

AMENDED BYLAWS
OF
EVERGREEN VALLEY TIME SHARE OWNERS ASSOCIATION

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AMENDED BYLAWS

EVERGREEN VALLEY TIME SHARE OWNERS ASSOCIATION

Stoneham, Maine

These Amended Bylaws have been adopted this 8th day of December, 1996, by vote of the membership at a meeting of the members of Evergreen Valley Time Share Owners Association (the "Association").

ARTICLE 1

INTRODUCTORY PROVISIONS

Section 1.1. Applicability. These Amended Bylaws (the "Bylaws") shall relate solely to the property called Evergreen Valley Inn, a Time Share Condominium ("the Inn"), located in Stoneham, Maine, more fully described in Restated Declaration of Condominium, Evergreen Valley Inn, a Time Share Condominium, dated May 5, 1997, recorded in the Oxford County Registry of Deeds, Western District, in Book 372, Page 309 (the "Inn Declaration"), and to the property called Evergreen Valley Villas, a Condominium and Time Share Condominium ("the Villas"), located at Stoneham, Maine, more fully described in the Restated Declaration of Condominium Evergreen Valley Villas, a Condominium and Time Share Condominium, dated May 5, 1997, recorded in said Registry of Deeds, in Book 372, Page 240 (the "Villas Declaration"), as the same may be amended from time to time. The Inn and the Villas are hereinafter collectively referred to as the "Property." The Inn Declaration and the Villas Declaration, as they may be amended from time to time, are hereinafter collectively referred to as the "Declarations." Pursuant to the Declarations and to Section 1603-120 of the Act, the Association has been delegates the powers of a unit owners association described in Section 1603-102 of the Act and shall exercise those powers on behalf of the Inn and the Villas as a Master Association.

Section 1.2. Definitions. The capitalized terms used herein without definition shall have the same definitions as such terms have in the Declarations and the Maine Condominium Act, Section 1601-103 et seq., as the same may be amended from time to time (the "Act"). Unless otherwise herein specified, references herein to "Time Share Estates" shall include Time Share Estates in both the Inn and the Villas and references to "Time Share Owners" shall include the owners of Time Share Estates in both the Inn and the Villas. Unless otherwise provided in the

Act, in the event of inconsistencies in definitions between the Act and the Declarations, the Declarations shall control.

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

Section 1.4. Office. The office of the Condominiums, the Association and the Board of Directors shall be located at either the Inn or the Villas or at such other place as may be designated from time to time by the Board of Directors.

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

ARTICLE 2 THE ASSOCIATION

Section 2.1. Membership. The Association is a Maine corporation, all the members of which are the Owners of Fee Units at the Villas and the Time Share Owners of Time Share Estates at the Villas and at the Inn (hereinafter, collectively referred to as the "Members"). A person shall automatically become a Member of the Association at the time he acquires legal title to his Fee Unit or Time Share Estate, and he shall continue to be a Member so long as he continues to hold title to such Fee Unit or Time Share Estate. An Owner or Time Share Owner shall not be permitted to resign from membership in the Association prior to the time when he transfers title to his Fee Unit or Time Share Estate to another. No membership may be transferred in any way except as appurtenant to the transfer of title to the Fee Unit or Time Share Estate to which that membership pertains. Transfer of membership shall be automatic upon transfer of title, but the Association may treat the prior Owner or Time Share Owner as the Member for all purposes until satisfactory evidence of the recording of the instrument transferring title shall be presented to the Secretary of the Board of Directors. The date of recordation of an instrument of conveyance in the Oxford County Registry of Deeds, Western District shall be determinative of all disputes concerning the date of transfer of title to any Unit or Time Share Estate. A mortgage conveyance of a Fee Unit or Time Share Estate, however, shall not operate to transfer membership until such mortgage is foreclosed or the Fee Unit (also sometimes referred to as "Wholly Owned Unit") or Time Share Estate is sold in lieu of foreclosure.

Section 2.2. Meetings. Meetings of the Association shall be conducted in accordance with the following:

(a) Annual Meetings.

(1) The Members shall hold Annual Meetings for the purposes stated in Section 2.2.(a) (2) hereof (the "Annual Meetings"). The Annual Meeting of Members shall be held on a Saturday in April of each year.

(2) The purpose of the Annual Meetings of the Association shall be to elect the members of the Board of Directors unless such action is being taken pursuant to the provisions of Section 2.2.(g) hereof or Section 3.7. hereof, and to conduct such other business as may be required or permitted by law, the Declaration or these Bylaws to be done by a vote of Owners or Time Share Owners. The Treasurer of the Board of Directors shall present at each Annual Meeting a financial report (prepared and reviewed by an independent certified public accountant) of the receipts and Common Expenses for the Association's immediately preceding fiscal year, itemized receipts and expenditures, the allocation thereof to each Member, and any changes expected for the present fiscal year. A copy of such financial report shall be sent to each Member not less than five days prior to the Annual Meeting.

(b) Special Meetings. The President shall call a special meeting of the Association if so directed by resolution of the Board of Directors or upon petition signed and presented to the Secretary by Members entitled to cast at least ten percent (10%) of the votes in the Association. The notice of any special meeting shall state the time, the place and purpose thereof. Such meetings shall be held within forty-five days after receipt by the President of said resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a capital expenditure pursuant to Section 5.17 hereof, such meeting shall be held within fifteen days after receipt by the President of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

(c) Notice. Notices to Owners and Time Share Owners of meetings of the Association or meetings of the Board of Directors which Owners or Time Share Owners who are not Directors are invited to attend pursuant to Section 3.5.(e) hereof shall be delivered prepaid mail to the mailing address of each Unit or to another mailing address designated in writing by the owner or Time Share Owner to the Board of Directors. If a notice sent to Owners or Time Share Owners pursuant to the foregoing sentence includes an item on the proposed agenda which would require the approval of Eligible Mortgage Holders pursuant to the Declarations, a copy of such notice will also be sent to all Eligible Mortgage Holders. All such notices shall be delivered to all Owners and Time Share Owners (and Eligible Mortgage Holders, if applicable) not less than ten (10) nor more than twenty (20) days in advance of the date of the meeting to which the notice relates and shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declarations or Bylaws. The Secretary of the Board of Directors shall cause all such notices to be delivered as aforesaid. Notice sent by mail shall be deemed to have been delivered on the second day after the date of mailing. No subject may be dealt with at any Annual Meeting or special meeting of the Association unless the notice for such meeting stated that such subject would be discussed at such meeting.

(d) Quorum. Except as set forth below, the presence in person or by proxy of Members entitled to cast at least five percent (5%) of the votes in the Association at the commencement of a meeting shall constitute a quorum at all meetings of the Association. If a quorum is not present, Members entitled to cast a majority of the votes represented at such meeting may adjourn the meeting from time to time, without notice (except as otherwise

provided by the Maine Nonprofit Corporation Act or the Maine Condominium Act, as either may be amended from time to time) other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which could have been transacted at the meeting as originally notified.

(e) Voting. Each Fee Unit and each Time Share Estate shall have one vote on each matter submitted to a vote of Members, except as otherwise expressly provided in the Articles of Incorporation, Declarations or these Bylaws, the vote to be cast by the Owner of such Fee Unit and the Time Share Owner of such Time Share Estate. If a Fee Unit or Time Share Estate is owned of record by one person, that owner's right to vote shall be established by the record title to the Fee Unit or Time Share Estate. If ownership of a Fee Unit or Time Share Estate is in more than one person, the person who shall be entitled to cast the vote allocated to that Fee Unit or Time Share Estate shall be the person owning such Fee Unit or Time Share Estate who is present. If more than one such person is present the person entitled to cast such vote shall be the person named in a certificate executed by all of the owners of such Fee Unit or Time Share Estate and filed with the Secretary of the Association. If ownership of a Fee Unit or Time Share Estate is in a corporation, partnership or trust, or if the owner of the Fee Unit or Time Share Estate is deceased, the officer or employee of that corporation, partner of that partnership, trustee of that trust, or representative of the deceased owner's estate, entitled to cast the votes allocated to such owner shall be designated in a certificate for that purpose executed, as the case may be, by the president or a vice president of that corporation, and attested to by the secretary or clerk of that corporation, by the managing partner or partners, if any, of the partnership or, if there is no managing partner, then by all the partners of that partnership, by all the trustees of that trust, or (in the case of a deceased owner) by the personal representative of the estate, and shall be filed with the Secretary of the Association. Such certificates shall be valid until revoked by a subsequent certificate similarly executed and filed with the Secretary of the Association. Wherever the vote, approval or disapproval of an Owner or Time Share Owner is required by this Declaration or the Act, such vote, approval or disapproval shall be made only by the person who would be entitled pursuant to such certificate to cast at any meeting of the Association the vote allocated to such Fee Unit or Time Share Estate. If owners of a Fee Unit or Time Share Estate owned by more than one person have failed to file said certificate with the Secretary of the Association and only one of the multiple owners is present at a meeting of the Association, he shall be entitled to cast at the meeting all the votes allocated to that Fee Unit or Time Share Estate without establishing the concurrence of the absent owners just as though that person were the sole owner of the Fee Unit or Time Share Estate. If owners of a Fee Unit or Time Share Estate owned by more than one person have failed to file said certificate with the Secretary and if more than one owner of that Fee Unit or Time Share Estate is present at the meeting, the votes allocated to that Fee Unit or Time Share Estate may be cast only in accordance with the agreement of a majority of the multiple owners present at the meeting. Such majority agreement shall be conclusively presumed if any one of those multiple owners shall cast the vote allocated to the Fee Unit or Time Share Estate without protest being promptly made at the meeting to the person presiding over the meeting by any other owners of that Fee Unit or Time Share Estate.

Only Members of the Association in good standing shall vote at any special or annual meeting of the Membership unless otherwise agreed upon by the Association by majority vote of those Members in good standing present in person or by proxy at that meeting. A Member in good standing shall mean a Member who has paid all sums assessed by the Association as an Annual or Special Assessment due and payable on or before the 30th day prior to the date of the meeting at which the Member would be voting.

Except with respect to the election of members of the Board of Directors and except when a greater number is required by the Act, the Declarations or these Bylaws, a vote of approval of more than fifty percent (50%) of the aggregate votes in the Association that are entitled to be cast by the Members present and voting in person or by proxy at a duly convened meeting at which a quorum is present is required to adopt decisions at such meeting of the Association.

(f) Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any Owner or Time Share Owner only in favor of another Owner or Time Share Owner or the holder of a mortgage on a Fee Unit or Time Share Estate. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only by actual receipt by the person presiding over the meeting of written notice of revocation from the grantor of the proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

(g) Actions of Association without a Meeting. Any action required or permitted to be taken by a vote of the Members of the Association may be taken without a meeting if all Members shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the proceedings of the Association.

(h) Conduct of Meeting. The President (or in the President's absence, the Vice-President) shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted at the meeting as well as keep a record of all transactions occurring at the meeting. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Roberts Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Act. All votes shall be tallied by tellers appointed by the President.

Section 2.3. Copies of Condominium Documents. The Association shall have current copies of the Declarations, these Bylaws, the Rules and Regulations and any other rules concerning the Condominiums as well as its own books, records and financial statements (the "Condominium Documents") available for inspection by owners and Time Share owners or by holders, insurers and guarantors of first mortgages secured by Fee Units or Time Share Estates. The Condominium Documents shall be available during normal business hours.

ARTICLE 3
BOARD OF DIRECTORS

Section 3.1. Composition. The affairs of the Association shall be governed by the Board of Directors. At least a majority of the members of the Board of Directors (each member of the Board of Directors being referred to in these Bylaws as a "Director") shall be Members or spouses of Members, or, in the case of Members that are corporations, partnerships, trusts or estates, designated agents thereof. To be qualified to be elected and to serve as a Director, all assessments for Common Expenses due with respect to any Fee Unit or Time Share Estate owned by the Director, the Director's spouse, or the entity represented by the Director must be paid in full. A Board of Directors member may serve an unlimited number of terms and may succeed himself. The Board of Directors shall have eighty (80) members. The Board of Directors shall for all purposes be deemed to be the executive board of the unit owners' association for the Inn and for the Villas for all purposes of the Act, as the terms "executive board" and "unit owners' association" are defined in the Act.

Section 3.2. Class Voting for Members of the Board of Directors. The Directors shall be elected by the members voting in classes, as hereinafter set forth in this Section to ensure fair representation on the Board of Directors of the Owners and Time Share Owners. The Owners shall elect five (5) Directors, each Owner to elect one (1) of such Directors. The Villas Time Share Owners for each group of two (2) consecutive Unit Weeks, beginning with Unit Weeks 1 and 2 and continuing consecutively thereafter through Unit Week 52 (but excluding Unit Week 20 and Unit Week 48 which are Service Periods) shall elect one (1) Director, such that twenty-five (25) Directors are elected by the Villas Time Share Owners, collectively. The Inn Time Share Owners for each Unit Week (excluding Unit Week 20 and Unit Week 48 which Unit Weeks are Service Periods) shall elect one (1) Director, such that fifty (50) Directors are elected by the Inn Time Share Owners, collectively. If a Director resigns or a vacancy otherwise occurs with respect to membership on the Board of Directors, the vacancy shall be filled by vote of the class that was entitled to vote for the election of the Director whose position has been vacated.

Section 3.3. Meetings. Meetings of the Board of Directors shall be conducted in accordance with the following:

(a) Time and Location. The Board of Directors shall hold an annual meeting within ten days following the Annual Meeting of the Association for the purpose of electing officers, as more fully set forth in Article 4 hereof, and for any other purpose which may be required or permitted by law, the Declarations or these Bylaws to be done by a vote of the Board of Directors. The Board of Directors shall hold meetings at the call of the President or upon request to the President by at least a majority of the Directors. In any event, the Board of Directors shall meet at least three times each fiscal year (in addition to the annual meeting of the Board of Directors), unless all members of the Board of Directors shall waive such requirements as to a particular meeting or meetings. The President shall call any Board of Directors meeting requested by a majority of the Directors for a date occurring not less than five nor more than twenty days after receipt of such request. The President shall designate the time and location of

Board of Directors meetings. No business shall be transacted at Board of Directors meetings other than as specified in the notice thereof.

(b) Notice. Not less than seven (7) days prior to the time of any Board of Directors meeting, a written notice stating the date, time and place of such meeting shall be delivered, either by hand or mail or telegram, to each Director at the address given to the Board of Directors by such Director for such purpose. Any Director may waive notice of a meeting or consent to any action of the Board of Directors without a meeting. Director's attendance at a meeting shall constitute his waiver of notice of such meeting.

(c) Quorum of the Board of Directors. At all meetings of the Board of Directors twenty-five percent (25%) of the Directors that have been duly elected as of the date of such meeting shall constitute a quorum for the transaction of business. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those Directors present may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice if the time and place to which it is adjourned is fixed and announced at such meeting. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more Directors may participate in and be counted for quorum purposes at any meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

(d) Voting. Each Director shall be entitled to cast one vote on each matter submitted to a vote of the Board of Directors, except as otherwise provided in these Bylaws or the Declarations. A vote of the majority of the Directors present at any meeting at which a quorum is present shall bind the Board of Directors for all purposes unless otherwise provided in the Declarations or these Bylaws. A Director who is a Member of the Association must be a Member in good standing in order to vote on matters submitted to the Board of Directors unless otherwise agreed upon by majority vote of those Directors who are members in good standing present in person or by proxy at that meeting. A Member in good standing shall mean a Member who has paid all sums assessed by the Association as an Annual or Special Assessment due and payable on or before the thirtieth day prior to the date of the meeting at which the Member would be voting.

(e) Organization. Meetings of the Board of Directors may be held under such reasonable rules consistent with these Bylaws as the Directors may determine. The Board of Directors is hereby entitled to promulgate such rules. Members who are not Directors shall have no right to attend Board of Directors meetings but the Board of Directors may, in its sole discretion, elect to allow such Members to attend a particular meeting or meetings. If the Board of Directors does elect to allow Members who are not Directors to attend a particular meeting or meetings, the Secretary shall give prior notice, in the manner provided in Section 2.2.(c) hereof, to all Members of each meeting at which Members are entitled or invited to be present; provided, however, that the failure to give such notice shall neither invalidate any actions taken by the Board of Directors at such meeting nor impose any liability on the Board of Directors or its officers and/or members for the failure to give such notice.

(f) Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a Minute Book of the Board of Directors meetings, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meeting of the Board of Directors if and to the extent such Rules are not in conflict with the Declarations, these Bylaws or the Act.

(g) Action without a Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.4. Resignation and Removal. Any Director may be removed with or without cause by the Members entitled to elect the Director who is being removed and a successor may be elected to fill the vacancy thus created by the Members entitled to elect the Director whose position has been vacated. Any Director who fails to pay any assessment for Common Expenses due with respect to any Fee Unit or Time Share Estate owned by that Director, that Director's spouse, or the entity represented by that Director within ninety (90) days of the date of such assessment, may be removed by vote of a majority of the Directors other than the Director being considered for removal. A Director may resign at any time. A Director who is a Member or spouse or designated agent of a Member shall be deemed to have resigned upon transfer by that Member of title to all Fee Units or Time Share Estates owned by that Member.

Section 3.5. Vacancies. Any vacancy or vacancies on the Board of Directors, whether caused by transfer of a Fee Unit or Time Share Estate, resignation, removal, death, adjudication of incompetency, or otherwise shall be filled by the Members entitled to elect the Director of the vacant position. If the vacancy results from removal, the election of a new Director may be held at the same meeting where such removal takes place.

Section 3.6. Compensation. The Directors shall serve without compensation for their services unless such compensation is expressly authorized or approved by a vote of more than fifty percent of the votes of all Members at any Annual or Special Meeting of the Association.

Section 3.7. Validity of Contracts with Interested Directors. No contract or other transaction between the Association and one or more of its Directors or between the Association and any corporation, firm or association in which one or more of the Directors are directors or officers, or are financially interested, shall be void or voidable because such Director or Directors are present at any meeting of the Board of Directors which authorized or approved the contract or transaction or because his, her or its votes are counted, if the circumstances specified in either of the following subparagraphs exist:

(a) The fact that a Director is also such a director or officer or has such financial interest is disclosed or known to the Board of Directors and is noted in the minutes thereof, and the Board of Directors authorizes, approves or ratifies the contract or transaction in good faith by

a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

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

Section 3.8. Inclusion of Interested Directors in a Quorum. Any Director holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.7. hereof.

Section 3.9. Powers of the Board of Directors.

(a) Enumeration. The Board of Directors shall have all of the powers and duties of an executive board of unit owners association granted by the Act and all of the powers and duties of a board of directors of a nonprofit corporation pursuant to the laws governing nonprofit corporations.

(b) Limitation. Nothing in this Section or elsewhere in these Bylaws shall be considered to grant to the Board of Directors or to the officers of the Association any powers or duties which, by law, are possessed by Members. Unless otherwise provided herein or in the Declaration, the Board of Directors shall comply with the instructions of more than fifty percent (50%) of the Members present in person or by proxy as expressed in the resolution duly adopted at any Annual or special Meeting of the Members.

(c) Delegation of Powers; Managing Agent. The Board of Directors may employ and establish compensation for a managing agent (the "Managing Agent"). The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including, without limitation, all of the duties listed in the Act, the Declarations and these Bylaws; provided, however, where the Managing Agent does not have the power to act under the Act, the Declarations or these Bylaws, the Managing Agent may act as an advisor or in an advisory capacity to the Board of Directors. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by the Act, the Declarations and these Bylaws other than the following powers: (i) to adopt an annual budget and any amendment thereto or to assess Common Expenses; (ii) to adopt, repeal or amend rules and regulations; (iii) to designate signatories on Association bank accounts; (iv) to borrow money on behalf of the Association; (v) to acquire mortgages on any Fee Unit or Time Share Estate; and (vi) to assign Common Elements as Limited Common Elements. Any contract with the Managing Agent must provide that it shall be cancelable by either party without cause and without a termination fee upon not less than sixty (60) days or more than ninety (90) days written notice and shall be cancelable by the Board of Directors with cause upon not less than thirty (30) days written notice.

ARTICLE 4
OFFICERS AND COMMITTEES

Section 4.1. Election. At the first meeting of the Board of Directors, and at every annual meeting of the Board of Directors thereafter, the Directors, if a quorum is present, shall elect from among the Directors officers of the Association for the following year, such officers to serve for a one year term and until their respective successors are elected. The officers to be elected are: President, Vice President, Secretary, Treasurer and such other officers as the Board of Directors shall determine. Each officer may serve an unlimited number of terms so long as such officer remains a member of the Board of Directors. Any officer may hold two offices simultaneously, except that the President shall not hold any other office.

Section 4.2. Duties. The duties of the officers shall be as follows:

(a) President. The President shall be the chief executive officer of the Association and the chairperson of the Board of Directors. The President shall be responsible for implementing the decisions of the Board of Directors and in that capacity shall direct, supervise, coordinate and have general control over the affairs of the Association and the Board of Directors, subject to the limitations of the laws of the State of Maine, the Condominium Documents and the actions of the Board of Directors. The President shall have the power to sign checks and other documents on behalf of the Association and the Board of Directors, or both, with or without the signatures of any other officers as may be determined by the Board of Directors. The President shall preside at all meetings of either body at which he is in attendance and shall be a member of all committees. If the President is absent from such meetings the senior officer of the Association present at such meeting shall preside, and in the absence of any officer, the body holding the meeting shall elect a person to preside. If the Board of Directors so provides, the President also shall have any or all of the powers and duties ordinarily attributable to the chief executive officer of a corporation domiciled in Maine.

(b) Vice President. Unless otherwise determined by a resolution of the Board of Directors, the Vice President shall, in the absence of the President, exercise the powers and perform the duties of the President. The Vice President shall perform such other duties and have such other powers as the Board of Directors may designate from time to time.

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

any) as may be set from time to time by the Board of Directors. The Secretary shall keep or cause to be kept the register of Eligible Mortgage Holders. The Secretary shall also perform all duties and have such other powers as are ordinarily attributable to the secretary of a corporation domiciled in Maine.

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

Section 4.3. Compensation. The officers of the Board of Directors shall serve without compensation for their services in such capacity unless such compensation is expressly authorized or approved by a vote of more than fifty percent (50%) of the votes of members at any Annual or special Meeting of the Association.

Section 4.4. Resignation and Removal. Any officer may resign at any time by written notice to the Board of Directors, such resignation to become effective at the next Board of Directors meeting. Any officer who ceases to be a member of the Board of Directors for any reason also shall be deemed to have resigned or been removed, ipso facto, from any Board of Directors office he may have held. Any officer may be removed from his office at any time by a majority vote of the Board of Directors whenever in the judgment of the Directors the interests of the Association will be best served thereby, or by the vote of the Association with or without cause, in the same manner as set forth for the removal of Directors in Section 3.4. hereof.

Section 4.5. Vacancies. Vacancies caused by resignation or removal of officers or the creation of new offices may be filled by a majority vote of the Directors.

Section 4.6. Executive Committee of the Board of Directors. The Board of Directors shall elect an executive committee of the Board of Directors (the "Executive Committee") which

Executive Committee shall have the power and authority to formulate the Association budgets as set forth in Article 5 of these Bylaws and in Article 14 of the Declarations, and such other power and authority as the Board of Directors may delegate to the Executive Committee. The Executive Committee shall have ten (10) members. The Executive Committee shall be elected by the Directors voting in classes as hereinafter set forth. The five (5) Directors elected by the Owners shall elect one (1) member of the Executive Committee. The twenty-five (25) Directors elected by the villas Time Share Owners shall elect three (3) members of the Executive Committee. The fifty (50) Directors elected by the Inn Time Share Owners shall elect six (6) members of the Executive Committee. If a member of the Executive Committee resigns or a vacancy otherwise occurs with respect to membership on the Executive Committee, the vacancy shall be filled by vote of the Directors who were entitled to vote for the election of the member of the Executive Committee whose position has been vacated. Each member of the Executive Committee shall have one (1) vote on each matter submitted to a vote of the Executive Committee except as otherwise provided in the Articles of Incorporation, Article 5 of these Bylaws or the Declarations. The immediate past President of the Association, if not an elected member of the Executive Committee, shall sit as an additional non-voting member of the Executive Committee.

ARTICLE 5 COMMON EXPENSES: BUDGETS

Section 5.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

Section 5.2. Association Budgets. The Association, acting through the Board of Directors in accordance with the Declarations and these Bylaws, shall have the power to fix and determine, from time to time, the sums necessary and adequate to provide for the Common Expenses, including, but not limited to such amounts as are necessary for uncollectible assessments, budget deficits, such reserves as are described in the Declarations and such additional reserves as the Board of Directors shall deem necessary or prudent, and such other expenses as are specifically provided for in the Act, the Declarations, or these Bylaws. The Association shall adopt annually a budget of Common Expenses for the Inn and the villas which budget shall be composed of three separate parts, being the Common Facilities Budget, the Inn Budget, and the Villas Budget as described hereinafter in this Article 5 and in Article 14 of the Declarations.

Section 5.3. Common Facilities Budget. The Common Facilities Budget shall include the budget items set forth in subsections (a), (b), (c), (d), and (e) of this Section 5.3. The expenses with respect to each budget item shall be assessed as provided in those subsections, subject, however, to adjustment pursuant to Section 14.15 of the Declarations.

(a) Water and Sewer System Operations. The Common Facilities Budget shall include all expenses related to the operation, repair and maintenance (other than capital replacement expenses) of the sewer system and water system for service to the Villas and the Inn, including fees for water service to the Villas and the Inn as determined pursuant to the Easement

Deed and Covenant attached to the Declarations as part of Exhibit A. For purposes of assessments, these expenses shall be divided in two parts, a base access fee (the "Base Fee") comprising twenty-five percent (25%) of the total annual expenses, and a variable use fee (the "Use Fee") comprising seventy-five percent (75%) of the total annual expenses. The Base Fee shall be allocated five- sixty-firsts ($5/61$ sts) to the Fee Units, each Fee Unit being assessed for one-sixty-firsts ($1/61$ sts) of the Base Fee, and fifty-six sixty-firsts ($56/61$ sts) to the Time Share Estates and the Inn Time Share Estates, each Time Share Owner being assessed a proportionate share of such amount in accordance with the Time Share Common Expense Liability of each such Time Share Estate as set forth in Exhibit C to the Declarations, subject, however, to adjustment pursuant to Section 14.15 of the Declarations. The Time Share Common Expense Liability of each Time Share Estate is determined based on the proportionate square footage of the Unit of which the Time Share Estate is a part as compared to the square footage of other Units in the Villas and the Inn, subject, however, to adjustment pursuant to Section 14.15 of the Declarations. The Use Fee shall be allocated based on the proportionate water usage of each Unit in the Villas and the Inn. The water usage for each Unit shall be metered, a separate water meter being provided for each Fee Unit and each Time Share Unit in the Villas and a single water meter being maintained for the Evergreen Valley Inn building at the Inn. Each Unit of Inn shall be deemed to have used one-fifty-first ($1/51$ st) of the total water usage metered for the Evergreen Valley Inn building.

(b) Capital Improvement Reserve. The Common Facilities Budget shall include a capital improvement reserve fund for the access roadway, sewer system and water system serving the Villas and the Inn. These expenses shall be assessed in the same manner as the Base Fee is assessed pursuant to subparagraph (a) of this Section 5.3.

(c) Insurance. The Common Facilities Budget shall include all expenses related to fire and casualty insurance, public liability insurance, and other insurance maintained by the Association with respect to the access roadway, sewer system and water system serving the Villas and the Inn. These expenses shall be assessed in the same manner as the Base Fee is assessed pursuant to subparagraph (a) of this Section 5.3.

(d) General Association Expenses. The Common Facilities Budget shall include general Association maintenance and administrative expenses for (i) roadway and parking area maintenance, snowplowing and sanding; (ii) lawn mowing and grounds maintenance; (iii) salary and other expenses for security personnel; and (iv) general Association administrative and professional expenses. Each Owner shall pay a fixed annual assessment of \$1,470.25 per Fee Unit for these expense items. The fixed assessment amount shall be adjusted annually as of the beginning of each fiscal year of the Association by an amount equal to \$1,470.25 multiplied by the percentage increase or decrease in the Price Index from the Initial Price Index to the Adjustment Price Index for the date of such adjustment. As used in this Section, the term Price Index shall mean the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items (1982-1984 = 100) published by the United States Department of Labor, Bureau of Labor Statistics. The Initial Price Index shall be the annual average Price Index for calendar year 1994. The Adjustment Price Index shall be the annual average Price Index for the calendar year immediately preceding the adjustment date. If the designated Price Index is no

longer published, then a substitute price index with components substantially similar to those considered in formulating the Price Index shall be designated by the Board of Directors as a substitute for the Price Index. The balance of the annual expenses for the designated general Association maintenance and administrative expenses shall be assessed to the Time Share Owners in accordance with their proportionate Time Share Common Expense Liability as set forth in Exhibit C to the Declarations, subject however, to adjustment pursuant to Section 14.15 of the Declarations.

(e) Special Capital Improvements. The Common Facilities Budget may include special assessments for recreational facilities, new parking areas, or other capital improvements benefiting the Villas and the Inn. The costs for such special assessment shall be assessed in the same manner as the Base Fee is assessed pursuant to subparagraph (a) of this Section 5.3, provided, however, that the Association may construct Limited Common Element recreational facilities with the associated costs to be allocated only to those Owners or Time Share Owners electing to have user privileges with respect to such Limited Common Element.

Section 5.4. Inn Budget. The Inn Budget shall include the following items with respect to the Inn:

(a) Maintenance. Expenses related to interior and exterior structural and mechanical maintenance and repair of the Evergreen Valley Inn building and related replacement reserve fund;

(b) Janitorial. Expenses related to janitorial, maid and linen service for the Common Elements and Units in the Inn;

(c) Unit Furnishings. Expenses related to maintenance and repair of Unit furnishings, fixtures, appliances and other Limited Common Elements of the Inn and a replacement reserve fund with respect to the same;

(d) Insurance. Expenses related to fire and casualty insurance for the Evergreen Valley Inn building; personal property insurance with respect to unit furnishings; and public liability insurance with respect to the Common Elements of the Inn;

(e) Trash Disposal. Expenses related to trash recycling and disposal for the Units and Common Elements of the Inn.

All expenses included in the Inn Budget shall be assessed to the Inn Time Share Owners in accordance with their proportionate Inn Budget Common Expense Liability as set forth in Exhibit C to the Inn Declaration, which Inn Budget Common Expense Liability is based on the proportionate square footage of the Time Share Unit of which the Time Share Estate is a part as compared to the square footage of other Time Share Units in the Inn, subject, however, to adjustment pursuant to Section 14.15 of the Declarations.

Section 5.5. Villas Budget. The Villas Budget shall be divided into two parts, the Villas General Budget and the Villas Time Share Budget, each of such budget parts to include the items hereinafter listed in subparagraphs (a) and (b) of this Section 5.5.

(a) Villas General Budget. The Villas General Budget shall include the following items with respect to the Villas to be allocated as hereinafter provided:

(1) Expenses related to public liability insurance with respect to the Common Elements of the Villas, the cost of such insurance to be allocated one-tenth (1/10) to each Fee Unit and five-tenths (5/10ths) to the Villas Time Share Units, the amount allocated to the Villas Time Share Units to be proportionately assessed to each Villas Time Share owner as a Villa Time Share Common Expense Liability in accordance with Exhibit C to the Villas Declaration, which Villa Time Share Common Expense Liability is based on the proportionate square footage of the Time Share Unit of which the Villas Time Share Estate is a part as compared to the square footage of other Time Share Units in the Villas, subject, however, to adjustment pursuant to Section 14.15 of the Declarations;

(2) Expenses related to fire and casualty insurance with respect to each building at the Villas, the cost of such insurance to be assessed equally to each Fee Unit and to each Time Share Unit within that building;

(3) Expenses related to maintenance, repair and replacement of Building Common Elements as defined in the Villas Declaration, including a replacement reserve, such expenses to be approved and allocated in accordance with Section 3.4.4 of the Villas Declaration.

(b) Villas Time Share Budget. The following items with respect to the Villas Time Share Units shall be included in the Villas Time Share Budget:

(1) Expenses related to maintenance, repair and replacement of Villas Time Share Units, including a replacement reserve;

(2) Expenses related to maintenance, replacement and repair of Villas Time Share Unit furniture, fixtures and appliances and a replacement reserve therefore, and personal property insurance related thereto;

(3) Expenses related to janitorial, maid and linen service for the Villas Time Share Units;

(4) Expenses related to trash recycling and disposal for the Villas Time Share Units.

All items included in the Villas Time Share Budget shall be assessed to the Villas Time Share Owners as a Villa Time Share Common Expense Liability as set forth in Exhibit C to the Villas Declaration, subject, however, to adjustment pursuant to Section 14.15 of the Declarations.

Section 5.6. Budget Adoption Procedures. The Common Facilities Budget, the Inn Budget and the Villas Budget shall be adopted by the Board of Directors and ratified by the Members in accordance with the provisions of this Section 5.6.

(a) Common Facilities Budget. The Common Facilities Budget for each fiscal year of the Association shall be prepared by the Executive Committee and submitted to a vote by the Executive Committee not later than ninety (90) days prior to the commencement of the fiscal year to which the budget applies. The Common Facilities Budget as adopted by the Executive Committee shall then be submitted to a vote of the Board of Directors by not later than sixty (60) days prior to the commencement of the fiscal year to which such budget applies. A copy of the Common Facilities Budget as adopted by the Board of Directors shall be mailed to each member and submitted to a ratification vote by the members in accordance with Section 1603-103(c) of the Act.

(b) Inn Budget. The Inn Budget for each fiscal year of the Association shall be prepared by the Executive Committee and submitted to a vote by those members of the Executive Committee who were elected by those Directors elected by the Inn Time Share Owners by not later than ninety (90) days prior to the commencement of the fiscal year to which such budget applies. The Inn Budget as adopted by such members of the Executive Committee shall then be submitted to a vote of the Directors elected by the Inn Time Share Owners by not later than sixty (60) days prior to the commencement of the fiscal year to which such budget applies. The Inn Budget as adopted by such Directors shall be mailed to each Inn Time Share Owner and submitted to a ratification vote by the Inn Time Share owners in accordance with the procedures set forth in Section 1603-103(c) of the Act.

(c) Villas Budget. The Villas Budget for each fiscal year of the Association shall be prepared by the Executive Committee and submitted to a vote by those members of the Executive Committee elected by those Directors elected by the Villas Owners and Villas Time Share Owners by not later than ninety (90) days prior to the commencement of the fiscal year to which such budget applies. The Villas Budget as adopted by such members of the Executive Committee shall then be submitted to a vote of the Directors elected by the Villas Owners and the Villas Time Share Owners by not later than sixty (60) days prior to the commencement of the fiscal year to which such budget applies. The Villas Budget as adopted by such Directors shall be mailed to each Villas Owner and Villas Time Share Owner and submitted to a ratification vote by the Villas Owners and the Villas Time Share Owners as hereinafter provided. The General Villas Budget portion of the Villas Budget shall be submitted to a ratification vote by the Villas Owners and the Villas Time Share Owners, with each Fee Unit and each Villas Time Share Unit being allocated an equal vote, the vote allocated to each Villas Time Share Unit being further allocated one-fiftieth (1/50th) to each Time Share Estate in such Time Share Unit other than the Time Share Estates for Unit Week 20 and Unit Week 48. The Villas Time Share Budget portion of the Villas Budget shall be submitted to a ratification vote by the Time Share owners, each such Time Share Owner to have an equal vote.

Section 5.7. General Power to Assess. Subject to Section 14.15 of the Declarations the Association shall have the right, but not the duty, to assess as a Limited Common Expense any Common Expense benefiting fewer than all of the Units or Time Share Estates exclusively against the owners or Time Share Owners benefited. The Association shall have the right, but not the duty, to assess exclusively to an individual owner or Time Share Owner any Common Expense or Limited Common Expense incurred due to the negligence, neglect or other misconduct of the Owner or Time Share Owner, its family, tenants, employees, contractors or invitees. Each Owner and each Time Share Owner, with respect to occupancy during the Unit Week of his Time Share Estate, is responsible for paying the cost of long distance telephone charges, charges for telephone message units, and charges for other special services allocable to his occupancy (or that of his family, tenants, employees, contractors or invitees) of his Unit, as well as the cost of repair of any damage to the Unit or replacement of any property contained therein on account of damage occurring during such occupancy.

Section 5.8. Special Assessment. If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses or Limited Common Expenses for such fiscal year for any reason (including by way of illustration and not limitation, any Owner's or Time Share Owner's non-payment of his assessment or municipal assessments not yet assessed), the Board of Directors shall have the power, subject to Section 14.15 of the Declarations at any time it deems necessary and proper, to levy one or more Special Assessments against each owner and/or Time Share Owner; provided, however, that Special Assessments for Common Expenses or Limited Common Expenses allocated to particular classes of Owners or Time Share Owners pursuant to Section 5.3, Section 5.4 or Section 5.5 hereof shall be allocated to the same class or classes of Owners or Time Share Owners as specified in those Sections. Special Assessments shall be due and payable in the manner and on the date set forth in the notice thereof.

Section 5.9. Payment of Assessments. Each Owner and Time Share Owner shall pay all assessments levied by the Association. Assessments shall be due and payable on monthly, annual or other periodic basis as designated by the Board of Directors. Assessments that are unpaid for over fifteen (15) days after the due date shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid. In the sole discretion of the Board of Directors, a late charge of \$25.00 per assessment not paid when due may be assessed against the delinquent Owner or Time Share Owner. In addition, the Board of Directors may deny any Owner or Time Share Owner access to his Fee Unit or Time Share Unit and the Common Elements unless and until such Owner or Time Share Owner has paid in full all outstanding amounts due to the Association as Annual Assessments or Special Assessments or otherwise.

Section 5.10. Failure to Fix New Assessments. Annual Assessments for each fiscal year shall be based on the Association budgets adopted and ratified in accordance with Section 5.6 and these Bylaws. If the budgets for any fiscal year shall fail to be adopted by the end of the prior fiscal year, or if the Board of Directors shall fail to fix new Annual Assessments for Common Expenses or Limited Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Owners and Time Share Owners shall continue to pay the same sums they were paying for such Annual Assessments during the fiscal year just ended and such

sum shall be deemed to be the new Annual Assessments for the succeeding fiscal year. If the Board of Directors shall change the Annual Assessment at a later date, the difference between the new Annual Assessment, if greater, and the previous year's Annual Assessment up to the effective date of the new Annual Assessment shall be treated as if it were a Special Assessment under Section 5.8 hereof. In the event the new Annual Assessment is less than the previous year's Annual Assessment, in the sole discretion of the Board of Directors, the excess either shall be refunded to the Owners and Time Share Owners, credited against future Annual Assessments, or retained by the Association for reserves.

Section 5.11. No Exemption by Waiver. No Owner or Time Share Owner may exempt himself from liability for the Common Expenses or Limited Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or Time Share Estate or otherwise.

Section 5.12. Personal Liability of Owners and Time Share Owners. All sums owing pursuant to this Article 5 and all sums assessed by the Association as an Annual or Special Assessment shall constitute the personal liability of the Owner and Time Share Owner so assessed and also, until fully paid, shall constitute a lien against such Owner's Fee Unit and against such Time Share Owner's Time Share Estate and Time Share Unit pursuant to Section 1603-116 of the Act and pursuant to Section 594 of the Time Share Act. The Board of Directors shall take action for failure to pay any assessment or other charge pursuant to Section 1603-116 of the Act and shall also have the right and authority to take such action pursuant to Section 594 of the Time Share Act. The delinquent Owner or Time Share Owner shall be obligated to pay (a) all expenses of the Board of Directors, including reasonable attorneys' fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (b) any amounts paid by the Board of Directors for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

Section 5.13. Liability of Purchaser for Unpaid Assessments. Upon the voluntary sale, conveyance or any other voluntary transfer of a Fee Unit or Time Share Estate or any interest therein, the grantee thereof shall not be liable with the grantor thereof for unpaid assessments for Common Expenses or Limited Common Expenses which are a charge against the Fee Unit or Time Share Estate as of the date of consummation of the sale, conveyance or transfer, unless such grantee agrees to assume the obligation therefor.

Section 5.14. Subordination of Certain Charges. Any Annual Assessments or any fees, charges, late charges, fines and interest that may be levied by the Association pursuant to Section 1603-102 of the Act shall be subordinate to any first mortgage recorded before such Annual Assessments, fee, charge, late charge, fine or interest was due.

Section 5.15. Surplus. Any amounts accumulated from assessments for Common Expenses or Limited Common Expenses in excess of the amount required for actual Common Expenses and Limited Common Expenses and reserves for future Common Expenses and Limited Common Expenses, unless otherwise directed by the Board of Directors, in its sole

discretion, shall be credited to each Owner or Time Share Owner, such credit to be applied to the next Annual Assessments of Common Expenses and Limited Common Expenses due from said Owner or Time Share Owner under the next fiscal year's budgets, and thereafter until exhausted, or shall be retained by the Association for reserves.

Section 5.16. Accounts; Audits. All sums collected by the Board of Directors with respect to assessments against the Members or from any other source may be commingled into a single fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices and the same shall be audited at least once each year by an independent accountant retained by the Board of Directors. The Association shall make an audited statement for the preceding fiscal year available to any holder, insurer or guarantor of a first Mortgage secured by any Fee Unit of Time Share Estate who submits a written request therefor to the Association.

Section 5.17. Limitations on Expenditures and Borrowing. The Executive Committee and/or officers shall have no authority to approve or authorize any single capital expenditure in excess of \$3,000, nor any total of single capital expenditures in excess of \$20,000 per fiscal year, nor to authorize the corporation to enter into any contract for a term of more than three (3) years, except with the approval of a majority of the Board of Directors. Except as set forth in Section 6.1 of these Bylaws, the Board of Directors shall have no authority to approve or authorize any single capital expenditure in excess of \$30,000. Any single capital expenditure exceeding \$30,000 must be approved by a vote of Members entitled to cast two-thirds (2/3) of the votes in the Association allocated to those Members who are present in person or by proxy and eligible to vote at the Annual meeting or at a special meeting of the Members called for by the Board of Directors for that purpose.

Section 5.18. Statement of Common Expenses. The Board of Directors shall promptly provide any Member, contract purchaser or proposed mortgagee who requests the same in writing with a written statement of all unpaid assessments for Common Expenses and Limited Expenses, if any, due from such Member. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation, to the extent permitted by the Act.

ARTICLE 6 REPAIR OR RECONSTRUCTION

Section 6.1. Restoration of Property Out of Common Expense Fund. Damage to or destruction of the Common Elements or Limited Common Elements of the Property shall be promptly repaired and restored by the Association in accordance with the provisions of Article 9 of the Declarations and Sections 1603-113(e) and (h) of the Act. The Board of Directors shall be responsible for accomplishing the full repair or reconstruction which shall be paid out of the Common Expense fund. The disbursements of funds for such repair or reconstruction shall, at the option of the Board of Directors, be made only as the work progresses upon approval of a qualified architect who shall have furnished a description satisfactory to the Board of Directors of the costs involved and the services and materials to be furnished by the contractors,

subcontractors and materialmen. Members may apply the proceeds from their individual property insurance policies, if any, to the share of such Common Expense as may be assessed to them. The Board of Directors shall be responsible for restoring the Common Elements and Limited Common Elements only to substantially the same condition as they were immediately prior to the damage and each Member shall personally assume the additional expense of any improvements to his Unit which he desires to restore beyond such condition, including the cost of preparation and recording of amended Plats and Plans, if necessary. If any physical changes are made by the Association to any restored Unit or the Common Elements, or any combination of them, which renders inaccurate the Plats and Plans which are then of record, the Board of Directors shall record amended Plats and Plans showing such changes.

ARTICLE 7 SEPARATE REAL ESTATE TAXES

Section 7.1. Assessments Against Individual Units. In the event that real estate taxes are not separately assessed against each Unit and Time Share Estate, but rather are assessed against the Property as a whole, then each Member shall pay his proportionate share thereof in accordance with his, her or its respective Percentage Interest in the Common Elements, subject to Section 14.15 of the Declarations.

ARTICLE 8 AMENDMENTS

Section 8.1. General Requirements; Consent of Holders of Mortgages; Curative Amendments to Bylaws. Except as otherwise provided in any one or more of these Bylaws, the Declaration or the Act, these Bylaws may be amended by the vote of the Members entitled to cast a majority of the votes in the Association, cast in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws; provided, however, that Article 3, Article 5 or this Article 8 may be amended only by vote or agreement of Owners of Fee Units in the Villas to which at least fifty percent (50%) of the votes in the Association allocated to the owners of such Fee Units are allocated and by vote or agreement of Time Share Owners of Time Share Estates in the Villas and the Inn to which in the aggregate fifty percent (50%) of the votes in the Association allocated. Notwithstanding the foregoing, amendments of a material nature must be approved by Unit Owners entitled to cast at least sixty-seven percent (67%) of the total allocated votes in the Association and by Eligible Mortgage Holders representing at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Eligible Mortgage Holders. Any amendment changing or affecting any of the following would be considered material:

- (a) voting rights;
- (b) assessments, assessment liens, or subordination of assessment liens;
- (c) reserves for maintenance, repair and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interest in the Common or Limited Common Elements, or rights to their use;
- (f) boundaries of any Unit;

- (g) convertibility of Units into Common Elements or vice versa;
- (h) expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;
- (i) insurance of fidelity bonds;
- (j) leasing of Units;
- (k) imposition of any restriction on a Member's right to sell or transfer his or her Unit or Time Share Estate;
- (l) a decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgage Holder;
- (m) restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
- (n) any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or
- (o) any provisions that expressly benefit mortgage holders, insurers or guarantors.

Additionally, if any amendment is necessary in the judgment of the Board of Directors to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declarations, then at any time and from time to time the Board of Directors, acting through the President or the Vice President, may effect an appropriate corrective amendment without the approval of the Members or the holders of any liens on all or any part of the Property, upon receipt by the Board of Directors of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

Section 8.2. Amendments to the Declarations. The Declarations may be amended pursuant to the provisions of the Act and the Declarations. The President or Vice President is empowered to prepare and execute any amendments to the Declarations on behalf of the Association and the Secretary or any Assistant Secretary is empowered to attest, seal with the Association's corporate seal and record any such amendments on behalf of the Association.

ARTICLE 9 GENERAL PROVISIONS

Section 9.1. Severability. The provisions of these Bylaws shall be deemed independent and severable, and the invalidity, partial invalidity or unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision or portion thereof unless the deletion of such invalid or unenforceable provision shall destroy the uniform plan for development and operation of the Property which the Declarations (including the Plats and Plans and these Bylaws) is intended to create.

Section 9.2. Conflicts. The Act and the Declarations shall control in the event of any conflict between the provisions thereof and the provision of these Bylaws. The Act, the Declarations and these Bylaws shall control in the case of any conflict between the provisions thereof and the provisions of the Rules and Regulations.

Section 9.3. Notices. All notices or other communications required or permitted under these Bylaws shall be in writing and shall be deemed to have been given when personally delivered or on the second business day after the day on which mailed by certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (a) if to a Member, at the single address which the Member shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Member, or (b) if to the Association, the Board of Directors or to the Managing Agent, at the principal office of the Association and the Managing Agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section. If a Fee Unit or Time Share Estate is owned by more than one person, each such person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 9.4. Headings. The headings preceding the various Sections of these Bylaws and the Table of Contents are intended solely for the convenience of readers of the Bylaws and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 9.5. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

ARTICLE 10 CORPORATE SEAL

Section 10.1. Seal. The form of the seal of the Association shall contain the name of the Association and the State of Maine.