Maine Statutes

Title 23. HIGHWAYS

Part 3. LOCAL HIGHWAY LAW

Chapter 305. CONSTRUCTION, MAINTENANCE AND REPAIR

Subchapter 2. PRIVATE WAYS

Current through 2009 Legislative Session

§ 3101.Call of meetings; maintenance; repairs

1.Definitions. As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

A. "Private way" means a public easement as defined in section 3021, subsection 2. [2007, c. 625, §1 (NEW) .]

B. "Repairs and maintenance" does not include paving, except in locations where limited paving is demonstrated to be a cost-effective approach for fixing an erosion problem or to repair and maintain pavement existing as of July 1, 2007. "Maintenance" includes, but is not limited to, snowplowing. [2007, c. 625, §1 (NEW) .]

[2007, c. 625, §1 (NEW) .]

2.Call of meeting. When 4 or more parcels of land are benefited by a private road, private way or bridge as an easement or by fee ownership of the private road, private way or bridge, the owners of any 3 or more of the parcels, as long as at least 3 of the parcels are owned by different persons, may make written application to a notary public to call a meeting. The notary may issue a warrant or similar written notice setting forth the time, place and purpose of the meeting. Copies of the warrant or similar written notice must be mailed by means of the United States Postal Service to the owners of all the parcels benefited by the private road, private way or bridge at the addresses set forth in the municipal tax records at least 30 days before the date of the meeting. The notice must inform the owners of the planned meeting's agenda and specify all items to be voted on. Subsequent meetings may be called in the same manner or by a commissioner or board appointed at a previous meeting pursuant to subsection 5.

[2009, c. 239, §1 (AMD) .]

3.E-mail. E-mail may be used as an alternative to United States mail for sending notices and other materials under this section with the agreement of the receiving party as long as the communication includes the current address and telephone number of the sender for purposes of verification.

[2007, c. 625, §1 (NEW) .]

4.Voting. Each parcel of land benefited by a private road, private way or bridge represents one vote under this section; except that, if the bylaws of the association authorize more than one vote, then each parcel may represent no more than 2 votes under this subsection. The call to a meeting may state that an owner may elect to appoint another owner to vote in the owner's stead. Owners voting by absentee ballot must be polled on all voting items that were not included in the agenda and the final tally must be reported to the owners.

[2007, c. 625, §1 (NEW) .]

4-A.Road associations. A road association through its commissioner or board may address present and future repair and maintenance of a private road, private way or bridge until the association is dissolved by a majority vote of its members.

[2009, c. 239, §2 (NEW) .]

5.Commissioner or board; repair and maintenance assessment. The owners of parcels of land benefited by a private road, private way or bridge at a meeting called pursuant to subsection 2 may choose a commissioner or board, to be sworn. By a majority vote, the owners may determine what repairs and maintenance are necessary and the materials to be furnished or amount of money to be paid by each owner for repairs and maintenance. The determination of each owner's share of the total cost must be fair and equitable. The commissioner or board shall report the outcome of all votes to all the owners by United States mail within 30 days. Special assessments for emergency repairs and maintenance may be made at a duly held meeting called for that purpose. Emergency repairs and maintenance are those actions necessary to maintain or restore the functionality of the private road, private way or bridge.

[2007, c. 625, §1 (NEW) .]

5-A.Easements. A road association under this section may negotiate an easement for the installation of a ditch, drain, culvert or other storm water management infrastructure to benefit the road. The easement must specify when a ditch, drain, culvert or other storm water management infrastructure must be maintained and include reasonable performance standards to guide the timing and extent of its upkeep and repair. The easement must also be recorded at the registry of deeds in the county in which the property subject to the easement is located. A ditch, drain, culvert or other storm water management infrastructure subject to an easement under

this subsection must be under the control of and maintained by the road association.

[2009, c. 239, §3 (NEW) .]

6.Commercial or forest management purposes. This section does not apply to a private road, private way or bridge constructed or primarily used for commercial or forest management purposes.

[2007, c. 625, §1 (NEW) .]

7.Immunity from suit. A commissioner, board or owner of a parcel of land who undertakes activities of a road association under this subchapter is immune from civil liability in all actions by owners or lessees of other lots for the following activities:

A. The determination of repairs and maintenance to be undertaken; [2009, c. 238, §1 (NEW) .]

B. The determination of materials to be furnished or amount of money to be paid by each owner for repairs and maintenance; [2009, c. 238, §1 (NEW) .]

C. The collection of the money from each owner; and [2009, c. 238, §1 (NEW) .]

D. The awarding of a contract authorized under section 3103. [2009, c. 238, §1 (NEW) .]

[2009, c. 238, §1 (NEW) .]

8.Environmental violations. Notwithstanding subsection 7, a commissioner, board or owner of a parcel of land is not immune from an enforcement action for a violation of law under the jurisdiction of the Department of Environmental Protection or a municipality.

[2009, c. 238, §2 (NEW) .]

History. 1995, c. 227, §1 (AMD) . 1997, c. 682, §1 (AMD) . 1999, c. 552, §1 (AMD) . 2007, c. 162, §1 (AMD) . 2007, c. 625, §1 (RPR) . 2009, c. 238, §§1, 2 (AMD) . 2009, c. 239, §§1-3 (AMD) .

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Title 23. HIGHWAYS

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Chapter 305. CONSTRUCTION, MAINTENANCE AND REPAIR

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Current through 2009 Legislative Session

§ 3102.Commissioner's or board's duties; neglect of owners to pay

The commissioner or board chosen under section 3101, with respect to the private road, private way or bridge, has the powers of a road commissioner. If any owner, on requirement of the commissioner or board, neglects to furnish that owner's proportion of labor, materials or money, the same may be furnished by the other owners and recovered of the owner neglecting to pay in a civil action, together with costs of suit and reasonable attorney's fees. The commissioner's or board's apportioning of the cost of repairs to the road undertaken pursuant to the provisions of section 3101 may not exceed 1% of an individual owner's property valuation in any calendar year. [2007, c. 625, §2 (AMD) .]

History. 1997, c. 682, §2 (AMD) . 1999, c. 552, §2 (AMD) . 2007, c. 625, §2 (AMD) .

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Title 23. HIGHWAYS

Part 3. LOCAL HIGHWAY LAW

Chapter 305. CONSTRUCTION, MAINTENANCE AND REPAIR

Subchapter 2. PRIVATE WAYS

Current through 2009 Legislative Session

§ 3105.Use of town equipment

1.Fire and police protection; protecting or restoring a great pond. The inhabitants of any town or village corporation at a legal town or village corporation meeting may authorize the municipal officers of the town or assessors of the village corporation to use its highway equipment on private roads, private ways or bridges within the town or village corporation, whenever the municipal officers or assessors consider it advisable in the best interests of the town or village corporation for fire and police protection and for the purposes of protecting or restoring a great pond as defined in Title 38, section 480-B, subsection 5 if:

A. The private road, private way or bridge is within the watershed of the great pond; [2009, c. 239, §4 (NEW) .]

B. The great pond:

(1) Is listed on the Department of Environmental Protection's list of bodies of water most at risk pursuant to Title 38, section 420-D, subsection 3;

(2) Has been listed as impaired in an integrated water quality monitoring and assessment report submitted by the Department of Environmental Protection to the United States Environmental Protection Agency pursuant to the federal Clean Water Act, 33 United States Code, Section 1315(b) at least once since 2002; or

(3) Is identified as having threats to water quality in a completed watershed survey that uses a protocol accepted by the Department of Environmental Protection; [2009, c. 239, §4 (NEW) .]

C. The Department of Environmental Protection or the municipality determines that the private road, private way or bridge is contributing to the degradation of the water quality of the great pond based upon an evaluation of the road, way or bridge using a protocol accepted by the department; [2009, c. 239, §4 (NEW) .]

D. The repair complies with best management practices required by the Department of Environmental Protection; and [2009, c. 239, §4 (NEW) .]

E. The private road, private way or bridge is maintained by a road association organized under this subchapter or Title 13-B. [2009, c. 239, §4 (NEW) .]

[2009, c. 239, §4 (NEW) .]

History. 2009, c. 239, §4 (RPR) .

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Title 23. HIGHWAYS

Part 3. LOCAL HIGHWAY LAW

Chapter 305. CONSTRUCTION, MAINTENANCE AND REPAIR

Subchapter 2. PRIVATE WAYS

Current through 2009 Legislative Session

§ 3104.Penalties and process

Money recovered under sections 3102 and 3103 is for the use of the owners. In any process for its recovery, a description of the owners in general terms as owners of parcels of land benefited by the private road, private way or bridge, clearly describing the private road, private way or bridge, is sufficient. Such process is not abated by the death of any owner or by the transfer of any owner's interest. [2007, c. 625, §4 (AMD) .]

History. 1997, c. 682, §2 (AMD) . 2007, c. 625, §4 (AMD) .

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FIRST AMENDMENT TO HOLDEN HILLS ASSOCIATION DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS AMENDMENT (hereinafter referred to as the "Amendment"), made on the 28th day of April, 2005, to the Holden Hills Association Declaration of Covenants, Conditions and Restrictions dated April 19, 2005 and recorded in the Cumberland County Registry of Deeds in Book 22546, Page 285 (hereinafter referred to as the "Declaration");

WHEREAS, the Declarants, who currently constitute a majority of the Lot Owners in the Association as defined in the Declaration, seek to clarify certain terms and conditions of the Declaration consistent with the intent and purpose of the Declaration and the By Laws of Holden Hills Association;

NOW THEREFORE, the Declaration shall be amended and revised as follows:

1. The definition of "Member" or "Members" as set forth in Article IC of the Declaration shall be revised to delete the reference to a "lessee", such that Article IC of the Declaration shall now read as follows:

> C. "Member" or "Members" shall mean and refer to the record owner, whether one or more persons are entitled, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

2. The definition of "Local Access Driveways" as set forth in Article IF of the Declaration shall be revised to delete the terms contained in the last sentence beginning with "and by Declarant" and ending with "successors and assigns", such that Article IF of the Declaration shall now read as follows:

> F. "Local Access Driveways" shall mean gravel camp roads or drives (other than the designated Common Area roads described in the preceding section) which serve as linking access from the Lots to the Common Area roads listed above. Many Local Access Driveways are located within the bounds of certain Lots, and are for the limited use of the Lots directly served by them.

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3. Article III, Member Voting, shall be revised to delete the references to lessees holding possession under written leases of one (1) year or more, such that Article III of the Declaration shall now read as follows:

> III. Member Voting. Lot Owners shall be Members of the Association and shall be entitled to one (1) vote per Lot. Membership shall be appurtenant to and may not be separated from ownership. When a Lot is owned of record in joint tenancy or tenancy in common, the membership as to such Lot shall be joint, and the right of such membership (including the voting power arising therefrom) shall be exercised only by the joint action of all Owners of record of such Lot.

4. All other terms and conditions of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, Declarants have, as appears below, hereunto set their hands and seals, as of the 28th day of April, 2005.

Witness

P. James Gibbons

Witness

James M. Gibbons

Witness

Justin P. Gibbons

STATE OF MAINE
COUNTY OF CUMBERLAND

On this 28th day of April, 2005, personally appeared before me the above-named P. James Gibbons, James M. Gibbons and Justin P. Gibbons and acknowledged the foregoing instrument to be their free act and deed.

Michael G. Friedman
Notary Public, State of Maine
My Commission Expires: February 28, 2010 SEAL

Received
Recorded Register of Deeds
May 05,2005 10:47:04A
Cumberland County
John B OBrien

HOLDEN HILLS ASSOCIATION
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

P. James Gibbons of Bridgton, Maine;

James M. Gibbons of Bridgton, Maine; and

Justin P. Gibbons of Bridgton, Maine

(hereinafter collectively referred to as "Declarants"), hereby declare that they are the owners of property in Bridgton, Cumberland County, Maine described below:

Lots 15 (northwesterly half), 17, 18, 19, 20, 21, 22, 24 and 26 as depicted on a Plan of Holden Hills Development recorded in the Cumberland County Registry of Deeds in Plan Book 85, Page 22.

Declaration. Declarants declare that said Lots depicted on the aforesaid Plan shall be held, sold, and conveyed subject to the terms of this Declaration for the purposes of protecting the value and desirability of the Lots (hereinafter defined). The rights and obligations hereunder shall run with the land and be binding on all parties having or acquiring any right, title or interest in the properties or any part thereof, whether as owners, joint owners, mortgagees, tenants or occupants. All rights hereunder may be enforced, as applicable, by the Association, Owners, and Members as provided herein.

I. Definition of Terms.

A. "Association" shall mean and refer to Holden Hills Association, Inc., a Maine non-profit corporation.

B. "Lot" or "Lots" shall mean and refer respectively to Lots 15 (northwesterly half), 17, 18, 19, 20, 21, 22, 24 and 26, and all other lots which may hereafter be added and which are depicted on the aforementioned plan of Holden Hills Development, or lots which may be depicted on such other plans of parcels of land as may be added in accordance with Article XII herein.

C. "Member" or "Members" shall mean and refer to the record owner, or lessee of a Lot, whether one or more persons or entitled, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

D. "Owner" shall mean and refer to the record owner, whether one or more persons or entitled, of the fee simple title to any Lot including contract

sellers, but excluding those having such interest merely as security for the performance of an obligation.

E. "Common Area" shall mean all interests in real property (and the improvements thereto) held by the Association for the common use of its Members. The Common Area road easements hereby submitted to the terms of this Declaration, and intended to benefit the Association as of the date of this Declaration shall consist of the following non-exclusive easements:

1) All existing roadways adjoining the Lots and shown as right of ways depicted on the plan of Holden Hills Development recorded in Cumberland County Registry of Deeds in Plan Book 85, Page 22.

2) All such other roadways adjoining the Lots and shown as right of ways depicted on plans recorded in the Cumberland County Registry of Deeds for parcels of land adjoining the Holden Hills Development, as may be added in accordance with Article XII herein.

F. "Local Access Driveways" shall mean gravel camp roads or drives (other than the designated Common Area roads described in the preceding section) which serve as linking access from the Lots to the Common Area roads listed above. Many Local Access Driveways are located within the bounds of certain Lots, and are for the limited use of the Lots directly served by them, and by Declarant and Declarant's agents, invitees, heirs, successors and assigns, to the extent the "Local Access Roads" serve remaining land of Declarants and their heirs, successors and assigns.

II. Association. The Members shall associate for the purposes of:

A. Maintaining the Common Area, and providing any specially approved maintenance for Local Access Driveways.

B. Enforcing any and all covenants, restrictions and agreements applicable to the Lots, and Common Area, including the enforcement of all provisions of this Declaration of Covenants.

C. Fixing, levying, collecting and enforcing payment by any lawful means of all charges or assessments pursuant to the terms of this Declaration, and to pay all expenses in connection therewith.

D. Acquiring (by gift, purchase or otherwise), owning, holding, improving, building upon, operating, maintaining, conveying, selling, leasing, transferring, dedicating for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

E. Having and exercising any and all powers, rights and privileges which a corporation organized under the Maine Non-Profit Corporation Act may now or hereafter have or exercise.

III. Member Voting. Lot Owners, and Lessees holding possession under written leases of one (1) year or more, shall be Members of the Association and shall be entitled to one (1) vote per Lot. Membership shall be appurtenant to and may not be separated from ownership (except insofar as a lease of one year or more transfers certain Owner's membership rights and obligations). When a Lot is owned of record in joint tenancy or tenancy in common, the membership as to such Lot shall be joint, and the right of such membership (including the voting power arising therefrom) shall be exercised only by the joint action of all Owners of record of such Lot. Where applicable, similar joint action will be required where more than one lessee rents a Lot.

IV. By-laws. The Association is established by Articles of Incorporation filed April 19, 2005 by this Declaration, and its operation will be governed by the By-laws. The conduct of persons on the property will be governed by this Declaration, the By-laws and rules and regulations adopted by the Board of Directors.

V. Rules and Regulations. In order to assure the peaceful and orderly use and enjoyment of the Lots and Common Area, the Board of Directors may, from time to time, adopt, modify and revoke in whole or in part, such reasonable rules and regulations, to be called Rules and Regulations, governing the conduct of persons on said properties as it may deem necessary, including, but not limited to methods and procedures for enforcing compliance with the Declaration. Such Rules and Regulations upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each Owner and the Association, and shall be binding upon all Owners.

VI. Easements. The respective rights and easements pertaining to the Lots shall pass with the title to each Lot, as applicable, subject to the provisions of this Declaration.

A. Access. Every Lot Owner shall have an easement, in common with Declarants and their successors or assigns, for access over the above-described Common Area access easements, for all purposes of ingress and egress by pedestrian and vehicular traffic, limited, however, to (1) access over existing Local Access Driveways serving their respective lots, (2) to a reservation unto R & D Land Sales, Inc., its successors and/or assigns, a right of way over the Common Area road segments and (3) a reservation unto the Declarants, theirs successors and assigns, a right of way over the Common Area road segments for all purposes of ingress and egress by pedestrian and vehicular traffic. This reservation unto the Declarants shall be an easement running with the land serving adjoining parcels presently or in the future owned by the Declarants, their successors and assigns, and shall not be subject

to the Amendment provisions of Article XV. Each Lot shall be subject to such easements to the extent Common Area roads or Local Access Driveways are located on the Lots.

B. Utilities. Every Lot Owner shall have an easement, in common with and reserving unto, the Declarants, their successors and/or assigns, for the right within the limit of such Common Area road to erect, construct, maintain, protect through cutting and trimming of growth, and operate overhead and underground wires, cables, poles, conduits and apparatus for the transmission of electrical energy and for telephone lines, and for the furnishing of water, gas, sewer service or for other public utility service, and further including the right to grant easements in fee to any public utility company to exercise any such rights relative to utility services. This reservation unto the Declarants of an easement for utility purposes shall be an easement running with the land serving adjoining parcels presently or in the future owned by the Declarants, their successors and assigns, and shall not be subject to the Amendment provisions of Article XV.

C. Maintenance. The Common Area roads shall be further subject to an easement for the benefit of the Lots as required for repair or maintenance of the travel way, and appurtenant ditches, culverts and other related improvements. The easement may be exercised by Lot Owners or the Association for purposes of repairing and maintaining the travel ways, and their appurtenances (such as culverts and ditches), and shall include the rights to enter with workers and equipment within the bounds of the Common Area Roads.

VII. Common Area Maintenance. Road Maintenance Standards.

1) Roads within the Common Area will be kept open and free of debris for the passage of Declarants' and Owners' vehicles. The Association will be solely responsible for costs of maintenance of Common Area roads. Such maintenance obligations shall not affect the Association's rights to or claims against third parties for damages or contribution for damages to the roadways exceeding ordinary wear and tear.

2) All culverts and cross drainages will be kept open and free of debris to allow the unrestricted passage of water.

3) The surface of the travel way shall be of a gravel or crushed rock surface, or such other surface as shall be determined by a vote of the majority of the Members.

4) Unless a special assessment is approved for improvements and repairs under the provisions of this Declaration, upkeep and

maintenance of the Common Area roads will be limited to snowplowing and sanding and that required by virtue of erosion and ordinary wear to the road surface (including, without limitation, correction of the effects of ordinary winter travel and snowplowing). The terms of this Declaration shall not be construed to obligate the Association or Owners to correct or repair any damage to the common Area due to use attributable to third parties having rights in the road.

5) Unless a special assessment is approved for improvements and repairs, and winter snowplowing and sanding of Local Access Driveways, under the provisions of this Declaration, such upkeep and maintenance of Local Access Driveways shall be the responsibility of the Owners of the Lots served by the Local Access Driveways.

VIII. Owner's Responsibility for Repairs. Each Member shall repair or cause to be repaired, at his or her own expense, any damage caused by such Member, or his family, agents, or invitees, to the rights-of-way which exceeds ordinary all season wear and tear which would occur through usage for ordinary family and residential purposes.

IX. Unobstructed Passage. No Member shall obstruct, hinder, or interfere or permit the obstruction, hindrance or interference with the free and uninterrupted use of the rights-of-way for access by all Members, and their families, tenants, or guests.

X. Assessments. Each Member is required to pay annual and special assessments.

A. Application. The assessments levied by the Association shall be used exclusively to manage, maintain and care for Association property, including the easements and improvements upon the Common Area. The rights of membership, including voting rights, are subject to the payment of the annual and special assessments levied by the Association and imposed against each member and, as hereafter specified, such assessments become a lien upon the Lot owned or leased by the Member and the personal obligation of the Member. Barring exceptional circumstances, each Lot shall be assessed its pro-rata share of each annual and special assessment, based on the total number of Lots in the Association.

B. Purpose of Assessments. The assessments may be levied against the Lots for the purpose of establishing such reserves as the Association deems necessary and for raising funds in order to provide for the costs of administering and enforcing the terms of this Declaration. Assessments shall be used to pay the administrative costs and expenses of the Association and for purposes of payment of insurance (including, without limitation, liability insurance), taxes, improving and maintaining the Common Area, services, and facilities related to the Common Area, and for the cost of labor, equipment, materials, management, and supervision thereof.

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C. Computation of Operating Budget and Assessment. The Board of Directors of the Association, at least thirty (30) days prior to the Association's annual meeting, shall prepare a budget covering the estimated costs of establishing the reserves, administering and enforcing the Declaration, and maintaining the Common Area during the coming year. The Board shall cause the budget and the proposed assessments to be levied against each Lot for the following year, to be delivered to each Member at least twenty-one (21) days prior to the meeting. The budget and assessments shall be deemed ratified and approved unless disapproved at the annual meeting by a vote of seventy-five percent (75%) of the total votes cast at the meeting whether or not a quorum is present at that meeting. In the event the budget is disapproved, the budget last approved by the Members shall be continued until such time as the Members approve a subsequent budget proposed by the Board. The Board shall determine the total amount required, including the operational items such as insurance, repairs, reserves, maintenance, and other operating expenses, as well as charges to cover any deficits from prior years and capital improvements approved by the Board. The total annual requirements and any supplemental requirements shall be allocated between, assessed to, and paid by the Members as follows:

1) Annual Assessments. Except as provided above, each Lot shall be assessed and the Owner or Owners thereof shall pay a fraction of said requirements, the numerator of which shall be one (1) and the denominator of which shall be equal to the number of lots subject to this Declaration. The sum due the Association from each individual Owner shall constitute an assessment of the Board of Directors and unpaid assessments shall constitute liens on the individual Lots, subject to foreclosure as hereinafter provided.

The annual assessments shall be due and payable within ten (10) days after the annual meeting.

2) Special Assessments. In addition to the annual assessments, the Association, acting through its Board of Directors, may levy special assessments in any year for the purpose of defraying the cost of any construction or reconstruction, or unexpected repair or replacement of any portion of the Common Area and improvements, including the necessary fixtures and personal property related thereto, and the establishment of reasonable reserves and payment of debts of the Association, provided that such special assessment shall have the assent of a majority of the Members voting at the annual meeting or a special meeting called for such purpose. The Board of Directors may also levy special assessments for Local Access Driveway maintenance and repairs (which special localized assessments may be limited to the Lots benefitted by the assessments). However, the Association shall not be obligated to undertake routine maintenance and repairs of Local Access Driveways.

Special assessments shall be due and payable within ten (10) days of approval unless the Board of Directors adopts another due date.

3) Effect of Non-Payment of Assessment. If any assessment or any other charges payable pursuant to this Declaration are not paid on the date when due as provided herein, then such assessments and charges shall become delinquent and shall, together with interest thereon

and costs of collection become a continuing lien upon the Lot and appurtenant easements, against which such assessments are made and shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. Such lien shall be prior to al other liens except: (a) tax or assessment liens on the lot by the taxing subdivision of any governmental authority, including but not limited to State, County, and Town taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering the lot. The personal obligation of the then Owner to pay such assessment or charges shall remain his personal obligation and shall not pass to his successors in title (except insofar as the Lot remains subject to the lien imposed by this Declaration) unless expressly assumed by them.

If any assessment or charges are not paid within thirty (30) days after the delinquent date, the assessments or charges shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum and Declarants or the Association, whichever is applicable, may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property by any method allowed under Maine law for foreclosure of mortgages, and there shall be added to the amount of such assessment or charges the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment or charges as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of this action. No Owner may waive or otherwise escape liability for assessments provided herein by non-use of a Lot.

XI. Protective Covenants and Restrictions. As evidenced by acceptance of a deed, each Member, their heirs, successors and assigns acknowledge and agree that each Lot is conveyed subject to the following restrictive covenants which shall be construed as real covenants running with the land and shall remain in force and effect for a period of twenty (20) years from August 3rd, 2001, at which time said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote of a majority of the Members it is agreed to amend or revoke said covenants in whole or in part, namely:

1. No more than one principal residential building designed for single family use shall be maintained on each lot, but this shall not exclude usual out-buildings, such as garage, storage building or the like, as the owners may desire to construct and maintain in connection with private residential use of said land.

2. No house trailers or mobile homes, whether or not left on wheels, shall be kept on said lots. This restriction does not apply to Lots numbered 19, 20, 21, 22, 24 & 26; provided nevertheless, with respect to the above lots upon which housetrailers or mobile homes are allowed, any such unit shall have a manufacture date which is not more than ten (10) years prior to the date of original placement of said unit upon the subject lots. This restriction is not intended to prohibit manufactured housing of a type constructed for placement upon a permanent foundation.

3. The numbered lots shall not be further subdivided; provided however, two or more lot owners whose lots share a common boundary may relocate their respective

intervening lot lines for the purpose of adding to the size of their respective holdings; and thereafter, the exterior lines of the adjacent lots so expanded shall be deemed the exterior lines of a single lot in the application of these restrictions.

4. All structures erected on said lots shall be promptly and expeditiously completed as to their exteriors within eighteen months after construction is commenced. All such structures shall be finished in clapboards, shingles, log siding, finished aluminum or vinyl siding, masonry, or an equal quality of exterior finish. Each residential unit shall contain at least seven hundred eighty (780) square feet of floor area on the ground floor, exclusive of porches, breezeways, sheds and garages.

5. In general, said lots shall not be used for any commercial purposes, but solely for private residential purposes. This provision shall not be construed to prevent rental of any residence on said lot for private residential purposes; nor to prevent the conduct of certain non-objectionable commercial activities, such as the practice of professions, craftwork, artistic endeavors, and similar occupations, but only where conducted from within a private residence or other appurtenant structure. Any commercial use allowed by the preceding sentence shall not employ as an advertising medium the placing of lighted signs upon the premises.

XII. Annexation. Additional property and Common Area may be conveyed to the Association with the consent of a two-thirds (2/3) vote of the Members of the Association. Notwithstanding the foregoing, the Declarants reservve the right to annex additional property to the Common Area and/or additional lots or parcels of land to the Association without the consent of the Members of the Association, regardless of the votes of the Members of the Association to the contrary.

XIII. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

XIV. Enforcement. Without limited any rights of the Association or Declarants to seek enforcement in their respective names, each Owner shall have the right to enforce this Agreement against any other Owner by legal or equitable action. Upon demand by any Owner, any disagreement as to the rights of any party under the Agreement shall be submitted to binding arbitration in accordance with the current rules of the American Arbitration Association.

XV. Amendment. This Declaration may be amended only by a written agreement of the Owners. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from August 3, 2001, after which time they shall be automatically extended for successive ten (10) year periods, unless by a vote of a majority of the Members it is agreed to amend or revoke this Declaration in whole or in part. This Declaration may be amended by an instrument signed by no less than a majority of the Lot Owners. Any amendment must be recorded.

BYLAWS
OF
HOLDEN HILLS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is HOLDEN HILLS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Bridgton, Maine, but meetings of Members and Directors may be held at such places within the State of Maine, as may be designated by the Board of Directors.

ARTICLE II
ASSOCIATION

Section 1. Membership. The Members shall consist of the Owners of the following lots in the Town of Bridgton, County of Cumberland and State of Maine:

> Lots 15 (northwesterly half), 17, 18, 19, 20, 21, 22, 24 and 26 as depicted on a Plan of Holden Hills Development recorded in the Cumberland County Registry of Deeds in Plan Book 85, Page 22.

and any additions thereto as may hereafter be brought within the jurisdiction of this Association, being lots governed by Holden Hills Association Declaration of Covenants, Conditions, and Restrictions, to be recorded in the Cumberland County Registry of Deeds.

Membership shall be in accordance with the Declaration and with these Bylaws. The membership of each Owner terminates upon a sale, transfer,or other disposition of the Member's interest in the Lot (as defined in the Declaration), whereupon the membership and any interest in the funds of the Association shall automatically transfer and be vested in the successor in ownership. A mortgage of any Lot shall not operate to transfer membership until the mortgage is foreclosed.

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Association shall be held on the first Saturday in June in each year. If the date for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon the written request of Members owning at least a majority of the then existing Lots in the Association, by giving at least ten (10) days notice

Section 2. Term of Office. At the first annual meeting the Members shall elect one (1) Director for a term of one (1) year; one (1) Director for a term of two (2) years; and one (1) Director for a term of three (3) years. At each annual meeting thereafter, the Members shall elect one (1) Director for a term of three (3) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5. Unanimous Action of the Members of the Board of Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors sign written consents setting forth the action taken, at any time before or after the intended effective date of such action. Such consent shall be filed with the minutes of the meetings of the Board of Directors and shall have the same effect as the unanimous vote.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
MEETING OF DIRECTORS

Section I. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. The first quarterly meeting each calendar year shall follow the annual meeting of the membership.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be called at any time by the President of the Association, or by one-third (1/3) of the Directors, but not less than any two (2) Directors, after not less than seven (7) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Area, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of a Member during any period which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ personnel, contractors, advisors, or such other persons as they deem necessary to conduct business of the Association, and to prescribe their duties; and

(f) procure and maintain liability and hazard insurance on property owned by the Association.

Section 2. Duties. It shall be in the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-half (1/2) of the Members who are entitled to vote;

(b) supervise all Officers, agents, and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(i) prepare a budget covering the estimated costs of maintaining the Common Area for the coming year and cause the budget to be sent to each Member at least thirty (30) days prior to the annual meeting of the membership;

(ii) send written notice of each assessment to every Owner subject thereto;

(iii) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date, or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(f) cause the Common Area to be maintained;

(g) procure and maintain, to the extent reasonably available, hazard insurance on property owned by the Corporation, and liability insurance in the name of the Corporation and on behalf of any person who is or was a director, officer, employee or agent of the Corporation.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and, at the option of the Directors, a Vice President, who shall, at all times, be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign or be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may Require, each of whom shall hold office for such period, have such authority, and perform such duties as the Chairman may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments; and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice President by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the

Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX
LIABILITY OF OFFICERS

Section 1. Exculpation. No Director or officer of the Association shall be liable for acts or defaults of any other officers or Member or for any loss sustained by the Association or any Member thereof, unless the same has resulted from his or her own willful misconduct or gross negligence.

Section 2. Indemnification. Every Director, officer, and Member of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including reasonable attorney's fees) actually and necessarily incurred by or imposed upon him or her in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he or she may be involved as a party or otherwise by reason of his or her having been an officer or Member of the Association, whether or not he or she continues to be such Director, officer, or Member of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he or she shall be finally adjudicated in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or gross negligence toward the Association in the performance of his or her duties or, in the absence of such final adjudication, any determination of such liability by the opinion of the legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

ARTICLE X
MORTGAGES

Section 1. Notice to Board of Directors. An Owner who mortgages his or her Lot shall notify the Board of Directors of the name and address of his or her mortgagee, and shall file a copy of the mortgage with the Board of Directors.

Section 2. Notice of Unpaid Common Charges. The Board of Directors, whenever so requested in writing by a mortgagee of a Lot, shall promptly report any then unpaid common charges due from, or any other default by, the Owner of the mortgaged Lot.

to all Members. Notwithstanding this provision, any Member may waive receiving ten (10) days notice and accept any shorter notice. At any annual or special meeting, the presence of the Owners of a majority of the then existing Lots in the Association shall constitute a quorum for all purposes. At all meetings at which a quorum is present, except as otherwise provided in the Declaration, a majority of the votes cast on matter shall control.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. At any annual or special meeting, the presence of the Owners entitled to cast, or of proxies entitled to cast, votes for a majority of the then existing Lots in the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. At all meetings at which a quorum is present, except as otherwise provided in the Declaration, a majority of the votes cast (each Lot being entitled to one (1) vote) on any matter shall control. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of the Member's Lot.

Section 6. Unanimous Action of the Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if all of the Members sign written consents setting forth the action taken, at any time before or after the intended effective date of such action. Such consent shall be filed with the minutes of the Members' meetings and shall have the same effect as the unanimous vote.

ARTICLE IV
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors composed of a minimum of three (3) Directors, or such greater number of Directors, within the limits set by the Articles of Incorporation, to which the Board membership may be increased by Board action in the manner set forth in the Articles of Incorporation.

Section 2. Term of Office. At the first annual meeting the Members shall elect one (1) Director for a term of one (1) year; one (1) Director for a term of two (2) years; and one (1) Director for a term of three (3) years. At each annual meeting thereafter, the Members shall elect one (1) Director for a term of three (3) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5. Unanimous Action of the Members of the Board of Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors sign written consents setting forth the action taken, at any time before or after the intended effective date of such action. Such consent shall be filed with the minutes of the meetings of the Board of Directors and shall have the same effect as the unanimous vote.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
MEETING OF DIRECTORS

Section I. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. The first quarterly meeting each calendar year shall follow the annual meeting of the membership.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be called at any time by the President of the Association, or by one-third (1/ 3) of the Directors, but not less than any two (2) Directors, after not less than seven (7) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Area, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of a Member during any period which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or tile Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ personnel, contractors, advisors, or such other persons as they deem necessary to conduct business of the Association, and to prescribe their duties; and

(f) procure and maintain liability and hazard insurance on property owned by the Association.

Section 2. Duties. It shall be in the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-half (1/2) of the Members who are entitled to vote;

(b) supervise all Officers, agents, and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(i) prepare a budget covering the estimated costs of maintaining the Common Area for the coming year and cause the budget to be sent to each Member at least thirty (30) days prior to the annual meeting of the membership;

(ii) send written notice of each assessment to every Owner subject thereto;

(iii) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date, or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(f) cause the Common Area to be maintained;

(g) procure and maintain, to the extent reasonably available, hazard insurance on property owned by the Corporation, and liability insurance in the name of the Corporation and on behalf of any person who is or was a director, officer, employee or agent of the Corporation.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and, at the option of the Directors, a Vice President, who shall, at all times, be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign or be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may Require, each of whom shall hold office for such period, have such authority, and perform such duties as the Chairman may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments; and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice President by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the

Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX
LIABILITY OF OFFICERS

Section 1. Exculpation. No Director or officer of the Association shall be liable for acts or defaults of any other officers or Member or for any loss sustained by the Association or any Member thereof, unless the same has resulted from his or her own willful misconduct or gross negligence.

Section 2. Indemnification. Every Director, officer, and Member of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including reasonable attorney's fees) actually and necessarily incurred by or imposed upon him or her in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he or she may be involved as a party or otherwise by reason of his or her having been an officer or Member of the Association, whether or not he or she continues to be such Director, officer, or Member of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he or she shall be finally adjudicated in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or gross negligence toward the Association in the performance of his or her duties or, in the absence of such final adjudication, any determination of such liability by the opinion of the legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

ARTICLE X
MORTGAGES

Section 1. Notice to Board of Directors. An Owner who mortgages his or her Lot shall notify the Board of Directors of the name and address of his or her mortgagee, and shall file a copy of the mortgage with the Board of Directors.

Section 2. Notice of Unpaid Common Charges. The Board of Directors, whenever so requested in writing by a mortgagee of a Lot, shall promptly report any then unpaid common charges due from, or any other default by, the Owner of the mortgaged Lot.

to all Members. Notwithstanding this provision, any Member may waive receiving ten (10) days notice and accept any shorter notice. At any annual or special meeting, the presence of the Owners of a majority of the then existing Lots in the Association shall constitute a quorum for all purposes. At all meetings at which a quorum is present, except as otherwise provided in the Declaration, a majority of the votes cast on matter shall control.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. At any annual or special meeting, the presence of the Owners entitled to cast, or of proxies entitled to cast, votes for a majority of the then existing Lots in the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. At all meetings at which a quorum is present, except as otherwise provided in the Declaration, a majority of the votes cast (each Lot being entitled to one (1) vote) on any matter shall control. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of the Member's Lot.

Section 6. Unanimous Action of the Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if all of the Members sign written consents setting forth the action taken, at any time before or after the intended effective date of such action. Such consent shall be filed with the minutes of the Members' meetings and shall have the same effect as the unanimous vote.

ARTICLE IV
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors composed of a minimum of three (3) Directors, or such greater number of Directors, within the limits set by the Articles of Incorporation, to which the Board membership may be increased by Board action in the manner set forth in the Articles of Incorporation.