

BY-LAWS

ARTICLE I

Name and Location

The name of the corporation is **ORCHARD HILLS HOMEOWNERS ASSOCIATION**, hereinafter referred to as the Association. Meetings of the members and directors may be held at such places within the city of Bangor as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "Association"

shall mean and refer to Orchard Hills Homeowners Association, its successors and assignees.

Section 2. "Properties"

shall mean and refer to that certain property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area"

shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot"

shall mean and refer to any plot of residential land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner"

shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declaration"

shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Penobscot County Registry of Deeds.

Section 7. "Member"

shall mean and refer to any person entitled to membership as provided in the Declaration.

ARTICLE III

Meeting of Members

Section 1. Annual Meetings

The annual meeting of the members shall be held on the third Tuesday of May each year at the hour of seven o'clock, PM. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings

Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the voted membership.

Section 3. Notice of Meetings

Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage paid, at least 15 days before such meeting, addressed to the member's address last appearing on the books of the Association, or supplied by such to the Association for the purpose of said notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. In the case of a meeting to vote on an assessment increase above and beyond 5%, the notice must be given at least thirty (30) days and not more than (60) days prior to the meeting.

Section 4. Quorum

A quorum shall be deemed to be present throughout any meeting of the members, until adjourned, if persons entitled to cast ten percent (10%) of the total votes are present at the beginning of any such meeting.

In the case of a meeting to raise assessments, above and beyond the 5% as allowed by the Declaration of Covenants, Conditions and Restrictions of Orchard Hills, the presence of members or proxies entitled to vote must be sixty percent (60%) to constitute a quorum. If the required quorum is not present another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2 or 30%) of the required quorum at the first meeting.

Section 5. Voting

At all meetings of members, each member may vote in person or in writing. All written votes shall be filed with the Secretary.

ARTICLE IV

Board of Directors--Selection--Term of Office

Section 1. Number

The affairs of this Association shall be managed by a Board of five (5) or seven (7) directors who shall be members of the Association.

Section 2. Term of Office

Two of the five directors who have been in office since 1992 shall finish their term at the annual meeting in 1995. Two new directors shall be elected at that time.

The remaining three directors who have been in office since 1993 shall finish their term at the annual meeting in 1996. Beginning in 1996, at each annual meeting, the members shall elect directors for a term of two years to replace directors whose terms are expiring.

Section 3. Removal

Any director may be removed from the Board by a majority vote of the members of the Association. In the event of death, resignation, or removal of a director, the successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 4. Compensation

No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of duties.

Section 5. Action Taken Without a Meeting

The directors shall have the right to take any action and/or vote in the absence of a meeting

which they could take at a meeting by obtaining the approval of a simple majority vote of the directors. The action and/or vote may be obtained by phone, followed by written approval. Any action and/or vote so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V Nomination and Election of Directors

Section 1. Nomination

Nomination for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members of the Association. Nominations shall be included within the required written notice of the annual meeting. Members unable to attend the annual meeting may submit a written ballot to the Secretary by 5 o'clock PM on the date of the meeting.

Section 2. Election

Election to the Board of Directors shall be by secret written ballot. At such election the members may cast, in respect to each vacancy, as many votes as they are entitled to exercise, one for each residential lot owned. The persons receiving the largest number of votes shall be elected.

ARTICLE VI Meeting of Directors

Section 1. Regular Meetings

Regular meetings of the Board of Directors shall be held monthly, without notice, at such place and hour as may be determined by the Board.

Section 2. Special Meetings

Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum

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

ARTICLE VII Powers and Duties of the Board of Directors

Section 1. Powers

The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof; penalties will be assessed as follows:

Corrective action not taken after 30 days of notice being sent - a penalty equal to 25% of current monthly assessment will be assessed, 50% after 45 days, and 100% after 60 days.

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

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

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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties

It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

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

- (1) fix the amount of the annual assessment against each Lot at least forty-five (45) days in advance of each annual assessment period;
- (2) send written notice of any changes in the annual assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- (3) set forth an Assessment Collection Policy with delinquency penalties to be reviewed by the Board of Directors, with the Assessment Collection Procedures and Penalties to be sent to every homeowner on a yearly basis.

(d) issue or cause an appropriate person to issue a Certificate of Resale. Prior to the sale of any unit at Orchard Hills, the current owner, or the homeowner's agent will be required to obtain a Certificate of Resale on said unit for the prospective buyer to have; stating whether or not assessment fees are paid to date. Signatures from all parties are required, and a signed copy must be on file. If a signed certificate states that the assessment fees have been paid, such certificate shall be conclusive evidence of such payment.

(e) procure and maintain adequate liability insurance on property owned by the Association;

(f) cause all officers or employees who have fiscal responsibilities to be bonded;

(g) cause the Common Area to be maintained;

(h) cause the exterior of the dwellings to be maintained.

ARTICLE VIII Officers and Their Duties

Section 1. Enumeration of Offices

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

Section 2. Election of Officers

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term

The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Notification

The names and phone numbers of all Board members shall be printed and distributed to all members within thirty (30) days of their election.

Section 5. Special Appointments

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

Section 6. Resignation and Removal

Any officer may be removed from office by the Board. Any officer may resign at any time, giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. Vacancies

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 8. Multiple Officers

The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 5 of this Article.

Section 9. Duties

The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of the

President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall cause to be received and deposited in appropriate bank accounts all monies of the Association and shall cause to be dispersed such funds as directed by resolution or other approval by the Board of Directors; shall co-sign all checks (excepting checks drawn from the Capital Reserve Account) and promissory notes of the Association with the Association's account manager; cause to be kept proper books of account; cause an independent annual compilation of the income and expense statement of the Association books to be made by a Certified Public Accountant at the completion of each fiscal year and to present to the membership the results at its annual meeting, and make a copy available to the membership; and shall cause to be prepared an annual budget and statement of income and expenditures to be presented to the membership at its annual meeting and deliver a copy of each to the members.

ARTICLE IX Committees

Section 1. Types of Committees

The Association shall appoint and maintain the following standing committees: an Architectural Committee, a Grounds Committee and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

Section 2. Board Liaison

Each committee shall have a designated Board member as a liaison responsible for keeping informed of the committee's activities and reporting them to the Board. The names and phone numbers of the Chairpersons for all committees shall be distributed to all members of the Association within thirty (30) days after they have all been determined.

ARTICLE X Books and Records

The books, records, and papers of the Association shall be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member of the Board of Directors.

ARTICLE XI Assessments

Section 1. Assessment Liability of Homeowners

Each member is obligated to pay to the Association annual and special assessments. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum. The Association may bring an action of law against the Owner personally obligated to pay the same or foreclose the lien against the property, and

interest, costs, and reasonable attorney's fees of such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the member's lot.

Assessment Collection Procedure and Penalty Clause:

1st day of month	--	Assessment Fee is due
15th day of month	--	Reminder Notice - stating that Assessments not received, postmarked by the last day of the month, will incur interest and a \$10.00 late fee.
1st of next month	--	Past Due Notice - with the interest and \$10.00 late fee added on to statement.
60 days past due	--	Lien Notice - with foreclosure proceedings to begin 10 days from the date of the letter, if payment is not received.

Section 2. Capital Reserve Account Funds

Each member is obligated to pay to the Association as part of the annual assessment a dedicated capital reserve amount to a Capital Reserve Account to ensure that sufficient funds will exist for long-term maintenance of the buildings and grounds of Orchard Hills, subject to the same liabilities as apply to any assessments. Dedicated capital reserve funds will be maintained in a separate account from other portions of assessments paid to cover the annual operating budget of the Association.

ARTICLE XII
Insurance

Section 1. Liability Insurance on Common Area

The insurance coverage with respect to the Common Area shall be written in the name of the Association. Premiums for all insurance carried by the Association are common expenses included in the common assessments made by the Association. The Association, through the Board of Directors, must obtain and continue in effect, on behalf of all Owners, adequate liability insurance in such form as the Board of Directors deems appropriate.

Section 2. Annual Review of Policies

All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient.

Section 3. Casualty Insurance on Insurable Common Area

The Association shall keep all insurable improvements and fixtures on the Common Area insured against casualty and loss and damage by fire for the full insurance replacement cost thereof. The Association shall also insure any other property real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and the beneficiary of such insurance. Premiums for all insurance carried by the Association are Common Expenses included in the Common Assessments made by the Association.

Section 4. Casualty Insurance on Homeowners Dwellings

Each homeowner, at their own expense, shall carry sufficient casualty and fire insurance on their unit to cover the full replacement cost thereof. Each homeowner shall be required to furnish annually to the Association proof of such coverage.

ARTICLE XIII
Board Indemnification

This Association shall in all cases indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether criminal, civil, administrative or investigative, committee member of the Association, or is or was serving at the request of the Association as director, officer or committee member of another corporation, partnership, joint venture, trust or other enterprises, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonable incurred by the person in connection with such action, suit or proceeding; except that no indemnification shall be provided for any person with respect to any matters in which the person shall have been finally adjudicated, in any action, suit or proceeding, not to have acted in good faith in the reasonable belief that the person's action was in the best interest of the Association or, with respect to any criminal action or proceeding, the person had reasonable cause to believe that the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order or conviction adverse to such person, or by settlement or plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person did not act in good faith in the reasonable belief that the action was in the best interests of the Association and, with respect to any criminal action or proceeding, such person had reasonable cause to believe that the conduct was unlawful.

ARTICLE XIV
Amendments and Conflicts

Section 1. Amendments

These By-Laws may be amended, at an annual or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. Conflicts

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV
Miscellaneous

Section 1. Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the last day of December each year.

Section 2. Tax Election

The membership of the Association shall delegate each year all decisions pertaining to tax elections, including, but not limited to, annual filing of IRS Form 1120 or 1120H, to the CPA that is currently employed by the Association.

Section 3. Borrowing

The Association may pursue obtaining bank financing to be used in the event of a significant expense. The use of any bank financing will be initiated by the Board of Directors of the Association. Those authorized to enter into an agreement to borrow and/or pledge collateral would be the President and Treasurer of the Association as well as the President/CEO of the management company employed by the Association as specifically designated by the Board of Directors of the Association. These same people would be designated to execute documents on

behalf of the Association. Loan payments shall be repaid with the proceeds from the monthly homeowners' assessments.

Revised July 2, 2019