

**BYLAWS
OF
VILLAGE GREEN CUMBERLAND HOMEOWNER'S ASSOCIATION**

**ARTICLE I.
CREATION AND APPLICATION**

Section 1.1 Creation. This corporation is organized under the Maine Nonprofit Corporation Act in connection with the submission of Property known as Village Green located in the Town of Cumberland, Maine to the General Declaration of Covenants and Restrictions for Village Green (the "Declaration") recorded in the Cumberland County Registry of Deeds. The name of the corporation is Village Green Cumberland Homeowner's Association ("Association").

The term "Property" as used herein shall include the land, the buildings and all other improvements thereon (including the Lots, the Common Properties 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.

Capitalized terms not otherwise defined in these Bylaws shall have the meanings as specified in the Declaration.

Section 1.2 Application. All present and future Lot Owners, mortgagees, lessees, licensees and occupants of the Lots, their employees, agents and customers, and any other persons who may enter upon the Property in any manner 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 1.3 Office. The principal office of the Association shall initially be located at 470 Fore Street, Portland, Maine.

Section 1.4 Interpretation. In the event of any conflict or discrepancy between this Declaration, the Bylaws, the Rules and Regulations, and the Subdivision Plan, the provisions of the Declaration shall govern.

**ARTICLE II.
PURPOSES AND POWERS OF THE ASSOCIATION**

Section 2.1 Purposes. The purposes of the Association are to establish an association of Lot owners pursuant to Maine law for the government, operation and maintenance of the Property established under the Declaration.

Section 2.2 Powers. In addition to all the powers, authority and responsibilities granted to or imposed upon this Association by 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 shall have the specific powers to:

- A. Adopt and amend bylaws and rules and regulations;
- B. Adopt and amend budgets for revenues, expenditures and reserves, and collect assessments from owners;
- C. Hire and terminate managers and other employees, agents, and independent contractors;
- D. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more owners on matters affecting the Association;
- E. Make contracts and incur liabilities;
- F. Regulate and use, maintenance, repair, replacement and modification of the common properties;
- G. Cause additional improvements to be made as a part of the common properties;
- H. Acquire, hold, encumber and convey in its own name any right, title, or interest to real or personal property;
- I. Grant easements, leases, concessions, and licenses through or over the common properties;
- J. Impose and receive payments, fees, or charges for the use, rental, or operation of the common properties, other than restrictive zones and areas described in Article 10 of the General Declaration of Covenants and Restrictions;
- K. Impose charges for the late payment of assessments and after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;
- L. Impose reasonable charges for the preparation and recording of amendments to the Declaration;
- M. Provide for the indemnification of its officers and directors and maintenance of directors' and officers' liability insurance;
- N. Assign its right to future income;
- O. Exercise any other powers conferred by Declaration or Bylaws;

- P. Exercise any other powers necessary and proper for the governance and operation of the Association; and
- Q. Enforce compliance with the Approved Subdivision Plan.

The Board of Directors of the Association shall manage the Common Properties and exercise such powers on behalf of the Association, subject to the terms of these Bylaws and the Declaration.

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 membership dues, fees, assessments, or Common Charges.

ARTICLE III. ASSOCIATION OF OWNERS

Section 3.1 Membership. The members shall consist exclusively of all owners of Lots now or hereafter created in accordance with the Declaration. Membership is transferable only as provided in the Declaration or these Bylaws. The membership of a Lot owner shall terminate upon the conveyance, transfer or other disposition of his interest in the Lot accomplished in accordance with the Declaration, whereupon his membership and any interest in the assets of the Association shall automatically transfer to and be vested in the successor in ownership. Membership is otherwise non-transferable. A mortgage of a Lot or the grant of a security interest therein as security for an obligation shall not operate to transfer membership until a foreclosure of the mortgage or security agreement. The Association may but is not required to issue certificates of membership.

Section 3.2 Annual Meeting. Meetings of the members shall be held annually each successive year on the last day of July, or in the event that day is a legal holiday, then on the first day thereafter which is not a holiday, provided that the Board of Directors 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 Association's principal office 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 forty percent (40%) or more in interest of the owners, 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, stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place and time of the meeting, and the items on the agenda (including

the general nature of the proposed declaration or bylaw amendment, any budget charges and any proposal to remove an officer or director) shall be sent by the President or Secretary or Assistant Secretary, if any, at least twenty-one (21) 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 and as 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 Lot or 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.

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. Reading of 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 in the event of conflict these Bylaws or 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 Lot owners whose aggregate voting interest constitutes more than fifty percent (50%) of the total interest therein shall constitute a quorum for the transaction of all business.

Section 3.9 Voting.

- A. Any person, partnership, limited liability company, corporation, trust, or other legal entity or a combination thereof, owning any Lot (other than an interest held as security for an obligation) duly recorded in his or its name, which ownership shall be determined from the records of said Registry of Deeds, shall be a member of the Association, and either, in person or by proxy, shall be entitled to vote for each Lot so owned at all meetings of the Association.
- B. Multiple owners of a Lot shall be deemed one owner. If only one of the multiple owners of a Lot is present in person or by proxy at a meeting of the Association, he is entitled to cast all the votes allocated to that Lot. If more than one of the multiple owners is present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the owners. There is presumed to be a majority agreement if any one of the multiple owners present casts the votes allocated to that Lot unless any of the other owners of the Lot promptly protests to the person presiding over the meeting.
- C. Votes allocated to a Lot may be cast pursuant to a written proxy duly executed by a Lot owner and filed with the Secretary. If a Lot is owned by more than one person, each owner of the Lot may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed written proxy. A Lot owner 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 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.
- D. An executor, administrator, personal representative, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any Lot owned or held by him in such a capacity, whether or not the same shall have been transferred of record by a duly recorded conveyance. If the Lot has not been so transferred, he shall satisfy the Secretary that he so holds the Lot.
- E. The Declarant may exercise the voting rights pertaining to any Lot to which it retains title. No vote pertaining to a Lot owned by the Association may be cast, and the voting interest of such a Lot shall not be deemed to be

outstanding in determining the presence of a quorum or the percentage of approval needed to act.

- F. At any meeting at which a quorum is present, the affirmative vote of a majority of the voting interest 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, though less than a majority, shall be elected.

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. At any adjourned meeting at which a quorum is present, 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. The affairs of the Association shall be governed by a Board of Directors initially composed of three (3) directors initially appointed by the Declarant. Upon the expiration of the Declarant Control Period as defined in the Declaration, the members shall elect three (3) Directors with a staggered term of one (1), two (2) and three (3) years, all of whom shall be the owner of a Lot, or the owner or the spouse of an owner of a Lot, or if a Lot owner is a corporation, limited liability company, partnership, trust or estate, then an officer, director, member, manager, partner, trustee, beneficiary or appointed personal representative thereof. After the expiration of said initial terms, the terms of the directors shall then be two (2) years each. The number of directors may be changed between 3 and 7 by amendment to the Bylaws.

Section 4.2 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 Nonprofit Corporation Act, as either may be amended from time to time, except those matters which by law, by the Declaration or by these Bylaws specifically reserved to the members.

Section 4.3 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. Election of the officers of the Association;
- B. Management and administration of the Association's property and the Common Properties, including the maintenance, repair and replacement thereof;
- C. Determination and collection of assessments for Common Expenses, and Service Charges from the owners and the regulation of its fiscal affairs;
- D. Establishment of reserves for the maintenance, repair and replacement of Common Properties and for contingencies.
- E. Appointment and dismissal of the personnel and agents for the maintenance and operation of the Common Properties, and to fix the terms of their engagement and their compensation and authority; and
- F. Designation of executive and other committees.

Section 4.4 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 including, but not limited to, the duties listed in Sections 4.3 and 6.2 of these Bylaws.

Section 4.5 Appointment and Vacancies. Until the expiration of the Declarant Control Period, the Declarant 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, the removal of a Director by a vote of the members, or by the expiration of the Declarant Control Period shall be filled by vote of the members. Otherwise, vacancies in the Board of Directors prior to the expiration of the term of a director shall be filled by vote of the other directors, even though a quorum is lacking. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4.6 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 majority vote of the members, with or without cause. 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 4.7 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 4.8 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 4.9 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 Lot, or by telephone, at least ten (10) days prior to the day named for such meeting.

Section 4.10 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 Lot, 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 two (2) or more Directors.

Section 4.11 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 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 4.12 Board of Directors' Quorum. At all meetings of the Board of Directors, at the presence at the beginning of a meeting of at least three directors or of the majority of 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 from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.13 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 all of the Directors sign written consents, setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. 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, Assistant Treasurer, and an Assistant Secretary, and such other officers, none of whom need be Directors, as in their judgment may be 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 Treasurer. The Treasurer shall be responsible for keeping financial records and accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall also, in the absence of the President, exercise the powers and perform the duties of the President. He 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 5.6 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 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 5.7 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 Association.

Section 5.8 Amendments to Declaration. The Secretary shall prepare 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. 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. All financial records shall be available for examination by Lot owners, mortgagees and their duly authorized agents and accountants at reasonable times.

Section 6.2 Budget and Common Charges.

- A. The Board shall cause a proposed annual budget to be prepared based on its estimate of annual income and expenses. Within thirty (30) days of the adoption of the proposed budget, the Board shall send a summary of such budget to each member. The Board shall call a meeting of the members to review the budget; unless at that meeting the budget is rejected by sixty-seven percent (67%) in interest of all members, the budget shall be deemed to have been ratified. Unless the budget is rejected, the members shall pay the amounts specified in the proposed budget adopted by the Board.
- B. The budget shall include the amount required by the Association to meet its expenses for each fiscal year or such other fiscal period as it deems appropriate, including but not limited to the following items:
- i. Management and administration expenses;
 - ii. The cost of operation, repairs, maintenance, replacement, and improvements of the Common Properties and such parts of the Lots which the Association is responsible for the maintenance repair and replacement of;
 - 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 adequate 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 Common Properties the Association is obligated to maintain, all to be held in a segregated fund in a Maine financial institution; 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 shall continue to pay that monthly amount of Common 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. The Association may send periodic statements to members showing the amount of assessments due, but each member shall pay his Common Charges promptly when due regardless of whether such a statement is sent.
- D. Each member shall pay his share of Common Charges and assessments without setoff or deduction, which shall be an amount equal to the total Association budget, net of other income and Service Charges as defined herein, multiplied by his respective common expense liability. Each member shall become liable to the Association, and a lien shall arise against his Lot for his entire fractional share of the assessments at the commencement of the pertinent fiscal period. Each member may pay his share of the Common Charges in monthly installments on or before the first day of each and every month during such period, provided, however, that if any such installment is not paid when due, then if not paid upon twenty (20) days written notice of default, the entire remaining balance thereof shall immediately become due and payable in full.
- E. If any member shall fail or refuse to pay to the Association when due his share of the assessments or any other Service Charges, user fees and penalties, thereafter the amount thereof shall bear interest at the rate of eighteen percent (18%) per annum or such other rate 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 attorneys' fees, shall constitute a lien on the Lot of such member. Recording of the Declaration constitutes record notice and perfection of the lien for Common Charges, Service Charges, user fees, including penalties, 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.
- F. If such payments 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 and, if available, all possessory remedies against the delinquent owner's Lot under the Forcible Entry and Detainer Laws of Maine, as amended from time to time. In any action to foreclose the lien for Common Charges, assessments, Service Charges, user fees, late charges, penalties, interest, and costs of collection including reasonable attorneys' fees against any owner of a Lot, 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 Lot owners shall have the power to bid and acquire such Lot at a foreclosure sale and to lease, mortgage, convey, or otherwise deal with the Lot. Suit to recover a money judgment for unpaid Common Charges, assessments, Service Charges, user fees and penalties due to the Association, with interest and all costs and reasonable attorneys' 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.

Section 6.3 Service Charges. Service charges (other than common expenses) may be assessed separately to each Lot or group of Lots benefited thereby and shall be paid by the Lot owner within fifteen (15) days of deposit in the U. S. Mail or hand delivery, and shall constitute a lien on the Lot of the same status as a lien for Common Charges set forth in Section 6.2.

Section 6.4 Revised and Special Assessments. If at any time the Board shall determine the amount of the Common Charges 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 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 Common Charges shall be determined and paid on the basis of such revision.

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

Section 6.5 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 6.6 Capital Improvements. The approval of a majority in interest of all the members shall be required to make a capital improvement to the Common Properties 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 Lot owners as an assessment.

Section 6.7 Use of Lots. All Lots shall be utilized in accordance with the provisions of the Bylaws, Declaration, and Rules and Regulations.

Section 6.8 Enforcement of Declaration and Bylaws. Every Lot owner shall pay to the Association promptly on demand all costs and expenses, including reasonable attorneys' fees and expenses incurred by or on behalf of the Association, in collecting any delinquent Common Charges, assessments, Service Charges, damages or fees due from such Lot, foreclosing its lien for assessments, collecting any penalties imposed hereunder, or enforcing

any provisions of the Declaration, these Bylaws, or the Rules and Regulations against such owner or any occupant of such Lot.

Section 6.9 Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the buildings and Common Properties, the Board of Directors may from time to time adopt, modify, and revoke, in whole or in part, such further reasonable rules and regulations 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 Lot and shall be binding upon all members of the Association and all persons present on the Condominium.

Section 6.10 Restrictions. As an amendment to these Bylaws and subject to the Declaration, the members may from time to time adopt, modify and amend such further restrictions on and requirements respecting the use and maintenance of Lots and the use of Common Properties designed to prevent unreasonable interference with the use and enjoyment of the Common Properties.

Section 6.11 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.

ARTICLE VII. EXECUTION OF INSTRUMENTS

Section 7.1 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 VIII. LIABILITY OF DIRECTORS AND OFFICERS

Section 8.1 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 any member thereof, unless the same has resulted from his own willful misconduct or gross negligence.

Section 8.2 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 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 thereof, excepting such matters in which the Board of Directors (excluding any interested Director) determines any 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 8.3 Claims. Claims against the Association, the Board of Directors or the officers, employees or agents thereof in their respective capacities as such, or the Association as a whole, shall be directed to the Board of Directors of the Association, which shall promptly give written notice thereof to the Lot Owners and the Eligible Mortgage Holders and the Mortgagees of Lots, and such complaints shall be defended by the Association. The Lot Owners shall have no right to participate in such defense other than through the Association.

ARTICLE IX. BYLAWS

Section 9.1 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 of the Association at a meeting duly called for the purpose. No modification of or amendment to the Bylaws shall be valid, until a certificate of the amendment is executed to evidence the propriety of such amendment or modification by the Secretary and President of the Association. Such certificate may be recorded in Cumberland County Registry of Deeds.

Section 9.2 Conflict. In the event of any conflict between these Bylaws and the provisions of the Declaration the latter shall govern and apply.