses after application of such reserves as the Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Common Expense Liabilities and shall be payable either (i) in full with payment of the next monthly assessment due, or (ii) in one or more monthly assessments, as the Board may determine.

5.5. Reserves. The Board shall build up and maintain reasonable reserves for working capital including a general operating reserve fund for current Common Expenses (the "Working Capital Fund") and a reserve fund for contingencies, replacements, capital improvements, expenses of repair and replacement in the amount of the applicable deductibles on property insurance policies carried by the Association, and other items which cannot be expected to occur on a regular basis (the "Reserve Fund"). However, nothing contained herein shall limit, preclude or impair the establishment of additional funds by the Association so long as the amounts credited to, and debited from any such additional funds are earmarked for specified purposes authorized by the Condominium Documents. The Working Capital Fund, Reserve Fund and such other funds shall be conclusively deemed to be common funds of the Association and shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America or otherwise invested pursuant to subparagraph 3.4.18. Neither the Board nor the Treasurer shall commingle in the books and records of the

Association any amounts deposited into the Reserve Fund, the Working Capital Fund or such other funds. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are deemed by the Board to be inadequate for any reason, including nonpayment of any Unit Owner's assessment, the Board may at any time levy a further assessment which, depending on whether the reserve is for the benefit of all the Units or fewer than all the Units, shall be assessed against all the Unit Owners according to their respective Common Expense Liabilities or only against the Unit Owners benefited according to their respective Common Expense Liabilities as between themselves, and which may be payable in a lump sum or in installments as the Board may determine.

5.6. 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 Unit Owner's obligation to pay his or her allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

5.7. Rejection of Budget. Within thirty (30) days after adoption by the Board of any proposed budget for the Condominium, the Board shall provide a summary of that budget in reasonably itemized form to each Unit Owner. The Board shall set a date for a meeting of the Unit Owners to consider ratification of such revised budget not less than fourteen (14) days nor more than thirty (30) days after mailing of said summary of budget or notice. Unless at that meeting a majority of all Unit Owners with a voting interest reject the proposed budget, that budget is ratified irrespective of whether a quorum is present at said meeting. In the event such proposed budget shall be rejected at the meeting, the budget last ratified with respect to the period covered by the proposed budget shall be continued as the budget for the Condominium until such time as the Unit Owners ratify a subsequent budget proposed by the Board upon the same conditions as are provided with respect to the original proposed budget or further assessment.

5.8. Ratification of Non-Budgeted Common Expense Assessments not required. If the Board votes to levy a Common Expense assessment not included in the current budget the Board need not submit such Common Expense to the Unit Owners for ratification.

5.9. Payment Obligations. Each Unit Owner shall pay to the Association or its authorized representative (1) on the first day of each month, or on such other date that the Association may determine in writing, one-twelfth (1/12th) of the Common Expenses and revised Common Expenses, assessed on an annual basis against his or her Unit and (2) all special assessments, any other sums duly levied against the Unit pursuant to the Declaration, these Bylaws or the Act, all interest thereon and charges for late payment thereof and legal fees and other costs of collection thereof, and fines, penalties and fees as provided by the Declaration, these Bylaws or the Act, on the first day of the next month which begins more than ten (10) days after delivery to the Unit Owner of notice of such special assessment or levy. If for any reason

the Association shall revise the annual budget of the Association in accordance with these Bylaws, whereby the Common Expenses or any component thereof may be increased, and subject to Paragraph 5.8, then commencing on the first day of the first month subsequent to the adoption of such revised budget each Unit Owner shall pay to the Association or its authorized representative such revised annual Common Expenses.

5.10. Interest; Acceleration. In the event of a default by a Unit Owner in paying any sum assessed against his or her Unit which continues for a period in excess of thirty (30) days, interest shall be imposed on the principal amount unpaid from the date when due until paid at a rate of interest to be established annually by the Board which shall not exceed the lower of the maximum interest rate allowed by law which may be charged by the Association at such time or eighteen percent per annum. If the Board shall fail to set such rate, it shall be deemed to have been set at the rate of eighteen percent (18%) per annum. In addition, the Board may establish reasonable rules and regulations for collection of delinquent funds to provide consistency to the Board's enforcement of policies so that every Unit Owner clearly knows what to expect. In rare instances, hardship may result in payment delays; these situations will be handled on an individual basis in an effort to find some alternate payment plan.

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5.11. Lien for Assessments. The total annual assessment levied against each Unit for Common Expenses, revised Common Expenses or any special assessment, and any other sums duly levied against the Unit pursuant to the Declaration, these Bylaws, or the Act, all interest thereon and charges for late payment thereof and legal fees and other costs of collection thereof, and fines, penalties and fees as provided in the Declaration or these Bylaws shall, until fully paid, constitute a lien against the Unit in favor of the Association as provided in Section 1603-116 of the Act. Such lien shall, with respect to annual assessments and revised annual assessments, be effective on the first day of each fiscal year of the Association as to the full amount of the annual assessment or revised annual assessments, and, as to special assessments and other sums duly levied, interest, charges for late payments, legal fees, costs of collection, fines, penalties and fees as described in Paragraph 5.9, on the first day of the next month which begins more than ten (10) days after delivery to the Unit Owner of notice of such special assessment or levy. Such lien is prior to all other liens and encumbrances on a Unit except (a) liens and encumbrances recorded before the recordation of this Declaration, (b) a first Mortgage recorded before or after the date which the assessment sought to be enforced becomes delinquent, and (c) liens for real estate taxes and other governmental assessments or charges against the Units; provided, however, that such lien is not subject to the provisions of 14 M.R.S.A. Section 4651 and 18-A M.R.S.A. Section 2-201, et seq., as they or their equivalents may be amended or modified from time to time.

5.12. Enforcement. The lien for assessments described in Paragraph 5.11. may be enforced and foreclosed by the Association in like manner as a mortgage on real estate as provided in Section 1603-116(a) of the Act or by any other means presently or hereafter provided by law or in equity. A suit to recover a money judgment for unpaid assessments, interest, penalties, and costs of collection may be maintained against the Unit Owner personally without foreclosing or waiving the lien securing such assessments and a foreclosure may be

maintained notwithstanding the pendency of any suit to recover a money judgment. During the pendency of any such suit, the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any Court having jurisdiction over such sale.

5.13. Collection of Assessments. The Board or the Managing Agent, at the request of the Board, shall take prompt action to collect any assessment for Common Expenses due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof together with any interest thereon and charges for late payment as provided in Paragraphs 5.9 and 5.10.

5.14. Exemption From Expenses by Waiver of Use of Common Elements or Unit Elements. No Unit Owner may exempt himself from common expense liability with respect to the payment of assessments for Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by abandonment of his or her Unit or otherwise. The obligation to pay assessments for Common Expenses is absolute and unconditional and shall not be subject to set-offs or counterclaims.

5.15. Limitations on Borrowing: Emergency Expenditures. The power of the Board to borrow money on behalf of the Association is subject to the requirement that the consent of the Owners of Units to which are allocated at least two-thirds (2/3) of the Votes in the Association shall be required to borrow any sum in excess of Twenty-Five Thousand Dollars (\$25,000.00). Any provision of limitation on expenditures contained in these Bylaws to the contrary notwithstanding, the Board or the Manager may, on behalf of the Association and the Owners without prior notice or consent, expend any amount, or incur a contractual obligation in any amount, required to deal with emergency conditions which may involve a danger to life or property or may threaten the safety of the Condominium or the owners or occupants of Units or may threaten the suspension of any necessary service to the Condominium or may involve the immediate damage to or destruction of the Common Elements.

5.16. Accounts; Audits. All sums collected by the Board with respect to assessments against the Unit Owners or from any other source may be commingled in a single fund or held for each Unit Owner in accordance with his or her respective Common Expense Liability. However, the Reserve Fund, Working Capital Fund, and such other funds shall not and may not be commingled in the books and records of the Association and such funds must be deposited with a lending institution, the accounts of which are insured by an agency of the United States of America, unless otherwise invested pursuant to subparagraph 3.4.18. All books and records of the Association shall be kept under the direction of the Treasurer or the Manager and in accordance with customary accounting principles and practices.

5.17 Special Fee Due Upon Sale. Unless waived by the board which it may do so in its discretion, upon the transfer for value of any Unit at any time, a special fee shall be due from the selling Unit Owner equal to two (2) times the then current monthly assessment, which shall be deposited into the Reserve Fund or Working Capital Fund at the discretion of the Board. No credit for such fee shall be given, that is, this special fee is in addition to regular monthly

assessments due from the owner of a Unit. If the seller fails to pay this special fee, this special fee shall thereafter become part of the assessment due with respect to such Unit, and its collection enforceable in the same manner by lien or otherwise as other assessments. This Special Fee shall be included in the amount shown either with, or as part of any unpaid assessments currently levied on the Resale Certificate described below, unless it has already been paid by such Seller.

5.18. Statement of Common Expense and Resale Certificates. The Association shall promptly provide to any Unit Owner, contract purchaser or Mortgagee so requesting the same in writing with a statement setting forth the amount of unpaid assessments currently levied against the Unit of such Unit Owner as provided in Section 1603-116(h) of the Act. The Board shall have the right to impose a reasonable charge for the preparation of such statement to cover the costs of the preparation thereof against the person so requesting the same.

5.19. Reallocation of Allocated Interests. If Common Expense Liabilities are reallocated for any reason, assessments for Common Expenses and any installments thereof not yet due shall be recalculated in accordance with the reallocated Common Expense Liabilities. Within thirty (30) days after the reallocation of the Common Expense Liabilities, the Board shall revise the budget to reflect changes in Common Expenses resulting from such reallocation of Common Expense Liabilities to reflect the proportionate liability of all the Units for such Common Expenses for the remainder of the fiscal year in which such events occur. The amount of assessments attributable to each Unit thereafter shall be the amount specified in the adjusted budget, until a new budget shall have been adopted by the Board subject to the Condominium Documents.

5.20. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(a) The units shall be used for residences only.

(b) The common areas and facilities shall be used only for the furnishing of the services and facilities for which they are reasonable suited and which are incident to the use and occupancy of Units.

(c) No business shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents. This prohibition is at the discretion of the Board.

(d) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction

thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit Owners or the Board, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) No portion of a unit other than the entire unit may be rented or leased, and in the event of such rental or lease, the rights and liabilities of Unit Ownership, including payment of monthly assessments and the exercise of voting rights, are to be borne and held only by the Unit Owner of record. No Unit Owner may rent his/her unit to more than one (1) individuals/family in a consecutive twelve (12) month period. No lease may be for less than one (1) year. A copy of all leases shall be submitted to the Executive Board with a copy given to the Managing Agent. Any Unit Owner violating these restrictions of use may be subject to a fine imposed by the Executive Board per unit, per incidence, as set forth in the Rules and Regulations. Notwithstanding the foregoing, a Unit Owner wishing to seek exemption from this regulation may do so by petitioning the Board of Directors in writing prior to entering into any rental arrangement which will cause the Unit Owner either to exceed the maximum allowed one (1) renter per year or to violate the minimum rental period of one (1) year. Petitions for exemption will be reviewed and decision made by the Board on a case-by-case basis within ten (10) business days from the date of receipt. The consecutive twelve-month period shall begin to run on the first date that the renter may enter the Unit. The Board of Directors will make any determination of a violation of this regulation based on all available facts. A Unit Owner may submit additional information to assist the Board of Directors in making such a determination.

(f) Unit Owners shall be permitted to keep pets in their Unit or on Condominium Property in accordance with the Oakwood Lane Owners' Association Rules and Regulations. However, persons renting from Unit Owners shall not be permitted to keep pets of any sort except for those pets that were kept on or before October 23, 2007 pursuant to said Covenants.

5.21. Right of Access. A Unit Owner shall grant a right of access to his or her unit to the manager and/or the managing agent and/or any other person authorized by the Board, for the purpose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or a common area or facility, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common areas and facilities in his unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

5.22 Rules of Conduct. Rules and Regulations concerning the use of the units and the Common areas and facilities may be promulgated and amended by the Board. Copies of such Rules and Regulations shall be furnished by the Board to each Unit Owner prior to the time when the same shall become effective. The Rules and Regulations which shall be effective until amended by the Board of Directors shall be filed with the Secretary together with any subsequent

amendments thereto.

5.23 Minimum Temperature Settings and Heating Policy.

5.23.1 Unit Owners who intend to leave their Units vacant for the period from November 1st through April 30th shall provide evidence that they have complied with any Minimum Temperature Settings and Heating Policies ("Heating Policy") that the Board has promulgated.

5.23.2 The Board may instruct the Property Manager to monitor and inspect all units at intervals as may be necessary to ensure compliance with the Heating Policy, including entering Units and adjusting thermostats as necessary. The Board may impose fines for violations of the Heating Policy upon Unit Owners.

In addition, the Board shall have the power to charge a Unit Owner an amount equal to the costs of repairing all damages caused by any burst pipes or water leaks, whether that damage is caused to common areas or common elements of the condominium, or caused to other units within the condominium, including damage to personal property, fixtures, buildings or real estate. Any charges imposed against the Unit Owner shall be for full value of the costs incurred by the Association. The Board may use such charges to pay or reimburse for the costs of all or any such repairs, including repairs to individual units.

ARTICLE VI

Insurance

6.1. Policies. The Executive Board on behalf of the Association shall obtain, or cause to be obtained, and shall maintain as a Common Expense, the policies of insurance described herein to the extent such policies shall be reasonably available from reputable insurance companies. To the extent that said insurance is not reasonably available, the Executive Board on behalf of the Association shall give written notice of that fact to the Unit Owners and the Eligible Mortgage Holders of Mortgages of their Units by hand-delivery securing a receipt therefor, or by prepaid United States Mail, return receipt requested. To the extent that any of the insurance described herein shall become in the future no longer available, the Association shall obtain in substitution therefor such comparable insurance as shall then be available. The Executive Board of the Association is hereby irrevocably appointed as attorney-in-fact for each Unit Owner and for each Mortgagee and Eligible Mortgage Holder and for each owner of any other interest in the Premises for the purpose of purchasing and maintaining the insurance described herein, the collection and appropriate disposition of the proceeds thereof with any bank or trust company authorized to do business in the State of Maine as trustee for all Unit Owners and their Mortgagees as their respective interests may appear (the "Insurance Trustee"), the negotiation of losses and execution of releases of liability, and

the execution of all documents, and the performance of all other acts necessary to accomplish such purposes.

6.2. Liability Insurance. The Executive Board shall obtain and maintain as a Common Expense comprehensive general public liability insurance and casualty insurance for damage to any property damage in such limits as the Board may from time to time determine, insuring each Executive Board member, the managing agent, and each Unit Owner against any liability to the public or to the Unit Owner against any liability to the public or to the Unit Owners (and their invitees, agents and employees) covering all occurrences commonly insured against for death, bodily injury or property damage arising out of, or incident to, the operation, maintenance, ownership or use of the Common Elements, public ways and other areas under the Association's supervision and/or relating to any legal liability resulting from suits or actions related to employment contracts to which the Association is a party. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; and (iii) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Association or of another Unit Owner. The Executive Board shall review such limits once each year.

6.3. Other Insurance. The Executive Board may obtain and maintain as a Common Expense:

6.3.1 To the extent available, "directors' and officers'" liability insurance to satisfy indemnification obligations of the Association;

6.3.2 Endorsements for coverage required by any eligible mortgage holder, including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

6.3.3 Flood insurance in accordance with the then applicable regulations of such agency;

6.3.4 Workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and

6.3.5 Such other insurance as the Executive Board may determine or as may be requested from time to time by the Unit Owners.

6.4. Memoranda, Cancellation, Additional Required Provisions. All insurers that shall issue an insurance policy or policies under this Paragraph shall issue certificates or memoranda of insurance to the Association, and, upon request, to any Unit Owner or Mortgagee. All such insurers issuing the policy may not cancel (including cancellation for non-payment of premium), substantially modify or refuse to renew such policy or policies until twenty (20) days after notice of the proposed cancellation or non-renewal has been mailed to the Executive Board, the managing agent, and each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses. All policies under this Article shall in addition contain the

following provisions:

6.4.1 The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Executive Board, the managing agent or the Unit Owners, and their respective agents, employees, guests and, in the case of the Unit Owners, the members of their households;

6.4.2 The Association, so long as the Association shall own any Unit, shall be protected by all such policies as a Unit Owner.

6.5 Property Insurance. The Association shall maintain as a common expense and to the extent reasonably available, property insurance insuring against Special Perils, subject only to policy exclusion, of direct physical loss commonly insured against or such other fire and casualty insurance as the Board of Directors may determine provides equal or greater protection for the Unit owners their Mortgagees, if any, in each case complying with applicable requirements of Section 6.6. hereof. The Insurance maintained by the Association shall cover:

6.5.1 The Property, including but not limited to all Common Elements and Limited Common Elements;

(a) 6.5.2 The Units and building service equipment and common equipment and supplies owned by the Association, but excluding any improvements or appliances subsequently added by a Unit owner and all other personal property of the Unit Owner;

(b) 6.5.3 All improvements, fixtures and appliances contained within the Unit as of the date of settlement on the Unit by the Unit Owner;

(c) The insurance maintained by the Association shall *exclude*:

6.5.3.1 any improvements or appliances added by the Unit Owner after the last date of Settlement; and

6.5.3.2 all personal property of the Unit Owner;

(d) 6.5.4 The amount of any such hazard insurance obtained pursuant to this Section 6.5 shall be equal to ninety percent (90%) of the current replacement cost of the Condominium, including the individual Units, at the time the insurance is purchased and at each renewal date without deduction for depreciation, exclusive of land, foundations, excavation and other items normally excluded from coverage. In the event that there are multiple Buildings or locations, insurance shall be written on a "blanket" basis. Such hazard policy may, at the option of the Association, contain a "deductible" provision in an amount to be determined by the Board of Directors, but not less than \$1,000.00. The proceeds of such policy shall be payable to the Association for the benefit of the Unit owners and holders of mortgages secured by the Units. Such hazard insurance policy shall include a separate "loss payable endorsement" in favor of the Mortgagees, if any,

modified to make the loss payable provisions in favor of the Mortgagees subject and subordinate to the loss payable provisions in favor of the Association. If the Board of Directors fails within sixty (60) days after the date of an insured loss to initiate a claim for damages recoverable under the policy or policies obtained pursuant to this Section 6.5, a Mortgagee may initiate a claim on behalf of the Association.

6.6 Unit Owner Responsible for Association's Deductible. The Board shall have the right to assess the deductible to Unit Owners as the Board may, in its sole discretion, determine including, but not limited to, assessing the deductible for a covered loss to Unit Owner(s) sustaining damage to their unit(s).

6.6.1. In the event of property damage to a unit or units, the Board shall not be responsible payment of the deductible but rather said unit owner(s) whose units sustained property damage shall be responsible for the same.

6.6.2. Reserved

ARTICLE VII

Repair and Reconstruction After Fire or Other Casualty

7.1. When Repair and Reconstruction are Required. In the event of damage to or destruction of all or any part of the Property as a result of fire, other casualty or the exercise of the power of eminent domain, the Board on behalf of the Association shall promptly arrange for and supervise the prompt repair, replacement and restoration thereof (including any damaged Units, bathroom and service fixtures, service machinery, air conditioning and heating equipment and other fixtures, equipment, and apparatus initially installed therein by the Declarant or Association, and replacements thereof installed by the Declarant or Association and other personal property inside a Unit insured by the Association as provided in the Declaration, but not including any other furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Unit Owners in the Units) Limited Common Elements and other Common Elements, substantially in accordance with the Declaration, the Plats and Plans, these Bylaws, the original elevation thereof and the original plans and specifications therefor unless (a) the Condominium is terminated, or (b) repair, replacement or restoration would be illegal under any state or local health, safety, land-use or environmental statute, code or ordinance, or (c) eighty percent (80%) of the Unit Owners and at least fifty-one percent (51%) of the Eligible Mortgage Holders vote not to repair, restore or replace the damaged or destroyed Property, and such decision is approved by every Owner of a Unit or assigned or allocated Limited Common Element, which will not be repaired, replaced or restored, and by all Eligible Mortgage Holders of all Mortgages thereon.

7.2. Procedure for Reconstruction and Repair. If repair, replacement or restoration shall be required pursuant to Paragraph 7.1:

7.2.1. Cost Estimates. The Board shall promptly obtain reliable and detailed estimates of the cost of repairing and restoring such portion including any damaged Units

(and the bathroom and service fixtures, service machinery, air conditioning and heating equipment and other fixtures, equipment, and apparatus initially installed in the Units by the Declarant, and replacements thereof installed by the Declarant, and other personal property inside a Unit insured by the Association as provided in the Declaration, but not including any other furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Unit Owners in the Units), Limited Common Elements and other Common Elements, substantially in accordance with this Declaration, the Plats and Plans, the original elevation thereof and original building plans and specifications therefor unless other action is approved by at least eighty percent (80%) of the Unit Owners and at least fifty-one percent (51%) of the Eligible Mortgage Holders. Such costs may also include professional fees and premiums for such bonds as the Insurance Trustee may determine to be necessary.

7.2.2. Assessments. If the net proceeds of insurance, eminent domain awards, and any appropriate reserve for replacement funds, if any, are not sufficient to defray such estimated costs of reconstruction, repair, and replacement, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, any such costs in excess of insurance proceeds, any eminent domain awards, and reserves shall be deemed a Common Expense and a special assessment therefor shall be levied by the Association.

7.2.3. Construction Fund and Disbursement. The proceeds of insurance collected on account of the casualty, any eminent domain awards, and any appropriate reserve for replacement funds, and the sums received by the Association from collections of assessments against Unit Owners pursuant to subparagraph 7.2.2. on account of any such casualty or taking, shall constitute a construction fund which shall be held in trust by an Insurance Trustee or Association as provided in the Declaration and disbursed in payment of the costs of reconstruction and repair in the following manner:

7.2.3.1. If the estimated cost of reconstruction and repair is less than Fifty Thousand Dollars (\$50,000.00), then the construction fund shall be disbursed in appropriate progress payments, or payment of such costs upon order of the Board; provided, however, that upon request of twenty percent (20%) of the Eligible Mortgage Holders (based upon one vote for each Mortgage held), such funds shall be disbursed pursuant to subparagraph 7.2.3.2.

7.2.3.2. If the estimated cost of reconstruction and repair is Fifty Thousand Dollars (\$50,000.00) or more, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in the State of Maine employed by the Association or Insurance Trustee or of such other qualified person acceptable to no less than twenty percent (20%) of the Eligible Mortgage Holders (based upon one (1) vote for each Mortgage held) and to the Owners of the Units to which are allocated no less than fifty-one percent (51%) of the Votes in the Association (generically, the "Architect"), to supervise such work, payment to be made from time to time as the work

progresses. The Architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the Architect and other persons who have rendered services or furnished materials in connection with the work stating that: (a) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (b) there is no other outstanding indebtedness known to the Architect for the services and materials described; and (c) the cost as estimated by the Architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested.

7.2.3.3. Common Elements. When the damage is to both Common Elements and Units, the insurance proceeds or eminent domain proceeds shall be applied first to the cost of repairing Common Elements, and then to the costs of repairing the Units.

7.2.3.4. Distribution After Payment. The first monies disbursed in payment of the cost of reconstruction and repair shall be from any insurance proceeds or eminent domain awards and, if there is a balance in the construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be distributed among all Unit Owners, Mortgage holders and lien holders, as their respective interests may appear, in proportion to their respective Common Element Interests or the Common Element Interests of the Units to which their respective Mortgages or liens are subject.

7.3. Damage or Destruction; No Repair or Replacement. If the entire Condominium is not repaired or replaced:

7.3.1. the insurance proceeds and any eminent domain awards attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium as determined by the Board or Architect;

7.3.2. the insurance proceeds and any eminent domain awards attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners and Mortgagees of those Units as their insurable interests may appear and the Owners and Mortgagees of the Units to which those Limited Common Elements were assigned or allocated, as their insurable interests may appear; and

7.3.3. the remainder of the insurance proceeds and any eminent domain awards shall be distributed to all the Unit Owners and Mortgagees, as their insurable interest may appear, in proportion to their respective Common Element Interests or the Common Element Interests subject to their respective Mortgages.

7.3.4. if the Unit Owners and their Mortgagees vote not to rebuild any Unit, that Unit's entire Allocated Interests shall be automatically reallocated upon said vote as if the Unit had been condemned under Section 1601-107(a) of the Act and the Association shall prepare, execute and record an amendment to the Declaration reflecting the reallocations. Notwithstanding any provision of this Article VI to the contrary, Section 1602-118 of the Act governs the distribution of insurance proceeds and any eminent domain awards if the Condominium is terminated.

7.4. Mortgagee Priority. No provision of the Condominium Documents shall be deemed or construed to give a Unit Owner, or any other person, priority over the rights of any Eligible Mortgage Holder pursuant to its Mortgage in the case of a distribution to Unit Owners of insurance proceeds or eminent domain awards for losses to or a taking of Units, Common Elements, or both.

ARTICLE VIII Records of Information

8.1. Title. Every Unit Owner shall promptly cause to be duly recorded the deed, lease, assignment, or other conveyance to him or her of his or her Unit or other evidence of his or her title thereto and file such evidence of his or her title with the Board through the Secretary or Manager. The Secretary shall maintain such information in the record of ownership of the Association.

8.2. Availability of Information. The Association shall make available at the Condominium to Unit Owners, lenders and the holders, insurers and guarantors of the first Mortgage on any Unit, for inspection at the Property, current copies of the Declaration, these Bylaws and the rules and regulations governing the Property and other books, records and financial statements of the Association. The Association shall also make available to Eligible Mortgage Holders, Eligible Insurers, Unit Owners and prospective purchasers at the cost of the person requesting the same current copies of the Declaration, these Bylaws and the rules and regulations governing the Property. "Available" means available for inspection or receipt upon request, during normal business hours or under other reasonable circumstances.

ARTICLE IX Amendments

Subject to the provisions of the Declaration governing the amendment of the Declaration the rights of Mortgagees, and subject to the other provisions of the Declaration, these Bylaws and of the Act, these Bylaws may be amended as follows:

9.1. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Board or Association in which a proposed amendment is considered, and shall be served upon all Unit Owners and upon Eligible Insurers and Eligible

Mortgage Holders.

9.2. Resolution. An amendment may be proposed by either the Board or by Unit Owners holding in the aggregate no less than twenty percent (20%) of the Votes in the Association. No resolution of the Board adopting a proposed amendment or the proposed amendment itself shall be effective unless it has been adopted by the affirmative vote, written consent, or any combination thereof, of at least seventy-five percent (75%) of the Unit Owners and then executed as provided in Paragraph 9.5.

9.3. Agreement. In the alternative, an amendment may be made by an agreement signed by the record Owners of Units to which are allocated at least One Hundred Percent 100% of the Votes in the Association, in which case such amendment shall become effective when signed by such Unit Owners.

9.4. Proviso. Provided, however, that except as otherwise permitted by the Act and provided in the Declaration, no amendment may increase the number of Units or change the boundaries of any Unit, the Allocated Interests allocated to a Unit, or the uses to which any Unit is restricted without the unanimous consent of the Unit Owners and the consent of Eligible Mortgage Holders of Mortgages on Units to which at least two-thirds (2/3) of the votes in the Association are allocated. No amendment of these Bylaws shall make any change which would in any way affect any of the rights, privileges, powers and options of the Declarant, its successors or assigns, unless the Declarant, or its successors or assigns shall join in the execution of such amendment.

9.5. Execution. A copy of each amendment shall be attached to or included with a certificate, certifying that the amendment was duly adopted, which certificate shall be executed by the President or Treasurer and attested by the Secretary. The amendment shall be effective when such certificate and copy of the amendment are executed and certified. Upon adoption of these restated Bylaws and recording of the same in the York County Registry of Deeds in accordance with the original Bylaws of the Association as attached to the Declaration, subsequent amendments to these Bylaws need not be recorded in said Registry.

9.6. Approval of Mortgagees. These Bylaws contain provisions concerning various rights and interests of Eligible Mortgage Holders. Such provisions in these Bylaws are to be construed as covenants for the protection of such Eligible Mortgage Holders on which they may rely on making loans secured by Mortgages on the Units. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, amendments or interests of such an Eligible Mortgage Holder shall be adopted without the prior written consent of such Eligible Mortgage Holders as more particularly provided in the Declaration.

9.7. Amendments to Declaration. Either one of the President or Treasurer shall prepare, execute and record, and the Secretary shall certify, amendments to the Declaration on behalf of the Association.

ARTICLE X
Control of Condominium

10.1. Additions, Alterations or Improvements by the Board. Whenever in the judgment of the Board the Common Elements, common areas, and facilities shall require additions, alterations or improvements, the making of such additions, alterations or improvements requires only a vote of a majority of the Board, and the Board shall assess all Unit Owners benefited for the cost thereof as a Common Expense (or Limited Common Expense), except that the repair, replacement or alteration to all roofs shall be a Common Expense, regardless of how many Unit Owners are benefited. That is, any additions, alterations or improvements may be made by the Board without approval of the Unit Owners and the cost thereof shall constitute a Common Expense or Limited Common Expense, depending on the nature of the additions, alterations or improvements. Notwithstanding the foregoing, if the expected costs of the additions, alterations, or improvements exceeds Twenty-Five Thousand Dollars (\$25,000), the making of such alterations, additions, or improvements shall be subject to approval by seventy-five percent (75%) of the Unit Owners in common interest. Any additions, alterations or improvements costing \$25,000 or less may be made by the Board of Directors without approval of the Unit Owners and the costs thereof shall constitute part of the common expenses. If in the opinion of not less than eighty percent (80%) of the members of the Board, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the Unit Owners requesting the same, such requesting Unit Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportion as may be determined by the members of the Board.

10.2. Additions, Alterations or Improvements by the Unit Owners. Subject to the terms of the Declaration, no Unit Owner shall make any structural addition, or structural alteration or improvement in or to his or her Unit without the prior written consent of the Board as hereinafter provided. (1) No Unit Owner shall make any structural addition, structural alteration or structural improvement in or to its Unit, nor (2) shall any Unit owner paint or alter the exterior of its Unit (including doors and windows) or paint or alter any Common Elements outside its Unit, until (a) the Unit Owner shall have submitted to the Board a written proposal for the proposed actions described in the foregoing clauses (1) and/or (2) accompanied by the plans and specifications for said proposed action(s) detailing the nature, kind, materials and location of all of said proposed action(s) (collectively, the "Proposal"), and (b) the Board shall have approved the Proposal in writing. If any application to any governmental authority for a permit to make any addition, alteration or improvement in or to any Unit or Common Element requires execution by the Association, then the application shall be executed on behalf of the Association only by an authorized officer, without however incurring any liability on the part of the Board, the Association or any of them to any contractor, sub-contractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. Subject to the approval of any Eligible Mortgage Holder of the Mortgage of such affected Units and any requisite government approval, the Board and any Unit Owner affected, any Unit may be altered so as to relocate the boundaries between such Unit and any adjoining Units. The Secretary shall record any necessary amendment to the Declaration to effect such action as provided in sections 1602-112 or 1602-113 of the Act.

10.3. Fines. The Board may levy reasonable fines against Unit Owners for violations of the rules and regulations, the Condominium Documents or the Act. If a Unit Owner requests in writing a hearing before the fine is imposed, the imposition of the fine shall be suspended until the hearing is held. Fines are special assessments and shall be collectible as such. The rules for collection of fines shall be set forth in the Rules and Regulations.

10.4. Appeal and Hearing Procedure; Actions by Owners. No Unit Owner shall have the right to object, challenge, commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except after following such procedures as are established in this Paragraph and as may be established by the Board by rule or regulation consistent with the provisions of this Paragraph. The Board shall hear appeals from Unit Owners from (a) decisions on applications and determinations, (b) the determinations by the Board on alleged violations of the Condominium Documents (other than violations with respect to assessment obligations) and (c) the enactment of rules and regulations of the Association. The Board shall hold a hearing on any such appeal within thirty (30) days after the receipt by the Board of a formal notice of appeal from a Unit Owner. A decision shall be issued in writing by the Board within ten (10) days after the conclusion of the hearing. In hearings before the Board all parties shall be entitled to be represented by counsel. Unless the internal remedies provided by this Paragraph and such rules and regulations as may be promulgated by the Board shall be expressly waived by the Association, or the Association fails or refuses to act after being requested in writing to do so, no action at law or in equity shall be commenced by any Unit Owner until such internal remedy is pursued to exhaustion. Any action by a Unit Owner against any other Unit Owner or the Association arising out of any term, covenant or condition contained in the Condominium Documents or any rule or regulation made pursuant thereto shall be subject to the same procedures.

ARTICLE XI Corporate Seal

11.1. Seal. The Association may have a seal in circular form having within its circumference the name of the Association, and the year and state of its incorporation.

ARTICLE XII Miscellaneous

12.1. Remedies Cumulative. All rights, remedies and privileges granted to the Board or a Unit Owner pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be granted to such party hereunder or by any instruments or documents incorporated herein by reference or at law or in equity.

12.2. Captions. The headings in these Bylaws are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. Any tables of contents or indices attached to these Bylaws are for purposes of reference and convenience only and shall neither limit nor otherwise affect the meaning hereof nor be deemed as part of these Bylaws. References in these Bylaws to Articles, Paragraphs, subparagraphs and Schedules without references to the document in which they are contained are references to these Bylaws. Schedules are attached to and are an integral part of these Bylaws. Any Exhibits attached to these Bylaws are for purposes of identification only and shall not be deemed as part of these Bylaws.

12.3. Gender, Number, Etc. The use of the singular in these Bylaws shall be deemed to include the plural, the plural the singular, and the use of any one gender shall be deemed applicable to all gender.

12.4 Severability. The invalidity of any provisions of these Bylaws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these Bylaws, and in such event, all of the other provisions of these Bylaws shall continue in full force and effect as if such invalid provision had never been included herein.

END OF DOCUMENT

54 P. BERGEN & PARKINSON