

BYLAWS
OF
BURNT LANDING CAMP LOTS TENANT ASSOCIATION

These Bylaws have been adopted this ____ day of _____, 202[___], by the persons constituting all of the members of the first Board of Directors of [THE BURNT LANDING CAMP LOTS TENANT ASSOCIATION] (the “Association”).

ARTICLE I

INTRODUCTORY PROVISIONS

Section 1. Applicability. These Bylaws (“Bylaws”) shall relate solely to the certain property located in Cross Lake Township (T17 R5), in Aroostook County, Maine, more fully described in the Declaration of Rights, Covenants, Conditions and Restrictions for Burnt Landing Camp Lots, dated _____, 202[___], imposed by Allagash Timberlands LP, as the same may be amended from time to time (the “Declaration”).

Section 2. Definitions. The capitalized terms used herein without definition shall have the same definitions as such terms have in the Declaration.

Section 3. Compliance. Every Tenant and all persons entitled to occupy a Lot shall comply with these Bylaws.

Section 4. Office. The office of the Association and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

Section 5. Incorporation of Statutory Law. Except as expressly provided herein or in the Declaration, the Association shall be governed by the provisions of any applicable statute of the State of Maine.

ARTICLE II

THE ASSOCIATION

Section 1. Membership. The Association is a Maine nonprofit corporation, all the Members of which are the Tenants of the Property. Declarant, being the owner of all Lots, initially shall constitute all of the Members of the Association. A person or entity shall automatically become a Member of the Association upon leasing a Lot from Declarant, and such

person or entity shall continue to be a Member so long they continue to lease such Lot from Declarant. A Tenant shall not be permitted to resign from membership in the Association prior to the time when either its lease expires or is otherwise terminated, or it assigns its lease for the Lot to another if such assigned is approved by Declarant. No membership may be transferred in any way except as appurtenant to the transfer of leasehold title to the Lot to which that membership pertains. Transfer of membership shall be automatic upon transfer of leasehold title to a Lot, but the Association may treat the prior Tenant as the Member for all purposes until satisfactory evidence of the instrument transferring title shall be presented to the Secretary of the Board of Directors. The granting of a collateral assignment of a leasehold interest in a Lot or any lien on improvements thereon, however, shall not operate to transfer membership until the holder of such collateral assignment has acquired leasehold title after enforcement of the collateral assignment. The foregoing notwithstanding, at any time a Lot is not leased to a Tenant, the Declarant shall be a Member of the Association with respect to such Lot and shall have all rights that a Tenant would otherwise have with respect to membership in the Association, including notice and voting rights, provided, however that notwithstanding anything to the contrary herein or in the Declaration, Declarant's obligation for assessments of Common Expenses under such circumstances shall only extend to the portion of such assessment specifically allocable to regular and routine maintenance and repair of the Common Areas and Roads, shall expressly exclude any expenses associated with the Water Access Lot, and shall only extend to a pro-rata portion of assessments allocable to the period of time that such Lot is not leased to a Tenant.

Section 2. Meetings. Meetings of the Association shall be conducted in accordance with the following:

(a) Annual Meetings.

(1) Members of the Association shall hold Annual Meetings for the purposes stated in Section 2(a)(2) hereof (the "Annual Meetings"). The Annual Meeting of Members shall be held on [the second Saturday of [insert a month] of each year unless such date shall be a legal or religious holiday, in which event the meeting shall be held on the next following Saturday.

(2) The purpose of the Annual Meetings of the Association shall be to elect the members of the Board of Directors unless such action is being taken pursuant to the provisions of Section 2(g) of this Article or Section 5 of Article III hereof, to ratify budgets prepared by the Board of Directors in accordance with Article V of the Declaration, and to conduct such other business as may be required or permitted by law, the Declaration or these Bylaws to be done by a vote of the Members. The Treasurer of the Board of Directors shall present at each Annual Meeting a financial report (prepared and reviewed by an independent, qualified party), of the receipts, Common Expenses for the Association's immediately preceding fiscal year, itemized receipts and expenditures, the allocation thereof to each Tenant, and any changes expected for the present fiscal year. A copy of such financial report shall be sent to each Tenant not less than five (5) days prior to the Annual Meeting.

(b) Special Meetings.

(1) The President of the Board of Directors shall call a special meeting of the Association if so directed by resolution of the Board of Directors or upon petition signed and presented to the Secretary by Tenants entitled to cast at least twenty-five percent (25%) of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meetings shall be held within forty-five (45) days after receipt by the President of said resolution or petition; provided, however, that if the purpose includes the consideration of the rejection of a capital expenditure pursuant to Section 8 of Article V hereof, such meeting shall be held within fifteen (15) days after receipt by the President of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

(c) Notice.

Notices to Tenants (and to Declarant as may be applicable) of meetings of the Association or meetings of the Board of Directors which Tenants who are not Board of Directors members are entitled or invited to attend pursuant to Article III Section 3(e) hereof shall be delivered either (i) by hand; or (ii) by prepaid mail to the mailing address of each Tenant Lot address or to another mailing address designated in writing by the Tenant to the Board of Directors, or if to Declarant, to the address of Declarant set forth in the current form of leases granted to Tenants ; or (iii) by email to an email address designated in writing (including via email) by the Tenant to the Board of Directors. All such notices shall be delivered to all Tenants (and to Declarant as may be applicable) not less than ten (10) nor more than fifty (50) days in advance of the date of the meeting to which the notice relates and shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws. The Secretary of the Board of Directors shall cause all such notices to be delivered as aforesaid. Notice sent by mail shall be deemed to have been delivered on the second day after the date of mailing, in the case of mailed notices or the date of deposit in the Tenant's mailbox in the case of hand delivery or the date of transmittal in the case of email notice. No subject may be dealt with at any Annual Meeting or Special Meeting of the Association unless the notice for such meeting stated that such subject would be discussed at such meeting.

(d) Quorum.

Except as set forth below, the presence in person or by proxy of ten percent (10%) or more of Tenants at the commencement of a meeting shall constitute a quorum at all meetings of the Association. If a quorum is not present, Tenants entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight (48) hours after the time for which the original meeting was called. If a meeting is adjourned, a quorum at such second meeting, and throughout any related subsequent meeting of the Association, shall be deemed present if five (5%) or more of Tenants are present in person or by proxy at the beginning of the meeting.

(e) Voting.

Voting at all meetings of the Association shall be on the basis provided in Article IV of the Declaration. When a Lot is leased by more than one person, the person who shall be entitled to cast the vote of such Lot shall be the person leasing the Lot who is present at the meeting, except as hereinbelow provided. If more than one person owning such Lot is present, then such vote shall be cast as such persons determine among themselves. There shall be deemed to be agreement among such persons with respect to such vote if any one of the multiple Tenants casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Tenants of the Lot. Whenever the approval or disapproval by a Tenant is required by the Declaration or these Bylaws, such approval or disapproval shall be made only by the person entitled to cast the vote of such Lot at any meeting of the Association. If the Tenant of a Lot is a corporation, partnership, trust or estate, the officer or employee of that corporation, partner of that partnership, trustee of that trust, or agent of that estate entitled to cast for the corporation, partnership, trust, or estate the vote allocated to that Lot shall be designated in a certificate for that purpose executed by the president or a vice president of that corporation and attested to by its secretary or clerk, executed by all the partners of that partnership, executed by the trustee or by all the beneficiaries of that trust, or executed by either the personal representative or all the devisees of that estate or by order of the probate court and filed with the Association. Such certificate may also designate an alternate person entitled to cast the vote if the primary designee is not present. Such certificate of a corporation, partnership, trust, or estate shall be valid until revoked by a subsequent certificate similarly executed and filed with the Association. Except as required by the Declaration, and except when a greater number is required by the Declaration or these Bylaws, the vote of more than fifty percent (50%) of the aggregate votes in the Association that are entitled to be cast by the Tenants present and voting in person or by proxy at a duly convened meeting at which a quorum is present is required to adopt decisions at such meeting of the Association. In all elections for Board of Directors members, each Tenant shall be entitled to cast one vote for the vacancy to be filled on the Board of Directors. Those candidates for election receiving the greatest number of votes cast by eligible Tenants in such elections shall be elected. At any time that a Lot is not leased, Declarant shall have the right at any meeting of the Association to cast the votes to which each Lot is entitled. There shall be no cumulative voting or splitting of votes.

(f) Proxies.

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

(g) Actions of Association without a Meeting.

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

(h) Conduct of Meetings.

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

ARTICLE III

BOARD OF DIRECTORS

Section 1. Composition. The affairs of the Association shall be governed by the Board of Directors. The Board of Directors shall consist of three (3) members, to be appointed by the Declarant or elected by the Tenants, as described in the Declaration, and who shall be natural individuals, or, if an Tenant is an entity or an association, one, and only one, of its principals or officers so designated by such entity or association.

Section 2. Election and Term of Office.

(a) The election of members of the Board of Directors shall be held at the Annual Meeting of the Association, subject to the provisions of the Declaration. The term of office of any Board of Directors member to be elected shall be fixed at three years, except as described in Declaration during the transition period following the Transition Date. The members of the Board of Directors shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal or resignation. A Board of Directors member may serve an unlimited number of terms and may succeed himself.

(b) Persons qualified to be members of the Board of Directors may be nominated for election only as follows:

(1) Any Tenant may submit to the Secretary at least fifteen (15) days before the meeting at which the election is to be held a nominating petition signed by Tenants owning at least twenty percent (20%) of the Lots, together with the statement that the person nominated is willing to serve on the Board of Directors and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every Tenant together with the notice of such meeting; and

(2) Nominations may be submitted from the floor at a meeting at which the election is held for each vacancy on the Board of Directors for which no more than one person has been nominated by petition.

Section 3. Meetings. Meetings of the Board of Directors shall be conducted in accordance with the following:

(a) Time and Location. The Board of Directors shall hold an annual meeting within ten (10) days following the Annual Meeting of the Association for the purpose of electing officers, as more fully set forth in Article IV hereof, and for any other purpose which may be required or permitted by law, the Declaration or these Bylaws to be done by a vote of the Board of Directors. The President shall designate the time and location of Board of Directors meetings. No business shall be transacted at Board of Directors meetings other than as specified in the notice thereof. The Board of Directors shall hold meetings at the call of the President or upon request to the President of the Board of Directors by at least a majority of the members of the Board of Directors; provided, however, that:

(1) In any event, the Board of Directors shall meet at least three (3) times each fiscal year (in addition to the annual meeting of the Board of Directors), unless all members of the Board of Directors shall waive such requirements as to a particular meeting or meetings;

(2) There shall be a meeting of the Board of Directors not later than sixty (60) days prior to the commencement of each fiscal year for the purpose of adopting the budgets of the Association for the next following fiscal year of the Association, which budgets shall be ratified by the Tenants at the Annual Meeting, as described in the Declaration.

(3) The President shall call any Board of Directors meeting requested by a majority of the members of the Board of Directors for a date occurring not less than five (5) nor more than twenty (20) days after receipt of such request.

(b) Notice. Not less than forty-eight (48) hours prior to the time of any Board of Directors meeting, a written notice stating the date, time and place of such meeting shall be delivered, either by hand or mail or by email to an email address designated in writing (including via e-mail), to each member of the Board of Directors at the address or e-mail address, as the case may be, given to the Board of Directors by such member of the Board of Directors for such purpose. Any member of the Board of Directors may waive notice of a meeting or consent to any action of the Board of Directors without a meeting. Attendance by a member of the Board of Directors at a meeting shall constitute his waiver of notice of such meeting.

(c) Quorum of the Board of Directors. At all meetings of the Board of Directors a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or

more members of the Board of Directors may participate in and be counted for quorum purposes at any meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

(d) Voting. Each Board of Directors member shall be entitled to cast one vote. A vote of the majority of the members of the Board of Directors present at any meeting at which a quorum is present shall bind the Board of Directors for all purposes unless otherwise provided in the Declaration or these Bylaws.

(e) Organization. Meetings of the Board of Directors may be held under such reasonable rules consistent with these Bylaws as the Board of Directors may determine. The Board of Directors is hereby entitled to promulgate such rules. Except for the meeting to approve the budget of the Association referred to in Section 3(a)(2) of this Article, Tenants who are not members of the Board of Directors shall have no right to attend Board of Directors meetings, but the Board of Directors may, in its sole discretion, elect to allow Tenants to attend a particular meeting or meetings. If the Board of Directors does elect to allow Tenants who are not members of the Board of Directors to attend a particular meeting or meetings, the Secretary of the Board of Directors shall give prior notice, in the manner provided in Section 2(c) of Article II hereof, to all Tenants of each meeting at which Tenants are entitled or invited to be present; provided, however, that the failure to give such notice shall neither invalidate any actions taken by the Board of Directors at such meeting nor impose any liability on the Board of Directors or its officers and/or members for the failure to give such notice. All Tenants shall have the right to attend and be heard, but not the right to vote, at the Board of Directors meeting at which the fiscal year budget of the Association shall be presented to the Board of Directors for adoption. The Secretary of the Board of Directors shall give Tenants notice of such meeting, accompanied by a copy of the proposed budget, in the manner provided in Section 2(c) of Article II hereof.

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

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

Section 4. Resignation and Removal. Except with respect to members designated by Declarant, at any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a vote of at least fifty percent (50%) of the Tenants entitled to vote and a successor may then and there be elected to fill the vacancy thus created. Any Tenant proposing removal of a member of the Board of Directors shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Tenant shall be given at least ten (10) days notice by the Secretary of the

time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and shall be deemed to have resigned upon transfer of title to his Lot. Declarant shall have the right to remove and replace any and all members appointed by Declarant at any time and from time to time as set forth in the Declaration.

Section 5. Vacancies. Any vacancy or vacancies on the Board of Directors, whether caused by resignation, removal, death, adjudication of incompetency, or an increase in size of the Board of Directors, shall be filled by the Board of Directors with an interim appointee who shall serve until the next Annual Meeting of the Association at which time such vacancy may be filled by the vote of the Tenants eligible to vote with respect to the vacancy, as described the Declaration and Article II Section 2(e) of these Bylaws; provided, however, that Declarant shall have the right to fill any vacancy created by the resignation, death, or adjudication of incompetency of a member who had been appointed by Declarant and had not been elected by the Tenants. If the vacancy results from removal by the Tenants, the election of a new member or members may be held at the same meeting where such removal takes place and notice of an election for removal shall be considered notice of an election to fill each vacancy so caused. The vote of more than fifty percent (50%) of the votes of the Tenants eligible to vote and present at such meeting in person or by proxy shall cause the postponement of the election to a later date, but if such vacancy is not filled within sixty (60) days after it occurs, the Board of Directors shall promptly thereafter elect a replacement.

Section 6. Compensation. No Member of the Board of Directors shall receive compensation for performing his duties as a member of the Board of Directors unless such compensation is expressly authorized or approved by a vote of more than fifty percent (50%) of the votes of all Tenants at any Annual or Special Meeting of the Association.

Section 7. Validity of Contracts with Interested Members of the Board of Directors. No contract or other transaction between the Association and one or more of the members of the Board of Directors or between the Association and any corporation, firm or association in which one or more of the Board of Directors members are directors or officers, or are financially interested, shall be void or voidable because such Board of Directors member or members are present at any meeting of the Board of Directors which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) The fact that a Board of Directors Member is also such a director or officer or has such financial interest is disclosed or known to the Board of Directors and is noted in the minutes thereof, and the Board of Directors authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Board of Directors member or members; or

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

Section 8. Inclusion of Interested Board of Directors Members in a Quorum. Any Board of Directors member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 7 hereof.

Section 9. Powers of the Board of Directors.

(a) Enumeration. The Board of Directors shall have all of the powers and duties granted by the Declaration and the laws governing nonprofit corporations.

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

(c) Delegation of Powers; Managing Agent. The Board of Directors may employ a managing agent at a compensation established by the Board of Directors. The managing agent shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Declaration and these Bylaws; provided, however, that when a managing agent does not have the power to act under the Declaration or these Bylaws, the managing agent may act as an advisor or in an advisory capacity to the Board of Directors. The Board of Directors may delegate to the managing agent all of the powers granted to the Board of Directors by the Declaration and these Bylaws other than the following powers: (i) to adopt annual budgets and any amendments thereto or to assess Common Expenses; (ii) to adopt, repeal or amend rules and regulations; (iii) to designate signatories on Association bank accounts; and (iv) to borrow money on behalf of the Association. No contract for the employment of such managing agent may exceed a term of three (3) years, but such contracts may be renewed upon consent of the Association. Any contract with the managing agent must provide that it shall be cancelable by either party without cause and without a termination fee upon not less than thirty days or more than ninety days prior written notice and shall be cancelable by the Board of Directors with cause upon not less than sixty (60) days prior written notice. Any such contract negotiated by Declarant shall not exceed one year and shall contain like termination provisions.

ARTICLE IV

OFFICERS

Section 1. Election. At the first meeting of the Board of Directors, and at every annual meeting of the Board of Directors thereafter, the members of the Board of Directors, if a quorum is present, shall elect officers of the Association for the following year, such officers to serve for a one year term and until their respective successors are elected. The officers to be elected are:

President, Secretary, and Treasurer. Each officer may serve an unlimited number of terms so long as such member or officer continues to be re-elected to the Board of Directors. Any member may hold two offices simultaneously, except that the President shall not hold any other office.

Section 2. Duties. The duties of the officers shall be as follows:

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

(b) Secretary. Unless otherwise determined by the Board of Directors, the Secretary shall keep or cause to be kept all records (or copies thereof if the original documents are not available to the Association) of the Association and the Board of Directors and shall have the authority to affix the seal of the Association to any documents requiring such seal. The Secretary shall give or cause to be given all notices as required by law, the Declaration or these Bylaws, shall take and keep or cause to be taken and kept minutes of all meetings of the Association, the Board of Directors and all committees, and shall take and keep or cause to be taken and kept at the Association's office a record of the names and addresses of all Tenants as well as copies of the Declaration, the Plan, these Bylaws and the Rules and Regulations, all of which shall be available at the office of the Association for inspection by Tenants and prospective Tenants and Collateral Assignees during normal business hours of the Association and for distribution to them at such reasonable charges (if any) as may be set from time to time by the Board of Directors. The Secretary shall also perform all duties and have such other powers as are ordinarily attributable to the secretary of a corporation domiciled in Maine.

(c) Treasurer. Unless otherwise determined by the Board of Directors, the Treasurer shall have the charge and custody of, and be responsible for, all funds and securities of the Association, shall deposit or cause to be deposited all such funds in such depositories as the Board of Directors may direct, shall keep or cause to be kept correct and complete accounts and records of all financial transactions of the Association and the Board of Directors and shall submit or cause to be submitted to the Board of Directors and the Association such reports thereof as the Declaration, the Board of Directors or these Bylaws may from time to time require. Such records shall include, without limitation, chronological listings of all receipts and expenditures on account of the Roads and Common Expenses, the amount of each assessment for

Common Expenses assessable to individual Lots, if any, and the amount paid and the amounts due on such assessments. Such records shall specify and itemize the maintenance, repair and replacement expenses relating to the Roads and any other expenses incurred by the Association. The foregoing financial records shall be kept at the Association's office and shall be available there for inspection by Collateral Assignees, Tenants and prospective Tenants during normal business hours of the Association. The Treasurer shall also perform such duties and have such powers as are ordinarily attributable to the treasurer of a corporation domiciled in Maine.

Section 3. Compensation. The officers of the Board of Directors shall serve without compensation for their services in such capacity unless such compensation is expressly authorized or approved by a vote of more than fifty percent (50%) of the votes of all Tenants, at any Annual or Special Meeting of the Association.

Section 4. Resignation and Removal. Any officer may resign at any time by written notice to the Board of Directors, such resignation to become effective at the next meeting of the Board of Directors. Any officer who ceases to be a member of the Board of Directors for any reason also shall be deemed to have resigned or been removed, ipso facto, from any Board of Directors office he may have held. Any officer may be removed from his office at any time by vote of the Association with or without cause, in the same manner as set forth for the removal of Board of Directors members in Article III Section 4 hereof.

Section 5. Vacancies. Vacancies caused by resignation or removal of officers or the creation of new offices may be filled by a majority vote of the Board of Directors members, if the vacancy resulted from action of the Board of Directors. If, however, the vacancy resulted from action by the Association, such vacancy shall be filled in the same manner as set forth in Article III Section 5 hereof for filling Board of Directors vacancies.

ARTICLE V

COMMON EXPENSES; BUDGETS

Section 1. Fiscal Year. The fiscal year of the Association shall run from [June 1 to May 31] of the following year, unless otherwise determined by the Board of Directors.

Section 2. Preparation and Approval of Budget.

(a) Adoption. Not later than sixty (60) days before the beginning of each fiscal year, the Board of Directors shall adopt annual budgets for the Association, as described in the Declaration, and shall fix and determine the sums which the Board of Directors deems reasonably necessary and adequate to provide for Common Expenses for the ensuing fiscal year, including, but not limited to, such amounts as are necessary for uncollectible assessments, budget deficits, and such other expenses as are specifically provided for in the Declaration or these Bylaws. The budgets shall include the Common Expense budget, as described in the Declaration. The Board of Directors shall include in such budgets the amount of such reserves as shall be deemed reasonably necessary by the Board of Directors, as described in the Declaration and including without limitation operating contingency reserves for expenses both

unanticipated and extraordinary and reserves for periodic maintenance and repair of the Roads (including snow removal), and of the Common Ares and Water Access Lot and any improvements constructed thereon.

(b) Available for Inspection. Not later than fifty-five (55) days before the beginning of the fiscal year, the Board of Directors shall make the budgets available for inspection at the Association office and shall mail to each Tenant a summary of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Tenant's assessments for Common Expenses of the Association.

(c) Ratification of Budget. The Tenants shall consider ratification of the budgets at the Annual Meeting next following the mailing of the summary described in the preceding subsection. Unless at that meeting a majority of all the Tenants entitled to vote thereon (as described in the Declaration) rejects such budget, such budget is ratified, whether or not a quorum is present. In the event such proposed budget is rejected, the budget last ratified by the Tenants shall be continued until such time as the Tenants ratify a subsequent budget proposed by the Board of Directors.

(d) Reasonable Efforts. The Board of Directors shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

Section 3. Assessment and Payment of Common Expenses.

(a) Common Expenses. The Board of Directors shall calculate the assessments for Common Expenses against each Lot by multiplying the total amount of the estimated funds required for Common Expenses applicable to such Lot, respectively, as set forth in the budgets adopted by the Board of Directors for the fiscal year in question. The product of each such multiplication shall be assessed by the Board of Directors as a single, annual assessment against each Tenant to which it applies, provided that the Board of Directors, in its reasonable discretion, may determine to make such assessments on some other periodic basis. Such assessments shall be due and payable within thirty (30) days of the date of assessment. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall prepare and deliver to each Tenant an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Common Expenses, after application of such reserves as the Board of Directors may determine, shall be assessed promptly against the appropriate categories of Tenants in accordance with the procedure stated herein and shall be payable as a Special Assessment, in such manner as the Board of Directors may determine.

(b) Working Capital Fund. A working capital fund shall be established in accordance with applicable provisions of the Declaration. All amounts collected pursuant to Section 3(b) of this Article and the Declaration shall be maintained in a segregated account for the use and benefit of the Association. Such amounts shall not be considered as advance payment of regular assessments.

(c) Reserves. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against reserves for working capital, operations and contingencies. If the reserves are deemed to be inadequate for any reason, including non-payment of any Tenant's assessments, the Board of Directors may at any time levy further assessments for Common Expenses which shall be assessed against the Tenants in accordance with the procedure set forth in subsection (a) of this Section 3 and shall be payable as a Special Assessment, in such manner as the Board of Directors may determine.

Section 4. Further Assessments. The Board of Directors shall serve notice on all Tenants of any further assessments pursuant to Sections 3(a) or 3(c) hereof or as otherwise permitted or required by the Declaration and these Bylaws by a statement in writing giving the amount and reasons therefor, and such further assessments, unless otherwise specified in the notice, shall become effective with the next Regular Assessment. All Tenants so assessed shall be obligated to pay the amount of such Regular Assessments.

Section 5. Initial Budget. At or prior to the time assessment of Common Expenses commences, the Board of Directors shall adopt the budget, as described in this Article, for the period commencing on the date the Board of Directors determines that assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessment shall be levied and become a lien against the Tenants during such period as is provided in Section 3 hereof and in the Declaration.

Section 6. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Tenant's obligation to pay his allocable share of the Common Expenses as provided herein and in the Declaration. In the absence of any annual budget or adjusted budget, each Tenant shall continue to pay each Regular Assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

Section 7. Accounts; Audits. Except as otherwise provided herein, all sums collected by the Board of Directors with respect to assessments against the Tenants or from any other source may be commingled into a single fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices and the same shall be audited at least once each year by an independent, qualified party retained by the Board of Directors.

Section 8. Limitations on Expenditures. Anything herein to the contrary notwithstanding, the Association, by a vote of more than fifty percent (50%) of all votes in the Association, may reject any capital expenditure approved by the Board of Directors, within thirty (30) days after approval by the Board of Directors.

Section 9. Statement of Common Expenses. The Board of Directors shall promptly provide Declarant and any Tenant so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses and other charges if any, due from such Tenant. The Board of Directors may impose a reasonable charge to Tenants for the preparation of such statement to cover the cost of its preparation.

ARTICLE VI

REPAIR OR RECONSTRUCTION

Section 1. Restoration of Property. Damage to or destruction of the Common Areas, Water Access Lot and Roads shall be promptly repaired and restored by the Association in accordance with the provisions the Declaration. The Board of Directors shall be responsible for accomplishing the full repair or reconstruction, the expenses of which shall be paid as described in the Declaration. The disbursements of funds for such repair or reconstruction shall, at the option of the Board of Directors, be made only as the work progresses upon approval of a qualified engineer who shall have furnished a description satisfactory to the Board of Directors of the costs involved and the services and materials to be furnished by the contractors, subcontractors and materialmen. Tenants may apply the proceeds from their individual property insurance policies to the share of such repair and restoration expense as may be assessed to them. The Board of Directors shall be responsible for restoring the damaged Common Areas, Water Access Lots and Roads only to substantially the same condition as it was immediately prior to the damage.

ARTICLE VII

AMENDMENTS

Section 1. General Requirements; Consent of Declarant; Curative Amendments to Bylaws. Except as may otherwise be provided in these Bylaws or the Declaration, these Bylaws may be amended by the vote of the Tenants entitled to cast a majority of the votes in the Association, cast in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws, or (notwithstanding Article II, Section 2(g) hereof) by mail as provided in Section 3 hereinbelow. Notwithstanding the foregoing, amendments of a material nature must be approved (by votes cast in person, by proxy or by mail) by Tenants entitled to cast at least sixty-seven percent (67%) of the total allocated votes in the. An amendment changing or affecting any of the following would be considered material:

- (a) voting rights;
- (b) assessments,
- (c) responsibility for maintenance and repairs;
- (d) rights to the use of the Roads and Water Access Lot;
- (e) imposition of any restrictions on a Tenant's right to use its Lot;
- (f) restoration or repair of any Road (after a hazard damage or partial condemnation) in a manner other than that specified in the Declaration;

Section 3. Voting by Mail. The votes of Tenants required to amend the Bylaws, as described herein, may be cast by mail, if desirable in the discretion of the Board of Directors. In the event that the Board of Directors determines to permit voting by mail in an amendment process, notice of the proposed amendments, including the complete text of such amendments, must be delivered to all Tenants either by hand or by prepaid mail in accordance with the

procedures described in Article II, Section 2(c) of these Bylaws, and shall be accompanied by a written ballot clearly stating the amendment or amendments to be voted upon, in the form of a question or questions capable of being voted upon with a “yes” or “no” answer, along with appropriate spaces in which the Tenant may indicate his or her vote. In addition, all such notices shall be accompanied by a return envelope addressed to the Secretary of the Board of Directors, and instructions that, in order to be counted, votes must be received on or prior to the date of the meeting at which the amendments will be considered. The Secretary of the Board shall count only those mailed votes received on or prior to the date of said meeting. Votes by proxy may be cast by mail if accompanied by a duly executed proxy in accordance with Article II, Section 2(f) hereof. In the case of Lots owned by more than one person, or Lots owned by a corporation, partnership, trust or estate, the person, officer or employee entitled to cast a vote by mail shall be determined in the manner described in Article II, Section 2(e) of these Bylaws, and votes cast by mail shall be counted by the Secretary of the Board only when the returned ballot is accompanied by the written consent of each of the multiple Tenants of a Lot, or in the case of a Lot owned by a corporation, partnership, trust or estate, a copy of the certificate filed with the Association as described in said Article II, Section 2(e).

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Severability. The provisions of these Bylaws shall be deemed independent and severable and the invalidity, partial invalidity or unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision or portion thereof unless the deletion of such invalid or unenforceable provision shall destroy the uniform plan for development and operation of the Property which the Declaration is intended to create.

Section 2. Conflicts. The Declaration shall control in the event of any conflict between the provisions thereof and the provisions of these Bylaws. The Declaration and these Bylaws shall control in the case of any conflict between the provisions thereof and the provisions of the Rules and Regulations.

Section 3. Notices. All notices or other communications required or permitted under these Bylaws shall be in writing and shall be deemed to have been given when delivered in person or on the second business day after the day on which mailed by certified mail, return receipt requested, postage prepaid, (a) if to an Tenant at the single address which the Tenant shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Tenant, or (b) if to the Association, the Board of Directors or to the managing agent, at the principal office of the Association and the managing agent or at such other address as shall be designated by notice in writing to the Tenants pursuant to this Section. If a Lot is owned by more than one person, each such person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

ARTICLE IX

LIABILITY OF DIRECTORS AND OFFICERS

Section 1. Exculpation. No member of the Board of Directors 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.

Section 2. Indemnification. Each member of the Board of Directors in his capacity as a member of the Board of Directors, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Board of Directors, or any settlement of any such proceeding, except in such cases wherein such member of the Board of Directors and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided, that, in the event of a settlement, this indemnification shall apply only if and when the Board of Directors (with the affected member abstaining if he is then a member of the Board of Directors) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification shall be paid by the Association on behalf of the Tenants and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such member of the Board of Directors and/or officer may be entitled as a matter of law or agreement or otherwise.

Section 3. Claims. Claims against the Association, the Board of Directors or the officers, employees or agents thereof in their respective capacities as such, shall be directed to the Board of Directors of the Association, which shall promptly give written notice thereof to the Tenants, and such complaints shall be defended by the Association. The Tenants shall have no right to participate in such defense other than through the Association.