

**BYLAWS OF MCPHERSON KENDUSKEAG CONDOS
HOMEOWNER'S ASSOCIATION**

**(A Maine Not-for-Profit, Non-Stock Membership Corporation)
Located at Bangor, County of Penobscot, State of Maine**

ARTICLE I: GENERAL

Section 1: Definitions.

When used in these Bylaws, the term "Unit Owner" means a person who owns a Unit but does not include a person having an interest in a Unit solely as security for an obligation. "Person" as used herein means a natural person, corporation, government, government subsidiary or agency, business trust, estate, trust, partnership, association, joint venture, Limited Liability Company or other legal or commercial entity.

Except to the extent otherwise expressly provided to the contrary in these Bylaws or the Declaration, each of the defined terms appearing in these Bylaws shall have the meaning attributed thereto in the Maine Condominium Act.

Section 2: Name and Principal Office.

These are the Bylaws of McPherson Kenduskeag Condos Homeowners Association (hereinafter called the "Association"). The principal office of the Association shall be located at Bangor, Maine or at such other place, reasonably convenient thereto, as may be designated from time to time by the Executive Board of Directors.

Section 3: Purpose.

The Association is formed for the administration, management, maintenance, repair and operation of the condominium (the "Condominium") described in and created by the Declaration of Condominium, (the "Declaration") made by Fieldstone Realty, LLC ("Declarant") filed in the office of the Penobscot County Registry of Deeds, Bangor, Maine. The Association is intended to be the entity responsible for the administration of the Condominium and the property (the "Property") submitted to the provisions of the Maine Condominium Act, all in accordance with the Declaration, the Maine Condominium Act and the provisions of these Bylaws.

Section 4: Applicability of Bylaws.

The provisions of these Bylaws are applicable to the Condominium, the Property and to the use and occupancy thereof. All present and future owners, mortgagees, lessees and occupants of Units, employees of owners and tenants and their respective guests and invitees, and any other persons who may now or hereafter use the Property or any part thereof in any manner are subject to these Bylaws, the Rules and Regulations of the Association (as hereinafter defined) and the provisions of the Declaration.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these Bylaws, the Rules and Regulations of the Association and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE II: UNIT OWNERS

Section 1: Place of Meetings.

Meetings of the Unit Owners shall be held at the principal office of the Association, or at such other suitable place as may be fixed by the Executive Board of Directors.

Section 2: Annual Meetings.

The first Annual Meeting of the Unit Owners shall be held within Sixty (60) days following:

- (a) Sale and conveyance by Declarant of Seventy-Five Percent (75%) of the Units in the condominium; or
- (b) One (1) year after the date of recording of the Declaration (the "Recording Date"), whichever shall first occur; and
- (c) Each succeeding year thereafter, Annual Meetings shall be held on such date and at such time as shall be fixed by the Executive Board of Directors.

Section 3: Special Meetings.

Special meetings of the Unit Owners may be held from time to time when called by the President or by a majority of the Executive Board of Directors. It shall be the duty of the Clerk to call a special meeting whenever requested in writing by at least one third in number of the Unit Owners or the Declarant so long as the Declarant is in control of the Condominium.

Section 4: Notice of Meetings.

Written notice of all meetings of Unit Owners, stating time, place and in the case of special meetings, purposes thereof, shall be given by the Clerk, in a manner provided in ARTICLE V of these Bylaws, to each Unit Owner of record entitled to vote thereat at least ten (10) days, but not more than sixty (60) days, prior to such meeting. Notice of such meetings, shall also be given to mortgagees of Units appearing on the records of The Association, whenever consent of mortgagees is required pursuant to these Bylaws, the Declaration of the Maine Condominium Act with respect to action to be taken by Unit Owners at such meetings.

Section 5: Waiver of Notice.

Any Unit Owner may sign in writing at any time a waiver of notice of the time, place and purposes of any meeting of Unit Owners and such waiver shall be deemed equivalent to the giving of such notice. The attendance of any Unit Owner at a meeting in person without protesting prior to the conclusion of the meeting the lack of proper notice of such meeting, shall constitute a waiver of notice by him or her of the time, place and purposes thereof. If all the Unit Owners are present at any meeting of the Unit Owners, no notice shall be required and any business may be transacted at such meeting.

Section 6: Quorum.

Except as otherwise provided by law, the Declaration, or these Bylaws, the presence in person or by proxy of Unit Owners entitled to cast Fifty Percent (50%) of the votes entitled to be cast by all Unit Owners entitled to vote shall constitute a quorum at all meetings of the Unit Owners. If, at or during the course of any meeting of the Unit Owners there shall be less than a quorum present, a majority of the votes of those Unit Owners present may adjourn the meeting to a time not less than forty-eight (48) hours following the time fixed for the original meeting. At any such adjourned meeting at which is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 7: Voting.

Each Unit Owner (including the Declarant, to the extent he owns any Unit) shall be entitled to cast one vote for each .01 (rounded off to the nearest .01) percentage of interest in the Common Elements applicable to his Unit for each Unit to which he holds title in connection with all matters which, by the terms of the Maine Condominium Act, these Bylaws or the Declaration, require the vote of the Unit Owners. Any Unit(s) owned by the Association or its designee on behalf of all Unit Owners shall be excluded from the total of common interests when computing the interest of all other Unit Owners for voting purposes.

The Unit Owner of each Unit in person or by proxy shall be entitled to cast the vote or votes appurtenant to such Unit. Any Unit owned by the Association or its designee on behalf of all Unit Owners shall not be entitled to a vote.

Where title to a Unit is held in the name of two or more Persons, any one of said Persons shall be entitled to cast the vote or votes appurtenant to such Unit and to receive with respect to such Unit notices for all purposes unless the Persons constituting the Unit Owner notify the Secretary otherwise. Where title to a Unit is held in the name of the corporation, any officer of the corporation shall be entitled to cast the vote or votes appurtenant to such Unit and to receive with respect to such Unit notices for all purposes. Where title to a Unit is held in the name of a fiduciary, the fiduciary shall be entitled to cast the vote or votes appurtenant to such Unit and to receive with respect to such Unit notices for all purposes.

Except as otherwise required by law, by the Declaration of by these Bylaws, all matters coming before any meeting of Unit Owners shall be decided by a majority of the total number of votes present and cast thereon in person or by proxy, a quorum being present.

Section 8: Meetings for the Election of Members of the Executive Board of Directors.

Notwithstanding anything to the contrary in the foregoing, at any time after Unit Owners other than Declarant are entitled to elect Members of the Executive Board of Directors, the Association shall call and give not less than ten (10) days, nor more than sixty (60) days, notice of a meeting of the Unit Owners for that purpose. Such meeting shall be called by the Secretary and the notices shall be hand delivered or sent postage prepaid by United States mail to the mailing address of a Unit Owner or to any other mailing address designated in writing by the Unit Owner. The notice shall state the time and place of the meeting and the items on the agenda.

Section 9: Conduct of the Meetings.

The order of business at the annual meeting of the Unit Owners or at any special meeting as far as practicable shall be:

- a. Calling of the roll and certifying the proxies;
- b. Proof of notice of meeting or waiver of notice;
- c. Reading and disposal of any unapproved minutes;
- d. Receiving reports of officers;
- e. Receiving reports of committees;
- f. Election of executive directors;
- g. Old business;
- h. New business; and
- i. Adjournment.

At meetings of the Unit Owners or of the Executive Board of Directors, Roberts' Rules of Order shall be followed.

ARTICLE III: EXECUTIVE BOARD OF DIRECTORS

Section 1: Number:

The affairs of the Association and the Condominium shall be governed by an Executive Board of Directors (the "Executive Board of Directors"). The Executive Board of Directors shall be comprised of three (3) persons who shall be appointed by the Declarant. After the transition election, the Executive Board of Directors shall be comprised of three (3) persons, all of whom shall be Unit Owners. Within sixty (60) days after conveyance of seventy-five percent (75%) of the Units to Owners other than the Declarant, or five (5) years after the date of the first conveyance of a Unit to an Owner

other than the Declarant, a special meeting of the Association shall be held at which time all of the members of the Executive Board of Directors appointed by the Declarant shall resign and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Executive Board of Directors to act in place and stead of those resigning. The members of the Executive Board of Directors so elected shall serve until the next annual meeting of Unit Owners at which time their successors shall be elected.

Section 2: Term of Office.

The members of the Executive Board of Directors shall serve until the annual meeting of Unit Owners at which time a member's term expires, or until death, resignation or removal.

Section 3: Removal.

Directors may be removed with or without cause at any duly held regular or special meeting of the Unit Owners by an affirmative vote of a majority in common interest of Unit Owners present and voting.

Section 4: Vacancies.

Vacancies in the Executive Board of Directors caused by any reason (including resignation) or the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members of the Executive Board of Directors at a special meeting of the Executive Board of Directors held for that purpose promptly after the occurrence of any such vacancy and each person so elected shall be a member of the Executive Board of Directors for the remainder of the term of the member creating such vacancy.

Section 5: Annual Meeting.

The Executive Board of Directors shall elect officers at the annual meeting of the Executive Board of Directors which shall follow adjournment of the annual meeting of Unit Owners and adopt a budget and allocate and assess the Common Expenses for the ensuing year. The Executive Board of Directors shall elect a President, Treasurer, Clerk, Secretary and such other officers as may be determined.

Section 6: Regular Meetings.

Regular meetings of the Executive Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Executive Board of Directors but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Executive Board of Directors shall be given, in a manner provided in Article V of these Bylaws, to each member of the

Executive Board of Directors, at least three (3) days prior to the day fixed for such meeting.

Section 7: Special Meetings.

Special meetings of the Executive Board of Directors may be called by the President by giving, in a manner provided in Article V of these Bylaws, at least forty eight (48) hours prior notice to each member of the Executive Board of Directors, which notice shall state the time, place and purpose of that meeting. Special meetings of the Executive Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Executive Board of Directors.

Section 8: Waiver of Notice.

Any member of the Executive Board of Directors may at any time waive notice of any meeting of the Executive Board of Directors in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Executive Board of Directors at any meeting of the Executive Board shall constitute a waiver of notice by him of the time, place and purposes thereof. If all the members of the Executive Board of Directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

Section 9: Quorum.

At all meetings of the Executive Board of Directors, a majority of the entire Executive Board of Directors shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the Executive Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Executive Board of Directors. If at any meeting of the Executive Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting to another 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.

Section 10: Duties and Powers.

The Executive Board of Directors shall have the duties and powers necessary for the administration of the affairs of the Association and may do all such acts or things except as by law or by the Declaration of by these Bylaws may not be delegated to the Executive Board of Directors by the Unit Owners. Such powers and duties of the Executive Board of Directors shall include, without limitation, the following:

- a. Operation, care, upkeep and maintenance of the Common Elements and making of additional improvements to the Common Elements;

- b. Determination and collection of the Common Expenses;
- c. Employment and dismissal of the personnel necessary for the maintenance, repair, replacement and operation of the Common Elements;
- d. Adoption and amendment of the Rules and Regulations of the Association;
- e. Opening of bank accounts on behalf of the Association and designating the signatories required therefore;
- f. Purchasing, leasing or otherwise acquiring in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Unit Owners to the Executive Board of Directors;
- g. Purchasing of Units at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners;
- h. Selling, leasing, mortgaging (but not voting the votes appurtenant thereto) or otherwise dealing with Units acquired by, and subleasing Units leased by the Association or its designee, on behalf of all Unit Owners;
- i. Obtaining or causing to be obtained, necessary insurance for the Property, including the units (but not the contents of any Unit);
- j. Making repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the provisions of the Declaration and these Bylaws after damage or destruction by fire or other cause or as a result of condemnation or eminent domain proceedings;
- k. Entering into contracts, licenses and agreements;
- l. Maintaining, repairing and replacing the Common Elements and payments therefore including the method of approving payment vouchers. The Executive Board of Directors shall be responsible for the designation and removal of personnel necessary for the maintenance, repair and replacement of the Common Elements.
- m. Enforcing the obligations of the Unit Owners, allocating Common Profits and Common Expenses, and doing anything and everything

else which is necessary and proper for the sound management of the Association.

- n. Exercising on behalf of the Association all powers of the Association pursuant to §1603-102 of the Maine Condominium Act.

Section 11. Compensation.

No member of the Executive Board of Directors shall receive any compensation, directly or indirectly, from the Association for acting as such.

Section 12. Liability of the Executive Board of Directors.

The members of the Executive Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Executive Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provision of law, the Declaration or these Bylaws. It is intended that the members of the Executive Board of Directors, to the full extent permitted by law, shall have no personal liability with respect to any contract made by them on behalf of the Association. It is understood and permissible for the original Executive Board of Directors, who may be members of or be employed by Declarant, to contract with the Declarant and affiliated persons, corporations, or other entities without risk of being charged with self dealing. It is also intended that the liability of each Unit Owner arising out of any contract made by the Executive Board of Directors or, to the extent authorized in writing, by the managing agent or by the manager on behalf of the Association, shall provide that the members of the Executive Board of Directors, or the managing agent of the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability there under (except as Unit Owners), and that each Unit Owner's liability there under shall be limited to such proportion of the total liability there under as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 13: Restrictions on Executive Board of Directors.

The Executive Board of Directors may not act on behalf of the Association to amend the Declaration or to terminate the Condominium.

ARTICE IV: OFFICERS

Section 1: Designation:

The principal officers of the Association shall be the President, the Treasurer and the Clerk. The Executive Board of Directors may appoint a Vice President, Assistant Treasurer, and such other officers as in its judgment may be necessary. The President and Treasurer must be members of the Executive Board of Directors.

Section 2: Election of Officers.

The officers of the Association shall be elected annually by the Executive Board of Directors at the organization meeting of each new Board of Directors and until their successors are elected.

Section 3: Removal of Officers.

Upon the affirmative vote of a majority of the Executive Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Executive Directors or at any special meeting of the Executive Board of Directors called for such purpose.

Section 4: President.

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Unit Owners and of the Executive Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a corporation, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association.

Section 5: Treasurer.

The Treasurer shall be responsible for Association funds and securities and shall 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. He shall be responsible for the deposit of all funds and other securities in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Executive Board of Directors, and he shall in general perform all the duties incident to the office of Treasurer of a corporation. The Treasurer, at the expense of the Association, shall furnish such bond as shall be required by the Executive Board of Directors.

Section 6: Clerk.

The Clerk shall maintain the Registered Office and shall be the Agent for Service of Process.

Section 7: Execution of Documents.

All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two (2) officers of the Association or by such other persons or persons as may be designated by the Executive Board of Directors.

Section 8: Compensation of Officers.

No officer shall receive any compensation from the Association for acting as such.

Section 9: Term of Officers.

All officers shall serve until their successors are elected and qualified.

ARTICLE V: NOTICES

Section 1: Determination of Common Expenses.

- (a) For each fiscal year the Executive Board of Directors shall adopt a proposed budget. Within thirty (3) days after the adoption of any proposed budget the Executive Board of Directors shall provide a summary of the budget to all Unit Owners and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than ten (10) nor more than sixty (60) days after mailing of the summary budget. Unless at that meeting a majority of Unit Owners reject the budget, the budget is ratified. In the event the proposed budget is rejected the budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposal by the Executive Board of Directors.

The Common Expenses shall include, without limitation, (i) the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Executive Board of Directors pursuant to the provisions of the Maine Condominium Act, the Declaration or these Bylaws; and (ii) the amounts payable under any contracts or agreements entered into by the Association. Subject to other provisions of these Bylaws, the Common Expenses may also include such amounts as the Executive Board of Directors may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Association, for a general operating reserve, for a reserve fund for replacements and to make up any deficit in the Common Expenses for any prior year.

Except as expressly provided otherwise in these Bylaws, all provisions relating to Common Expenses, including, without limitation, the collection thereof and the rights and remedies of the Association with respect thereto; shall be applicable to Limited Common Expenses; it being understood that the share of Common Expenses payable by any Unit Owner shall include all Limited Common Expenses payable by him.

- (b) At the time of acquiring title to a Unit from Declarant, each Unit Owner acquiring such title shall deposit with the Association a payment equal to at least two (2) months' share of Common Expenses attributable to such Unit to

establish and provide the Association with an initial capital reserve fund. Such payment to the capital reserve fund shall not in any way be considered a prepayment of the annual share of Common Expenses payable by such Unit Owner. The Executive Board of Directors may use said capital reserve fund for any purpose including application thereof to any deficit in the budget.

- (c) Notwithstanding anything contained to the contrary in these Bylaws, if the Executive Board of Directors shall, at any time or from time to time during the budget period, determine that a deficit shall exist, and the amount thereof, with respect to Common Expenses or Limited Common Expenses, the Executive Board of Directors may at any time during such budget period allocate and assess the Unit Owners (or the applicable Unit Owners in respect of a deficit for Limited Common Expenses) in proportion to their respective interests in the Common Elements. Such assessment shall be made against Unit Owners then owning such Units without regard to the period of ownership and shall be payable by the Unit Owners within thirty (30) days after receipt of notice thereof from the Association.

Section 2: Assessments for Common Expenses.

All assessments shall be assessed against all units in accordance with the percentage allocations set forth in the Declaration. Any past due Common Expense assessment shall bear interest at the rate established by the Executive Board of Directors not exceeding eighteen percent (18%) per year.

(a) Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed as a Limited Common Expense.

(b) Any payments, fees or charges for the use, rental or operation of any Common Element shall be applied first to reduce the Common Expense relating to such Common Element. Any excess thereof shall be applied to Common Expenses generally.

(c) Assessments to pay a judgment against the Association shall be made only against the Units in the Condominium at the time the judgment was entered, in proportion to their Common Expense liability.

(d) If any Common Expense is caused by the misconduct of any Unit Owner, the Association may assess that expense exclusively against his Unit.

(e) If Common Expense liabilities are reallocated, Common Expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

Section 3: Liens for Assessment.

The Association has a lien on a Unit for any assessment levied against the Unit at the time the assessment becomes due. The Association's lien may be foreclosed by the Executive Board of Directors in like manner as a mortgage on real estate. The Executive Board of Directors shall furnish a Unit Owner upon written request a recordable statement setting forth the amount of unpaid assessments currently levied against his Unit. The statement shall be furnished within ten (10) business days after receipt of the request and is binding upon the Association, the Executive Board of Directors and every Unit Owner.

Section 4: Payment of Common Expenses.

Each Unit Owner shall be obligated to pay all of his share of Common Expenses assessed by the Executive Board of Directors on the first day of the first calendar month of the fiscal year of the Association next following the meeting of the Executive Board of Directors by which the budget is adopted. Except as hereinafter provided and subject to the right of the Executive Board of Directors to determine such other times, intervals and installments, each Unit Owner may pay the Common Expenses in twelve (12) equal monthly installments, each of which shall be due on or before the first of each calendar month beginning with the calendar month of the fiscal year of the Association next following the meeting at which the budget is adopted; provided, however, that if any Unit Owner shall default in the payment of any monthly installment for a period in excess of thirty (30) days, all Common Expenses attributable to the Unit for the remainder of the then current fiscal year upon notice of the Executive Board of Directors, shall be immediately due and payable.

No Unit Owner may exempt himself from liability for payment of Common Expenses by waiver of the use or enjoyment of the Common Expense or by abandonment of the Unit against which the assessments are made, except if every Unit Owner is so exempted from the payment of all or part of the Common Expenses.

Section 5: Additions, Alterations or Improvements by the Association.

Whenever in the judgment of the Executive Board of Directors the Common Elements shall require additions, alterations or improvements (but excluding repairs or replacements to the Common Elements then existing) costing in excess of One Thousand Dollars (\$1,000.00), in the aggregate, in any fiscal year, no such additions, alterations or improvements shall be made unless and until the same shall have been approved by a majority of the votes of all the Unit Owners (including the Declarant, if then an owner of any Unit) and, if such approval shall be granted, the Association shall proceed with such additions, alterations or improvements. Any additions, alterations or improvements costing One Thousand Dollars (\$1,000.00) or less, in the aggregate, in any fiscal year, may be made by the Association without such approval. The cost and expense of any

such additions, alterations or improvements shall constitute part of the Common Expenses and shall be assessed by the Unit Owners.

Section 6: Additions, Alterations or Improvements by Unit Owners.

No Unit Owners shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Association. The Association shall have the obligation to answer any written request by a Unit Owner for the approval of a proposed addition, alteration or improvement in such Unit Owner's Unit within thirty (30) days after such request, provided that the proposed addition, alteration or improvement is not prohibited by the Maine Condominium Act or these Bylaws.

Section 7: Abatement and Enjoinment of Violations by Unit Owners.

The violation of any Rule and Regulation of the Association adopted by the Association, or the breach of any Bylaws contained herein, or the breach of any provision of the Declaration, shall give the Association the right, in addition to any other rights set forth in these Bylaws:

(a) To enter the Unit in which, or as to which such violation or breach exists and to summarily abate and remove at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the interest and meaning of the provisions hereof and the Association shall not thereby be deemed guilty in any manner of trespass; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, the cost thereof to be assessed against the defaulting Unit Owner.

ARTICLE VII: MORTGAGES AND LIENS

Section 1: Notice of Association.

A Unit Owner who mortgages his Unit shall notify the Association of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Association. A Unit Owner who satisfies a mortgage covering his Unit shall also notify the Association thereof and shall file a conformed copy of the Satisfaction of Mortgage with the Association. The Association shall maintain such information in book entitled "Mortgages of Units".

Section 2: Notice of Default and Unpaid Common Expenses.

Whenever so requested in writing by the mortgagee of a Unit, the Association shall promptly report any default in the payment of Common Expenses or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these Bylaws which may to the Association's knowledge then exists. The Association, when

giving notice to a Unit Owner of any such default, shall also send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Association.

Section 3: Examination of Books.

Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Association at reasonable times on business days.

ARTICLE VIII: SALE OF UNITS

Section 1: Sale.

Before execution of any contract for sale, otherwise before conveyance of a Unit, a Unit Owner shall furnish a copy of the Declaration, other than plats and plans, the Bylaws, the Rules and Regulations of the Association, and a reasonably current certification containing:

- (a) A statement disclosing the effect on the proposed disposition of any right of first refusal or other restraint on the free alienability of the Unit;
- (b) A statement setting forth the amount of the monthly Common Expense assessment and any unpaid Common Expense or special assessment currently due and payable from the selling Unit Owner;
- (c) A statement of any other fees payable by Unit Owners;
- (d) A statement of any capital expenditures anticipated by the Association;
- (e) A statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the Association for any specified projects;
- (f) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;
- (g) The current operating budget of the Association;
- (h) A statement of any unsatisfied judgments against the Association and the status of any pending suits in which the Association is a defendant;
- (i) A statement describing any insurance coverage provided for the benefit of Unit Owners;
- (j) A statement as to whether the Executive Board of Directors has

knowledge that any alterations or improvements to the Unit or to the Limited Common Elements assigned thereto violate any provisions of the Declaration;

(k) A statement as to whether the Executive Board of Directors has knowledge of any violations of the health or building codes with respect to the Unit, the Limited Common Elements assigned thereto, or any other portion of the Condominium; and

(l) A statement of the remaining term of any leasehold estate affecting the Condominium and the provisions governing any extensions or renewal thereof.

ARTICLE IX: TERMINATION

Section 1: Procedure.

The provisions of the Declaration and the then applicable laws of the State of Maine shall be followed should it be deemed advisable that the Condominium be terminated and the Property removed from the applicability of the Maine Condominium Act. In the event of termination of the Condominium and/or dissolution of the Association, its assets shall be disposed of in accordance with 33 M.R.S.A. §1602-118.

ARTICLE X: RECORDS

Section 1: Records and Audits.

The Declarant and the Association, shall keep detailed records of the actions of the Executive Board of Directors, minutes of the meetings of the Executive Board of Directors, minutes of the meetings of the Unit Owners and financial records and books of account of the Association according to generally accepted accounting principals, including, (i) a record of all receipts and expenditures; (ii) an account for each Unit which shall designate the name and address of each Unit Owner, the amount of each assessment, the dates on which the assessment comes due, the amounts paid on the account, and the balance due; (iii) a record of the actual cost, of the maintenance of the Common Elements; and (iv) and accurate account of the current balance in the reserve for replacement and for emergency repairs, if any.

Records maintained by the Association shall be available for examination and copying by any Unit Owner, his duly authorized agents or attorneys, at the expense of the Unit Owner, during normal business hours and after reasonable notice.

Any mortgagee or unit owner can request an audit of the books of the Condominium be prepared by a certified public accountant which shall be prepared at the expense of such mortgagee or unit owner.

Section 2: Transfer of Books, Records and Other Items to Unit Owners

Within thirty (30) days after Unit Owners other than the Declarant elect a majority of the members of the Executive Board of Directors, the Declarant shall deliver to the Association all property of the Unit Owners and of the Association held by or controlled by the Declarant, including, without limitations, the following items: (i) the original or a certified copy or a photocopy of the recorded Declaration, provided that if a photocopy is delivered, such photocopy shall reflect the recording information; the Association Articles of Incorporation; these Bylaws; minutes books and other books and records of the Association, if any; and any Rules and Regulations of the Association which may have been promulgated; (ii) resignations of officers and members of the Executive Board of Directors who may be required to resign; (iii) an accounting or accountings for Association funds; (iv) Association funds or control thereof; (v) all of Declarant's tangible personal property that has been represented by the Declarant in brochures or other writings to be a part of the Common Elements, of that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Elements, or that is property of the Association, and inventories of these properties; (vi) all insurance policies then in force, in which the Unit Owners, the Association, or its directors and officers are the named insured; (vii) copies of any certificates of occupancy for Condominium; (viii) any other permits issued by governmental bodies applicable to the Property and which are currently in force or which were issued within one year prior to the date on which Unit Owners other than the Declarant elected a majority of the Executive Board of Directors; (ix) a roster of Unit Owners and mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records; (x) employment contracts in which the Association is or is to be one of the contracting parties; and (xi) service contracts in which the Association is or is to be one of the contracting parties or service contracts in which the Association or Unit Owners have directly or indirectly an obligation or responsibility to pay some or all of the fee or charge of the person or persons performing the services.

ARTICLE XI: MISCELLANEOUS

Section 1: Invalidity.

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 2: Captions.

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 3: Gender.

The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so required.

Section 4: Waiver.

No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5: Fiscal Year.

The fiscal year of the Association shall end on the last day of December of each year, or on such other date as the Executive Board of Directors shall so decide.

Section 6: Investments.

The funds of the Association may be retained in whole or in part in case or be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks bonds or other securities, ad the Executive Board of Directors in its discretion may deem desirable.

Section 7: Bank Accounts.

The Executive Board of Directors shall maintain a fund in a bank account for the payment of the costs and expenses of the Association. Withdrawals from such funds shall be by the signature of any person or persons designated by the Executive Board of Directors.

ARTICE XII: AMENDMENTS TO BYLAWS

Section 1: Amendments to Bylaws.

These Bylaws may be amended by the vote of fifty one percent (51%) of all Unit Owners at any meeting of the Association duly called for that purpose. No amendment may be adopted that is contrary to the requirements of the Maine Condominium Act.

Section 1: Execution of Amendments.

Amendments to these Bylaws may be executed and recorded by the President or, in his absence, any Vice President or the Treasurer, on behalf of the Association and the Secretary shall certify any such amendment.

ARTICLE XIII: CONFLICTS

Section 1: Conflicts.

These Bylaws are intended to comply with the requirements of the Maine Condominium Act. In case any of these Bylaws conflict with the provisions of said statute, the Declaration or any other applicable law, the provisions of said statute, the Declaration or such other applicable law, as the case may be, shall control.

Adopted by vote of the Association dated April 20th, 2012.

Fieldstone Realty, LLC (owner of all units)

By: Ralph McPherson
Ralph McPherson, Member

By: Brian F. Shaboski
Brian F. Shaboski, Member

EXHIBIT E
Rules and Regulations

RUSSELL & SILVER, P.A.
ATTORNEYS
145 EXCHANGE STREET
BANGOR, MAINE 04401-6505

EDWARD C. RUSSELL
(erussell@rslaw.com)

RICHARD SILVER
(rsilver@rslaw.com)

Website: www.rslaw.com

TELEPHONE:
(207) 942-8244

FAX:
(207) 947-8429

May 1, 2012

Brian Shaboski, Member
Fieldstone Realty, LLC
19 St. Louis Avenue
Hermon, Maine 04401

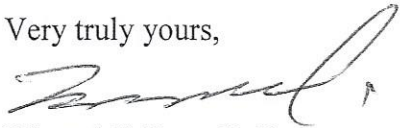
Re: McPherson Kenduskeag Condos

Dear Brian:

Enclosed is the original recorded Declaration of Condominium for McPherson Kenduskeag Condos.

Also enclosed is the original recorded Mortgagee's Consent from Machias Savings Bank for this same matter.

Very truly yours,



Edward C. Russell, Esq.

ECR/kam

Encls.

cc: Ralph McPherson (w/encls.)

DOMESTIC
NONPROFIT CORPORATION

STATE OF MAINE

ARTICLES OF INCORPORATION

Filing Fee \$40.00

File No 20130106ND Pages 4

Fee Paid \$ 40

DCN 2122441910016 ARTI

FILED

08/29/2012

Julie R. Flynn
Deputy Secretary of State

A True Copy When Attested By Signature

Deputy Secretary of State

Pursuant to 13-B MRSA §403, the undersigned incorporator(s) execute(s) and deliver(s) the following Articles of Incorporation:

FIRST: The name of the corporation is McPherson Kenduskeag Condos Homeowners Association.

SECOND: ("X" one box only Attach additional page(s) if necessary.)

☐ The corporation is organized as a public benefit corporation for the following purpose or purposes:

☒ The corporation is organized as a mutual benefit corporation for all purposes permitted under Title 13-B or, if not for all such purposes, then for the following purpose or purposes
Homeowners Association for Condominium

THIRD: The Registered Agent is a (select either a Commercial or Noncommercial Registered Agent)

☒ Commercial Registered Agent CRA Public Number P10144
Edward C. Russell
(name of commercial registered agent)

☐ Noncommercial Registered Agent
(name of noncommercial registered agent)

(physical location, not P.O. Box - street, city, state and zip code)

(mailing address if different from above)

FOURTH: Pursuant to 5 MRSA §108.3, the registered agent as listed above has consented to serve as the registered agent for this nonprofit corporation.

Form No. MNPCA-6 (1 of 3)

FIFTH: The number of directors (not less than 3) constituting the initial board of directors of the corporation, if the number has been designated or if the initial directors have been chosen, is 3.

The minimum number of directors (not less than 3) shall be 3 and the maximum number of directors shall be 5.

SIXTH: Members: ("X" one box only.)

- ☐ There shall be no members
☒ There shall be one or more classes of members and the information required by 13-B MRSA §402 is attached

SEVENTH: (Optional) ☒ (Check if this article is to apply.)

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

EIGHTH: (Optional) ☐ (Check if this article is to apply.)

Other provisions of these articles including provisions for the regulation of the internal affairs of the corporation, distribution of assets on dissolution or final liquidation and the requirements of the Internal Revenue Code section 501(c) are set out in Exhibit _____ attached hereto and made a part hereof.

Incorporators*

Ralph McPherson
(signature)

Ralph McPherson

(type or print name)

Dated 8/27/12

Street 543 Kenduskeag Avenue

(residence address)

Bangor, ME 04401

(city, state and zip code)

Street _____

(residence address)

(signature)

(type or print name)

(city, state and zip code)

(signature)

Street _____

(residence address)

(type or print name)

(city, state and zip code)

Form No. MNPCA-6 (2 of 3)

For Corporate Incorporators*

Name of Corporate Incorporator _____

By _____ Street _____
(signature of officer) (principal business location)

(type or print name and capacity) (city, state and zip code)

Name of Corporate Incorporator _____

By _____ Street _____
(signature of officer) (principal business location)

(type or print name and capacity) (city, state and zip code)

***Articles are to be executed as follows:**

If a corporation is an incorporator (13-B MRSA §401), the name of the corporation should be typed or printed and signed on its behalf by an officer of the corporation. The articles of incorporation must be accompanied by a certificate of an appropriate officer of the corporation, not the person signing the articles, certifying that the person executing the articles on behalf of the corporation was duly authorized to do so.

Please remit your payment made payable to the Maine Secretary of State

Submit completed form to

Secretary of State
Division of Corporations, UCC and Commissions
101 State House Station
Augusta, ME 04333-0101
Telephone Inquiries: (207) 624-7752

Email Inquiries: CEC_Corporations@Maine.gov

Form No. MNPCA-6 (3 of 3) Rev 7/1/2008

Exhibit
to Articles of Incorporation
Pursuant to Title 13-B M.R.S A Sec 402

As a Homeowners Association for a Condominium, the sole class of members will be the condominium unit owners whose rights are detailed in the Declaration of Condominium

Each of the seven units is entitled to a voting interest of 14.286%, totaling 100%.