

BYLAWS

WHISPERING SANDS CONDOMINIUM ASSOCIATION

CONDOMINIUM:

WHISPERING SANDS,
A CONDOMINIUM

DECLARANT:

MAINE DEVELOPMENT GROUP

ASSOCIATION:

WHISPERING SANDS
CONDOMINIUM ASSOCIATION

PREMISES:

182 TEMPLE AVENUE
OCEAN PARK
OLD ORCHARD BEACH
YORK COUNTY, MAINE

PREPARED BY:

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BYLAWS OF

WHISPERING SANDS CONDOMINIUM ASSOCIATION

TABLE OF CONTENTS

Article Number	Paragraph Number	Page Number
I	INTRODUCTORY PROVISIONS	
	1.1 Unit Ownership.....	1
	1.2 Name.....	1
	1.3 Applicability of Bylaws.....	1
	1.4 Office.....	1
	1.5 Corporation Law.....	1
	1.6 Nonprofit Status.....	2
	1.7 Definitions.....	2
II	THE ASSOCIATION	
	2.1 Composition.....	2
	2.2 Nontransferability of Interests.....	2
	2.3 Powers and Duties.....	2
	2.4 Meeting of Members.....	3
	2.5 Annual Meetings.....	3
	2.6 Special Meetings.....	4
	2.7 Notice of Meeting.....	4
	2.8 Quorum.....	5
	2.9 Adjournment of Meetings.....	5
	2.10 Votes in Association.....	5
	2.11 Voting.....	5
	2.12 Majority Vote Required.....	6
	2.13 Informal Action.....	7
	2.14 Proxies.....	7
	2.15 Order of Business.....	7
III	EXECUTIVE BOARD	
	3.1 Number and Qualifications.....	7
	3.2 Election and Term of Office.....	8
	3.3 Veto Rights.....	8
	3.4 Powers and Duties.....	9
	3.5 Delegation of Powers; Managing Agent.....	11
	3.6 Removal or Resignation of Members of the Executive Board.....	11

3.7	Vacancies.....	12
3.8	Organizational Meeting.....	12
3.9	Regular Meeting.....	12
3.10	Special Meetings.....	12
3.11	Waiver of Notice.....	12
3.12	Quorum of the Executive Board.....	13
3.13	Compensation.....	13
3.14	Conduct of Meetings.....	13
3.15	Action without Meeting.....	13
3.16	Validity of Contracts With Interested Executive Board Members.....	13
3.17	Inclusion of Interested Executive Board Members in the Quorum.....	14

IV

OFFICERS

4.1	Designation.....	14
4.2	Election of Officers.....	14
4.3	Removal and Replacement of Officers.....	14
4.4	President.....	14
4.5	Secretary.....	15
4.6	Treasurer.....	15
4.7	Execution of Documents.....	15
4.8	Compensation of Officers.....	15

V

OPERATION OF THE PROPERTY

5.1	Fiscal Year.....	16
5.2	Preparation and Approval of Budget.....	16
5.3	Assessment of Common Expenses.....	17
5.4	End of Fiscal Year.....	17
5.5	Reserves.....	18
5.6	Effect of Failure to Prepare or Adopt Budget.....	18
5.7	Rejection of Budget.....	19
5.8	Ratification of Non-Budgeted Common Expense Assessments.....	19
5.9	Payment Obligations.....	19
5.10	Interest; Acceleration.....	20
5.11	Lien for Assessments.....	20
5.12	Enforcement.....	21
5.13	Collection of Assessments.....	21
5.14	Exemption From Expenses by Waiver of Use of Common Elements or Unit Elements.....	21
5.15	Limitations on Borrowing; Emergency Expenditures.....	21

	5.16	Initial Capital Payment.....	21
	5.17	Accounts; Audits.....	22
	5.18	Statement of Common Expense and Resale Certificates.....	22
	5.19	Reallocation of Allocated Interests.....	22
VI		RECORDS OF INFORMATION	
	6.1	Title.....	23
	6.2	Availability of Information.....	23
VII		AMENDMENTS	
	7.1	Notice.....	23
	7.2	Resolution.....	24
	7.3	Agreement.....	24
	7.4	Proviso.....	24
	7.5	Execution.....	24
	7.6	Approval of Mortgagees.....	24
	7.7	Amendments to Declaration.....	24
VIII		CORPORATE SEAL	
	8.1	Seal.....	25
IX		Miscellaneous	
	9.1	Remedies Cumulative.....	25
	9.2	Captions.....	25
	9.3	Gender, Number, Etc.....	25
	9.4	Severability.....	25

Exhibit I - Certificate of Resale

BYLAWS

OF

WHISPERING SANDS CONDOMINIUM ASSOCIATION

ARTICLE I

Introductory Provisions

1.1. Unit Ownership. The land located at Ocean Park, Old Orchard Beach, York County, Maine, together with all improvements to be constructed thereon, has been or will be submitted to the provisions of the Maine Condominium Act, Chapter 31 of Title 33 of the Maine Revised Statutes of 1964, as amended (the "Act"), by the Declaration of Whispering Sands, A Condominium (the "Declaration") recorded or to be recorded in the York County Registry of Deeds and declared as a condominium to be known as Whispering Sands, A Condominium (hereinafter called the "Condominium"). A copy of the Declaration is attached as Exhibit II. These Bylaws have been adopted as required by Section 1603-106 of the Act to govern this Unit Owner's Association of the Condominium (hereinafter called the "Association").

1.2. Name. The name of this Association is WHISPERING SANDS CONDOMINIUM ASSOCIATION.

1.3. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Property of the Condominium and to the use and occupancy thereof. The provisions of these Bylaws shall similarly apply to all Convertible Real Estate and other Real Estate included in the Condominium which is subject to Development Rights. All present and future Unit Owners, Mortgagees, lessees and occupants of the Units and their employees and any other persons who may use the facilities of the Condominium in any manner are subject to these Bylaws, the Declaration and to the rules and regulations established by the Executive Board of the Association as hereinafter set forth.

1.4. Office. The principal office of the Association and the Executive Board shall be located at Ocean Park, Old Orchard Beach, Maine, or at such other location as the Executive Board may designate from time to time.

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

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

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

ARTICLE II
The Association

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

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

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

Condominium; (e) Make contracts and incur liabilities relating to the purposes of the Association stated in these Bylaws and the Declaration; (f) Regulate the use, maintenance, repair, replacement and modification of the Common Elements; (g) Cause additional improvements to be made as a part of the Common Elements; (h) Acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to Section 1603-112 of the Act and subject to the prior approval of Eligible Mortgage Holders as provided in Article XI of the Declaration; (i) Grant easements, leases, licenses and concessions through or over the Common Elements; (j) Impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements (other than Limited Common Elements) and for services provided to Unit Owners; (k) Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration and of these Bylaws and rules and regulations of the Association; (l) Impose reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates required by Section 1604-108 of the Act and statements of unpaid assessments; (m) Provide for the indemnification of its officers and Executive Board and maintain directors' and officers' liability insurance; (n) Assign its right to future income; (o) Lease as lessee any real or personal property, accept assignments of leases of real or personal property, cause improvements to be made as a part of such leased property, regulate the use, maintenance and repair of such leased property, and impose and receive any payments, fees or charges for the use, rental or operation of such leased property; (p) Intervene on behalf of one or more Unit Owners in disputes regarding warranty claims affecting the Common Elements; (q) Exercise any other powers conferred to it by the Declaration; (r) Exercise all other powers that may be exercised in the State of Maine by corporations organized pursuant to the Nonprofit Corporation Act, as the same or its equivalent may be amended or modified from time to time; and (s) Exercise any other powers necessary and proper for the governance and operation of the Condominium by the Association.

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

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

2.5. Annual Meetings. The annual meetings of the members shall be held each year on a date no later than thirty (30) days, and no earlier than sixty (60) days, before the beginning of each fiscal year. In the event that the day for which an annual meeting is scheduled is a legal holiday, then the meeting shall be held on the first day thereafter which is not a legal holiday. At such meetings there shall be elected by ballot of the members an Executive Board in accordance with the provisions of Article III.

The members shall also transact such other business as may properly come before them.

2.6. Special Meetings:

2.6.1. The President shall call a special meeting of the Association if so directed by resolution of the Executive Board, or upon a petition signed and presented by Unit Owners of the Units to which are allocated not less than twenty-five percent (25%) of the Votes in the Association, or if so directed by the Declarant during the Declarant Control Period to call the Transition Meeting required by subparagraph 2.6.2. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held no earlier than ten days (10) and no later than forty-five days (45) after receipt by the President of said resolution, petition or direction. No business shall be transacted at a special meeting except as stated in the said notice unless with the consent of three-fifths (3/5ths) of the members present, either in person or by proxy.

2.6.2. No later than the earlier of (a) sixty (60) days after the conveyance of 75% of the Units to Purchasers or (b) five (5) years following conveyance of the first Unit to a Purchaser, or at such earlier date as the Declarant in its sole discretion shall specify, the Transition Meeting of the Association and Transition Election shall be held at which all of the members of the Executive Board and officers of the Association appointed by the Declarant shall all resign, and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect at such Transition Election no less than three (3) and no more than seven (7) successor members of the Executive Board to act in the place and stead of those resigning. The term of at least one-half (1/2) of the members of the Executive Board elected at said Transition Election by the largest numbers of votes shall expire on the third (3rd) annual meeting of the Association following the Transition Election, and the term of the other members of the Executive Board elected at the Transition Election by the next largest numbers of votes shall expire on the date of the second annual meeting of the Association following the Transition Election. If the Transition Election shall occur at an annual meeting of the Association, then the term of every member of the Executive Board elected at that Transition Election shall be reduced by one (1) year. The term of the successors to each such member of the Executive Board shall be fixed at two (2) years.

2.7. Notice of Meeting. It shall be the duty of the Secretary, or upon his failure or neglect then of any other officer, to give notice of each annual or special meeting, the time and place of the meeting, and the items on the agenda for that

meeting, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes and any proposal to remove a member of the Executive Board or officer, to each member of record including the Declarant as long as it is the Owner of record of a Unit. With respect to any annual or special meeting such notice shall be so mailed at least ten (10) days but no more than forty-five days (45) prior to the date so set for the meeting.

2.8. Quorum. The presence, either in person or by proxy, of the Owners of the Units to which are allocated at least ten percent (10%) of the Votes in the Association shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of members.

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

2.10. Votes in Association. The allocation of Votes in the Association to each Unit and Divisible Unit is listed on Schedule C to the Declaration. The allocation of Votes in the Association to each Unit and Divisible Unit is subject to change in accordance with Paragraph 3.4 of the Declaration and Schedule C attached to the Declaration. For all voting purposes each member shall have a vote equal to the Votes in the Association allocated to his Unit.

2.11. Voting. If a Unit is owned of record by one person, that Unit Owner's right to cast all the Votes allocated to that Unit shall be established by the record title to the Unit. If ownership of a Unit is in more than one person, the person who shall be entitled to cast all the Votes allocated to that Unit shall be the person named in a certificate executed by all of the Owners of such Unit and filed with the Secretary of the Association. If ownership of a Unit is in a corporation, partnership, trust or estate, the officer or employee of that corporation, partner of that partnership, trustee of that trust, or agent of that estate, entitled to cast for the corporation, partnership, trust or estate the Votes allocated to such Unit shall be designated in a certificate for that purpose executed by the president or a vice president of that corporation, and attested to by the secretary or clerk of that corporation, executed by all the partners of that partnership, executed by all the beneficiaries of that trust, or executed by either all the devisees of that estate or by order of probate court and filed with the Secretary of the Association. Such certificates of multiple owners, corporations, partnerships, trusts and estates shall be valid until revoked by a subsequent certificate similarly executed and filed with the Secretary. Wherever the vote, approval or disapproval of a Unit Owner is required by the Declaration, these Bylaws, or the Act, such vote, approval or disapproval shall be made only by the person who would be entitled pursuant to such certificate to cast at any meeting of the Association the Votes allocated to such Unit. If the person named or designated in said certificate for a particular Unit shall

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

2.12. Majority Vote Required. Unless by express provisions of the Act, these Bylaws or the Declaration a different vote is required, each question presented at a meeting shall be determined by a vote of a majority of Unit Owners. As used in these Bylaws, the term "majority of Unit Owners" shall mean the Unit Owners of

those Units to which are allocated more than fifty percent (50%) of the total authorized Votes allocated to all of the Units that are present in person or by proxy and voting in any meeting of the Association at which a quorum is present as determined in accordance with Paragraphs 2.8. and 2.10.

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

2.14. Proxies. A vote may be cast in person or by proxy. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. Proxies shall be duly executed in writing and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of written notice of revocation from the grantor(s) of the proxy. No proxy shall be valid for a period in excess of eleven (11) months after the execution thereof unless it specifies a shorter term. A proxy is void if it is not dated or purports to be revocable without notice.

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

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

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

ARTICLE III Executive Board

3.1. Number and Qualification. The affairs of the Association shall be governed by an Executive Board composed of no less than three (3) and no more than seven (7) natural persons. Prior to the Transition Meeting and Transition Election provided for by

subparagraph 2.6.2, the Executive Board shall be composed of three (3) natural persons who shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The appointees of the Declarant need not be Unit Owners. After the Transition Election, the Executive Board shall be composed of no less than three (3) and no more than seven (7) natural persons, at least a majority of whom shall be Unit Owners or spouses of Unit Owners, or in the case of a Unit Owner which is a corporation, partnership, trust or estate, a designated agent thereof.

3.2. Election and Term of Office. The members of the Executive Board shall be elected as follows:

3.2.1. At the annual meetings of the Association, subject to Article IX of the Declaration, the election of members of the Executive Board shall be held. The term of office of any Executive Board member to be elected (except as set forth in subparagraph 2.6.2 and Paragraphs 3.6 and 3.7) shall be fixed at two (2) years and after the Transition Election at least two-fifths (2/5) of the Executive Board shall be replaced at each annual meeting. Subject to the foregoing, the number of members on the Executive Board shall be determined at each annual meeting prior to the elections. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal or resignation. Any Executive Board member may serve an unlimited number of terms to succeed himself.

3.2.2. Persons qualified to be members of the Executive Board may be nominated for election only as follows:

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

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

3.3. Veto Rights. The Declarant may voluntarily surrender the right to appoint and remove officers of the Association and members of the Executive Board before termination of the Declarant Control Period, but in that event Declarant may require, for the duration of the Declarant Control Period, that specified actions of the

Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved in writing by the Declarant before such actions can become effective.

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

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

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

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

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

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

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

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

3.4.8. The power and duty to make, or contract for the making of, repairs, additions and improvements to or

alterations of the Property, and repairs to and restoration of the Property, in accordance with the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

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

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

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

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

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

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

3.4.15. The power to designate from time to time certain Common Elements as Reserved Common Elements and impose such restrictions and conditions on the use thereof as the Executive Board deems appropriate.

3.4.16. The power and duty to furnish statements as required by Section 1603-116 (h) of the Act, and certificates as required by Section 1604-108(b) of the Act.

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

3.4.18. The power to invest and reinvest funds of the Association and to take all actions necessary and proper in connection therewith, and for any year in which the Executive Board exercises this power to invest and reinvest funds of the Association, the Executive Board shall have the duty to invest the funds of the Association

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

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

Any employment contract between the Managing Agent and the Association must provide that it may be terminated with cause on no more than thirty (30) days' written notice and without cause on no more than ninety (90) days' written notice. Any such employment contract entered into during the Declarant Control Period must provide that it may be terminated by the Association without cause and without penalty on no more than ninety (90) days written notice following the end of the Declarant Control Period.

3.6. Removal or Resignation of Members of the Executive Board. Except with respect to members designated by Declarant during the Declarant Control Period, at any regular or special meeting of the Association duly called, any one or more of the members of the Executive Board may be removed with or without cause by Unit Owners entitled to cast at least two-thirds (2/3rds) of all the Votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Unit Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given at least ten (10) days' notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit. Declarant shall have the right to remove and replace any or all members appointed by Declarant at any time and from time to time until the required resignation date(s) specified in the Declaration.

3.7. Vacancies. Except as set forth in Paragraph 2.6. with respect to members appointed by Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining members at a special meeting of the Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled upon expiration of the term of his predecessor. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

3.8. Organizational Meeting. The first meeting of the Executive Board following each annual meeting of the Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the President (even if he is the outgoing President) at the meeting at which such Executive Board shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting, if a majority of the Executive Board members shall be present at such meeting.

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

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

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

3.12. Quorum of the Executive Board. At all meetings of the Executive Board, the presence at the beginning of the meeting of a majority of the members of the Board shall constitute a quorum for the transaction of business, notwithstanding the subsequent departure of members from that meeting, and the votes of a majority of the members present at the meeting at which a quorum was originally present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

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

3.14. Conduct of Meetings. The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board if and to the extent not in conflict with the Declaration, these Bylaws or the Act.

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

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

3.16.1. The fact that an Executive Board member is also such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or

transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or

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

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

ARTICLE IV Officers

4.1. Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President shall be a Unit Owner and a member of the Executive Board. Any other officers may, but need not, be Unit Owners or members of the Executive Board. An officer other than the President may hold more than one office.

4.2. Election of Officers. During the Declarant Control Period, the Declarant shall have the right to appoint, remove and replace from time to time any and all officers of the Association without the necessity of obtaining resignations. After the expiration of the Declarant Control Period, or if, and to the extent that, the Declarant has surrendered prior to the expiration of the Declarant Control Period the right to appoint, remove and replace the officers of the Association, then the officers of the Association shall be elected annually by the Executive Board at the annual meeting of the Board and shall hold office at the pleasure of the Executive Board.

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

4.4. President. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board and have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Maine including without limitation the power to appoint committees from among the Unit Owners from time to time as the President may

in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall cease holding such office at such time as he ceases to be a member of the Executive Board.

4.5. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board, have charge of such books and papers as the Executive Board may direct, maintain a register setting forth the place to which all notices to Unit Owners and Eligible Mortgage Holders hereunder and pursuant to this Declaration shall be delivered and, in general, perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Maine. The Secretary shall, within ten (10) days after receipt of request, provide any person, or cause to be provided to any person, entitled thereto at the expense of the person requesting the same a written statement or certification of the information required to be provided by the Association pursuant to Sections 1603-116(h) and 1604-108(b) of the Act and Paragraph 5.18.

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

4.7. Execution of Documents. Except as provided in Paragraph 7.7, all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Two Thousand Five Hundred Dollars (\$2,500.00) shall be executed by the President or the Secretary and by the Treasurer of the Association. All such instruments for expenditures or obligations of Two Thousand Five Hundred Dollars (\$2,500.00) or less may be executed by any one officer of the Association or such other person or employee as the Executive Board may designate in writing.

4.8. Compensation of Officers. No officer who is also a member of the Executive Board shall receive any compensation from the Association for acting as such officer, but may be reimbursed for any out-of-pocket expenses incurred in performing his duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

ARTICLE V
Operation of the Property

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

5.2. Preparation and Approval of Budget:

5.2.1. On or before ninety days (90) before the beginning of the fiscal year for which a Common Expense assessment is made, the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount of the Common Expenses considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Condominium Documents or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. The budget shall include such amounts as the Executive Board shall consider necessary to provide working capital, a general operating reserve fund for current Common Expenses, and a reserve fund for contingencies, replacements, capital improvements, other items which cannot be expected to occur on a regular basis and reserves in the amount of the applicable deductibles on property insurance policies carried by the Association. The budget shall also reflect the separate assessment of Limited Common Expenses.

5.2.2. On or before the thirtieth (30) day after the adoption of an annual budget as provided in subparagraph 5.2.1, the Executive Board shall make such budget available for inspection during business hours by an Unit Owner or Mortgagee at the Property and the Secretary shall provide to the Unit Owners and Eligible Mortgage Holders a summary of that budget in reasonably itemized form setting forth the separate amounts of the Common Expenses and Limited Common Expenses and shall set a date for a special meeting of the Unit Owners and Eligible Mortgage Holders to consider ratification of such budget no less than fourteen (14) days nor more than thirty (30) days after mailing of such summary of budget accompanied by notice of the meeting to each Unit Owner and Eligible Mortgage Holder. The Executive Board shall endeavor to schedule the date for consideration of the budget to coincide with the date of the annual meeting of the Association. Unless at the meeting eighty percent (80%) a majority in voting

interest of all the Unit Owners reject the proposed budget, that budget is ratified irrespective of whether a quorum is present at said meeting. In the event such budget shall be rejected at the meeting, the budget last ratified with respect to the period covered by the proposed budget shall be continued as the budget for the Condominium until such time as the Unit Owners ratify a subsequent budget proposed by the Executive Board upon the same conditions as are provided in this subparagraph with respect to the original budget.

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

5.3. Assessment of Common Expenses. The total amount of the estimated funds for Common Expenses required from assessments for the operation of the Property as described in subparagraph 5.2.1. and set forth in the budget adopted by the Executive Board shall be assessed on an annual basis against each Unit Owner in proportion to his respective Common Expense Liability as provided in subparagraph 8.1.1 of the Declaration, except for Limited Common Expenses which shall be assessed against each Unit benefited as provided in subparagraph 8.1.2 of the Declaration. The first assessment shall be made no later than sixty (60) days after the first conveyance of a Unit to a Purchaser.

5.4. End of Fiscal Year. Within ninety (90) days after the end of each fiscal year for which a Common Expense assessment was made, the Executive Board shall prepare and deliver to all Unit Owners and Eligible Mortgage Holders, and to each Mortgagee requesting in writing the same, an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Executive Board for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any net shortage with regard to Common Expenses that are not Limited Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Common Expense Liabilities and shall be payable either (i) in full with payment of the next monthly assessment due, or (ii) in one or more monthly assessments, as the Executive Board may determine. Any net shortage with regard to Limited Common Expenses, after application of such reserve as the Executive Board may determine, shall be assessed promptly against the Unit Owners obligated to pay those Limited Common Expenses and if those Limited Common Expenses benefit more than a single Unit that Limited Common Expenses shall be assessed against the Owners of the Units benefited in accordance with their relative Common Expense Liabilities as between themselves, any and all of which Limited Common Expenses shall be payable either (i) in full with payment of the next monthly

assessment or (ii) in one or more monthly assessments, as the Executive Board may determine.

5.5. Reserves. The Executive Board shall build up and maintain reasonable reserves for working capital including (1) a general operating reserve fund (the "Working Capital Fund") equivalent to at least twice the estimated monthly assessment against every Unit in the Condominium for Common Expenses and, if any, Limited Common Expenses, (a) to ensure that the Association will have sufficient funds to purchase any additional equipment or services, for certain prepaid items, supplies, organizational costs and other start-up costs, and (b) for current Common Expenses, and (2) a reserve fund (the "Reserve Fund") for contingencies, replacements, capital improvements, expenses of repair and replacement in the amount of the applicable deductibles on property insurance policies carried by the Association, and other items which cannot be expected to occur on a regular basis. However, nothing contained herein shall limit, preclude or impair the establishment of additional funds by the Association so long as the amounts credited to, and debited from, any such additional funds are earmarked for specified purposes authorized by the Condominium Documents. The Working Capital Fund, Reserve Fund and such other funds shall be conclusively deemed to be common funds of the Association and shall each be deposited in a special segregated account with a lending institution, the accounts of which are insured by an agency of the United States of America, or otherwise invested pursuant to subparagraph 3.4.18 in a segregated investment. Neither the Executive Board nor the Treasurer shall commingle in the books and records of the Association or in the same account or certificate of deposit, stock certificate, bond, or other security any amounts deposited into the Reserve Fund, the Working Capital Fund or such other funds. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are deemed by the Executive Board to be inadequate for any reason, including nonpayment of any Unit Owner's assessment, the Executive Board may subject to Paragraph 5.8 levy a further assessment at any time which, depending on whether the reserve is for the benefit of all the Units or fewer than all the Units, shall be assessed against all the Unit Owners according to their respective Common Expense Liabilities or only against the Unit Owners benefited according to their respective Common Expense Liabilities as between themselves, and which may be payable in a lump sum or in installments as the Board may determine.

5.6. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

5.7. Rejection of Budget. Within thirty (30) days after adoption by the Executive Board of any proposed budget for the Condominium, the Executive Board shall provide a summary of that budget in reasonably itemized form to each Unit Owner. The Executive Board shall set a date for a meeting of the Unit Owners to consider ratification of such revised budget not less than fourteen (14) days nor more than thirty (30) days after mailing of said summary of budget or notice. Unless at that meeting eighty percent (80%) a majority in voting interest of all the Unit Owners reject the proposed budget, that budget is ratified irrespective of whether a quorum is present at said meeting. In the event such proposed budget shall be rejected at the meeting, the budget last ratified with respect to the period covered by the proposed budget shall be continued as the budget for the Condominium until such time as the Unit Owners ratify a subsequent budget proposed by the Executive Board upon the same conditions as are provided with respect to the original proposed budget or further assessment.

5.8. Ratification of Non-Budgeted Common Expense Assessments. If the Executive Board votes to levy a Common Expense assessment not included in the current budget, other than a Limited Common Expense assessment enumerated in subparagraph 8.1.2 of the Declaration, in an amount greater than twenty (20%) percent of the current annual operating budget, the Executive Board shall submit such Common Expense to the Unit Owners for ratification in the same manner as a budget under Paragraph 5.7.

5.9. Payment Obligations. Each Unit Owner shall pay to the Association or its authorized representative (1) on the first day of each month, or on such other date that the Association may determine in writing, one-twelfth (1/12th) of the Common Expenses including Limited Common Expenses, and revised Common Expenses including revised Limited Common Expenses, assessed on an annual basis against his Unit in the proportions required in Paragraph 8.1 of the Declaration and (2) all special assessments, any other sums duly levied against the Unit pursuant to the Declaration, these Bylaws or the Act, including Limited Common Expenses assessed against Unit Owners for maintenance, repair or replacement of a Limited Common Element pursuant to Paragraph 8.5 of the Declaration, all interest thereon and charges for late payment thereof and legal fees and other costs of collection thereof, and fines, penalties and fees as provided by the Declaration, these Bylaws or the Act, on the first day of the next month which begins more than ten (10) days after delivery to the Unit Owner of notice of such special assessment or levy. If for any reason the Association shall revise the annual budget of the Association in accordance with these Bylaws, whereby the Common Expenses or any component thereof may be increased, and subject to Paragraph 5.8, then commencing on the first day of the first month subsequent to the adoption of such revised budget each Unit Owner shall pay to the Association or its authorized representative such revised annual Common Expenses including Limited Common Expenses assessed against his Unit in the proportions required in Paragraph 8.1. of the Declaration.

5.10. Interest; Acceleration. In the event of a default by a Unit Owner in paying any sum assessed against his Unit which continues for a period in excess of thirty (30) days, interest shall be imposed on the principal amount unpaid from the date when due until paid at a rate of interest to be established annually by the Executive Board which shall not exceed the lower of the maximum interest rate allowed by law which may be charged by the Association at such time or eighteen percent per annum. If the Executive Board shall fail to set such rate, it shall be deemed to have been set at the rate of eighteen percent (18%) per annum. The Association shall have the right to establish and impose charges for late payment of assessments. In any case where an assessment against a Unit Owner is payable in installments, upon a default by such Unit Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated at the option of the Executive Board, and the entire balance of the assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Unit Owner by the Executive Board or its representative.

5.11. Lien for Assessments. The total annual assessment levied against each Unit for Common Expenses including Limited Common Expenses, revised Common Expenses including revised Limited Common Expenses, or any special assessment, and any other sums duly levied against the Unit pursuant to the Declaration, these Bylaws or the Act, including Limited Common Expenses assessed against Unit Owners for maintenance, repair or replacement of a Limited Common Element pursuant to Paragraph 8.5 of the Declaration, all interest thereon and charges for late payment thereof and legal fees and other costs of collection thereof, and fines, penalties and fees as provided in the Declaration or these Bylaws shall, until fully paid, constitute a lien against the Unit in favor of the Association as provided in Section 1603-116 of the Act. Such lien shall, with respect to annual assessments and revised annual assessments, be effective on the first day of each fiscal year of the Association as to the full amount of the annual assessment or revised annual assessments, and, as to special assessments and other sums duly levied including Limited Common Expenses assessed against Unit Owners for maintenance, repair or replacement of a Limited Common Element pursuant to Paragraph 8.5 of the Declaration, interest, charges for late payments, legal fees, costs of collection, fines, penalties and fees as described in Paragraph 5.9, on the first day of the next month which begins more than ten (10) days after delivery to the Unit Owner of notice of such special assessment or levy. Such lien is prior to all other liens and encumbrances on a Unit except (a) liens and encumbrances recorded before the recordation of this Declaration, (b) a first Mortgage recorded before or after the date which the assessment sought to be enforced becomes delinquent, and (c) liens for real estate taxes and other governmental assessments or charges against the Units; provided, however, that such lien is not subject to the provisions of 14 M.R.S.A. Section 4651 and 18-A M.R.S.A. Section 2-201, et seq., as they or their equivalents may be amended or modified from time to time.

5.12. Enforcement. The lien for assessments described in Paragraph 5.11. may be enforced and foreclosed by the Association in like manner as a mortgage on real estate as provided in Section 1603-116(a) of the Act or by any other means presently or hereafter provided by law or in equity. A suit to recover a money judgment for unpaid assessments, interest, penalties, and costs of collection may be maintained against the Unit Owner personally without foreclosing or waiving the lien securing such assessments and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment. During the pendency of any such suit, the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any Court having jurisdiction over such sale.

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

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

5.15. Limitations on Borrowing; Emergency Expenditures. The power of the Executive Board to borrow money on behalf of the Association is subject to the requirement that the consent of the Owners of Units to which are allocated at least eighty percent (80%) of the Votes in the Association shall be required to borrow any sum in excess of twenty percent (20%) of the current annual operating budget. Any provision of limitation on expenditures contained in these Bylaws to the contrary notwithstanding, the Executive Board or the Manager may, on behalf of the Association and the Owners without prior notice or consent, expend any amount, or incur a contractual obligation in any amount, required to deal with emergency conditions which may involve a danger to life or property or may threaten the safety of the Condominium or the owners or occupants of Units or may threaten the suspension of any necessary service to the Condominium or may involve the immediate damage to or destruction of the Common Elements.

5.16. Initial Capital Payment. The Declarant, as the agent of the Executive Board, will collect from each initial Purchaser at the time of settlement an "initial capital payment" (and not as a credit against the Purchaser's liability for Common Expenses) equivalent to twice the estimated monthly assessment for Common Expenses and Limited Common Expenses, if any, for such Purchaser's

Unit. The Declarant will deliver the funds so collected to the Executive Board which shall deposit the funds in the "Working Capital Fund" unless the Declarant has previously made the "initial capital payment" with respect to said Unit, in which case the Purchaser must reimburse the Declarant for such "initial capital payment" to the Association, which the Association shall credit to the account of the Unit Owner who is such Purchaser of a Unit from Declarant. The Declarant must pay the "initial capital payment" to the Association for each unsold Unit in the Condominium no later than the earlier to occur of (a) the date on which the Unit shall be conveyed to a Purchaser or (b) the Transition Meeting of the Association. Immediately after the Transition Meeting the Working Capital Fund shall be transferred to the Association for deposit in the segregated account or investment described in Paragraph 5.5 if the Working Capital Fund had not been previously been deposited in such segregated account. Prior to such transfer of the Working Capital Fund to the Association, the Declarant shall not use any funds designated for the Working Capital Fund to defray the Declarant's expenses, contributions to the Reserve Fund, construction costs, or to compensate for any budgetary deficits.

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

5.18. Statement of Common Expense and Resale Certificates. The Association shall promptly provide to any Unit Owner, contract purchaser or Mortgagee so requesting the same in writing with a statement setting forth the amount of unpaid assessments currently levied against the Unit of such Unit Owner as provided in Section 1603-116(h) of the Act. The Association shall also promptly provide to any Unit Owner or contract purchaser so requesting the same in writing with a certificate containing the information described in Section 1604-108(a) of the Act enabling such Unit Owner to comply with the provisions of Section 1604-108 of the Act, Resales of Units. An example of such a Certificate is attached as Exhibit A. The Executive Board shall have the right to impose a reasonable charge for the preparation of such statement or information to cover the costs of the preparation thereof against the person so requesting the same.

5.19. Reallocation of Allocated Interests. If Common Expense Liabilities are reallocated for any reason including, but not limited to, the exercise of any reserved Development Rights by the

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

ARTICLE VI
Records of Information

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

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

ARTICLE VII
Amendments

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

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

7.2. Resolution. An amendment may be proposed by either the Executive Board or by Unit Owners holding in the aggregate no less than twenty percent (20%) of the Votes in the Association. No resolution of the Executive Board adopting a proposed amendment or the proposed amendment itself shall be effective unless it has been adopted by the affirmative vote, written consent, or any combination thereof, of at least fifty-one percent (51%) in voting interest of the Unit Owners and then executed as provided in Paragraph 7.5.

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

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

7.5. Execution. A copy of each amendment shall be attached to or included with a certificate, certifying that the amendment was duly adopted, which certificate shall be executed by the President or Treasurer and attested by the Secretary. The amendment shall be effective when such certificate and copy of the amendment are executed and certified.

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

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

ARTICLE VIII
Corporate Seal

8.1. Seal. The Association shall have a seal in circular form having within its circumference the words:

WHISPERING SANDS CONDOMINIUM ASSOCIATION
1988
MAINE

ARTICLE IX
Miscellaneous

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

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

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

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

EXHIBIT I

to

BYLAWS OF WHISPERING SANDS CONDOMINIUM ASSOCIATION

WHISPERING SANDS, A CONDOMINIUM

CERTIFICATE FOR RESALE

TO: _____

FROM: Whispering Sands Condominium Association
(the "Association")

RE: Condominium Unit No. _____, and Allocated Interests and
Limited Common Elements appurtenant thereto
(Collectively, the "Unit") of Whispering Sands, A
Condominium, Old Orchard Beach, Maine (the
"Condominium")

The Association, having received a request from _____, owner of the Unit, pursuant to Section 1604-108 of the Maine Condominium Act, as amended, hereby certifies that as of the date hereof, except as herein stated:

A. The status of monthly Common Expense assessments with respect to the Unit is as follows:

- (1) Amount of Monthly Common Expense (including Limited Common Expense) assessment with respect to Unit due _____ \$ _____
- (2) Amount of Current Common Expense (including Limited Common Expense) assessments and special assessments with respect to Unit due _____ \$ _____
- (3) Assessments for Common Expenses (including Limited Common Expense), and special assessments in arrears due _____ \$ _____

TOTAL DUE (2) & (3) \$ _____

B. Other fees payable by Unit Owners:

There are no unpaid other fees payable by the Owners of the Unit except as follows:

(Fill in if applicable or attach exhibit.)

C. The Condominium Documents do not create any rights of first refusal or other restraints on the free alienability of the Unit.

D. The following, if any, is a list of all capital expenditures currently anticipated by the Association:

(Fill in if applicable or attach exhibit.)

E. As of the date of this certificate, there is an outstanding balance in the reserve for replacement fund (Reserve Fund) of approximately \$_____. Of that balance, the following amounts, if any, have been designated by the Executive Board for the following specific projects:

(Fill in if applicable or attach exhibit.)

F. Attached to this certificate is a copy of the most recent regularly prepared balance sheet and income and expense statement, if any, of the Association dated _____, 19__.

G. Attached to this certificate is a copy of the current operating budget of the Association as of _____, 198__.

H. There are no unsatisfied judgments against the Association nor any pending suits in which the Association is a party except as follows:

(Fill in if applicable or attach exhibit.)

I. The Association holds, hazard, property damage and liability insurance policies covering the Units and the Common Elements as required by the Declaration. It is suggested that each Unit Owner obtain insurance covering property damage to betterments and improvements installed in the Unit and personal property contained therein (not covered by the Association policy) as well as insurance covering personal liability. You are urged to consult with your insurance agent.

J. To the knowledge of the Executive Board, the improvements or alterations, if any, made to the Unit or the Limited Common Elements assigned thereto are not in violation of the Condominium Documents except as follows:

(Fill in if applicable.)

K. To the knowledge of the Executive Board, there presently exist no violations of the applicable health or building codes with respect to the Unit, the Limited Common Elements assigned thereto, or any other portion of the Condominium except as follows:

(Fill in if applicable.)

L. There is no leasehold estate affecting the Condominium.

The information contained in this Certificate for Resale, issued pursuant to Section 1604-108 of the Maine Condominium Act, as amended, is based on the best knowledge and belief of the Association, and is current as of the date hereof.

The Association may charge such fee for the preparation of this Certificate for Resale as allowed by law.

Dated this _____ day of _____, 198 .

WHISPERING SANDS CONDOMINIUM
ASSOCIATION

By _____
Officer:

UNIT OWNER'S CERTIFICATE

In fulfillment of the requirements of Subsection (a) of Section 1604-108 of Title 33 of the Maine Revised Statutes and to induce you to purchase the above-described Unit of Whispering Sands, A Condominium, from the undersigned, we certify to the foregoing information.

Dated:

_____, 19 . _____

_____, 19 . _____

Unit Owners

ACKNOWLEDGEMENT

We acknowledge receipt of the foregoing Certificate, together with a copy of the Declaration of Whispering Sands, A Condominium, the Bylaws and the Rules and Regulations of Whispering Sands, A Condominium.

Dated:

_____, 19 . _____
_____, 19 . _____

Purchasers