



CONDOMINIUM PUBLIC OFFERING STATEMENT
Exhibit 11

BYLAWS OF THE
DUNSTAN CROSSING MASTER ASSOCIATION

ARTICLE I
CREATION AND APPLICATION

Section 1.01 Creation. This corporation is organized under the Maine Nonprofit Corporation Act in connection with the submission of Property known as "Dunstan Crossing" located in the Town of Scarborough, Maine (the "Project") to the Dunstan Crossing Master Declaration of Covenants, Conditions and Restrictions recorded in the Cumberland County Registry of Deeds as it may be amended and supplemented from time to time in accordance with its terms (the "Declaration"). The name of the corporation is the Dunstan Crossing Master Association (the "Association"). Capitalized terms used without definition in these Bylaws shall have the meaning set forth in the Declaration. These Bylaws are one of the "Governing Documents" referenced in the Declaration.

The term "Property" as used herein shall include the lands, buildings and all other improvements thereon (including Units, Common Areas, all other common lands, and all easements, rights and appurtenances belonging thereto) and all other property, personal or mixed, intended for use in connection therewith now or hereafter submitted to or governed by the Declaration, which submission may occur in phases.

The Members of the Association shall consist of (i) the Class A Members consisting of the Neighborhood Associations formed pursuant to the Declaration and (ii) the Developer as the Class B Member.

Section 1.02 Application. All present and future Members, Unit Owners, mortgagees, lessees, licensees and occupants of the Units, their employees, agents and customers, and any other persons who may enter upon the Property are subject to these Bylaws and to the Rules and Regulations, all as adopted, amended or altered from time to time by the Board of Directors of the Association (the "Board of Directors").

Section 1.03 Office. The principal office of the Association shall be located at the Property.

Section 1.04 Interpretation. In the event of any conflict or discrepancy between this Declaration, the Bylaws and the Rules and Regulations, the provisions of the Declaration shall govern. If any provision of these Bylaws conflicts with the Maine Non-Profit Corporation Act then such Act shall be deemed controlling. In the event of any such conflicts, the validity of the remainder of these Bylaws shall not be affected thereby.

ARTICLE II
PURPOSES AND POWERS OF THE ASSOCIATION

Section 2.1 Purposes. The Association is formed in order to establish a nonprofit corporation pursuant to the Declaration and the Maine Nonprofit Corporation Act for the government, funding, operation, regulation and maintenance of the Property now or hereafter submitted to the Declaration.

Section 2.2 Powers. In addition to all the powers, authority and responsibilities granted to or imposed upon this Association by the Declaration and the laws of the State of Maine, specifically including those set forth or referred to in the Maine Nonprofit Corporation Act, all of which the

Association shall have to the extent permitted by law and by the Declaration, the Association also shall have the following specific powers, subject to the reserved rights of the Developer:

- A. To adopt and amend these Bylaws and the Rules and Regulations;
- B. To adopt and amend budgets for revenues, expenditures and reserves, and establish and collect Assessments and Service Charges and, to the extent provided in the Declaration, to collect Neighborhood Assessments and Neighborhood Service Charges on behalf of a Neighborhood Association with the consent of such Neighborhood Association;
- C. To hire and terminate managers and other employees, agents, and independent contractors;
- D. To institute, defend, or intervene in litigation, arbitration, or administrative proceedings in its own name on behalf of itself or two (2) or more Members, Owners and/or Neighborhood Associations on matters affecting the Property;
- E. To make contracts and incur liabilities;
- F. To regulate the use, maintenance, repair, replacement and modification of the Master Common Areas, Neighborhood Common Areas and the Units in accordance with the Declaration, including without limitation the adoption, amendment and enforcement of the Design Guidelines in accordance with the Declaration;
- G. To cause additional improvements to be made as a part of the Master Common Areas and areas adjoining the Master Common Areas, subject to the restrictions set forth herein;
- H. To acquire, hold, encumber and convey in its own name any right, title, or interest to real or personal property, including without limitation the Master Common Areas and the Open Space Land subject to the terms and conditions of the Declaration;
- I. To grant easements, leases, concessions, and licenses for public utilities servicing or benefiting the Property through or over the Master Common Areas and other portions of the Property as provided in the Declaration;
- J. To impose and receive payments, fees, or charges for the use, rental, or operation of facilities located on the Master Common Areas;
- K. To impose charges and interest for late payment of Regular Assessments, Special Assessments and Service Charges and, after notice and an opportunity to be heard, impose reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;
- L. To impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Assessments or resale certificates;
- M. To provide for the indemnification of its officers and directors and maintain directors' and officers' liability insurance;
- N. To pledge, assign and grant a security interest covering Regular Assessments and Special Assessments made for the purpose of raising funds for repairs, renovations, improvements and associated costs and expenses with respect to the Master Common Areas;
- O. To enforce and Exercise any other powers conferred by the Declaration or the Bylaws; and
- P. To exercise all other powers that may be exercised pursuant to the Maine Nonprofit Corporation Act.

The Board of Directors of the Association shall manage the Property and exercise all such powers on behalf of the Association, subject to the terms of these Bylaws, the Declaration and the Maine Nonprofit Corporation Act.

Section 2.3 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 and care of the Property, or by virtue of a rebate of excess charges, fees, Assessments, or other payments.

ARTICLE III **MEMBERSHIP**

Section 3.1 Membership. Membership in the Association is generally governed by the Declaration and Articles of Incorporation of the Association. The Association shall have two (2) classes of Members, Class A and Class B, as follows:

(a) **Class A Members.** The Class A Members shall consist of each Neighborhood Association, each being a Maine nonprofit corporation, as defined in the Declaration, initially consisting of the Dunstan Crossing Homeowners Association and the Dunstan Crossing Condominium Association. Each individual Neighborhood Association shall constitute a separate individual class within the Class A Members. Each Neighborhood Association shall act through its Voting Representatives elected by its Board of Directors, who shall exercise the votes allocated to that Neighborhood Association on the terms and conditions set forth in its Declaration, the Articles of Incorporation and these Bylaws. Each Neighborhood Association shall elect directors voting as a class. Each class's Directors shall consist of a Neighborhood Association's President and other persons designated by the Neighborhood Association's board of directors to represent the interests of Class A Master Association members' votes of each Neighborhood Association in accordance with the Master Association's Articles of Incorporation.

Individual Owners are not members of this Association, but can only act through their Neighborhood Association.

Initially, there are no Class A votes. Once the Developer Control Period expires in accordance with the Declaration, there shall then be a total of nine (9) votes allocated to the Class A Members, which votes shall be allocated to each Neighborhood Association based on the ratio of (a) the number of existing and future residential dwelling Units which are potentially to be created in such Neighborhood Association in accordance with the Master Conceptual Plan and with the Governmental Requirements and which are to be located on the Property (even if a Unit consists only of an unimproved lot of land or, for a condominium Unit, has not been legally created) to (b) the total number of such approved residential dwelling Units (the "Relative Ratio"). Provided, however, that upon the expiration of the Declarant Control Period (as defined in the Maine Condominium Act) for a Neighborhood Association which is a condominium association subject to the Maine Condominium Act, then such condominium Neighborhood Association shall elect the Directors of the Association which it would otherwise be entitled to under this Subsection 3, and the Developer shall elect the remaining Directors for all other Associations which are not a condominium association or which are a condominium Neighborhood Association for which the Declarant Control Period has not expired. The Developer shall call a meeting within sixty (60) days of the expiration of the Declarant Control Period for the purpose of the election of directors by the members.

(b) **Class B Member(s).** The Class B Member(s) shall be the Developer. The Class B Member(s) shall have ten (10) Class B votes. The rights of the Class B Members shall include without limitation the right to approve actions of the Association taken under the Declaration and these Bylaws, and to appoint and remove the members of the Board of Directors during the Developer Control Period established under the Declaration. After termination of the Developer Control Period, the Class B Member shall have a right to disapprove actions of the Board of Directors, the Design Review Board and any

committees, all until the Class B membership terminates. The Class B Member may voluntarily relinquish any or all of the foregoing rights from time to time by an instrument signed by all Class B Members and recorded in said Registry of Deeds.

Within the Class B Members, decisions shall be made by majority Vote if there is more than one Developer. If there is more than one Class B Member, then the Class B Votes shall be allocated based on the ratio of (a) the number of existing and potential residential dwelling Units located on portions of the Property then owned by such Developers which have been or which may be created in accordance with the Master Conceptual Plan (even if a Unit consists only of an unimproved lot of land or, for a condominium Unit, has not been legally created) to (b) the total number of such residential dwelling Units.

The Class B Membership shall terminate upon the earlier of:

(i) sixty (60) days after the expiration of the Developer Control Period under the Declaration or, with respect to any Neighborhood Association which is a condominium association, to the extent such expiration is required under the Maine Condominium Act with respect to such association, only; or

(ii) as of the specified effective date of when the Developer(s) surrenders its Class B Membership, in whole or part, as evidenced by an instrument signed by all the Developers recorded in said Registry of Deeds specifically referring to these Articles.

(c) The Developer at all times shall be entitled to cast the votes allocated to its Units in any Neighborhood Association and act on behalf of the Association in the same manner as any other Member, even after either (a) the expiration of the Developer Control Period hereunder or under the Neighborhood Association's governing documents or (b) after the expiration of the Developer Control Period under the Maine Condominium Act. The Developer may also independently exercise all rights it holds for any Neighborhood Association including, without limitation, the right to appoint that Neighborhood Association's voting Member during the Developer Control Period for that Neighborhood Association.

Section 3.2 Annual Meeting. Meetings of the Members shall be held annually on such date as may be established by the Board of Directors, who shall have the authority to alter the annual meeting date in its discretion if it determines that another meeting date is more convenient. The annual meeting and any special meetings shall be held at the principal office of the Association or such other place as may be designated in the Notice of Meeting.

Section 3.3 Special Meetings. Special meetings of the Members may be held at any time upon the call of the Board of Directors, or upon the call of twenty percent (20%) or more in interest of the Members, which call shall state the purpose of the meeting. Upon receipt of such call, the Secretary shall promptly send out notices of the meeting to all Members of the Association.

Section 3.4 Notice of Meetings. A written notice of each meeting of the Association shall be sent by the President or Secretary or Assistant Secretary, if any, at least ten (10) days, but not more than sixty (60) days, before the date set for the meeting. Such notice shall be given to each Member listed with the records of the Association, as set forth below, and to each Eligible Mortgage Holder, if required by the Declaration:

A. By hand delivering it to him, or

B. By mailing it, postage prepaid, addressed to the member at the address of the Unit or at any other address designated in writing by that member with the records of the Association.

The notice of any meeting shall state the time and place of the meeting, and the items on the agenda, including the general nature of any proposed Declaration or Bylaw amendments, any budget changes and any proposal to remove an officer or director. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall not invalidate the meeting.

Section 3.5 Waiver of Notice. The presence of all the members, in person or by proxy, at any meeting shall conclusively establish the meeting's validity, unless any member shall object at the meeting to the noncompliance with this Article. Any meeting so held without objection shall be valid for all purposes, and at any annual meeting any general business may be transacted and any action may be taken.

Members may attend any meeting via a telephonic speakerphone at which they may hear and be heard by other Members, but Members wishing to attend in this manner shall be responsible for initiating the arrangement of such services at the Members' expense reasonably in advance. The Association shall provide reasonable cooperation in arranging such services.

Section 3.6 Order of Business. The order of business at all meetings of the Members shall be generally as follows, if applicable:

- A. Roll call
- B. Proof of notice of meeting or waiver of notice
- C. Review and approvals of the minutes of preceding meeting
- D. Reports of Officers
- E. Report of Board of Directors
- F. Report of committees
- G. Election of the Board of Directors
- H. Unfinished business
- I. New business
- J. Adjournment

Section 3.7 Parliamentary Procedure. At all meetings of the Members or of the Board of Directors, Robert's Rules of Order as then amended shall be followed, except that, in the event of conflict, these Bylaws or the Declaration, as the case may be, shall prevail.

Section 3.8 Quorum. The presence at the beginning of any meeting of the Association, in person or by proxy, of Members whose aggregate voting interest constitutes more than thirty percent (30%) of the total voting interests in the Association shall constitute a quorum for the transaction of all business.

The Members present at a duly called or held meeting at which a quorum was once present may continue to do business at the meeting or at any adjournment thereof, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 3.9 Voting.

A. Votes may be cast pursuant to a written proxy duly executed by a Member and filed with the Secretary. A Member may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is not valid if it is not

dated or if it purports to be revocable without notice as determined by the Secretary of the Association. A proxy shall automatically terminate eleven (11) months after its date, unless it specifies a shorter term.

B. A Member may vote in person or by proxy at any meeting of the Association. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

C. The Developer may exercise its Class B Membership votes and the voting rights pertaining to any Property to which it retains title.

E. Each Member shall have the number of votes in the Association as specified in the Articles of Incorporation. Any specified percentage vote refers to the aggregate percentage of such votes.

F. At any meeting at which a quorum is present, the affirmative vote of a majority of those present shall determine any question except the election of Directors, unless a greater percentage vote is required by law, by the Declaration or by these Bylaws. In the election of Directors, those receiving the greatest number of votes from the Members of the Class, though less than a majority, shall be elected. To the extent required by the Act, for the purposes of amending the Declaration or these Bylaws, the percentage in interest shall be measured against the total voting interest regardless of whether or not such Members are present.

Section 3.10 Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the Members present, whether a quorum be present or not, without further notice of the time and place of adjournment beyond that given at the meeting if adjourned for less than thirty (30) days. When a meeting is adjourned, for whatever reason, for thirty (30) days or more, a new notice of the adjourned meeting must be given.

At any adjourned meeting, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 3.11 Unanimous Action by Members without a Meeting. Any action required or permitted to be taken at a meeting of the Members (to the extent not otherwise precluded by law) may be taken without a meeting if written consents, setting forth the action so taken, are signed by all the Members entitled to vote on such action and are filed with the Secretary of the Association as part of the corporate records. Such written consents shall have the same effect as a unanimous vote of the Members.

ARTICLE IV **BOARD OF DIRECTORS**

Section 4.1 Number and Qualifications. Initially, during the Developer Control Period as defined in the Declaration, the Board of Directors shall be composed of three (3) directors appointed by the Developer as the Class B Member.

The Developer shall have the right to appoint, remove and replace the Directors of the Association until the conveyance occurs of ninety percent (90%) of all two hundred eighty-eight (288) Units that the Developer potentially has the right to create within the Property and within real estate that may become a part of the Property, except as limited with respect to condominium associations.

Upon the expiration of the Developer Control Period as defined in the Declaration, the Voting Representatives of each Neighborhood Association shall then separately vote as a class to elect the number of directors allocated to that Neighborhood Association. There shall be a total of nine (9) directors which shall be

allocated to and elected by the Voting Representatives of each Neighborhood Association based on the Relative Ratio as defined above. Provided, however, that upon the expiration of the Developer Control Period (as defined in the Maine Condominium Act) for a Neighborhood Association which is a condominium Association subject to the Maine Condominium Act, such Neighborhood Association shall elect the Directors of the Association which it would otherwise be entitled to under Subsection 3.2(a), above, and the Developer shall elect the remaining Directors for all other Associations which are not a condominium Association or which are a condominium Neighborhood Association with respect to which the Developer Control Period has not expired.

The number of directors may be changed by amendment to the Bylaws, subject to the limits as to the minimum and maximum number of directors set forth herein and further subject to the Declaration. The number of directors elected by each Neighborhood Association shall be allocated based on the Relative Ratio.

Section 4.2 Election and Term of Office. Directors shall be elected for a term of one (1) year each. At the expiration of the initial term of office of each director, his successor shall be elected to serve a term of one (1) year; provided, however, that a director shall hold office until his successor has been elected.

Section 4.3 Powers and Duties. The Board of Directors shall generally act on behalf of the Association, shall have all powers and duties necessary or appropriate for the administration of the affairs of the Association, and shall have all powers referred to in the Declaration, the Bylaws or otherwise provided under the Maine Condominium Act or the Maine Nonprofit Corporation Act, as either may be amended from time to time, except for those matters which by law, by the Declaration or by these Bylaws are specifically reserved to the members.

In discharging the duties of a Director, a Director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented, i) by one or more officers or employees of the Association whom a Director reasonably believes to be reliable and competent in the matters presented; ii) by legal counsel or a public accountant or other person as to matters a Director reasonably believes are within that person's professional or expert competence; or iii) by a committee, the board of directors of which a Director is not a member as to the matters within its jurisdiction, if a Director reasonably believes that the committee merits confidence.

Section 4.4 Other Duties. In addition to other duties imposed by these Bylaws or by duly adopted resolutions of the members of the Association, the Board of Directors shall be responsible for the following:

- A. The election of the officers of the Association;
- B. The management and administration of the Association's property, the Master Common Areas, and any other property for which the Association is responsible, including the maintenance, repair and replacement thereof;
- C. The determination and collection of Assessments and Service Charges from the Owners and the regulation of the Association's fiscal affairs;
- D. The establishment of reserves for the maintenance, repair and replacement of Master Common Areas and for contingencies and reserves;
- E. The appointment and dismissal of the personnel and agents necessary for the management, maintenance and operation of the Property, including without limitation the Master Common Areas, and for the fixing of the terms of their engagement and of their compensation and authority; and

F. The designation of executive and other committees.

Section 4.5 Manager or Management Agent, Employees, Generally. The Board of Directors may employ on behalf of the Association a management agent or manager at a compensation established by the Board to perform such duties and services as the Board shall authorize. All management contracts entered into during the Developer Control Period shall permit termination without a penalty on thirty (30) days' notice at any time, with or without cause, after the expiration of such period.

Section 4.6 Appointment and Vacancies. Until the expiration of the Developer Control Period, the Developer shall appoint replacement directors in the event of vacancies in the Board of Directors. Thereafter, a vacancy caused by the expiration of a Director's term or by the removal of a Director by a vote of the class of Members that appointed a Director shall be filled by vote of the class of Members that appointed that Director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4.7 Removal of Directors. At any regular meeting or special meeting duly called, any one or more of the Directors may be removed with or without cause by the two thirds (2/3) vote of the class of Members that elected that Director. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting, but the Members' decision shall be final.

Section 4.8 Compensation. No compensation shall be paid to Directors for their services as Directors or in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Members before or after the services are undertaken.

Section 4.9 Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association and at the same place; no further notice shall be necessary in order legally to constitute such meeting.

Section 4.10 Regular Meetings. Regular meetings of the Board of Directors (other than the annual meeting) may be held at such time and place as shall be determined, from time to time, by the Board. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, or by delivery to his Unit, or by telephone, at least ten (10) days prior to the day named for such meeting.

Neither the business to be transacted at, nor the purpose of, any regular meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless the Articles of Incorporation, these Bylaws or the Maine Nonprofit Corporation Act so requires.

In the discretion on the Presiding officer and on such terms as he may establish, individual unit owners may speak at meetings of the directors.

Section 4.11 Special Meetings. Special meetings of the Board of Directors may be called by the President on ten (10) days' notice to each Director, given personally or by delivery to his Unit, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of three (3) or more Directors.

Section 4.12. Waiver of Notice. Before or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board without objection shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.13 Board of Directors' Quorum/Attendance by Telephone. At all meetings of the Board of Directors, the presence at the beginning of a meeting of at least five (5) directors or of a majority of the directors then in office, whichever is less, shall constitute a quorum for the transaction of business. The acts of the majority of the Directors present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors a quorum is not present, the majority of those present may adjourn the meeting. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Directors may attend any meeting via a telephonic speakerphone at which they may hear and be heard by other Directors, but directors wishing to attend in this manner shall be responsible for initiating the arrangement of such services reasonably in advance. The Association shall provide reasonable cooperation in arranging such services at its expense.

Section 4.14 Unanimous Action. Unless otherwise expressly provided by law, any action which may be taken at a meeting of the Directors may be taken without a meeting if at any time before or after the intended effective date of such action all of the Directors sign written consents setting forth the action taken or to be taken. Such consents shall be filed with the minutes of Directors' meetings and shall have the same effect as a unanimous vote.

ARTICLE V **OFFICERS**

Section 5.1 Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, of whom only the President need be elected from among the Directors. The Directors may in their discretion appoint a Vice President, an Assistant Treasurer, and an Assistant Secretary, and such other officers, none of whom need be Directors, as in their judgment may be deemed necessary.

Section 5.2 Election of Officers. The principal officers of the Association shall be elected annually by the Board of Directors at the annual meeting and shall hold office at the pleasure of the Board.

Section 5.3 Removal of Officers. Upon a majority vote of the Board of Directors at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose, any officer may be removed, either with or without cause, and his successor elected. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting, but the Board's decision shall be final.

Section 5.4 President. The President shall be the chief executive officer of the Association and shall be a Director. He shall preside at all meetings of the Association and of the Board of Directors.

Section 5.5 Vice President. The Vice President shall preside at all meetings of the Association and of the Board of Directors and exercise the powers and perform the duties of the President in the absence of the President, and shall have such other duties as may be designated from time to time by the Board of Directors.

Section 5.6 Treasurer. The Treasurer shall be responsible for the financial records and for the accounts of all receipts and disbursements recorded in books belonging to the Association. The Treasurer shall be responsible, subject to the direction of the Board of Directors, for the preparation and dissemination to the Members of all financial reports, budgets and notices required, and for the

preparation and signing, if necessary, of all financial reports or tax returns required to be filed by the Association.

Section 5.7 Secretary. The Secretary shall keep and certify the minutes of all meetings of the Board of Directors or of the Association, shall give all notices as provided by these Bylaws, and shall have other powers and duties as may be incidental to the offices of Secretary given to him by these Bylaws or assigned to him from time to time by the Directors. If the Secretary or any assistant secretary shall not be present at any meeting, the presiding officer shall appoint a secretary *pro tempore* who shall keep the minutes of such meeting and record them in the books provided for that purpose. The Secretary shall be responsible for the filing of all reports and documents required to be filed by the Association with any governmental agency.

Section 5.8 Auditor. The Board of Directors may from time to time at any scheduled meeting appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association and to perform such audits and fiscal duties as may be requested by the Board of Directors.

Section 5.9 Amendments to Declaration. The Secretary shall arrange for the preparation of amendments to the Declaration, and the President and Secretary shall execute the certificate for recording on behalf of the Association.

ARTICLE VI **FISCAL AFFAIRS AND ADMINISTRATION**

Section 6.1 Accounting and Records. The books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principles and practices. Within ninety (90) days after the close of each fiscal year, the Association shall furnish its Members with a statement of the income and disbursements for such prior fiscal year and a balance sheet as of the close of that year.

Generally, the Association shall keep minutes of the proceedings of its Members and of the Board of Directors and of committees having any of the authority of the Board of Directors, and shall keep at its registered office or principal office in this State a record of the names and addresses of its Members entitled to vote.

All books and records of the Association may be inspected by any officer, director, Member or Unit Owner or by the officer's, director's, Member's or Unit Owner's agents or attorneys, for any proper purpose at any reasonable time, as long as the officer, director, Member or Unit Owner or the officer's, director's, Member's or Unit Owner's agents or attorneys give the Association written notice at least five (5) business days before the date on which the officer, director, voting Member or Unit Owner or the officer's, director's, Member's or Unit Owner's agents or attorneys wish to inspect and copy any books or records. The Association's financial records shall also be available for examination by Unit Owners, by their mortgagees and by their duly authorized agents and accountants at reasonable times on at least five (5) days' written notice. The only proper purpose for which a Member or Unit Owner may inspect and copy books or records under this section is the purpose of enabling a Member or Unit Owner to fulfill duties and responsibilities conferred by the Association's Articles of Incorporation or these Bylaws, or by law. The Association may require the officer, director, Member or Unit Owner, or the officer's, director's, Member's or Unit Owner's agents or attorneys, to pay the reasonable cost of the copies made and may impose reasonable restrictions on the use or distribution of the records by such a person.

Section 6.2 Budget and Assessments.

A. The Board shall cause a proposed annual budget to be prepared in accordance with the Declaration, based on its estimate of annual income and expenses.

B. The budget shall include the amount required by the Association to meet its expenses for each fiscal year or for such other fiscal period as it deems appropriate, including but not limited to the following items:

- i. The management and administration of expenses;
- ii. The cost of operation, repairs, maintenance, replacement, and improvements of the Master Common Areas and other property for which the Association is responsible for maintenance, repair and replacement;
- iii. The cost of such insurance, bonds, services and utilities as may be furnished by the Association, other than such items for which a service charge is assessed;
- iv. The establishment and maintenance of working capital and reserves including general operating reserves, reserves for contingencies, for losses not covered due to insurance deductibles for which the Association is responsible, and reserves for periodic maintenance, repair and replacement of the Master Common Areas and other properties for which the Association is responsible, all to be held in a segregated fund in a financial institution with offices in the state of Maine or in obligations of the United States of America; and
- v. Such other expenses of the Association as may be approved by the Board of Directors including operating deficiencies, if any, for prior periods.

C. Until an annual budget is adopted by the Board, the Members and Unit Owners shall continue to pay that monthly amount of Assessments and Service Charges which had been previously established; any delay or failure to estimate, to deliver or to adopt such budget shall not waive or release such obligation. Periodic statements may be sent at the option of the Association showing the amount of Assessments due, but each Member and Unit Owner shall pay his Assessments and Service Charges promptly when due regardless of whether such a statement is sent. Such budget and the Regular or Special Assessments shall become effective unless disapproved by sixty-seven percent (67%) of all Unit Owners liable for the Assessment at a special meeting of the Unit Owners called pursuant to a petition signed by at least twenty percent (20%) of the Unit Owners liable for the Assessment, which meeting shall be held no later than sixty (60) days of the date the notice of the Budget is sent.

D. If any member shall fail or refuse to pay to the Association when due his share of the Assessments, Service Charges, user fees and/or fines, thereafter the amount thereof shall bear interest at the rate of eighteen percent (18%) per annum, or at such other interest rate and/or late charges as may be set by vote of the Board prior to the date on which the payment came due. Such Common Charges and Service Charges with such late charges as may be determined by the Board of Directors, interest and all costs of collection, including reasonable attorney's and paralegal's fees, shall constitute a lien on the Unit of such member. Recording of the Declaration constitutes record notice and perfection of the lien for Service Charges, user fees, fines, late charges, interest and costs of collection. The Association may record a notice from time to time stating the amount and nature of the lien signed by an officer or director of the Association or by an agent authorized by the Board of Directors, but such recorded notice is not necessary to establish or perfect the lien.

E. If such payments for Assessments and Service Charges are not received within thirty (30) days after they become due, the Board shall exercise and enforce any and all rights and remedies provided in the Declaration or these Bylaws or otherwise available at law or in equity for the collection of all unpaid amounts. In any action to foreclose on the lien for Assessments, Service Charges, user fees, late charges,

finer, interest, and costs of collection including reasonable attorney's fees against any Owner of a Unit, the Association may act through its manager or Board of Directors in the same manner as any mortgagee of real property. The manager or Board of Directors acting on behalf of the Members shall have the power to bid and acquire such Unit at a foreclosure sale and to lease, mortgage, convey, or otherwise deal with the Unit. Suit brought to recover a money judgment for unpaid Assessments, Service Charges, user fees and fines due to the Association, with interest and all costs and reasonable attorney's fees, may be maintained without foreclosing upon or waiving the lien securing the same. The lien is extinguished unless action to enforce the lien is started within three (3) years after the full amount of the assessment becomes due.

F. If such payments, Assessments and Service Charges are not received within thirty (30) days after they become due, the Board may exercise and enforce any and all rights and remedies provided in the Maine Nonprofit Corporation Act, the Declaration, these Bylaws, the Rules and Regulations or otherwise available at law or in equity for the collection of all unpaid amounts and, if available, all possessory remedies against the delinquent owner's Unit under the Forcible Entry and Detainer Laws of Maine, as amended from time to time. The delinquent owner shall be required to pay to the Association a reasonable rental for such Unit until sale or foreclosure. In any action to foreclose on the lien for Assessments, Service Charges, user fees, late charges, fines, interest, and costs of collection, including reasonable attorney's fees, against any owner of a Unit, the Association may act through its manager or Board of Directors in the same manner as any mortgagee of real property. The Association shall have the power to bid and acquire such Unit at a foreclosure sale and to lease, mortgage, convey, or otherwise deal with the Unit. Suit brought to recover a money judgment for unpaid Assessments, Service Charges, user fees and fines due to the Association, with interest and all costs and reasonable attorney's fees, may be maintained without foreclosing upon or waiving the lien securing the same.

Section 6.3 Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Board of Directors.

Section 6.4 Enforcement. Every Unit Owner shall pay to the Association promptly on demand all costs and expenses, including reasonable attorney's and paralegal's fees and expenses incurred by or on behalf of the Association, in collecting any delinquent Assessments, Service Charges, damages, fines or fees due from such Unit, foreclosing its lien for Assessments, collecting any fines imposed hereunder, or enforcing any provisions of the Declaration, these Bylaws, or the Rules and Regulations against such Owner or any occupant of such Unit.

The lien is extinguished unless action to enforce the lien is started within three (3) years after the full amount of the assessment becomes due.

Section 6.5 Service Charges. Service charges (other than common expenses) may be assessed separately to each Unit or group of Units benefited thereby and shall be paid by the Unit owner within fifteen (15) days of deposit in the U. S. Mail or hand delivery, and shall constitute a lien on the Unit of the same status as a lien for Common Charges set forth in Section 6.2.

Section 6.6 Revised and Special Assessments. If at any time the Board shall determine the amount of the Assessments to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Board may adopt and deliver to the members at least thirty (30) days prior to the date on which it becomes effective, a revised estimated annual budget for the balance of such fiscal year and thereafter monthly Assessments shall be determined and paid on the basis of such revision. The budget shall become effective unless disapproved by sixty-seven percent (67%) of all Unit Owners liable for the Assessment at a special meeting of the Unit Owners called pursuant to a petition signed by at least twenty percent (20%) of the Unit Owners liable for the Assessment within thirty (30) days of the date the notice is sent, which meeting shall be held no later than sixty (60) days of the date the notice of the

Budget is sent. There shall be no obligation to call a meeting of the Unit Owners for the purpose of considering the revised budget except on receipt of such a petition.

The Board may, upon determining that circumstances exist which require immediate assessment of the members, make special Assessments, not to exceed an amount equal to one (1) current monthly assessment for each Unit unless approved by the members, which assessment shall be due and payable when delivered to the members.

Section 6.7 Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Board of Directors.

Section 6.8 Capital Improvements. The approval of a majority in interest of all the members shall be required to make a capital improvement to the Master Common Areas in an amount in excess of thirty-five percent (35%) of the aggregate Common Charges against all the members over the prior fiscal year, exclusive of Service Charges and user fees, and in such event the cost thereof shall be assessed to all Unit owners as a Common Charge.

Section 6.9 Use of Units. All Units shall be utilized in accordance with the provisions of the Bylaws, Declaration, and Rules and Regulations.

Section 6.10 Enforcement of Declaration and Bylaws. Every Unit owner shall pay to the Association promptly on demand all costs and expenses, including reasonable attorney's fees and expenses incurred by or on behalf of the Association, in collecting any delinquent Assessments, Service Charges, damages or fees due from such Unit, foreclosing on its lien for Assessments, collecting any fines imposed hereunder, or enforcing any provisions of the Declaration, these Bylaws, or the Rules and Regulations against such owner or any occupant of such Unit.

Section 6.11 Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the buildings and Master Common Areas of the Project, the Board of Directors may from time to time adopt, modify, and revoke, in whole or in part, such further reasonable rules and regulations governing the Project as it may deem necessary, including, but not limited to, methods and procedures for enforcing compliance with the Declaration and Bylaws. Such Rules and Regulations, upon adoption, and every amendment, modification, and revocation thereof, shall be sent promptly to each Unit and shall be binding upon all members of the Association and upon all persons present on the Project.

Section 6.12 Right of Entry. Upon such reasonable prior notice as is possible under the circumstances, the manager and any person authorized by the Board of Directors shall have the right to enter any Unit in case of any emergency originating in or threatening such Unit or adjoining Master Common Areas whether or not the owner or occupant is present at the time, and upon reasonable prior notice shall have the right to enter any Unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the Master Common Areas thereon or accessible therefrom.

Section 6.13 Title. Every Unit owner shall promptly record in the Registry of Deeds the deed, assignment, or other conveyance to him of his Unit or other evidence of his title thereto, and file such evidence of his title with the Association, and the Secretary or his delegee shall maintain such information in the records of the Association.

Section 6.14 Insurance and Fidelity Bonds.

A. The Association shall maintain insurance as required by the Declaration and such other insurance as the Board of Directors of the Association may determine is appropriate.

B. The Board of Directors shall require all officers and employees of the Association handling or responsible for corporate funds to furnish adequate fidelity bonds in the amount of the maximum funds that will be in the custody of the Association or any management agent at any time but not less than three (3) months' Common Charges plus the amount of the Association's reserve account balance. The premiums on such bonds shall be paid by the Association. All such policies shall require at least twenty (20) days notice of cancellation.

C. It shall be the responsibility of each Unit owner to procure adequate insurance covering the contents of his Unit and any deductible for damage to the Unit interior, and any appliances, fixtures, betterments or improvements thereto installed by the owner, unless that owner has elected to procure insurance under the Association's policy as provided in the Declaration.

ARTICLE VII SALE, LEASE, RENTAL OR OTHER TRANSFER OF A UNIT

Section 7.1 Binding Effect. All subsequent sales, leases or other transfers of a Unit by a Unit owner shall be subject in all respects to the Declaration, Bylaws, and Rules and Regulations of the Project.

Section 7.2 Liability for Assessments, Etc. In the transfer of a Unit, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid Assessments and Service Charges, fines, fees, interest and costs of collection outstanding at the time of the grantor's transfer, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee or proposed purchaser under a purchase and sale contract, upon written request and upon payment of such fee as may be set by the Directors, may obtain a statement from the Board of Directors setting forth the amount of unpaid Assessments and Service Charges against the Unit, and the grantee shall not be liable for, nor shall the Unit conveyed be subject to, a lien for any Assessments and Service Charges arising before the statement date in excess of the amount therein set forth.

Section 7.3 Master Common Areas. No Unit owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the interests in Master Common Areas appurtenant thereto, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interest so omitted, even though the latter shall not be expressly mentioned or described therein.

ARTICLE VIII EXECUTION OF INSTRUMENTS

Section 8.1 Instruments Generally. All checks, drafts, notes, vouchers, bonds, acceptances, contracts, deeds, lien notices, certificates, and all other instruments shall be signed or approved by the President or the Secretary or Treasurer, and in addition by any one or more officer(s), agent(s) or employee(s), all as the Board of Directors may designate, unless otherwise unanimously voted by the Board of Directors.

ARTICLE IX GENERAL ADMINISTRATION

Section 9.1 Easements, Etc. The Association is authorized and empowered to grant such easements, rights-of-way, leases and licenses for sewer lines and sewage disposal facilities, water lines,

electrical cables, telephone cables, television cables and antennas, gas lines, storm drains, underground conduits, fire escapes and alarms, and for such other purposes related to the provision of public services and utilities to the Property and for recreational purposes as may be considered desirable, necessary or appropriate by the Board of Directors for the orderly maintenance, improvement, preservation and enjoyment of the Master Common Areas, or for the preservation of the health, safety, convenience and welfare of the owners of the individual Units, upon at least thirty (30) days' notice to the members, unless a special meeting of the members is called within such period and the members vote to reject such grant. No such rights may be created through any Unit without the written consent of the owners thereof, and no such easement shall materially impair the use and enjoyment of the Project.

Section 9.2 Utility Services/Limitation of Liability. The Association shall not be liable for the failure of water supply, sewage disposal systems, electricity, telephone, or other services to be obtained by the Association or paid for out of the common expense or service charge funds, or for injury or damages to persons or property caused by the elements or by the owner of any Unit or by any other person, or resulting from electricity, water, snow or ice which may leak, fall or flow from or settle on any portion of the Master Common Areas. The Association shall not be liable to the owner of any Unit for loss or damage, by theft, or otherwise, of property which may be stored upon or in any individual Unit or in any of the Master Common Areas. No set-off, diminution or abatement of Assessments for common expenses or Service Charges shall be claimed or allowed for the expense, damage or discomfort arising from the making of repairs or improvements to the Master Common Areas or to any Unit, or from any action taken by the Association to comply with any law, ordinance or order of any other governmental authority.

ARTICLE X **LIABILITY OF DIRECTORS AND OFFICERS**

Section 10.1 Exculpation. No director or officer of the Association shall be liable for acts or defaults of himself or any other officer or member, or for any loss sustained by the Association or by any member thereof, unless the same has resulted from his own willful misconduct or gross negligence.

Section 10.2 Indemnification. The Association shall indemnify any person who was or is threatened to be made a party against any actual, threatened, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was an officer, director, agent or employee of the Association; against all expenses, including reasonable counsel fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection therewith; excepting, however, such matters in which such person is finally adjudged by a court of competent jurisdiction to have acted with willful misconduct or gross negligence towards the Association or, absent a final adjudication, in which the Board of Directors (excluding any interested Director) determines that such person acted with willful misconduct or gross negligence. This right to indemnification shall be in addition to any other power of the Association to indemnify as permitted by law. The Association may also maintain insurance on behalf of any person who is or was a director, officer, agent or employee of the Association against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the Association would otherwise have the power or duty to indemnify him.

Section 10.3 Claims. Claims against the Association, the Board of Directors or the officers, employees or agents thereof, in their respective capacities as such, or against the Property as a whole, shall be directed to the Board of Directors of the Association. Upon receipt of such claims the Board of Directors shall promptly give written notice thereof to the Unit Owners and the Eligible Mortgage Holders, 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 XI
BY-LAWS

Section 11.1 Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by vote of sixty-seven percent (67%), or more, of the members (not the Owners) of the Association at a meeting duly called for the purpose; provided, however, that these Bylaws shall always contain those particulars which are required by the Maine Nonprofit Corporation Act, as amended from time to time, to the extent applicable by law, to this Project; and provided, further, that no modification of or amendment to the Bylaws shall be valid until a certificate of the amendment is executed by the Secretary and by the President of the Association to evidence the propriety of such amendment or modification. Such certificate shall be recorded in Cumberland County Registry of Deeds.

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