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After Recording Return To:
C. Wesley Crowell
Bergen & Parkinson, LLC
62 Portland Road, Suite 25
Kennebunk, ME 04043

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**MASTER DECLARATION OF RIVER'S EDGE HOMEOWNERS ASSOCIATION
WITH COVENANTS, RESTRICTIONS AND CONDITIONS**

This Declaration ("Master Homeowners Declaration") is made and executed by **HISSONG DEVELOPMENT CORPORATION**, a Corporation duly organized and existing under the laws of the State of Maine (hereinafter referred to as "Declarant"), for the purposes and upon the terms and conditions hereinafter set forth:

1. **RECITALS.** Declarant is the owner of certain lots of land, together with common areas and roadways, all as set forth below ("Property"). The Declarant desires to provide for the preservation of the character and value of said community and to create an Association for the purposes of administering the common areas, Roadways, and Wetlands, Storm Water Runoff and imposing and enforcing the covenants, restrictions and conditions set forth herein. The purpose of this Master Homeowners Declaration is to insure harmonious administration of both a Condominium and separate subdivision Lots as defined below and is not a Master Association within the context of 33 M.R.S.A. §1602-120.

2. **PROPERTY.** The "Declarant" hereby declares that the Property is and shall forever be held, transferred, sold, conveyed, occupied and maintained subject to the Covenants, Restrictions and Conditions set forth herein ("Covenants and Restrictions"). The Property includes the land, together with all easements, rights and appurtenances thereto and the buildings and any improvements erected or to be erected thereon. The Property is shown on two certain plans prepared by Attar Engineering, Inc. and entitled "Subdivision Plan, 100 Acre Subdivision, Wells, Maine" (Revision) dated May 28, 2009 and recorded with the York County Registry of Deeds in Plan Book 337, at Pages 17 and 18. Reference is also made to Restated and Amended Plans prepared by Attar Engineering, Inc. and entitled "Subdivision Plan River's Edge Subdivision, Wells, Maine" dated August 18, 2009 and recorded with the York County Registry of Deeds in Plan Book 340 at Page 7 and 8 (Collectively referred to herein as the "Approved Plans"). Further title reference is made to a deed from DES Construction, Inc. to Hissong Development Corporation dated June 30, 2009 and recorded with said Registry in Book 15673, at Page 454. The Property includes the Premises commonly known and designated as The River's Edge Condominium as shown on the condominium plan prepared by Attar Engineering and entitled "The River's Edge Condominium" dated February 9, 2010 and the limited common elements shown on the condominium plans attached thereto, which Plat and Plans are recorded in the York County Registry of Deeds in Condominium File 787 (at times referred to herein collectively as "Plans").

3. **ASSOCIATION.** The name of the Association shall be "River's Edge Homeowners Association Of Wells." The Association shall be a non-profit corporation. Upon incorporating as a non-profit corporation, the requisite By-laws shall be adopted by the Association members and may be attached hereto as Exhibit A.

4. PURPOSES AND POWER. The Association shall have all powers of a non-profit corporation organized pursuant to 13 M.R.S.A. section 13-B and is organized and will be operated for the purpose of administrating common Open Space areas and roadway areas shown on the Plan, including without limitation, maintenance and preservation of the same, and enforcement of all covenants and restrictions set forth herein. It shall have the power to enforce the terms, conditions and restrictions hereinafter set forth, including, without limitation, collecting and disbursing the assessments and charges as hereinafter provided and taking such other actions as are deemed necessary and proper to fulfill its purpose. It shall have the power to promulgate rules and regulations and to take such actions and fulfill such other purposes as voted by the members. It shall have the power to obtain such insurance as it deems appropriate. Without limitation, the Association shall be responsible for providing the following services, the expenditures for which shall be chargeable as dues:

- (a) Maintenance and repair of Detention Basins, including, without limitation, that the general area shall be inspected quarterly for signs of erosion or other structural change. Any damage shall be immediately repaired. Inlets and outlets shall be inspected monthly and any damage immediately repaired; and
- (b) The Association shall arrange for the maintenance, snowplowing and snow removal along the entire traveled portion of Juniper Lane and Buttonbush Lane, which shall be kept open and passable for emergency vehicles at all times. Snow shall never be plowed into wetland areas. Additionally, a mostly sand mix (reduced salt) shall be applied during winter months to prevent excessive salt from leaching to the wetland areas. Excess sand shall be removed from the storage areas, all paved surfaces and adjacent areas each spring.
- (c) The Association shall maintain the Common areas (including the Open Space Areas consistent with the uses set forth in Article II, and in keeping with the Maine Department of Environmental Protection Best Management Practices (BMPs). In particular but without limitation:
 - (i) The “cemetery and adjacent walkway” shall be kept clear of fallen wood. All brush shall be cut back. This area will be inspected at least once a month.
 - (ii) The general drainage system including culvert inlet and outlets shall be inspected for debris that could clog. Additionally, the placement of riprap shall be inspected to ensure that all areas remain smooth and no areas exhibit erosion in the form of rills or gullies.
 - (iii) All plunge pools and level spreader outlets shall be inspected for accumulation of debris that could adversely affect their function. The outlets shall be inspected for a level condition that prevents channeling of storm water and erosion of the downstream buffer area.

- (iv) All inspections performed in accordance with this maintenance program shall be documented on an Inspection and Maintenance Log approved by the Department of Environmental Protection and the Wells Planning Board. Copies of the Log shall be kept by the Association, and shall be made available to the Maine Department of Environmental Protection and the Wells Planning Board upon request.
- (v) The Association shall maintain any drainage easements depicted on the Plan in such a manner and to the extent necessary to provide sufficient natural drainage of water away from all structures without impacting abutting properties, and consistent with requirements imposed by the Town of Wells Planning Board.
- (vi) Collection and removal of refuse and rubbish.
- (vii) Enforcing and, if necessary, taking remedial action for Covenants and Conditions set forth in Provision 17 hereof for which the Association is vested with the power to enter upon any part of the Property, including all Lots and Condominium Units, after reasonable notice and assess the cost of any remedial action against the Lot or Unit Owner, all in addition to the enforcement procedure set forth in Provision 17.

5. COMMON AREAS. "Common Areas" shall mean all real property owned or held by the Association for the common use and enjoyment of the owners. The Common Areas to be owned by the Association at the time of the conveyance of the first lot, and **HEREBY GRANTED AND CONVEYED** by Declarant to the Association, are described as follows:

- (a) Any and all utilities lying within and under the aforementioned roadway, and culverts and drainage apparatus lying under, along or extending through or from the aforementioned roadway, in fee simple absolute.
- (b) The "Common Area" and the "Common Area / Passive Open Area" as designated on the Plan, the berms and pod designated on the Grading Plan of One Hundred Acres prepared by Attar Engineering, Inc., dated December 18, 2007, sheets 3 and 3A 2 of 16 last revised 11/18/08 (the "Grading Plan"), and the inlet and outlet structures associated there with, and the emergency spillway, riprap, culverts, plunge pools and level spreader outlets designated on the Grading Plan, in fee simple absolute.
- (c) With the exception contained in Paragraph A above, the "Common Area" depicted on the Subdivision Plan shall be owned by the Homeowners Association and shall not be transferred to another party. The "Common Area / Passive Open Space" depicted on the Subdivision Plan shall be owned

by the Homeowners Association and may be transferred to a land trust or a conservation organization with the approval of the Town of Wells Planning Board.

- (d) A perpetual easement to enter upon any portion of the Property to maintain and repair the Common Areas set forth in Paragraphs a, b and c above.

6. **DURATION.** The Association shall commence its existence upon the execution hereof and shall remain in full force and effect whether unincorporated or incorporated, in perpetuity unless sooner terminated by vote of the members as set forth below.

7. **MEMBERSHIP.** Every person who is an owner of a Lot shown on the Plans, and each owner of a Unit in the River's Edge Condominium, shall be a member of the Association. Acceptance of a deed to any Lot or Condominium Unit on the Plan shall have the effect of making that person a member in the Association without regard to whether or not said membership is provided for specifically in the deed of conveyance. For purposes of this paragraph, owner of a Lot or Unit on the Plan is not intended to include those parties who hold title merely as security for the performance of some obligation, provided that certain Eligible Mortgage Holders shall be entitled to specific rights as set forth herein.

8. **VOTING RIGHTS.** The Association shall have one class of voting membership whether incorporated or not. Each owner of a Lot in the subdivision that is NOT subject to the River's Edge Condominium Declaration shall be entitled to one vote. Each owner of a Unit in the River's Edge Condominium shall be entitled to 50% of one vote. The Association shall have the right to require that any Lot or Unit owner or owners execute and deliver to the Association a Certificate of Vote, which authorizes one party to cast its vote, which Certificate shall be conclusively binding upon all ownership interests in said Lot or Unit.

9. **RESERVED DECLARANT RIGHTS.** The Declarant shall hold and be considered the owner of all voting rights in and to the Association from the date of execution of this Declaration until two (2) years after the date of the last Lot or Unit sale. The Declarant may, at any time release said voting rights to some or all of the then current Lot or Unit owners. The Declarant reserves the right to change any of the provisions hereof, including the covenants, restrictions, and conditions, without vote by Lot or Unit Owners until two (2) years after the sale of the last Lot.

10. **EXECUTIVE BOARD.** The members may adopt By-laws which specify the operation on management details of the Association as set forth above. Until the Declarant releases its voting rights in and to the Association or termination of those rights two (2) years after the sale of the last Lot, the Declarant shall control the Association including the Executive Board as set forth below. After the Declarant has released its Declarant's rights or the same terminate, the Association shall be governed by an Executive Board consisting of three (3) persons, all of which shall be lot owners. The initial Executive Board shall be appointed to the position by the Declarant and shall serve for a period of one (1) year after the initial appointment. Thereafter, the members of the Executive Board shall consist of three (3) members elected by the majority vote of the membership. The Executive Board shall have full authority to take all

actions necessary for the administration of the affairs of the Association and shall have all powers and duties to do all such actions and things as are necessary and proper to be done to effectuate the purposes hereof. Unless otherwise specified herein, the vote of the Executive Board is binding upon all members of the Association and any one Executive Board member shall have the power to bind the entire Board. All members agree to indemnify and hold Executive Board members harmless from any and all actions taken in good faith pursuant hereto.

11. **BUDGET / ASSESSMENTS.** The Association shall have the right to make assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property, for the improvement and maintenance of the Common areas and roadways as herein set forth, and the payment of any and all taxes and assessments imposed by any proper taxing authority with respect to the Common Areas or any portion thereof. This Assessment specifically includes, without limitation, obtaining such insurance as it deems appropriate. The owners of Lots covenant and agree to pay as dues to the Association such sums per year which are levied pursuant to an annual assessment or special assessment. The annual assessment shall be based upon a proposed budget which shall be reduced to writing by the Executive Board by January 15th of each year. The total amount of said budget shall be divided by the number of Lots and Condominium Units. Each member shall be obligated to pay to the Association their assessment for total Lots owned on or before February 15th of each year. The Subdivision Association shall have no right to make or levy assessments against Condominium Units, but rather the Condominium Association shall be responsible to pay 27% of the annual budget or special assessments and shall be solely responsible to deal with the Condominium Unit Owners. Failure of the Executive Board to promulgate or distribute a written budget shall not invalidate the Association's assessments to members. Regular annual assessments shall require a majority vote of Lot and Condominium Unit Owners entitled to vote and Special Assessments shall require 75% majority of votes entitled to be cast. Both annual and special assessments are to be used for the accomplishment or fulfillment of the purposes and objects of the Association as stated herein. All special assessments are due and payable within 30 days of receipt of the special assessment invoice.

12. **LIEN FOR ASSESSMENTS.** The assessments authorized hereunder or pursuant to any By-laws promulgated pursuant hereto shall be a charge on the lots shown on said Plan and shall be and constitute a continuing lien upon the Lot of the member against whom, such assessments are levied, including any buildings or improvements thereon. The Subdivision Association shall have no power to lien a Condominium Unit, but shall have the right to collect from the Condominium Association. If such assessments are not paid in a timely fashion then said sums shall be deemed delinquent and the Association shall, in any event, have the right to charge interest, fines, and late fees on said sums at such rate and in such amounts as determined by the Executive Board. Additionally, the Association shall be entitled to collect all costs of collection, including reasonable attorneys' fees, pursuant to the collection of any delinquent sums. In the event any sum assessable to a Lot shall become delinquent, the Association may bring an action at law against the member obligated to pay the same or foreclose the lien against such member's Lot. Such foreclosure process shall be the same procedure as for foreclosure of a mortgage pursuant to Title 14 of M.R.S.A. which statutes are incorporated herein by reference.

13. **ELIGIBLE MORTGAGE HOLDERS.** An eligible Mortgage Holder shall be defined as any Mortgage Holder whose lien affects property shown on the Plan and who gives notice in writing to the Association by forwarding a copy of their Mortgage instrument. The lien referenced above for delinquent assessments shall under no circumstances supersede the lien of an Eligible Mortgage Holder who has recorded their Mortgage instrument prior to the recording of a Notice of Lien. Every eligible Mortgage Holder shall be entitled to written notice of any delinquencies pertaining to the lot upon which they hold a Mortgage, but failure to so notify an eligible Mortgage Holder shall not invalidate the lien.

14. **AMENDMENT.** Subject to the Reserved Declarant Rights, this Declaration shall be amended only by a written instrument and any amendment shall require a majority vote equal to or greater than 2/3 of the votes entitled to be cast at any one meeting.

15. **AFFORDABLE HOUSING.** Dwelling Units (on Subdivision Lots or Condominium Units) shall meet the "Affordable Housing" definition. The lease, rent or sale price shall be specified such that a person meeting the median income standard for York County could afford either a mortgage or rent of the dwelling. Dwellings to be resold may be sold for a price meeting the above standard plus the rate of inflation referenced to the Consumer Price Index (CPI). This standard shall be in effect for five years after the initial sale.

16. **WETLAND COVENANT.** The Property is subject to and has the benefit of a certain Declaration of Covenants and Restrictions dated May 28, 2009 and recorded with the York County Registry of Deeds in Book 15673, at Page 450.

17. **COVENANTS, RESTRICTIONS AND CONDITIONS.** The Property is hereby subject to and will be conveyed with the following covenants, conditions and restrictions, which shall be considered as real covenants running with the land, to be binding upon the within Grantor, its successors and assigns, and the all Grantees, their heirs and assigns, and enforceable in law or equity by the within Grantor, its successors and assigns, the Association, or by the owner of any Lot within the subdivision of which the subject premises form a part:

- (a) Said Lot shall be used for residential purposes only, and shall not be occupied by more than one residential unit (except that said Duplex Buildings shall contain 2 residential Units per lot). Said residential unit (non-Duplex) shall include no buildings or structures other than the following, vis: one detached dwelling house designed as a residence for one family, with related structures such as barns, suitable garden structures, including a greenhouse, a swimming pool and such additional structures as shall from time to time be used in connection with single family houses situated in similar neighborhoods. No building or structure of any kind except for the aforementioned residential structures shall be erected, used, maintained, or allowed to stand on said Lot.
- (b) Buildings or additions or other structures of any kind shall be not erected, including swimming pools or other recreational facilities, and no fences shall be placed or allowed to stand upon said property until the plans,

specifications and locations thereof shall have been approved in writing by the Grantor, his successors and assigns, or by his duly authorized agent. All exterior lighting shall require prior approval of said Grantor.

- (c) All sewerage and septic waste disposal shall be undertaken in conformity with applicable State and Local authorities and as noted on the Approval Plans.
- (d) That no manufacturing or commercial activity, or business of any nature shall be conducted upon said premises, excepting only activities that are passive in nature and do not generate any related pedestrian or vehicular traffic.
- (e) The keeping of animals, poultry, swine or livestock shall not be permitted. Household pets shall be allowed.
- (f) No structure of a temporary character, trailer, mobile home, basement, tent, shack, garage, barn or other outbuildings shall be used as a residence, either temporarily or permanently, on any Lot.
- (g) All chimneys and fireplaces shall be of brick or stone construction. Any fireplaces located on the exterior of the house shall be of brick or stone construction. No cinder block chimneys are allowed on the exterior of the house. All chimneys located within the exterior of the house and that portion of the chimney above the roof line shall be of brick or stone construction.
- (h) No sign of any nature or description shall be displayed or placed upon any part of the premises except for signs whose total area does not exceed one (1) square foot (1 x 1) giving the name of the occupants, and the street name and number of the premises, and except for a "For Sale" sign referring only to the premises, not to exceed four (4) square feet in size.
- (i) To reduce fragmentation of wildlife habitat and avoid hindering wildlife passage through the premises, no fences or free standing walls exceeding four (4) feet in height shall be erected on the premises except if required by local ordinances or if a boundary line of the premises is also an exterior boundary line of the entire development. The location, construction, and material for any fences shall be subject to prior written approval of the Grantor as set forth above.
- (j) No unsightly growths shall be permitted to remain on any part of the premises, and no refuse pile or unsightly object shall be allowed to be placed or permitted to remain on any part of the premise. Dead trees may be retained on the premises if they are deemed to provide potential wildlife habitat. All lawns shall be mowed regularly.
- (k) All structures shall be properly maintained and kept in good repair.

- (l) No fires or burning of refuse, leaves, trees, etc., shall be permitted. Open fires for cookouts only shall be permitted.
- (m) There shall be no exterior antennas or satellite dishes, clotheslines or similar devices, trash or garbage, bottled gas or other fuel containers placed on any Lot which shall be visible from the road. All items such as recreation vehicles, boats, snowmobiles, etc., shall be stored in a manner that makes them not visible from the road or any other Lot.
- (n) No Owner of a Lot shall do or permit to be done, any act upon the Property which may be or is, or may become a nuisance or unreasonable interference with another Lot Owner.
- (o) No cutting, trimming, or other disturbance or alteration of any trees or existing vegetation under three feet in height, shall be permitted on those parts of the premises lying within the Resource Protection Zone as defined in the municipal ordinances, except for selective trimming and pruning of tree branches in conformance with all applicable municipal and state regulatory constraints. No trees larger than five (5) inches diameter measured at a height of four (4) feet from the ground shall be cut, trimmed or altered in any fashion if located within 50 feet of a roadway, Street or Lot line, without prior written consent of the Grantor or the Association. Any cutting shall be in conformance with all applicable municipal and state regulatory constraints.
- (p) No lot may be further divided by any means.
- (q) No wetland areas as shown on the Approved Plans shall be disturbed.
- (r) Any and all construction activities or other soil disturbance on the Premises shall utilize erosion control measures which conform to the current standards contained in the Maine Erosion and Sediment Control Best Management Practices Handbook published by the Maine Department of Environmental Protection.
- (s) The establishment of lawns shall be minimized and shall be limited to areas lying outside of the Resource Protection Zone as defined in the municipal ordinances. Maintenance of lawns shall be done in a manner that minimizes phosphorus export and runoff to adjacent wetlands.

By acceptance of a deed to the Lot, the Grantee, its heirs, successors and assigns agree to be bound hereby. The aforesaid covenants and conditions shall run with the land. They are imposed upon these premises for the benefit of the remaining land of the Grantor, as well as for the benefit of any and all persons owning land shown on said plan and holding a deed with similar covenants or restrictions given or to be given by the Grantor, his successors and assigns; that in all future conveyances of land situated on the plan herein referred to will contain substantially similar restrictions; and it is further understood,

covenanted and agreed that said restrictions, covenants and conditions are intended as equitable servitudes upon each and every parcel of land affected, and that the Grantee, its heirs, successors and assigns, shall have full right, in common with the Grantor, his successors and assigns, as well as the Association to enforce the same, insofar as the same are enforceable, by any applicable legal process or in any other lawful manner. The erection and use of any structure or the occupation of the land hereby conveyed contrary to these conditions and restrictions, or any part of them, shall be conclusively deemed a nuisance for which the Grantor, his successors and assigns, other Lot Owners, or the Association, may have remedy by due process of law or may, at its option, by its agents, enter and remove and abate such nuisance at the expense of the Grantee, its successors and assigns, without being responsible for trespass therefor. The Association shall have the power to levy fines for violations of the Covenants, Restrictions and Conditions.

18. **DISPUTE RESOLUTION.** Each Lot Owner shall be governed by, and shall comply with all of the terms of this Master Homeowners Declaration.

- (a) **Administrative Appeal and Hearing Procedure.** No Lot Owner shall have the right to object, challenge, commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except after following such procedures as are established in this Paragraph and as may be established by the Executive Board by rule or regulation consistent with the provisions of this Paragraph. The Executive Board shall hear appeals from Lot Owners from (a) the determinations by the Executive Board on alleged violations of the Condominium Documents (other than violations with respect to assessment obligations) and (b) the enactment of rules and regulations of the Association. The Executive Board shall hold a hearing on any such appeal within thirty (30) days after the receipt by the Executive Board of a formal notice of appeal from a Lot Owner. A decision shall be issued in writing by the Executive Board within ten (10) days after the conclusion of the hearing. In hearings before the Executive Board all parties shall be entitled to be represented by counsel. Unless the internal remedies provided by this Paragraph and such rules and regulations as may be promulgated by the Executive Board shall be expressly waived by the Association, or the Association fails or refuses to act after being requested in writing to do so, no action at law or in equity shall be commenced by any Lot Owner until such internal remedy is pursued to exhaustion. Any action by a Lot Owner against any other Lot Owner or resident or the Association arising out of any term, covenant or condition contained in the Master Homeowners Declaration or any rule or regulation made pursuant thereto shall be subject to the same procedures.
- (b) **Noncompliance.** Subject to prior compliance with the procedures established hereby, the failure of a Lot Owner to comply with the Declaration, these Bylaws and the rules and regulations of the Association shall entitle the Association and Executive Board to the

remedies provided herein and in the Act, none of which shall be exclusive of any other remedies:

- (i) **Mediation.** In the event a dispute shall arise between the parties to this Agreement and is not resolved by the Administrative Appeal process, then the parties agree to participate in at least four hours of mediation in accordance with the Mediation Procedures of a selected Mediator, which mediation shall occur in Kennebunk, Maine. This mediation procedure shall occur within ten (10) business days of one party notifying the other of a dispute. The parties agree to equally split the costs of mediation which shall not exceed \$2,500 total. If one party incurs costs greater than \$1,250, then such additional costs will be at the sole expense of that party.
- (ii) **Suits.** If a dispute is not resolved by the Administrative Appeal Process or Mediation then failure to comply with the terms of the Declaration, Bylaws and the rules and regulations adopted pursuant thereto, as the same may be amended from time to time, shall entitle the Association or any aggrieved Lot Owner to sue for the recovery of damages or for injunctive relief, or both. Such relief shall not be exclusive of other remedies provided by law.
- (iii) **Costs and Attorney's Fees.** In any proceeding arising because of an alleged failure of a Lot Owner to comply with the terms of the Declaration, Bylaws or rules and regulations adopted pursuant thereto, the Executive Board, if the prevailing party, shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

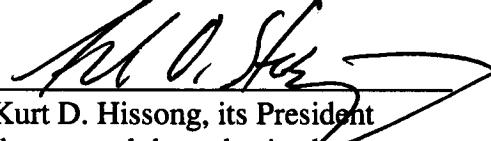
(Signatures on next page)

IN WITNESS WHEREOF, HISSONG DEVELOPMENT CORPORATION has caused this instrument to be executed by Kurt D. Hissong, its President thereunto duly authorized, as of this 11th day of February, 2010.

HISSONG DEVELOPMENT CORPORATION



Witness

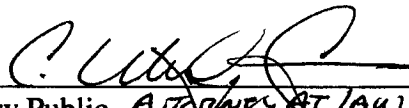
By: 

Kurt D. Hissong, its President
thereunto duly authorized

STATE OF MAINE
COUNTY OF YORK

February 11, 2010

Then personally appeared before me the above-named Kurt D. Hissong, in his capacity as President of HISSONG DEVELOPMENT CORPORATION, and in his said capacity acknowledged the foregoing instrument to be the free act and deed of the said Corporation.



Notary Public ATTORNEY AT LAW
Print Name: C. WESLEY CROWELL
My Commission Expires: _____
Official Seal or Notary Stamp:

EXHIBIT A

**BYLAWS OF THE MASTER RIVER'S EDGE
HOMEOWNERS ASSOCIATION OF WELLS, INC.**

**ARTICLE I
Creation and Application**

1. Creation. This corporation is organized under the Maine Nonprofit Corporation Act in connection with the submission of certain lots within the subdivision known as The River's Edge Subdivision located in Wells, Maine, and recorded in the York County Registry of Deeds in Plan Book 340 at Pages 7 and 8, as well as all Condominium Units commonly known and designated as The River's Edge Condominium (Declaration dated February 11, 2010 and related Plans to be recorded with the York County Registry of Deeds), to the Master Declaration of Covenants and Restrictions dated February 11, 2010 recorded in the York County Registry of Deeds as part hereof (the "Declaration"). The name of the corporation is "The River's Edge Homeowners Association of Wells, Inc." (the "Association").

The term "Property" as used herein shall include the Lots and Condominiums Units referenced in the Declaration, together with those Common Areas and roadways, including easements, rights and appurtenances belonging thereto and all other property intended for use in connection therewith submitted to or governed by the Declaration. The term "Lot" or "Lots" shall mean the single-family residential lots now or hereafter composing the Premises as well as all Condominium Units and Limited Common Elements in the River's Edge Condominium. The term "Lot Owner" shall mean the owner of a Lot or Condominium Unit on the Property.

2. Application. All present and future Lot owners, mortgagees, lessees, licensees and occupants of the Lots, their employees, agents and customers, and any other persons who may use the "Property" in any manner are subject to these bylaws and to the Rules and Regulations, all as adopted, amended or altered from time to time by the Executive Board of the Association (the "Executive Board").

3. Office. The principal office of the Association shall be located at the office of the Clerk of the Corporation.

**ARTICLE II
Purposes and Powers of the Association**

1. Purposes. The purposes of the Association are to establish an association of Lot Owners for the government, operation and maintenance of the Property under the Declaration.

2. Powers. In addition to all the powers, authority and responsibilities granted to or imposed upon this Association by the laws of the State of Maine, specifically including those set forth or referred to in the Maine Non-Profit Corporation Act (the "Act"), all of which the Association shall have to the extent permitted by law and by the Declaration, the Association shall have the specific powers to:

- (a) Adopt and amend Bylaws and Rules and Regulations;

- (b) Adopt and amend budgets for revenues, expenditures and reserves, and to collect assessments for common expenses and service charges from owners;
- (c) Hire and terminate managers and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more Lot Owners on matters affecting the Premises (including without limitation the power to enforce the Declaration, the Plan and these Bylaws) and the Association shall be deemed to be the attorney in fact of each Lot Owner for such purposes;
- (e) Make contracts and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement and modification of the Premises under common use and/or control, including, without limitation, any roads, pathways, ponds, recreational areas, drainage systems, etc.;
- (g) Cause additional improvements to be made to the Premises subject to the restrictions set forth herein;
- (h) Acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property. Grant easements, leases and licenses for public utilities servicing or benefiting the Property through or over the Property or as provided by the Declaration or as now or hereafter duly granted to the Association by recorded instrument;
- (i) Impose and receive payments, fees, or charges for the use, rental, or operation of common facilities and easements located on the Property including, without limitation, those shown on the Plan and/or as established under the Declaration;
- (j) Impose charges and interest for late payment of assessments and service charges and, after notice and an opportunity to be heard, impose reasonable penalties for violations of the Declaration, Bylaws and any Rules and Regulations promulgated by the Association;
- (k) Impose reasonable charges for the preparation and recording of amendments to the Declaration or statements of unpaid common charges and assessments;
- (l) Provide for the indemnification of its officers and directors and maintain directors' and officers' liability insurance;
- (m) Exercise any other powers, rights and authority conferred by Declaration or Bylaws;

- (n) Exercise all other powers that may be exercised pursuant to the Maine Nonprofit Corporation Act. The Executive Board of the Association shall manage the Premises and exercise such powers on behalf of the Association, subject to the terms of these Bylaws and the Declaration.

3. Non-Profit Status. The Association is not organized for profit and no property or profit thereof shall inure to the benefit of any person except in furtherance of the nonprofit purposes of the Association or in the course of acquiring, constructing or providing management, maintenance and care of the Premises, or by virtue of a rebate of excess membership dues, fees, assessments, or common charges.

ARTICLE III Association of Owners

During the Declarant Control Period, the Declarant shall exercise all votes and appoint all Directors and Officers. Thereafter, the following provisions shall apply.

1. Membership. The members shall consist of the Owners of the Lots (including Condominium Units) of said Subdivision. Membership is transferable only as provided in the Declaration or these Bylaws. The membership of a Lot Owner shall terminate upon the conveyance, transfer or other disposition of his interest in the Lot accomplished in accordance with the Declaration, whereupon his membership and any interest in the assets of the Association shall automatically transfer to and be vested in the successor in ownership. Membership is otherwise non-transferable. A mortgage of a Lot or the grant of a security interest therein as security for an obligation shall not operate to transfer membership until a foreclosure of the mortgage or collateral subject to the security agreement.

2. Annual Meeting. Meetings of the members shall be held annually each successive year on the date set by the Directors of the Association. The annual meeting and any special meetings shall be held at the principal office or such other place as may be designated in the Notice of Meeting.

3. Special Meetings. Special meetings of the members may be held at any time upon the call of the Executive Board, or upon the call of fifty percent (50%) or more of the Lot Owners, which call shall state the purpose of the meeting. Upon receipt of such call, the Secretary shall promptly send out notices of the meeting to all members of the Association.

4. Notice of Meetings. A written notice of each meeting of the Association, stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place and time of the meeting, and the items on the agenda (including the general nature of a proposed declaration or bylaw amendment, any budget charges and any proposal to remove an officer or director) shall be sent by the President or Secretary or Assistant Secretary, if any, at least ten (10) days, but not more than sixty (60) days, before the date set for the meeting. Such notice shall be given to each member and to each Eligible Mortgage Holder listed with the records of the Association in the manner set forth below:

- (a) By hand-delivering it to each member or Eligible Mortgage Holder, or

- (b) By mailing it, postage prepaid, addressed to the member or Eligible Mortgage Holder at the address of the Lot or any other address designated in writing by that member or Eligible Mortgage Holder with the records of the Association.

The notice of any meeting shall state the time and place of the meeting, and the items on the agenda, including the general nature of any proposed Declaration or Bylaw amendments, any budget changes and any proposal to remove an officer or director. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall not invalidate the meetings.

5. Waiver of Notice. The presence of all the members in person or by proxy at any meeting shall conclusively establish the meeting's validity, unless any member shall object at the meeting to the noncompliance with this Article. Any meeting so held without objection shall be valid for all purposes, and at any annual meeting any general business may be transacted and any action may be taken.

6. Order of Business. The order of business at all meetings of the Members shall be generally as follows. If applicable:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of Officers.
- (e) Report of Executive Board.
- (f) Report of committees.
- (g) Election of the Executive Board.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

7. Parliamentary Procedure. At all meetings of the members or of the Executive Board, Roberts' Rules of Order as then amended shall be followed, except in the event of conflict with these Bylaws or the Declaration, these Bylaws or the Declaration, as the case may be, shall prevail.

8. Quorum. The presence at the beginning of any meeting of the Association, in person or by proxy, of owners whose aggregate voting interest constitutes more than Forty percent (40%) of the total interest therein shall constitute a quorum for the transaction of all business.

9. Voting.

- (a) Any person, partnership, corporation, trust, or other legal entity or a combination thereof, owning any Lot, as defined to include any Condominium Unit (50% of one vote each), and other than an interest held as security for an obligation, duly recorded in his, her or its name, which ownership shall be determined from the records of the York County Registry of Deeds, shall be a member of the Association, and shall vote, either, in person or by proxy.

- (b) Multiple owners of a Lot shall be deemed one owner. If only one of the multiple owners of a Lot is present in person or by proxy at a meeting of the Association, he or she is entitled to cast the vote allocated to that Lot. If more than one of the multiple owners is present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the owners of said Lot. There is presumed to be a majority agreement if any one of the multiple owners present casts the vote allocated to that Lot unless any of the other owners of the Lot promptly protests to the person presiding over the meeting.
- (c) Each Lot shall have one vote in the Association.
- (d) Votes may be cast pursuant to a proxy duly executed by a Lot Owner. If a Lot is owned by more than one person, each owner may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed proxy. A Lot Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy shall automatically terminate eleven (11) months after its date unless it specifies a shorter term.
- (e) An executor, administrator, personal representative, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any Lot owned or held by him or her in such a capacity, whether or not the same shall have been transferred of record by a duly recorded conveyance. If the Lot has not been so transferred, he or she shall satisfy the secretary that he or she so holds the Lot.
- (f) Each Declarant or an authorized proxy thereof may exercise the voting rights pertaining to any Lot to which it retains title. No vote pertaining to a Lot that is a common area as set forth in the Declaration may be cast and the voting interest of such a Lot shall not be deemed to be outstanding in determining the presence of a quorum or the percentage of approval needed to act.
- (g) At any meeting at which a quorum is present, the affirmative vote of a majority of the voting interest of those present shall determine any question except the election of Directors, unless a greater percentage vote is required by law, by the Declaration or by these Bylaws. In the election of Directors, those receiving the greatest number of votes, even though in some instances such number shall constitute less than a majority, shall be elected.

10. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the members present, whether a quorum be present or not, without further notice of the time and place of adjournment beyond that given at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

11. Unanimous Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of the members (to the extent not otherwise precluded by

law) may be taken without a meeting if written consents setting forth the action so taken are signed by all the members entitled to vote on such action and are filed with the Secretary of the Association as part of the corporate records. Such written consents shall have the same effect as a unanimous vote of the members.

ARTICLE IV Executive Board

1. Number and Qualifications. Until the Declarants release their voting rights with respect to their Lots or termination of those rights on the Declarant Rights Termination Date (as defined in the Declaration), the affairs of the Association shall be governed by the Declarants. After the Declarants have released their Declarant Rights or the same terminate the affairs of the Association shall be governed by an Executive Board composed of three (3) directors appointed by the Declarants. The initial Executive Board shall be appointed by majority vote of the Declarants and shall serve for a period of one (1) year after the initial appointment. Thereafter, the Executive Board shall consist of three (3) directors elected by the majority vote of the membership. Each Executive Board member shall be the owner of a Lot, or if a Lot owner is a corporation, partnership, trust or estate, then a designated agent thereof. The number of directors on the Executive Board may be changed by amendment to the Bylaws with the consent of members holding at least 75% of the Lots.

2. Election and Term of Office. All directors shall be elected for a term of one year each. At the expiration of the initial term of office of each director, his successor shall be elected to serve a term of One (1) year, provided, however, that a director shall hold office until his successor has been elected.

3. Powers and Duties. The Executive Board shall generally act on behalf of the Association, shall have all powers and duties necessary or appropriate for the administration, of the affairs of the Association, and shall have all powers referred to in the Declaration, the Bylaws or otherwise provided under the Maine Nonprofit Corporation Act, as either may be amended from time to time, except those matters which by law, by the Declaration or by these Bylaws are specifically reserved to the members.

4. Other Duties. In addition to other duties imposed by these Bylaws or by duly adopted resolutions of the members of the Association, the Executive Board shall be responsible for the following:

- (a) Election of the officers of the Association;
- (b) Management and administration of the Premises, the Association's property and the common areas and facilities, including the maintenance, repair and replacement thereof;
- (c) Determination and collection of assessments, and service charges from the owners and the regulation of the Association's fiscal affairs;
- (d) Establishment of reserves for the maintenance, repair and replacement of common areas and facilities and for contingencies, including, without limitation, those reserves required by the Declaration.

- (e) Appointment and dismissal of the personnel and agents for the maintenance and operation of the Premises, including, without limitation, the common areas, and to fix the terms of their engagement and their compensation and authority; and
- (f) Designation of executive and other committees.

5. Manager or Management Agent, Employees, Generally. The Executive Board may employ on behalf of the Association a management agent or manager at a compensation established by the Board to perform such duties and services as the board shall authorize, including, but not limited to, the duties listed in Sections 4.4 and 6.2 of these Bylaws.

6. Appointment and Vacancies. A vacancy caused by the expiration of a Director's term or the removal of a Director by a vote of the members shall be filled by majority vote of the members. Vacancies in the Executive Board prior to the expiration of the term of a director caused by any other reason shall be filled by vote of the other directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

7. Removal of Directors. At any regular meeting or special meeting duly called any one or more of the Directors may be removed with or without cause by the members who elected the director. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting, but the members' decision shall be final. Any director elected by the Declarant may be removed by the Declarant at any time, with or without cause.

8. Compensation. No compensation shall be paid to Directors for their services as Directors or in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the members before or after the services are undertaken.

9. Annual Meeting. The annual meeting of the Executive Board shall be held immediately following the annual meeting of the Association and at the same place. No further notice shall be necessary in order to legally constitute such meeting.

10. Regular Meetings. Regular meetings of the Executive Board (other than the annual meeting) may be held at such time and place as shall be determined, from time to time, by the Board. Notice of regular meetings of the Board shall be given to each Director, personally or by delivery to his Lot or by telephone at least Ten (10) days prior to the day named for such meeting.

11. Special Meetings. Special meetings of the Executive Board may be called by the President on Ten (10) days' notice to each Director, given personally or by delivery to his Lot, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice upon the written request of Two (2) or more Directors.

12. Waiver of Notice. Before or after any meeting of the Executive Board any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Executive Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

13. Executive Board Quorum. At all meetings of the Executive Board, the presence of at least three directors at the beginning of a meeting shall constitute a quorum for the transaction of business. The acts of the majority of the Directors present shall be the acts of the Executive Board. If, at any meeting of the Executive Board a quorum is not present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

14. Unanimous Action. Unless otherwise expressly provided by law, any action which may be taken at a meeting of the Executive Board of Directors may be taken without a meeting if all of the Directors sign written consents, setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of Executive Board meetings and shall have the same effect as a unanimous vote.

ARTICLE V Officers

1. Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, of whom only the President need be elected from among the Directors. The Directors may, in their discretion, appoint a Vice President, Assistant Treasurer, and an Assistant Secretary, and such other officers, none of whom need be Directors, as in their judgment may be necessary.

2. Election of Officers. The principal officers of the Association shall be elected annually by the Executive Board at the annual meeting and shall hold office at the pleasure of the Executive Board.

3. Removal of Officers. Upon a majority vote of the Executive Board any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for such purpose. Any officer whose removal has been proposed, shall be given an opportunity to be heard at the meeting, but the Executive Board's decision shall be final.

4. President. The President shall be the chief executive officer of the Association and shall be a Director. The President shall preside at all meetings of the Association and of the Executive Board.

5. Treasurer. The Treasurer shall be responsible for keeping financial records and accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall also, in the absence of the President, exercise the powers and perform the duties of the President. The Treasurer shall be responsible, subject to the direction of the Executive Board, for the preparation and dissemination to the members of all financial reports, budgets and notices required, and for the preparation and signing, if necessary, of all financial reports or tax returns required to be filed by the Association.

6. Secretary. The Secretary shall keep and certify the minutes of all meetings of the Executive Board or of the Association, shall give all notices as provided by these Bylaws, and shall have other powers and duties as may be incidental to the offices of Secretary, given to the Secretary by these Bylaws or assigned to the Secretary from time to time by the Directors. If the Secretary or any assistant secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose. The Secretary shall be responsible for the filing of all reports and documents required to be filed by the Association with any governmental agency.

7. Auditor. The members may, at any meeting, appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association and to perform such audits and fiscal duties as may be requested by the Association.

8. Amendments to Declaration. Upon a majority vote by the members to amend the Bylaws, the Secretary shall prepare amendments to the Declaration and the President and Secretary shall execute the certificate for recording on behalf of the Association.

ARTICLE VI Fiscal Affairs and Administration

1. Accounting. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principles and practices. Within Ninety (90) days after the close of each fiscal year, the Association shall furnish its members with a statement of the income and disbursements for such prior fiscal year and a balance sheet as of the close of that year. All financial records shall be available for examination by owners, Eligible Mortgage Holders and their duly authorized agents and accountants at reasonable times.

2. Budget and Common Charges.

- (a) The Executive Board shall cause a proposed annual budget to be prepared based on its estimate of annual income and expenses. Within Thirty (30) days of the adoption of the proposed budget, the Executive Board shall send a summary of such budget to each member.
- (b) The budget shall include the amount required by the Association to meet its expenses for each fiscal year or such other fiscal period as it deems appropriate, including but not limited to the following items:
 - (i) Management and administration expenses;
 - (ii) The cost of operation, repairs, maintenance, replacement, and improvements of common areas and facilities benefiting the Premises;
 - (iii) The cost of such insurance, bonds, services and utilities as may be furnished by the Association other than such items for which a service charge is assessed;

- (iv) The establishment and maintenance of adequate working capital and reserves including general operating reserves, reserves for contingencies, for losses not covered due to insurance deductibles, and reserves for periodic maintenance, repair and replacement of the common areas and facilities the Association maintains, all to be held in a segregated fund in a Maine financial institution; and
 - (v) Such other expenses of the Association as may be approved by the Executive Board including operating deficiencies, if any, for prior periods.
- (c) Until an annual budget is adopted, the members shall continue to pay the monthly amount previously established; any delay or failure to estimate, to deliver or to adopt such budget shall not waive or release such obligation. The Association may send periodic statements to members showing the amount of assessments due, but each member shall pay his assessment promptly when due regardless of whether such a statement is sent.
- (d) Each member shall pay his share of assessments without setoff or deduction in an amount equal to the total Association budget, net of other income and service charges as defined herein, times a fraction equal to one divided by the number of all Lots subject to the Declaration which are members of the Association. Each member shall become liable to the Association, and a lien shall arise against his Lot for his entire fractional share of the assessments at the commencement of the pertinent fiscal period. Each member may pay his share of the common charges in monthly installments on or before the first day of each and every month during such period; provided, however, that if any such installment is not paid when due, and if it is not paid upon Twenty (20) days written notice of default, the entire remaining balance thereof shall immediately become due and payable in full.

3. Revised and Special Assessments. If at any time the Executive Board shall determine the amount of the common charges to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Executive Board may adopt and deliver to the members at least thirty (30) days prior to the date on which it becomes effective, a revised estimated annual budget for the balance of such fiscal year and thereafter monthly common charges shall be determined and paid on the basis of such revision.

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

4. Fiscal Year. The fiscal year of the Association shall be established by the Executive Board, and the Executive Board shall have the authority to change the fiscal year as necessary.

5. Capital Improvements. The approval of members holding at least 75% of the Lots shall be required to make a capital improvement to the common areas and facilities in an amount in excess of Thirty Five Percent (35%) of the aggregate assessments against all the

members over the prior fiscal year, exclusive of service charges and user fees, and in such event the cost thereof shall be assessed to all owners as an assessment.

6. Use. All Lots shall be utilized in accordance with the provisions of the Bylaws, Declaration, and the Rules and Regulations (if any).

7. Enforcement of Declaration and Bylaws. Every Lot Owner shall pay to the Association promptly on demand all costs and expenses, including reasonable attorneys fees and expenses incurred by or on behalf of the Association, in collecting any delinquent assessments, service charges or fees due from such Lot, foreclosing its lien for assessments, collecting any penalties imposed hereunder, or enforcing any provisions of the Declaration, these bylaws, or the Rules and Regulations (if any) against such owner or any occupant of such Lot.

8. Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the buildings and common facilities of the Premises, the Executive Board may from time to time adopt, modify, and revoke, in whole or in part, such further reasonable rules and regulations governing the Premises as it may deem necessary, including, but not limited to methods and procedures for enforcing compliance with the Declaration and Bylaws. Such Rules and Regulations upon adoption, and every amendment, modification, and revocation thereof, shall be sent promptly to each Lot and shall be binding upon all members of the Association and all persons present on the Premises.

9. Restrictions. As an amendment to these Bylaws and subject to the Declaration (which shall control in event of any conflict), the members may from time to time adopt, modify and amend such further restrictions on and requirements respecting the use and maintenance of Lots and the use of common facilities designed to prevent unreasonable interference with the use and enjoyment of the Premises.

10. Title. Every owner shall promptly record in the York County Registry of Deeds the deed, assignment, or other conveyance to him of his Lot or other evidence of his title thereto and file such evidence of his title with the Association and the Secretary shall maintain such information in the records of the Association.

11. Insurance.

(a) The Association shall maintain, to the extent reasonably available,

Comprehensive general liability insurance including bodily injury, property damage and medical payments insurance and for claims related to employment contracts to which the Association is a party, in an amount determined by the Executive Board but in no event less than \$1,000,000.00 for any single occurrence covering all occurrences commonly insured against arising out of or in connection with the use, ownership, or maintenance of the common facilities and all other areas under the supervision or control of the Association.

(b) Any insurance policy carried pursuant to Subsection (A) shall provide:

- (i) An owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the common facilities or membership in the Association;
 - (ii) The insurer waives its right to subrogation under the policy against any owner or members of his household;
 - (iii) No act or omission by any insured will be a defense to recovery under the policy; and
 - (iv) If at the time of a loss under the policy, there is other insurance in the name of an owner covering the same property covered by the Association's policy the Association's policy is primary insurance not contributing with the other insurance.
- (c) The insurance policy shall provide that the named insured is the Association for the use and benefit of Lot Owners. Any loss covered by the property policy under subsection (A) shall be adjusted with the Association but the Insurance proceeds for that loss shall be payable to the Association in trust for Lot owners, mortgagees and lien holders.
- (d) Lot Owners shall not be prohibited from obtaining insurance for their own benefit, provided nonetheless that all such insurance shall contain waivers of subrogation and further provide that the insurance obtained by the Executive Board shall not be affected or diminished by such additional insurance obtained by any owner.

In the event of a claim under any insurance maintained by the Association, the Executive Board shall designate one or more persons to adjust the loss or otherwise negotiate with the insurer. It shall be the responsibility of each Lot owner to procure adequate insurance covering the buildings and improvements on his Lot.

ARTICLE VII

Sale or Other Transfers

1. **Binding Effect.** All subsequent sales, leases or other transfers of a Lot by an owner shall be subject in all respects to the Declaration, Bylaws, and Rules and Regulations (if any) of the Association.

2. **Liability for Assessments, Etc.** Upon the transfer of a Lot, the grantee of the Lot shall be jointly and severally liable with the grantor for all unpaid assessments and service charges, interest and costs of collection outstanding at the time of the grantor's transfer without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, any such grantee or proposed purchaser under a purchase and sale contract, upon written request and upon payment of such fee as may be set by the Executive Board, may obtain a statement from the Executive Board setting forth the amount of unpaid assessments and service charges against the Lot, and the grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for any assessments and/or service charges arising before the statement date in excess of the amount therein set forth.

ARTICLE VIII
Execution of Instruments

1. Instruments Generally. All checks, drafts, notes, vouchers, bonds, acceptances, contracts, deeds, lien notices, certificates, and all other instruments shall be signed or approved by the President or the Secretary or Treasurer, and in addition by any one or more officer(s), agents(s) or employee(s), all as the Executive Board may designate, unless otherwise unanimously voted by the Executive Board.

ARTICLE IX
General Administration

1. Easements, Etc. The Association is authorized and empowered to grant such easements, rights-of-way, leases and licenses for sewer lines, water lines, electrical cables, telephone cables, television cables and antennas, gas lines, storm drains, underground conduits, fire escapes and alarms and such other purposes related to the provision of public services and utilities to the Premises owned by the Association and under the road(s) and reserved easements as shown on the Plans pursuant to the Declaration as may be considered desirable, necessary or appropriate by the Executive Board for the orderly maintenance, improvement and preservation and enjoyment of the common facilities, the Lots or for the preservation of the health, safety, convenience and welfare of the owners of the individual Lots upon at least Thirty (30) days' notice to the members unless a special meeting of the members is called within such period and the members vote to reject such grant. No such rights may be created through any individual Lot without the written consent of the owners thereof except as provided in the Declaration or reserved in the deed for such Lot and that no such easement shall materially impair the use and enjoyment of the Premises.

2. Utility Services. The Association shall not be liable for the failure of electricity, telephone, water supply, sewage disposal systems, or other services to be obtained by the Association or paid for out of the common expense or service charge funds or for injury or damages to persons or property caused by the elements or by the owner of any Lot or by any other person, or resulting from electricity, water, snow or ice which may leak, fall or flow from or settle on any portion of the common facilities or from any sewer, drain, ditch, pond, stream, wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the owner of any Lot for loss or damage, by theft or otherwise, of property which may be stored upon or in any individual Lot or in any of the common facilities. No set-off, diminution or abatement of assessments for common expenses or service charges shall be claimed or allowed for the expense, damage or discomfort arising from the making of repairs or improvements to the common facilities or to any Lot, or from any action taken by the Association to comply with any law, ordinance, or order of any other governmental authority.

ARTICLE X
Liability of Directors and Officers

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

2. Indemnification. The Association shall indemnify any person who was or is threatened to be made a party against any actual, threatened, or completed action, or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact he is or was an officer, director, agent or employee of the Association against all expenses including reasonable counsel fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection therewith, excepting, however, such matters in which such person is finally adjudged to have acted with willful misconduct or gross negligence towards the Association or absent a final adjudication thereof, excepting such matters in which the Executive Board (excluding any interested Director) determines any such person acted with willful misconduct or gross negligence. This right to indemnification shall be in addition to any other power of the Association to indemnify as permitted by law. The Association may also maintain insurance on behalf of any person who is or was a director, officer, agent or employee of the Association against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the Association would otherwise have the power or duty to indemnify him.

ARTICLE XI
Amendment/Revocation

1. Amendment. These bylaws may be amended, modified, or revoked in any respect from time to time by affirmative vote of members holding at least Seventy Five percent (75%) of the Lots at a meeting duly called for that purpose, PROVIDED, HOWEVER that these Bylaws shall always contain those particulars which are required by the Declaration.

2. Conflicts. In the event of any conflict between these Bylaws and the provisions of the Declaration, the latter shall govern and apply.

ARTICLE XII
Dispute Resolution

Each Lot Owner shall be governed by, and shall comply with all of the terms of this Master Homeowners Declaration.

1. Administrative Appeal and Hearing Procedure. No Lot Owner shall have the right to object, challenge, commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except after following such procedures as are established in this Paragraph and as may be established by the Executive Board by rule or

regulation consistent with the provisions of this Paragraph. The Executive Board shall hear appeals from Lot Owners from (a) the determinations by the Executive Board on alleged violations of the Condominium Documents (other than violations with respect to assessment obligations) and (b) the enactment of rules and regulations of the Association. The Executive Board shall hold a hearing on any such appeal within thirty (30) days after the receipt by the Executive Board of a formal notice of appeal from a Lot Owner. A decision shall be issued in writing by the Executive Board within ten (10) days after the conclusion of the hearing. In hearings before the Executive Board all parties shall be entitled to be represented by counsel. Unless the internal remedies provided by this Paragraph and such rules and regulations as may be promulgated by the Executive Board shall be expressly waived by the Association, or the Association fails or refuses to act after being requested in writing to do so, no action at law or in equity shall be commenced by any Lot Owner until such internal remedy is pursued to exhaustion. Any action by a Lot Owner against any other Lot Owner or resident or the Association arising out of any term, covenant or condition contained in the Master Homeowners Declaration or any rule or regulation made pursuant thereto shall be subject to the same procedures.

2. Noncompliance. Subject to prior compliance with the procedures established hereof, the failure of a Lot Owner to comply with the Declaration, these Bylaws and the rules and regulations of the Association shall entitle the Association and Executive Board to the remedies provided herein and in the Act, none of which shall be exclusive of any other remedies:

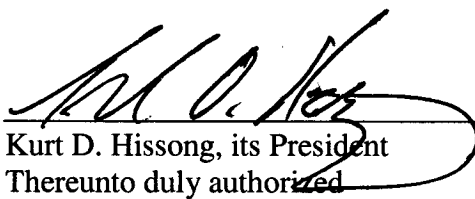
a. Mediation. In the event a dispute shall arise between the parties to this Agreement and is not resolved by the Administrative Appeal process, then the parties agree to participate in at least four hours of mediation in accordance with the Mediation Procedures of a selected Mediator, which mediation shall occur in Kennebunk, Maine. This mediation procedure shall occur within ten (10) business days of one party notifying the other of a dispute. The parties agree to equally split the costs of mediation which shall not exceed \$2,500 total. If one party incurs costs greater than \$1,250, then such additional costs will be at the sole expense of that party.

b. Suits. If a dispute is not resolved by the Administrative Appeal Process or Mediation then failure to comply with the terms of the Declaration, Bylaws and the rules and regulations adopted pursuant thereto, as the same may be amended from time to time, shall entitle the Association or any aggrieved Lot Owner to sue for the recovery of damages or for injunctive relief, or both. Such relief shall not be exclusive of other remedies provided by law.

c. Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a Lot Owner to comply with the terms of the Declaration, Bylaws or rules and regulations adopted pursuant thereto, the Executive Board, if the prevailing party, shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

ATTEST: as of this 11th day of February, 2010

HISSONG DEVELOPMENT CORPORATION

By: 
Kurt D. Hissong, its President
Thereunto duly authorized

End of Document