

BYLAWS
OF THE
YORK & HIGH CONDOMINIUM ASSOCIATION

ARTICLE I

Introduction

These Bylaws have been adopted as of the ____ day of _____, 2017, by David L. Galgay, Jr., the sole incorporator of the York & High Condominium Association, a Maine nonprofit corporation (the "Association"). Initial capitalized terms not otherwise defined herein shall have the meaning assigned in the Declaration of Condominium for the York & High Condominium dated _____, 2017, and recorded in the Cumberland County Registry of Deeds in Book ____, Page __ (as amended from time to time, the "Declaration").

Section 1.1. Applicability. These Bylaws ("Bylaws") shall relate solely to the property called the York & High Condominium located at the corner of York Street and High Street in Portland, Maine (the "Property"), and more fully described in Exhibit A of the Declaration.

Section 1.2. Definitions. The capitalized terms used herein without definition shall have the same definitions as such terms have in the Declaration and the Maine Condominium Act, Title 33, Maine Revised Statutes, Section 1601-101 *et seq.* (the "Act"). Unless otherwise provided in the Act, in the event of inconsistencies in definitions between the Act and the Declaration, the Declaration shall control.

Section 1.3. Compliance. Pursuant to the provisions of the Act, every Unit Owner and all persons entitled to occupy a Unit shall comply with these Bylaws.

Section 1.4. Office. The office of the Condominium and the Association and the Executive Board shall be located at 25 High Street, Portland, Maine, or at such other place as may be designated from time to time by the Executive Board.

Section 1.5. Incorporation of Statutory Law. Except as expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of any applicable statute of the State of Maine.

Section 1.6. Good Standing. A Unit Owner, Officer, Member or Director (or candidate for Director or Officer) is in Good Standing if, after notice and the expiration of applicable grace periods and opportunities to cure: (i) such Person is not in default in the payment of any Assessments or any other amounts payable pursuant to the

Condominium Documents and (ii) is not in material violation of the Condominium Documents at least five (5) days prior to the date set forth for any meeting of the Directors or the Unit Owners, as applicable. So long as such Unit Owner, Officer, Member or Director is contesting in good faith any such non-payment or violation, such Unit Owner, Officer, Member or Director shall remain in Good Standing.

ARTICLE II

Executive Board

Section 2.1. Composition. The affairs of the Association shall be governed by the Executive Board. The Executive Board shall consist of five (5) members (usually referred to as "Directors" in these Bylaws).

Section 2.2. Election and Term of Office.

(a) *Annual Meeting*. At the Annual Meeting of the Association, subject to Section 5.04 of the Declaration, the election of members of the Executive Board shall be held. The term of office of any Executive Board member to be elected (except as set forth in Section 2.5 hereof) shall be fixed at three (3) years. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal or resignation. An Executive Board member may serve an unlimited number of terms and may succeed him or herself. Members of the Executive Board shall serve for staggered terms.

(b) *Nominations*. Nominations for election to the Executive Board shall not, unless otherwise approved by resolution of the Executive Board, be made from the floor. Nominations shall be made by a nominating committee appointed by the Executive Board, or in accordance with other nomination procedures adopted by the Executive Board. If a nominating committee has been appointed by the Executive Board, such committee shall be appointed not less than sixty (60) days prior to the annual meeting of Members. The nominating committee shall make as many nominations for election to the Executive Board as it shall determine, in its discretion, but in no event less than the number of positions to be filled by the Members.

(c) *Qualifications*. Each Director of the Association shall be a natural person of at least twenty-one (21) years of age and, except for Directors appointed by the Declarant, shall be a Unit owner (or spouse or representative of a Unit owner) who is a Member in Good Standing of the Association. The candidates receiving the highest number of votes shall be elected.

(d) *Appointment of Directors by Declarant; Transition*. During the Declarant Control Period, the Declarant shall have the right to appoint, remove and replace all Directors of the Association (without the necessity of obtaining resignations or holding

actual meetings or votes to do so) provided that on or before the end of the Declarant Control Period, a meeting of Members shall be held at which all Directors shall be elected by the Unit owners (including the Declarant) and the Declarant-appointed Directors shall resign. Beginning with said transition meeting, Directors shall serve for staggered terms, as follows: the one (1) successor Director receiving the highest number of votes shall serve until the third Annual Meeting of the Association following the date of such election, the one (1) successor Director receiving the second highest member of votes shall serve until the second annual meeting of the Association following the date of such election, and the remaining one (1) successor Director shall serve until the first Annual Meeting of the Association following the date of such election, thereafter each Director shall be elected for a term of three (3) years.

(e) *No Cumulative Voting.* The Members shall not have the right to cumulate their votes for the election of Directors.

Section 2.3. Meetings. Meetings of the Executive Board shall be conducted in accordance with the following:

(a) *Time and Location.* The Executive Board shall hold an annual meeting within thirty (30) days following the Annual Meeting of the Association for the purpose of electing officers, as more fully set forth in Article III hereof, and for any other purpose that may be required or permitted by law, the Declaration, the Regulations, or these Bylaws to be done by a vote of the Executive Board. The Executive Board shall hold meetings at such time and place as shall be designated from time to time by resolution of the Executive Board.

(1) The first such Executive Board meeting shall be held promptly after the incorporation of the Association;

(2) There shall be a meeting of the Executive Board within one hundred twenty (120) days after the beginning of each fiscal year of the Association for the purpose of adopting the budget of the Association for such fiscal year; and

(3) Special meetings of the Executive Board shall be held whenever called by the President, the Declarant, or by two or more of the Directors.

Meetings of the Executive Board may be held at such place within the Portland metropolitan area as the Executive Board may from time to time appoint or as may be designated in the notice of the meeting.

(b) *Notice.* Notice of a regular meeting of the Executive Board need not be given, provided that the schedule of regular meetings of the Executive Board has previously been approved by the Executive Board and notice of such schedule has previously been given to all members of the Executive Board. Notice of every special meeting of the Executive Board shall be given to each Director by telephone or in writing at least five (5) days before the date and time at which the meeting is to be held.

Every such notice shall state the time and place of the meeting. Any notice of a meeting of the Executive Board shall contain such information as may be required by the Act, the Declaration, or these Bylaws. Any Director may waive notice of a meeting or consent to any action of the Executive Board without a meeting. A Director's attendance at a meeting shall constitute his waiver of notice of such meeting.

(c) *Quorum of the Executive Board.* At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If, at any meeting, 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 that might have been transacted at the meeting originally called may be transacted without further notice. A Director may attend a meeting of the Executive Board by means of a conference telephone or communications equipment the means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

(d) *Voting.* Each Director shall be entitled to cast one (1) vote. A vote of the majority of the Directors present at any meeting at which a quorum is present shall bind the Executive Board for all purposes unless otherwise provided in the Declaration or these Bylaws. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto by all of the Directors in office is filed with the Secretary of the Association. Such consents may be executed in any number of counterparts, and copies thereof signed by the Director and transmitted by facsimile shall be sufficient for all purposes.

(e) *Organization.* Executive Board meetings may be held under such reasonable rules consistent with these Bylaws as the Executive Board may determine. The Executive Board is hereby entitled to promulgate such rules.

(f) *Conduct of Meetings.* At every meeting of the Executive Board, the President, or, in the absence of the President, a person chosen by a majority of the Directors present, shall act as the Chairperson of the meeting. The Secretary, or, in the absence of the Secretary, any person appointed by the Chairperson of the meeting, shall act as Secretary. The Chairperson shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings.

Section 2.4. Resignation and Replacement of Directors. Any Director may resign at any time upon written notice to the Association. The resignation shall be effective upon receipt thereof by the Association or at such subsequent time as shall be specified in the notice of resignation. A Director (other than a Director appointed by the

Declarant) shall be deemed to have resigned upon ceasing to own a Unit.

Section 2.5. Vacancies. Any vacancy or vacancies on the Executive Board for whatever reason, shall be promptly filled by a vote of a majority of the remaining Directors 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 Director 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 predecessor. In the case of multiple vacancies, the Director receiving the greatest number of votes shall be elected for the longest term.

Section 2.6. Compensation. No Director shall receive compensation for performing his duties as a member of the Executive Board.

Section 2.7. Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Association and one or more of its Directors or between the Association and any corporation, firm or association in which one or more of the Directors are directors or officers, or are financially interested, shall be void or voidable because such Director or Directors are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(1) The fact that a Director is also such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive 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 Director or Directors; or

(2) The contract or transaction is made in good faith and is fair to the Association (within the meaning of 13-B M.R.S.A. § 718.2) at the time it is authorized, approved or ratified.

Section 2.8. Inclusion of Interested Executive Board Members in a Quorum. Any Executive 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 Executive Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 2.7 hereof.

Section 2.9. Powers of the Executive Board.

(a) *Enumeration*. The Executive Board shall have all of the powers and duties granted by the Act and the laws governing nonprofit corporations or both.

(b) *Limitation.* Nothing in this Section 2.9 or elsewhere in these Bylaws shall be considered to grant to the Executive Board or to the Officers of the Association any powers or duties which, by law, are possessed by Unit owners. Unless otherwise provided herein or in the Act or in the Declaration, the Executive Board shall comply with the instructions of owners of Units to which more than fifty percent (50%) of the votes in the Association are allocated present in person or by proxy, as expressed in the resolution duly adopted at any Annual or special meeting of the Unit owners.

(c) *Delegation of Powers; Managing Agent.* The Executive Board may employ for the Condominium a managing agent at a compensation established by the Executive Board. The managing agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Declaration and these Bylaws; provided, however, where a managing agent does not have the power to act under the Declaration or these Bylaws, the managing agent may act as an advisor or in an advisory capacity to the Executive Board. The Executive Board may delegate to the managing agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers: (i) to adopt an annual budget and any amendment thereto or to assess Common Expenses; (ii) to adopt, repeal or amend rules and regulations that are not inconsistent with or conflict with the provisions of the Declaration; (iii) to designate signatories on Association bank accounts; (iv) to borrow money on behalf of the Association; (v) to acquire mortgages on Units; and (vi) to assign Common Elements as Limited Common Elements. Any contract with the managing agent must provide that it shall be cancelable by either party without cause and without a termination fee upon not less than sixty (60) days' nor more than ninety (90) days' written notice and shall be cancelable by the Executive Board with cause upon not less than thirty (30) days' written notice. Any such contract negotiated by the Declarant shall meet all requirements of this Section 2.9(c) for contracts negotiated by the Association and shall not exceed one (1) year but may be renewed upon consent of the Association. The Declarant or any affiliate of the Declarant may be employed as managing agent. Interpretation of these Bylaws or the rules and regulations promulgated hereunder shall be consistent with the provisions of the Declaration.

Section 2.10. Intentionally Omitted.

Section 2.11. Intentionally Omitted.

Section 2.12. Enforcement.

(a) The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Unit of the violating Unit Owner, and to suspend a Member's right to vote as a Member of the Association for a violation by such Unit Owner of any duty or obligation imposed under the Condominium Documents. The failure of the Executive Board to enforce any provision of the Condominium Documents shall not be deemed a waiver of the right to do so thereafter.

(b) Before imposing any sanction, the Board or such officers as the Board may direct shall serve the alleged violator with written notice describing the nature of the alleged violation, the sanction proposed to be imposed by the Board, and a period of not less than ten (10) days within which the alleged violator may present a written request to the Executive Board for a hearing, and a statement that the proposed sanction shall be imposed unless a challenge thereto or a request for a hearing has been submitted within ten (10) days after the date of the notice.

(c) If a hearing is timely requested, the hearing shall be held in executive session affording the Unit Owner a reasonable opportunity to be heard. The minutes of the meeting shall contain a statement of the results of the hearing and the sanction, if any, imposed by the Board. The Executive Board may but shall not be obligated to suspend any proposed sanctions if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions by any Person.

(d) Notwithstanding anything to the contrary contained herein, the Association and the Executive Board may elect to enforce any provision of the Declaration, these Bylaws, or the Regulations by any suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the notice and hearing procedures set forth herein.

(e) The notice and hearing procedures set forth in this Section 2.12 shall not apply to the enforcement of provisions of the Declaration relating to the payment of Assessments, the imposition of late charges or interest on delinquent Assessments, or the exercise of other remedies available to the Association for non-payment or late payment of Assessments or installments thereof by a Unit Owner.

ARTICLE III

The Association

Section 3.1. Membership. The Association is a Maine non-profit corporation, all the Members of which are the Unit Owners. The Declarant, being the initial owner of all Units, initially shall constitute all of the Members of the Association. A person shall automatically become a Member of the Association at the time he or she acquires legal title to his or her Unit, and shall continue to be a member so long as he or she continues to hold title to such Unit. A Unit Owner shall not be permitted to resign from membership in the Association prior to the time when he or she transfers title to his or her Unit to another. No membership may be transferred in any way except as appurtenant to the transfer of title to the Unit to which that membership pertains. Transfer of membership shall be automatic upon transfer of title, but the Association may treat the prior Unit Owner as the member for all purposes until satisfactory evidence of the recording of the instrument transferring title shall be presented to the Secretary of the Association. The date of recordation of an instrument of conveyance in the Cumberland County Registry of Deeds shall be determinative of all disputes

concerning the date of transfer of title to any Unit or Units. A mortgage conveyance of any Unit, however, shall not operate to transfer membership until the mortgage is foreclosed or the unit sold in lieu of foreclosure.

Section 3.2. Meetings. Meetings of the Association shall be conducted in accordance with the following:

(a) *Annual Meetings.*

(1) Unit Owners shall hold annual meetings for the purposes stated in Section 3.2(a)(2) hereof (the "Annual Meeting"). The Annual Meeting of Unit Owners shall be held in April or May of each year at a date and time to be designated by the Executive Board.

(2) The purpose of the Annual Meeting of the Association shall be to conduct such business as may be required or permitted by law, the Declaration or these Bylaws to be done by a vote of Unit Owners.

(b) *Special Meetings.*

(1) Special meetings of the Members may be called at any time:

(i) by the President or by a majority of the Executive Board; or

(ii) by Members entitled to cast at least forty percent (40%) of the allocated votes that all Members are entitled to cast at the particular meeting;

(iii) by the Declarant, until the Declarant no longer owns any Units or until the Common Elements have been completed, whichever date is last to occur; or

(iv) by the Unit owners entitled to cast at least twenty percent (20%) percent in allocated voting interest of the Condominium.

At any time, upon written request of any Person(s) properly calling a special meeting, it shall be the duty of the Secretary to fix the time of the meeting which shall be held not more than sixty (60) days after the receipt of the request. If the Secretary neglects or refuses to fix the time of the meeting, the Person or Persons calling the meeting may do so and give notice of the special meeting.

(2) Intentionally Omitted.

(c) *Notice of Meetings.* Except for budget meetings which will be noticed not less than fourteen (14) nor more than thirty (30) days after the mailing of the Notice of

Budget and Common Expenses, not less than ten (10) nor more than sixty (60) days in advance of a meeting, the Secretary or other officer specified in these Bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to the mailing address or e-mail address designated in writing by the Unit Owner.

(d) *Special Notifications.* If a notice sent to Unit Owners pursuant to the foregoing sentence includes an item on the proposed agenda that either (i) requires that notice be given to Eligible Mortgage Holders pursuant to the Act or the Declaration or (ii) would require the approval of Eligible Mortgage Holders pursuant to the Act or the Declaration, a copy of such notice will also be sent to the Eligible Mortgage Holders. All such notices shall be delivered to all Unit Owners (and Eligible Mortgage Holders, if applicable) not less than ten (10) nor more than sixty (60) days in advance of the date of the meeting to which the notice relates and shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, and any proposed budget or assessment changes. The Secretary of the Executive Board shall cause all such notices to be delivered as aforesaid. Notice sent by mail shall be deemed to have been delivered on the date of deposit in the United States mail, in the case of mailed notices or the date of deposit in the Unit Owner's (or if applicable, in the Eligible Mortgage Holder's) mailbox in the case of hand delivery. Any notice of a meeting of the Executive Board or Members shall contain such information as may be required by the Act or the Condominium Documents.

(e) *Quorum.* Except as set forth below, the presence in person or by proxy of at least forty percent (40%) of the Allocated Votes as set forth in Exhibit "D" of the Declaration at the commencement of a meeting shall constitute a quorum at that meeting of the Association. The Unit Owners present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough Unit Owners to have less than a quorum. If a quorum is not present, Unit Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight (48) hours after the time for which the original meeting was called. If a meeting is adjourned, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if at least forty percent (40%) of the Allocated Votes as set forth in Exhibit "D" of the Declaration are present in person or by proxy at the beginning of the meeting. A Unit Owner may attend a meeting of the Unit Owners by means of a conference telephone or communications equipment, the means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

(f) *Voting.*

(1) *Allocation of Votes.* The allocation of votes for each Unit is set forth in Exhibits "D", "D-1" or "D-2" to the Declaration as applicable to the issues being considered. The tenant of a Unit shall not be entitled to cast the vote

appurtenant to that Unit unless given a valid proxy to do so by the Unit Owner of such Unit. Except as may be otherwise provided in these Bylaws or the Declaration, a Unit Owner must be in Good Standing in order to have the right to exercise his vote.

(2) *Voting by Corporations and Other Entities.* Any corporation, partnership, joint venture, unincorporated association or other entity that is a Member of the Association may vote by any natural person who shall be entitled to cast the vote for the Unit owned by such entity as specified in a certificate executed by that entity pursuant to its governing documents. The Person or Persons presiding at any meeting shall have the right to rely absolutely on the authenticity and validity of any such certificate, resolution or other document without duty of further inquiry. If any Unit is owned by a trust, the trustee or trustees shall be deemed to be the Unit owner for purposes of voting.

(3) *Voting by Multiple Owners of a Unit.* If a Unit is owned by more than one Person, the natural Person entitled to cast the vote appurtenant to such Unit shall be the Person named in a certificate signed by all the Owners of such Unit and filed with the Secretary of the Association. In the absence of such named Person from the meeting, or if the Unit owners do not sign and file such a certificate, the Person entitled to cast the vote appurtenant to that Unit shall be the Unit owner(s) present at the meeting. If more than one of the multiple owners of a Unit is present at the meeting, the votes allocated to that Unit may be cast only in accordance with their unanimous agreement in accordance with Section 1603-110 of the Act. There shall be deemed to be unanimous agreement if any one of the multiple Unit owners casts the vote appurtenant to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of that Unit. A certificate evidencing the Person entitled to cast a vote appurtenant to a Unit shall be valid until revoked by a subsequent certificate similarly executed.

(4) *Proxies.* Votes allocated to a Unit may be cast under a proxy duly executed by a Unit owner. 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. 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 through a duly executed proxy. Such proxy may be granted by any Unit owner only in favor of another Unit owner, the holder of a mortgage on a Unit or a Declarant. 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 by actual receipt by the person presiding over the meeting of written notice of revocation from the grantor of the proxy. No proxy shall be valid for a period in excess of eleven (11) months after the execution thereof, unless otherwise provided in the proxy. A proxy is void if it is not dated or purports to be revocable without notice.

(5) *Actions of Association without a Meeting.* Any action required or permitted to be taken by a vote of the Association may be taken without a meeting if fifty-one percent (51%) of the votes allocated to all Members of the Association applicable to the issue being determined (i.e., Exhibits "D", "D-1", or "D-2" allocated votes) consent in writing to such action. Any such written consent shall be filed with the proceedings of the Association.

(6) *Conduct of Meetings.* At every meeting of the Members, the President, or, in the absence of the President, a person chosen by vote of the Members present, shall act as the Chairperson of the meeting. The Secretary or, in the absence of the Secretary, any person appointed by the Chairperson of the meeting, shall act as Secretary. The Chairperson shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as keep a record of all transactions occurring at the meeting. The Chairperson may appoint a person to serve as a parliamentarian at any meeting of the Association. All votes shall be tallied by tellers appointed by the Chairperson.

(7) *Action by Members.* Except as otherwise provided in the Act or the Condominium Documents, whenever any corporate action is to be taken by vote of the Members of the Association, it shall be authorized by fifty-one percent (51%) of the votes cast allocated to all Members of the Association applicable to the issue being determined (i.e., Exhibits "D", "D-1", or "D-2" allocated votes) at a duly organized meeting of Members by the Members entitled to vote thereon.

Section 3.3. Copies of Condominium Documents. The Association shall have current copies of the Declaration, these Bylaws, the Regulations and any other rules concerning the Property as well as its own books, records and financial statements available for inspection by Unit Owners or by holders, insurers and guarantors of first Mortgages secured by Units. These documents shall be available during normal business hours.

Section 3.4. Voting Lists.

(a) *General Rule.* The Secretary shall make a complete list of the Members entitled to vote at any meeting of Members with the address of the Unit owned by each. The list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting for the purposes thereof.

(b) *Effect of List* Failure to comply with the requirements of this Section 3.4 shall not affect the validity of any action taken at a meeting prior to a demand at the meeting by any Member entitled to vote thereat to examine the list.

ARTICLE IV

Officers

Section 4.1. Election. At the first meeting of the Executive Board, and at every Annual Meeting of the Executive Board thereafter, the Directors, if a quorum is present, shall elect the Officers of the Association for the following year, such Officers to serve for a one (1) year term and until their respective successors are elected. The Officers shall be natural persons who are twenty-one (21) years of age or older. Officers must be Unit Owners (or spouses or representatives of Unit Owners). The Executive Board shall elect the following officers: a President, Secretary and a Treasurer, and may elect such other Officers as the Executive Board shall determine. Each Officer may serve an unlimited number of terms so long as such member or Officer continues to be reelected to the Executive Board. Any member may hold two (2) offices simultaneously, except that the President shall not hold any other office.

Section 4.2. President. The President shall be the Chief Executive Officer of the Association and, unless otherwise determined by the Executive Board, the Chairperson of the Executive Board. The President shall be responsible for implementing the decisions of the Executive Board and in that capacity shall direct, supervise, coordinate and have general control over the affairs of the Association and the Executive Board, subject to the limitations of the laws of the State of Maine, the Condominium Documents and the actions of the Executive Board. The President shall have the power to sign checks and other documents on behalf of the Association and the Executive Board, or both, with or without the signatures of any other officers as may be determined by the Executive Board. The President shall preside at all meetings of either body at which he is in attendance and shall be a member of all committees. If the President is absent from such meetings, a person chosen by a majority of the Directors or by the vote of the Members present at such meetings, as the case may be, shall preside. If the Executive Board so provides, the President also shall have any or all of the powers and duties ordinarily attributable to the Chief Executive Officer of a corporation domiciled in Maine.

Section 4.3. Intentionally Omitted.

Section 4.4. Secretary. Unless otherwise determined by the Executive Board, the Secretary shall keep or cause to be kept all records (or copies thereof if the original documents are not available to the Association) of the Association and the Executive Board and shall have the authority to affix the seal of the Association to any documents requiring such seal. The Secretary shall give or cause to be given all notices as required by law, the Declaration or these Bylaws, shall take and keep or cause to be taken and kept minutes of all meetings of the Association, the Executive Board and all committees, and shall take and keep or cause to be taken and kept at the Association's office a record of the names and addresses of all Unit Owners as well as copies of the Declaration, the Plats and Plans, these Bylaws and the Regulations, all of which shall be available at the office of the Association for inspection by Unit Owners or prospective Unit Owners during normal business hours and for distribution to them at such reasonable charges (if any) as may be set from time to time by the Executive Board.

The Secretary shall keep or cause to be kept the register of Eligible Mortgage Holders. The Secretary shall also perform all duties and have such other powers as are ordinarily attributable to the Secretary of a corporation domiciled in Maine.

Section 4.5. Treasurer. Unless otherwise determined by the Executive Board, the Treasurer shall have the charge and custody of, and be responsible for, all funds and securities of the Association, shall deposit or cause to be deposited all such funds in such depositories as the Executive Board may direct, shall keep or cause to be kept correct and complete accounts and records of all financial transactions of the Association and the Executive Board and shall submit or cause to be submitted to the Executive Board and the Association such reports thereof as the Act, the Declaration, the Executive Board, or these Bylaws may from time to time require. Such records shall include, without limitation, chronological listings of all receipts and expenditures on account of the Common Elements, Limited Common Elements, and each Unit, the amount of each assessment for Common Expenses and expenses assessable to individual Units, if any, and the amount paid and the amounts due on such assessments. Such records shall specify and itemize the maintenance, repair and replacement expenses relating to the Common Elements and the Limited Common Elements and any other expenses incurred by the Association. The foregoing financial records shall be kept at the Association's office and shall be available there for inspection by Unit Owners or prospective Unit Owners during normal business hours. The Treasurer shall, upon request, provide any person who shall have entered into a written agreement to purchase a Unit with a written statement of the information required to be provided by the Association pursuant to Sections 1603-116(h) and 1604-108(b) of the Act. The Treasurer shall also perform such duties and have such powers as are ordinarily attributable to the Treasurer of a corporation domiciled in Maine.

Section 4.6. Compensation. Unless approved by the Unit Owners, the Officers of the Executive Board shall serve without compensation for their services in such capacity, provided that nothing herein shall be construed to prevent the Association from reimbursing such Officers for reasonable out-of-pocket expenses incurred by them in connection with the performance of their duties on behalf of the Association.

Section 4.7. Resignation and Removal. Any Officer may resign at any time by written notice to the Executive Board, such resignation to become effective upon receipt thereof by the Executive Board or at such subsequent time as may be specified in the notice of resignation. Any Officer who ceases to be a member of the Executive Board for any reason also shall be deemed to have resigned or been removed, ipso facto, from any Executive Board office he may have held. Any Officer may be removed from his office at any time by a majority vote of the Executive Board, with cause. The removal shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an Officer or agent shall not of itself create contract rights.

Section 4.8. Vacancies. Vacancies caused by resignation or removal of officers or the creation of new offices may be filled by a majority vote of the Directors,

if the vacancy resulted from action of the Executive Board.

ARTICLE V

Common Expenses; Budgets

Section 5.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration and end on December 31 of the same year.

Section 5.2. Preparation and Approval of Budget. No later than ninety (90) days after the beginning of each fiscal year of the Association, the Executive Board shall adopt three (3) separate budgets of the Association for such fiscal year as follows: (i) Common Expenses that apply to all Units (both residential and retail), (ii) Common Expenses that apply only to the Retail Unit(s), and (iii) Common Expenses that apply only to all residential dwelling Units; provided, however, votes applicable to the D-1 Budget, so-called, solely for the Retail Unit(s) and the common expenses and matters relating to the D-1 Budget shall be effective without the consent or approval of the residential Unit Owners. Such budgets shall separately set forth the following:

(a) An estimate of the Common Expenses of the Association to be incurred during such fiscal year (other than reserves and capital expenditures);

(b) A reasonable allowance for delinquent or uncollectible Assessments, and costs and expenses that may be incurred by the Association in connection with the enforcement of the obligation of Unit Owners to pay Assessments, and the enforcement of any other covenants or obligations on the part of Unit Owners set forth in the Condominium Documents;

(c) The amount, if any, expected to be incurred for capital improvements with respect to any existing Common Elements;

(d) Any amounts deemed necessary by the Executive Board to establish or contribute to any operating, capital and repair/replacement reserves; and

(e) Any other costs or expenses estimated to be incurred by the Association for such fiscal year.

Section 5.3. Fixing Regular Assessments. Upon adoption of the budgets described in Section 5.2 for a fiscal year by the Executive Board, the Executive Board shall, based on such budget, fix the Common Expense Assessments to be levied on the Unit Owners for such fiscal year. The Common Expense Assessments to be levied on all Unit Owners for such fiscal year shall be computed based upon the budgeted Common Expenses, and shall be sufficient to pay in full all of the budgeted Common

Expenses.

Section 5.4. Notice of Budget and Common Expense Assessments. Within thirty (30) days after the adoption of the budgets for a fiscal year, the Executive Board shall cause notice of the Common Expense Assessments and a copy of the budgets to be mailed or delivered to each Unit Owner (each, a "Notice of Budget").

Section 5.5. Effective Date of Budget. The budgets and the Common Expense Assessments for such fiscal year shall be effective on and as of the first (1st) day of the fiscal year to which such budgets relate or, if later, on the first (1st) day of the first (1st) calendar month after notice of the Common Expense Assessments has been given to the Unit Owners, unless the budgets or capital expenditure are rejected by the Units Owners pursuant to Section 5.6.

Section 5.6. Rejection of Budget. The Executive Board shall set a date for a meeting of the Unit Owners to consider ratification of the "D" Budget and the "D-2" Budget, so-called, not less than fourteen (14) nor more than thirty (30) days after mailing the Unit Owners the Notice of Budget and Common Expenses pursuant to Section 5.4. Unless at the meeting the affirmative vote of Unit Owners who hold at least sixty-percent (60%) of the allocated votes applicable to the respective budget that Unit Owners are entitled to cast reject the budgets, the budgets are ratified, whether or not a quorum is present. Upon rejection of any budget, the most recently approved budget and associated Common Expense Assessments shall continue in full force until the adoption of a new budget that is not rejected by the Unit Owners. After rejection of a budget, the Board may adopt, approve and give notice of an amended budget and Common Expense Assessment to the Unit Owners.

Section 5.7. Payment of Common Expense Assessments. Unless otherwise determined by resolution of the Executive Board, the Common Expense Assessments against each Unit shall be payable in equal monthly installments in advance on the first day of each calendar month and shall be a lien against each Unit Owner's Unit as provided in the Act and Declaration. If the Executive Board determines that such Common Expense Assessments shall be payable in some other manner, notice thereof shall be given to the Unit Owners.

Section 5.8. Meeting of Members. The annual budget of the Association and the Common Expense Assessments as determined by the Executive Board shall be effective without the approval of the Unit Owners, subject only to the right of the Members to reject such budget as hereinabove provided.

Section 5.9. Amendments to Budget. The Executive Board may from time to time during any fiscal year adopt and approve such amendments or modifications to the budget for such fiscal year as the Executive Board deems necessary or appropriate, and in connection therewith the Executive Board shall have the power to change the Common Expense Assessments for the balance of such fiscal year as may be necessary to reflect any increase or decrease in the budgeted Common Expenses

resulting from such amendment or modification to the budgets. Within ten (10) days after the adoption of the amendment or modification of the budgets, the Executive Board shall cause a copy of the amended budgets and notice of the amended Common Expense Assessments to be mailed to each Unit Owner. Any such amended budget and amended Common Expense Assessments shall be effective thirty (30) days after approval by the Board unless rejected by the Unit Owners pursuant to Section 5.6.

Section 5.10. Special Assessments. The Executive Board shall have the power to levy Special Assessments for such purpose or purposes as the Executive Board from time to time deems necessary or appropriate, including, but not limited to, paying the costs of unanticipated maintenance, repairs or replacements of the Common Elements, making capital improvements to the Common Elements, or for the purpose of assessing one or more Members for the cost of any damage or destruction to the Common Elements resulting from the act or omission of such Member(s). Special Assessments benefiting all Unit Owners shall be levied on all Units based on their respective Common Expense liability, and shall be due and payable in a lump sum or in such installments as the Executive Board shall determine. If a Special Assessment is to be payable in installments, once notice thereof shall have been given to the Unit Owners it shall not be necessary for the Executive Board to give separate notices or invoices for installments thereof, and such installments shall be due and payable automatically and without further notice or demand in accordance with the schedule of such installments set forth in the notice of such Special Assessment given to the Unit Owners.

Section 5.11. Delinquency in Payment of Assessments. If a Unit Owner fails to pay any Assessments or installments thereof when due, the Association, acting by or under the direction of the Executive Board, shall have all powers, rights and remedies for the collection of such delinquent Assessments as are set forth in the Declaration and the Act, or as otherwise may be available at law or in equity.

Section 5.12. Accounting and Reports. Unless otherwise determined by the Executive Board, the following standards of performance shall be observed by the Executive Board and the officers of the Association:

(1) The Association shall utilize the accrual method of accounting.

(2) The Association shall employ generally accepted accounting principles or other sound and acceptable accounting principles and such principles shall be applied on a consistent basis.

(3) No remuneration shall be accepted by any managing agent or management firm, or by any officer of the Association, from vendors, independent contractors or others providing goods or services to the Association, whether in the form of gifts, commissions, finder's fees, service fees or other benefits.

(4) Any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly in

writing to the Executive Board.

(5) Commencing at the end of the first fiscal year of the Association in which a Unit is conveyed to a Unit Owner other than the Declarant, financial reports will be prepared for the Association at least annually containing:

(i) An income statement reflecting income and expense activity for the preceding period on an accrual basis;

(ii) A statement of cash receipts and disbursements for the preceding period;

(iii) A report reflecting the status of all accounts stating whether or not actual expenses or receipts with respect to each budgeted category are greater or less than budgeted expenses or receipts for such period; and

(iv) A balance sheet as of the last day of the preceding period.

(6) An annual report consisting of at least the following shall be prepared within one hundred eighty (180) days after the close of each fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such reports shall be prepared by an independent certified public accountant selected by the Executive Board. Each Unit Owner and record holder of a first mortgage on a Unit who has registered an address with the Secretary is entitled to receive from the Association a copy of the annual financial statements and a copy of the independent certified public accountant's report on the financial statements, within thirty (30) days after submitting a written request to the Association. The Association may charge a fee for such copies (not to exceed the cost of producing copies of records other than the financial statement).

(7) The Executive Board shall have the discretion to prepare or cause to be prepared such other financial reports, or prepare reports at a greater frequency, than otherwise specified in this Section.

Section 5.13. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive 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 Common Expense assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

Section 5.14. Statement of Common Expenses. The Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments for

Common Expenses and Limited Common Expenses, if any, due from such Unit Owner. The Executive Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation, to the extent permitted by the Act.

ARTICLE VI

Liability of Directors and Officers.

Section 6.1. Exculpation. No Director or Officer of the Association shall be personally liable for acts or defaults of himself or any other Officer or Director, or for any loss sustained by the Association or any Member thereof, unless ordered by a court of competent jurisdiction upon a determination that he breached a duty owed to the Association under either the Maine Nonprofit Corporation Act or the Maine Condominium Act, or otherwise under the Declaration or these Bylaws.

Section 6.2. Claims. Claims against the Association, the Executive Board or the Officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners, and such complaints shall be defended by the Association. The Unit Owners shall have no right to participate in such defense other than through the Association.

ARTICLE VII

Indemnification

Section 7.1. Indemnification. The Association shall in all cases, to the fullest extent permitted by the Maine Nonprofit Corporations Act, indemnify any person who was or is involved in any manner (including, without limitation, as a party or a witness) in any threatened, pending or completed investigation, claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including, without limitation, any action, suit, or proceeding brought by or in the right of the Association to procure a judgment in its favor) by reason of the fact that that person is or was a Director or Officer of the Association, against all liabilities and expenses actually and reasonably incurred by the person in connection with such actions, suits or proceedings including but not limited to attorneys' fees, judgments, fines and amounts paid in settlement. This Section is subject to the limitations set forth in Section 7.2.

Section 7.2. Limitations on Indemnification.

(a) *Financial Adjudication.* No indemnification shall be provided for any person with respect to any matter as to which that person shall have been finally adjudicated in any action, suit or proceeding not to have acted in good faith in the reasonable belief that that person's action was in the best interests of the Association or, with respect to any criminal action or proceeding, had reasonable cause to believe that that person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order or conviction adverse to such person, or by settlement or plea of nolo contendere

or its equivalent, shall not of itself create a presumption that such person did not act in good faith in the reasonable belief that his action was in the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) *Initiated Proceedings.* Notwithstanding any other provision of this Article VII, the Association shall have no indemnification obligations under this Article VII for any liability incurred in a proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the Directors.

Section 7.3. Requirement of Indemnification. Any provision of Sections 7.1, 7.2 or 7.4 to the contrary notwithstanding, to the extent that a Director or Officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 7.1, or in defense of any claim, issue or matter therein, that person shall be indemnified against all expenses and liabilities, including attorneys' fees, actually and reasonably incurred by that person in connection therewith. The right to indemnification granted by this Section 7.3 may be enforced by a separate action against the Association, if an order for indemnification is not entered by a court in the action, suit or proceeding wherein he was successful on the merits or otherwise.

Section 7.4. Procedure. Any indemnification under Section 7.1, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director or Officer is proper in the circumstances because that person has met the applicable standard of conduct set forth in Sections 7.1 and 7.2. That determination shall be made by the Executive Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion. Such a determination, once made by the Executive Board may not be revoked by the Executive Board, and upon the making of such determination by the Executive Board, the Director or Officer may enforce the indemnification against the Association by a separate action notwithstanding any attempted or actual subsequent action by the Executive Board.

Section 7.5. Expenses. Expenses incurred in defending a civil, criminal, administrative or investigative action, suit or proceeding may be authorized and paid by the Association in advance of the final disposition of that action, suit or proceeding upon a determination made in accordance with the procedure established in Section 7.4 that, based solely on the facts then known to those making the determination and without further investigation, the person seeking indemnification satisfied the standard of conduct prescribed by Sections 7.1 and 7.2. Those persons making such determination may, in their discretion, require such person to provide the following to the Association:

(a) A written undertaking by or on behalf of the officer or director to repay that amount if that person is finally adjudicated:

(i) Not to have acted honestly or in the reasonable belief that the person's action was in or not opposed to the best interests of the Association;

(ii) With respect to any criminal action or proceeding, to have had reasonable cause to believe that the person's conduct was unlawful; and

(b) A written affirmation by the officer or director that the person has met the standard of conduct necessary for indemnification by the Association as authorized in this Section.

The undertaking required by Paragraph A shall be an unlimited general obligation of the person seeking the advance, but need not be secured and may be accepted without reference to financial ability to make the repayment.

Section 7.6. Enforceability. The indemnification and entitlement to advances of expenses provided by this Article VII shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of disinterested Directors or otherwise, both as to action in that person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, trustee, partner or fiduciary and shall inure to the benefit of the heirs, executors and administrators of such a person. A right to indemnification may be enforced by a separate action against the Association, if an order for indemnification has not been entered by a court in any action, suit or proceeding in respect to which indemnification is sought. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

Section 7.7. Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director or Officer against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Association would have the power to indemnify that person against such liability under this Article VII.

Section 7.8. Payment of Indemnification. A party entitled to indemnification under this Article VII shall be entitled to indemnification within thirty (30) days after a written request for indemnification has been delivered to the Secretary of the Association.

Section 7.9. Rules.

(a) *General Rule.* Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under this Article VII, shall be decided only by arbitration in the metropolitan area in which the principal executive offices of the Association are located at the time, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before a panel of three arbitrators, one of whom shall be selected by the Association, the second of whom shall be selected by the party seeking indemnification hereunder and the third of whom shall be selected by the other two (2) arbitrators. In the absence of the American Arbitration Association, or if for any reason arbitration under the arbitration rules of the American Arbitration Association cannot be initiated, or if one of the parties fails or refuses to select an arbitrator or if the arbitrators selected by the Association and the indemnified representative cannot agree on the selection of the third arbitrator within thirty (30) days after such time as the Association and the indemnified representative have each been notified of the selection of the other's arbitrator, the necessary arbitrator or arbitrators shall be selected by the presiding judge of the court of general jurisdiction in such metropolitan area.

(b) *Burden of Proof.* The party or parties challenging the right of an indemnified representative to the benefits of this Article VII shall have the burden of proof.

(c) *Expenses.* The Association shall reimburse an indemnified representative for the expenses (including reasonable attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration.

(d) *Effect.* Any award entered by the arbitrators shall be final, binding and unappealable and judgment may be entered thereon by any party in accordance with applicable law in any court of competent jurisdiction, except that the Association shall be entitled to interpose as a defense in any such judicial enforcement proceeding any prior final judicial determination adverse to a person seeking indemnification hereunder in a proceeding not directly involving indemnification under this Article VII. This arbitration provision shall be specifically enforceable.

ARTICLE VIII

Repair or Reconstruction

Section 8.1. Restoration of Property Out of Common Expense Fund. Damage to or destruction of the Building and related improvements shall be promptly repaired and restored by the Association in accordance with the provisions of Article VII of the Declaration and Sections 1603-113(e) and (h) of the Act. The Executive Board shall be responsible for accomplishing the full repair or reconstruction which shall be paid out of the Common Expense fund. The disbursement of funds for such repair or reconstruction shall, at the option of the Executive Board, be made only as the work progresses upon approval of a qualified architect who shall have furnished a description satisfactory to the Executive Board of the costs involved and the services and materials

to be furnished by the contractors, subcontractors and materialmen. Unit Owners may apply the proceeds from their individual property insurance policies, if any, to the share of such Common Expense as may be assessed to them. The Executive Board shall be responsible for restoring the Property only to substantially the same condition as it was immediately prior to the damage and each Unit Owner shall personally assume the additional expense of any improvements to his or her Unit which he restores, to restore it beyond such condition. If any physical changes are made to any restored Unit or the Common Elements, or any combination of them, which renders inaccurate the Plats and Plans which are then on record, the Executive Board shall record amended Plats and Plans showing such changes.

ARTICLE IIX

Separate Real Estate Taxes

Section 9.1. Assessments Against Individual Units. In the event that, commencing with the taxable period during which occurs the first conveyance of a Unit to a person other than the Declarant, real estate taxes are not separately assessed against each Unit Owner, but rather are assessed against the Property as a whole, then each Unit Owner (including the Declarant, as to the Units then owned by it) shall pay his proportionate share thereof in accordance with his respective Percentage Interest in the Common Elements.

ARTICLE X

Miscellaneous

Section 10.1. Severability. The provisions of these Bylaws shall be deemed independent and severable and the invalidity, partial invalidity or unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision or portion thereof unless the deletion of such invalid or unenforceable provision shall destroy the uniform plan for development and operation of the Property which the Declaration and these Bylaws are intended to create.

Section 10.2. Conflicts. The Act and the Declaration shall control in the event of any conflicts between the provisions thereof and the provisions of these Bylaws. The Act, the Declaration and these Bylaws shall control in the case of any conflict between the provisions thereof and the provisions of the Regulations.

Section 10.3. Notices. All notices or other communications required or permitted under these Bylaws shall be in writing and shall be deemed to have been given when personally delivered or on the second business day after the day on which mailed or certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (a) if to a Unit Owner at the single address which the Unit Owner shall designate in writing and file with the secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (b) if to the Association,

the Executive Board or to the managing agent, at the principal office of the Association and to the managing agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one person, each such person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 10.4. Headings. The headings preceding the various Sections of these Bylaws are intended solely for the convenience of readers of the Bylaws and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 10.5. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 10.6. Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the Executive Board or any person authorized by resolution of the Executive Board may from time to time designate.

Section 10.7. Contracts.

(a) *General Rule.* Except as otherwise provided in the Act or in the Declaration, in the case of transactions that require action by the Members, the Executive Board may authorize any officer or agent to enter into any contract or to execute or deliver any instrument on behalf of the Association, and such authority may be general or confined to specific instances.

(b) *Statutory Form of Execution of Instruments.* Any note, mortgage, evidence of indebtedness, contract or other documents, or any assignment or endorsement thereof, executed or entered into between the Association and any other person or any amendment to the Declaration, when signed by one or more officers or agents having actual or apparent authority to sign it, or by the President, Secretary or Treasurer of the Association, shall be held to have been properly executed for and in behalf of the Association, without prejudice to the rights of the Association against any person who shall have executed the instrument in excess of his or her actual authority.

Section 10.8. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Executive Board may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the Executive Board shall from time to time determine. However, if the Board retains an independent management firm to manage the Association and/or Common Elements, then the Board may authorize one or more representatives of such firm to collect and expend funds on behalf of the Association, subject to such limitations as the Board deems advisable.

ARTICLE XI

Amendments to Bylaws

Section 11.1. General Requirements; Consent of Declarant or Holders of Mortgages; Curative Amendments to Bylaws. Except as otherwise provided in these Bylaws, the Declaration or the Act, these Bylaws may be amended either (i) by the vote of the Unit Owners entitled to cast not less than two-thirds (2/3) of the votes in the Association, cast in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws or (ii) with respect to those matters that are not committed by the statutes expressly to the Unit Owners and regardless of whether the Unit Owners have previously adopted or approved the Bylaw being amended or repealed, by vote of a majority of the Executive Board of the Association in office at any regular or special meeting of Directors. Any change in these Bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change. Notwithstanding the foregoing, (i) no provision of these Bylaws which states a specified percentage vote of Members or Directors to approve or carry out any action may be amended except by the Members and only by at least the same number or percentage of votes specified in such provision of the Bylaws, and (ii) no amendment hereto may remove, revoke or modify any right or privilege of the Declarant set forth in these Bylaws or in the Declaration without the written consent of the Declarant. The Executive Board shall have the power to make any amendment to these Bylaws which are reasonably necessary in order to conform these Bylaws to any amendment or modification made to the Declaration or the Act, to correct any inconsistency or conflict between any provision of these Bylaws and any other provision of these Bylaws, or to correct any inconsistency or conflict between any provision of these Bylaws and any provision of the Declaration or the Act. These Bylaws shall never be amended such that the Bylaws conflict or are inconsistent with the provisions of the Declaration.

Section 11.2. Amendments to the Declaration. The Declaration may be amended pursuant to the provisions of the Act and of the Declaration. The President or the Treasurer is empowered to prepare and execute any amendments to the Declaration on behalf of the Association and the Secretary is empowered to attest, seal with the Association's corporate seal and record any such amendments on behalf of the Association.

ARTICLE X

Seal

Section 12.1. Seal. The Association need not use a seal unless required to do so by law, in which case the form of the seal of the Association shall contain the name of the Association and the State of Maine.