

BY-LAWS

Of

SABBADY POINT ROAD ASSOCIATION, INC.

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to the SABBADY POINT ROAD ASSOCIATION, INC., a non-profit corporation organized and existing under the laws of the State of Maine.

Section 2. "SABBADY POINT ROAD ASSOCIATION, INC." shall mean and refer to the collective owners of those parcels of land situated in Windham in the County of Cumberland and State of Maine designated as follows:

Those lots located along and abutting Sabbady Point Road as shown on plan of Sabbady Point Road, North Windham by P.W. Varney, recorded in Cumberland County Registry of Deeds in Plan Book 31, at Page 27 and also as shown on a detailed plan on file in the offices of the Selectmen at said Town of Windham, and also those lots located along and abutting Cottage Avenue and Pride Lane extending out from Sabbady Point Road.

Section 3. An "Owner of a Lot" shall mean and refer to each owner (whether an individual person, corporation, partnership or other legal entity) of record of a lot located along and abutting Sabbady Point Road, Cottage Avenue and Pride Lane as shown on said plans and also Assessors Maps of the Town of Windham but shall not mean and refer to an owner of record, whose only interest in such lot or parcel of land is as mortgagee under the real estate mortgage as security for the performance of an obligation, until and unless such owner shall have commenced proceedings under the laws of the State of Maine to foreclose such mortgage and shall have delivered a certificate to this effect to the Secretary of the Association.

ARTICLE II

Location

Section 1. The principal office of the Association shall be located at Windham, in the County of Cumberland and State of Maine.

ARTICLE III

Membership and Voting Rights

Section 1. Each Owner of a Lot as designated in Article I, Section 3, shall be a Member of The Association.

Section 2. The Association shall have only one class of voting membership.

Section 3. The rights of membership are subject to the payment of assessments levied by the Association, the obligation of which assessments is imposed against each Owner of a Lot and becomes a lien upon the lot against which such assessments are made as provided by ARTICLE IV hereof.

Section 4. In the event that any of property abutting on said Sabbady Point Road is subdivided into additional parcels, the owners of any future additional lots shall automatically become entitled to membership subject to the payment of dues upon acquiring ownership of property regardless of number of lots created.

Section 5. Membership in this Association in no way affects or impacts any requirements for membership in any other road association.

Section 6. This Association is formed to maintain, improve as deemed necessary, and in general, be responsible for Sabbady Point Road.

ARTICLE IV *Financing of Association-Assessments*

Section 1. Assessment. The principal method of financing the operations of the Association shall be by assessment of Members. Each Member, by joining said Association, or by the acceptance of a deed for a lot designated, shall be deemed to covenant and agree, whether or not it shall be expressed in such deed or in any other conveyance, to pay assessments to the Association with no profit to accrue to the Association.

Section 2. Purpose of Assessments. All assessments shall be used for the purpose of providing funds for the total maintenance and improvement of the Sabbady Point Road, including but not limited to that portion abutting Association member lots, and to maintain such other easements as the Association may acquire and such other common betterment as the Directors may determine from time to time.

Section 3. Method of Assessment. Each assessment shall be based on ownership of a lot designated at the portion of Sabbady Point Road, as set forth in Article I, Section 2, with the determination of the Board of Directors as to the method to be used for each such assessment to be final and conclusive.

Section 4. Payment of Assessments. The Board of Directors shall determine from time to time the manner in which assessments shall be paid whether annually or more frequently and whether in one sum or in installment.

Section 5. Failure to Pay Assessments. If any Member shall fail to pay any assessment levied by the Association within sixty (60) days from the due date specified by the Association, the Association shall, from and after the time a notice of such failure to pay is recorded in the office of the Register of Deeds for Cumberland County, have a lien against the Member's lot or lots, as the case may be, for the amount due and not paid, plus interest at the rate of eighteen percent (18.0%) per annum from the specified due date to the date of payment thereof and all costs and expenses of collection, including reasonable attorneys' fees. Such lien shall be at times junior to any first mortgage to or owned by a financial institution.

Section 6. Membership Rights. If any Member shall fail to pay any assessment levied by the Association within ninety (90) days from the due date specified by the Association, the membership rights and privileges of such Member may be suspended by the Board of Directors for such period during which any such assessment shall remain unpaid. Upon subsequent payment of such assessment, with interest (if any) as specified in Section 5 above, the membership rights and privileges of such Member shall be automatically restored.

ARTICLE V *Board of Directors*

Section 1. The affairs of the Association shall be managed by a Board consisting of no less than three (3) and no more than seven (7) Directors of the Association who shall hold office until the election of their successors.

Section 2. Vacancies in the Board of Directors shall be filled by vote of the majority of the remaining Directors. Any such appointed Director shall hold office until his successor is elected by the Members, who make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VI *Election of Directors*

Section 1. Directors shall be elected for terms of three years at the annual meeting of the Members, except that five Directors elected at the first annual meeting shall be elected by lot for two (2) one-year terms, two (2) two-year terms, and one (1) three-year term. At such meeting, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of ARTICLE III hereof. The person receiving the largest number of votes shall be elected.

ARTICLE VII *Powers and Duties of the Board of Directors*

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

- (a) To call special meetings of the Members whenever it deems necessary, and it shall call a special meeting at any time upon written request of one-fourth (1/4) of the voting membership as provided in Section 2 of ARTICLE XI hereof.
- (b) To appoint and remove at pleasure, and for cause, all officers, agents, and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be constructed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.
- (c) To establish, levy and assess, and collect the assessments or charges referred to in ARTICLE IV hereof.
- (d) To adopt and publish rules and regulations governing the use of the roadways and facilities and the personal conduct of the Members and their guests thereon.
- (e) To exercise for the Association all powers, duties, and authorities vested in or delegated to the Association, except those reserved to the Members.
- (f) In the event that any Director of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may, by action taken at the meeting during which such third absence occurs, declare the office of the said absent Director to be vacant.

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

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such is requested in writing by one-fourth (1/4) of the voting membership, as provided in Section 2 of ARTICLE XI hereof.
- (b) To supervise all officers, agents and employees of the Association and to see that their duties are properly performed.
- (c) To maintain a list of each and every owner of a lot and of assessments applicable to each lot which shall be kept in the office of the Association and shall be open, during reasonable business hours, to inspection by any Member.
- (d) To issue, or cause an appropriate officer to issue, upon demand by any Member a certificate setting forth whether any assessment has been paid.

ARTICLE VIII *Directors ' Meetings*

Section 1. The Board of Directors shall meet at such times and places as it may determine, with a minimum of two (2) meetings per year.

Section 2. Meetings of the Board of Directors shall be held when called by any officer of the Association or by any two Directors after not less than three (3) days notice to each Director.

Section 3. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE IX *Other Committees*

Section 1. The Board of Directors may from time, by resolutions, passed by a majority of the whole Board, designate one or more other committees, each committee to consist of one or more of the Directors of the Association, to assist it in its responsibilities. Such committee or committees shall have such name or names as may be stated in these By-Laws or as may be determined from time to time by resolution adopted by the Board of Directors.

No subcommittee shall have power to bind the Association or its Board of Directors without majority vote approval of the Board of Directors. The Committees shall keep regular minutes of their proceedings and report the same to the Board when required.

ARTICLE X *Officers*

Section 1. The officers of the Association shall be a President, a Secretary, a Treasurer and a Clerk. The President shall be a member of the Board of Directors.

Section 2. The officers shall be chosen by a majority vote of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The President shall preside at all meetings of the Members and of. The Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and shall sign all notes, leases, mortgages, deeds and other written instruments, (except checks for the disbursements of funds of the Association.)

Section 5. The Secretary shall be ex officio the Secretary of the Board of Directors shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He or She shall record in a book to be kept for that purpose the names of all Members of the Association together with their addresses as registered by such Members.

Section 6. The Treasurer shall receive and deposit in appropriate corporate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors. The Treasurer shall sign all notes and checks of the Association, provided that such notes shall also be signed by the president.

Section 7. The Treasurer shall keep proper books of account of all financial transactions of the Association. He or she shall prepare an annual budget and an annual balance sheet and operating statement and shall present the same to the membership at its regular annual meeting.

Section 8. The Clerk shall be present at all meetings of the Members of the Association and shall be responsible for all legal functions as Clerk of the Association. In the absence of the Clerk from any such meeting, a Clerk pro tempore shall be chosen, who shall record the votes and keep the minutes of all proceedings in the corporate book.

Section 9. The Board of Directors, as its discretion, may appoint such other officers or agents as it may deem advisable, and prescribe the powers and duties thereof.

ARTICLE XI *Meetings of Members*

Section 1. The Regular annual meeting of the Members shall be held during the month of August, the weekend before Labor Day at a time and location specified by the President of the Association.

Section 2. Special meetings of the Members for any purpose may be called at any time by the President, the Secretary, or the Treasurer, or by the Board of Directors, or upon written request of the Members who have a right to vote and being one-fourth (1/4) of all the votes of the entire membership.

Section 3. Notice of all meetings shall be given to the Members by the Clerk. Notice may be given to each Member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid, to his or her address appearing on the books of the Association. Each Member shall register his or her address with the Secretary, and notices of meetings shall be mailed to him or her at such addresses. Notice of any regular or special meeting shall be mailed at least six (6) days in advance of the meeting and shall set forth the nature of the business to be transacted.

Section 4. Unless specific provision is made in the By-Laws for a different assent of the voting Members as a whole or by class, all matters coming before the membership at the annual meeting or at special meetings shall be carried by the assent of a majority of the votes of all voting Members who are voting in person or by proxy.

Section 5. Unless specific provision is made in these By-Laws for a different quorum on special matters of membership as a whole or by class, the presence at any meeting of Members entitled to cast, or of proxies entitled to cast, in the aggregate one-third (1/3) of the total votes of the membership shall constitute a quorum for any action governed by these By-Laws.

Section 6. The act of the majority of Members present at any legal meeting at which a quorum is present shall constitute an act of the Association.

ARTICLE XII *Proxies*

Section 1. At all meetings of Members, each Member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Clerk. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon any Member ceasing to be Owner of a Lot.

ARTICLE XIII Books and Paper

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be open to the inspection of any Member.

ARTICLE XIV *Association Seal*

Section 1. The Association shall have a seal in circular form having within its circumference the words "Sabbady Point Road Association, Inc."

ARTICLE XV *Dissolution*

Section 1. In the event Sabbady Point Road Association, Inc. is no longer necessary for the maintenance and improvement of the said road, all easements conveyed to the Association shall be conveyed to the then abutting lot owners.

Section 2. When and if Sabbady Point Road Association, Inc. should ever be dissolved, any monies in the treasury at the time would be turned over to whatever entity then would be responsible for the maintenance and improvement of the Sabbady Point Road or other easements required, or if none then to a non-profit or charitable institution.

ARTICLE XVI *Miscellaneous*

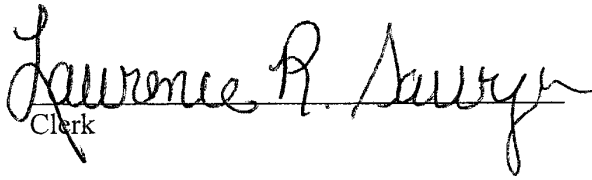
Section 1. Ownership of Easement rights to Sabbady Point Road shall be transferred from Jerome W. Black and Mildred H. Black to the Association upon its incorporation.

Section 2. Transfer of control for the care, maintenance and upkeep of Sabbady Point Road shall occur upon the transfer of Easement rights to the Association.

ARTICLE XVII
Amendments

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of the Members present in person or by proxy, provided that those provisions of these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law.

Section 2. In the case of any conflict between the Articles of Incorporation and the By-Laws, the Articles of Incorporation shall control.


Clerk