

BYLAWS OF LAKE ARROWHEAD COMMUNITY, INC.

ARTICLE I: NAME, LOCATION, DESCRIPTION AND PURPOSE

Section 1. Name. The name of the Corporation is LAKE ARROWHEAD COMMUNITY, INC., hereafter known as the "CORPORATION."

Section 2. Location. The location of the principal and registered office of the Corporation shall be on the premises of Lake Arrowhead Community, North Waterboro, Maine 04061. The Corporation may also have offices at such other places as the Trustees may, from time to time, determine to be necessary or appropriate.

Section 3. Description. The Corporation is a non-profit membership corporation without capital stock.

Section 4. Purposes. To promote and foster recreational, athletic, and other activities for Members and their families.

To manage, maintain, protect, and preserve the Lake Arrowhead Estates Subdivision and the Corporation's properties and facilities; and in the furtherance of said purposes to purchase, acquire, hold, improve, sell, rent, mortgage, pledge, assign, and otherwise deal in and with any and all property, real, personal, or mixed.

To exercise all the rights, powers, and privileges and to perform all the duties and obligations required of the Corporation as assigned to it by Lake Arrowhead Trust and set forth in the State of Maine Private and Special Law 1995, Chapter 37, and these bylaws.

To operate and maintain, or provide for the operation and maintenance of, any common areas or facilities held by this Corporation for the benefit of all its Members, or any areas concerning which the Corporation holds easements for the benefit of its Members, such operation and maintenance to include the employment and dismissal of all personnel; the making of repairs, additions, and improvements to, or alterations of, any such areas or facilities, including the maintenance, operation, improvement or expansion of the clubhouses and other buildings, equipment, roads, water supply systems, recreational and beach facilities, and wild life refuges; the purchasing of all necessary supplies; the obtaining and preparation of all necessary forms for insurance; and similar matters.

No part of the earnings of the Corporation shall inure to the benefit of any Member, Trustee, Officer, or committee member of this Corporation, or any private individuals or other corporation, except that reasonable compensation may be paid for goods or services rendered to or for the Corporation affecting one or more of its purposes.

Notwithstanding any other provisions of these articles, the Corporation shall not conduct or carry on any activities not permitted to be done except under Sections 501 (c) (4) and (7) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

ARTICLE II: MEMBERS

Section 1. Definition. The Members of the Corporation are every person eighteen (18) years of age or older who is the owner of a lot or lots of record within that area of land commonly known as "Lake Arrowhead Estates" as shown on the tax assessment records of the Town of Limerick and the Town of Waterboro, Maine. Except as otherwise provided in these bylaws, membership in the Corporation shall terminate only upon transfer or other disposition by a Member of his interest in his lot or lots in said "Lake Arrowhead Estates" (other than a mortgage), whereupon the membership shall automatically transfer to and be vested in the successor in ownership or interest. Membership in the Corporation shall be subject to all further restrictions, qualifications, and definitions as may be provided by deed, contract, law, State of Maine Private and Special law 1995, chapter 37, these bylaws or the Corporation's rules and regulation.

Ownership of a lot or lots by a municipal corporation, a fraternal, religious, or other social organization or association, a corporation, partnership, trusteeship, (except for a trust established by a member for estate planning purposes) or other non-individual legal entity shall not entitle any citizen or member of said organization to the rights and privileges of qualified Members of Lake Arrowhead Community, Inc. unless otherwise entitled.

Section 2. Powers, Rights, and Responsibilities. The Members of the Corporation shall reserve to themselves the following:

A. Exclusive powers:

- (1) Adoption of any amendments, revisions, or modifications to these bylaws;

- (2) Additions to the debt of this Corporation, which causes a total indebtedness of over \$1,000,000.00;
- (3) Additions to the reserve fund which cause it to exceed \$500,000.
- (4) Establish and from time to time change the structure and formula by which the trustees may calculate the amount of membership fee to be assessed to any member or members of the corporation.

B. Ratification Powers: The selection of this Corporation's independent public accountants and auditors;

C. Responsibilities: Members shall be expected to abide by any rules and regulations determined by the Board of Trustees or these bylaws as necessary for responsible membership use of the Corporation's common areas and facilities.

Section 3. Annual Meetings. The Annual Meeting of the Membership of the Corporation shall be held at the Lake Arrowhead Estates Subdivision, or at such other place located no more than fifty (50) miles there from as the Board of Trustees may designate, on the first Saturday of August of each year. At such meeting the Members shall elect Trustees for the ensuing term and hear reports of the officers and committees, may review current rules and regulations, and shall transact other business as may lawfully come before them. The ballot for the annual election of the Board of Trustees shall indicate, with respect to each candidate who is an incumbent Trustee, such candidate's record of attendance at duly called meetings of the Board of Trustees held during his term.

Section 4. Special Meetings. A Special Meeting of the Members may be called by the Chair of the Trustees or by a majority of the Board of Trustees or by the Clerk upon written application of ten percent (10%) of the Members of the Corporation, as defined in Article II, Section 1, and signed by such Members within sixty days of the first Member's signature.

Section 5. Notice. The Secretary, or such other person as may be designated by the Board of Trustees, shall give notice of Annual Meetings and any Special Meetings by a warrant that states the time, date, place and subject matters to be considered at the meeting, and that warrant must be posted in two (2) conspicuous public places within the corporate limits of the Corporation at least seven (7) days prior to the meeting. The warrant required herein for a Special Meeting of the Members shall be posted within 45 days of the receipt of a valid warrant application submitted pursuant to Article II, Section 4.

In addition, a copy of that warrant must be mailed by first class mail, postage prepaid, to each member at his address as last recorded on the books of the Corporation no less than thirty (30) days and no more than forty-five (45) days prior to the meeting. Failure of a Member to receive notice shall not affect the validity of any action taken at a meeting.

Section 6. Quorum. At any duly called meeting of the Members of the Corporation, a quorum shall consist of fifty (50) or more Members entitled to vote and present in person or by absentee ballot, provided that if a quorum is not present, a majority of those present shall have the power to adjourn the meeting.

Section 7. Absentee Ballots. No absentee ballot shall be deemed operative unless and until signed by the Member and delivered to the Clerk of the Corporation. All absentee ballots must be submitted and executed on a standard form approved by the Board of Trustees, which shall contain all of the information required therein, and shall include limitations as to the time and purpose.

Section 8. Voting. The vote of a majority of those present, in person or by absentee ballot, at any duly called meeting of the Members at which a quorum is present shall be sufficient for the transaction of business. On each matter brought to a vote of the Members, a Member shall be entitled to no more than one (1) vote regardless of the number of lots owned. In the event that record title to any lot or lots stands in the name of two or more persons, each combination of individuals shall be entitled to one (1) vote. Those persons may agree in a written notice filed with the Trustees which one of the owners is to be the legal voter at a meeting of the Corporation. In the absence of such agreement, the Clerk shall decide which person is the legal voter.

ARTICLE III: BOARD OF TRUSTEES

Section 1. Description and Power. The Board of Trustees of the Corporation shall consist of nine (9) Trustees, each of whom shall be a Member of the Corporation who is both entitled to vote and in good standing. No member of the Board of Trustees shall be compensated for his elected duties. Not more than one (1) member of a family (spouse, child, parent, brother, sister, or in-law) shall be a member of the Board at any time, regardless of membership status. Due to the potential for a conflict of interest, any Member who earns more than ten percent (10%) of his annual income from activities within the Lake Arrowhead Estates Subdivision shall be ineligible for Board membership and shall be removed from the Board. This ineligibility/removal is also applicable to the member of the family of someone who earns more than ten percent (10%) of his income from activities within the subdivision. The Board of Trustees shall have general management and control of all property and affairs of the Corporation. The President of the Corporation shall serve as Chairman of the Board of Trustees. The Board of Trustees has the

powers and duties necessary for the administration of the affairs of Lake Arrowhead Community, Inc. and may do all such acts and things, except as by law or these bylaws are reserved to the Members of the Corporation acting at a properly called meeting. Such powers and duties of the Board shall include:

- A. Appoint and at its discretion, without cause, remove or suspend officers, agents, and employees and determine their duties. The Board may engage such persons or organizations as it may deem advisable to carry out the general operations of the Lake Arrowhead Estates Subdivision on such terms and conditions as the Board may determine.
- B. Fix and change salaries of all officers, agents and employees;
- C. Delegate any of the powers of the Board to any committee, in each such case designating a Chairman of such committee, except where State law requires action by the Board as a whole.
- D. Accept title in the name of the Corporation to real property and tangible and intangible personal property.
- E. Establish an annual budget and establish membership fees and surcharges necessary to fund the Corporations expenses.
- F. Authorize reasonable and necessary borrowing in behalf of and in furtherance of the interests of the Corporation, provided such borrowing shall be from lending institutions and provided further that the total outstanding principal amount of such borrowing shall at no time exceed one million (\$1,000,000.00), unless such excess is approved by the membership vote according to these bylaws;
- G. Establish the rules and regulations, and penalties for the violations thereof, necessary for responsible membership use of the Corporation's common areas and facilities and to exercise the Corporation's power to regulate matters which are the subject of covenants and restrictions in the various Members' deeds.
- H. Enforce P & S.L. 1995, c. 37, these bylaws and the Corporation's rules and regulations. Such enforcement to include the imposition of reasonable fines.
- I. Be sworn by the clerk or any person authorized by law to administer oaths of office.

Section 2. Annual Board Meeting. After each Annual Meeting of the Members of the Corporation, there shall be a meeting of the Board of Trustees. If a majority of the Trustees is not present, then the Chairman shall call a Special Meeting of the Board according to the procedure in Section 4. Such a Special Meeting shall be held within twenty-one (21) days following the Annual Members' Meeting.

Section 3. Notice. A written notice of any Board Meeting stating the place, date, and time of the meeting shall be given by the Secretary, or by the person or persons calling the meeting. Such notice shall be sufficient if sent by first-class mail not less than seven (7) days before the meeting to each Trustee at his residence or at a place so designated by the Trustee. Actual notification in time for the Trustee to attend such meeting shall be sufficient notice regardless of how received. The Board of Trustees may act at a meeting held without notice if each Trustee waives such notice and specifically ratifies the actions taken at such meeting in writing filed with the Corporation's records. Any business may be transacted at a meeting of the Board even though it may not have been specified in the notice of the meeting.

Section 4. Quorum and Voting. At any meeting of the Board of Trustees a majority of the Trustees as fixed by the bylaws shall constitute a quorum. Provided a quorum is present, the vote of a majority of the Trustees attending a meeting shall be sufficient for the conduct of business. For purposes of filling vacancies on the Board, a quorum shall consist of a majority of the Trustees then serving on the Board. The votes of a majority of those Trustees present at a meeting, whether or not there is a quorum present, shall be sufficient for adjournment.

Section 5. Power to Call Board Meetings. A meeting of the Board of Trustees may be called by the President of the Corporation, by the Vice President, by any two of the Trustees, or by the Clerk upon written application of any fifty (50) Members of the Corporation as defined by Article II, Section 1, and in good standing, in a call signed by such members within sixty (60) days of the first member's signature.

Section 6. Elections. Except as set forth in Section 7 below, all Trustees shall be elected by a secret ballot of the Members of the Corporation. Three Trustees shall be elected annually for terms of three (3) years. The candidates receiving the three (3) highest number of votes shall be selected to fill the three 3-year terms. Should there be an insufficient number of candidates available to fill vacancies occurring due to the expiration of terms, the Presiding Office at the Annual Meeting of the Membership of the Corporation shall accept nominations from the floor for only the position for which it is deemed there is no candidate. Nominated Members must be entitled to vote and in good standing; and must also be present and accept the nomination at the Annual Meeting.

Section 7. Vacancies. In case a vacancy on the Board of Trustees shall occur from any cause other than the expiration of a term, the Board of Trustees, or the remaining Trustees although less than a quorum, shall by majority vote fill such vacancies for the remainder of the non-expired term as follows:

- A. First, from among the remaining unsuccessful Candidates for Trustee at the previous annual election, provided, however, that only those Candidates who were on the ballot and received a vote equal to at least twenty percent (20%) of the ballots cast shall be considered. Such vacancy shall be filled in order of ranking of votes at the previous annual election.
- B. Second, if there are no Candidates available or willing to serve pursuant to subparagraph A. above, the Trustees shall appoint to serve at any duly called Trustee Meeting, the notice for which lists this matter on the agenda, any Member of the Corporation, who is entitled to vote and in good standing. Those unsuccessful Candidates who were on the ballot at the previous annual election and received a vote equal to less than twenty percent (20%) of the ballots cast shall be considered.

Section 8. Removal. Any Trustee may be removed at any time, with cause, at any duly called Member Meeting, the notice of which lists this matter on the agenda, by a two-thirds vote of Members voting either in person or by absentee ballot. Any Trustee may also be removed, for cause or is either no longer entitled to vote or in good standing, if six (6) members of the Board of Trustees vote in favor of said removal at any duly called Trustee Meeting, the notice for which lists this matter on the agenda. If a Trustee is no longer a Member of the Corporation entitled to vote and in good standing, the Trustee is disqualified from serving on the Board of Trustees and shall remove himself from the Board.

Section 9. Resignations. Any Trustee may resign his position at any time by written notice delivered to the President or to the Board of Trustees.

Section 10. Committees of the Board of Trustees. The committees of the Board of Trustees shall be standing and special committees. All committee decisions shall be in the nature of recommendations to the Board of Trustees. No committee and no Trustee nor any other committee members shall be authorized to act without prior approval of the Board of Trustees. Trustees shall establish such special committees or standing committees as from time to time may be necessary or desirable for the conduct of the business of the Corporation. Minutes shall be maintained for all committee meetings and such minutes and reports shall be provided to the Board of Trustees. The President shall nominate and the Board of Trustees shall appoint all committee chairmen and designate committee assignments for each Trustee. All committee chairmen must be members of the Board of Trustees. Except for special committees, all committee chairmen and Trustee assignments shall be made no later than the third meeting of the Board of Trustees following the Annual Meeting of the Corporate Members. Individuals who are not members of the Corporation may be appointed to committees if the committee chairman considers it to be in the best interest of the Corporation. A quorum for conducting committee business shall be a simple majority of committee members present and voting. Absentee ballot voting shall not be permitted at committee meetings.

ARTICLE IV: OFFICERS

Section 1. Officers. The officers of the Corporation shall be a President, a Vice President, a Treasurer, a Secretary, a Clerk and such assistants and other officers and agents as may from time to time be appointed by The Board of Trustees. The same person may simultaneously occupy more than one office, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by law or these bylaws to be executed, acknowledged, or verified by two or more officers. All officers must be Members of the Corporation entitled to vote in good standing.

Section 2. Appointments, Terms, and Vacancies. Officers shall be elected annually by the Board of Trustees and shall serve until their successors are chosen. In case a vacancy shall occur from any cause in any office, the Board of Trustees shall fill such vacancy.

Section 3. Resignations. Any officer may resign his position at any time by written notice delivered to the President or to the Board of Trustees.

Section 4. Removal. Any officer may be removed at any time, without cause, by a majority vote of the entire Board of Trustees.

Section 5. President. The President shall be elected annually by and from the Board of Trustees and shall serve as Chairman of the Board of Trustees. He shall preside at all meetings of the Members and of the Trustees at which he is present. He shall have general charge and control of all the affairs of the Corporation subject to the approval of the Trustees.

Section 6. Vice President. The Vice President shall be elected annually by and from the Board of Trustees. He shall have the powers and duties of the President when the President is unable to carry out his duties or when the President delegates his authority to him, or when a majority vote of the entire Board determines that the President is unable to carry out his duties.

Section 7. Treasurer. The Treasurer shall be elected annually by, but not necessarily from, the Board of Trustees and shall oversee and be responsible for keeping full and accurate account of receipts and disbursements in the books of the Corporation and depositing all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Trustees. He shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements. He shall promptly render to the President and to the Board of Trustees such statements of his transactions and accounts as the President and Board respectively may from time to time require. At the direction of the Board of Trustees he shall give bond in such amount and with such security and in such form as the Board shall determine. The Treasurer shall perform such duties in addition to the foregoing as the Trustees may designate, including the preparation of an annual report of financial position and results of operations, in accordance with generally accepted accounting principles, at the close of each fiscal year to be submitted to and approved by the Board of Trustees, audited by an independent public accountant, and then submitted to the Annual Members Meeting. With the approval of the Board of Trustees he may delegate to an employee of the Corporation, which employee shall also be bonded, such duties and authority as the Board may approve. In any case, however, the Treasurer shall be responsible for over seeing the activities of such employee.

Section 8. Clerk. The Clerk shall be elected annually by, but not necessarily from, the Board of Trustees. He shall be a resident of the State of Maine and shall be sworn to the faithful discharge of his duties. The Clerk shall record in books kept for the purpose all votes and proceedings of the Trustees and Members, and shall be the keeper of all documents of title and other valuable and important papers of the Corporation. The Clerk shall keep the lists of Members and voters. The Clerk shall have the power to resolve any disputes over the qualification of a voter and the power to resolve any issues as to the number and sufficiency of signatures on any Member petitions. The Clerk shall have the power and right to consult with Corporate legal counsel on such issues.

Section 9. Secretary. The Secretary shall be elected annually by, but not necessarily from, the Board of Trustees. He shall be responsible for keeping full and accurate minutes of the Board meetings and meetings of the Members of the Corporation. The Secretary shall also be responsible for all correspondence pertaining to the Board functions, including notices of all meetings.

ARTICLE V: ASSESSMENTS

Section 1. Membership Fees. Regular Membership Fees and Surcharges and Supplemental Membership Fee(s)/Surcharges, as may be necessary, must be established and assessed annually by the Board of Trustees and be adequate to fund the Corporation's expenses, including the payment of debt, contribution to the reserve fund and the establishment of a reasonable surplus. The Clerk shall assess these fees and surcharges and the Treasurer shall collect them.

With respect to each fiscal year, the Board shall estimate the amount required by the Corporation to meet the expenses for such year, including but not limited to the following items:

- A. All government taxes and assessments;
- B. Management and administrative expenses;
- C. The estimated cost of repairs, maintenance, and replacement of common areas and facilities;
- D. The cost of such insurance and utilities as may be purchased by the Corporation;
- E. The amount of such reserves as may be reasonably established by the Board, including general operating reserves, reserves for contingencies, replacements of the Corporation's property and water system; and
- F. Payroll and such other expenses of the Corporation, as may be approved by the Board of Trustees including operating deficits, if any, for prior periods.

At least sixty (60) days prior to the commencement of each fiscal year, the Board shall cause an annual budget to be prepared based on its estimates of revenues and expenses in the budget year, shall adopt said budget and shall fix the amount of the Membership Fee.

For each succeeding fiscal year, the Membership Fee shall not be increased by more than five (5) percent over the Membership Fee for the preceding year without prior Member approval.

On or before the first day of the fiscal year covered by such approved budget, each Member shall pay the Membership Fee(s)/Surcharges assessed.

The Treasurer shall have the authority and duty to collect all annual assessments due and payable to the Corporation and to take all legal steps necessary or convenient, including, without limiting the generality of the foregoing, establishing and enforcing liens and bringing suits in the name of the Corporation to collect such assessments.

If any member shall fail or refuse to make payment of any assessment payable to the corporation when due, the amount thereof shall bear interest at a rate to be determined each year by the Board of Trustees and, together with such interest, shall constitute a lien on the lot/lots of such member. The Corporation and the Board shall have the authority to exercise and enforce any and all rights and remedies provided in the Maine Revised Statutes, Title 33, sections 1603-102 and 1603-116; in Private and Special Law 1995, Chapter 37; in these bylaws, or otherwise available at law or in equity for the collection of all unpaid amounts, including, if available, all possessor remedies under the Forcible Entry and Detainer laws of Maine. The Corporation shall be reimbursed by the non paying Member for all costs incurred by the Corporation in the collection and enforcement of said assessments; said costs to include, without limitation, court costs and reasonable attorney's fees.

Section 2. Liability for Assessments Upon Transfer of Lot. In the event a lot/lots is transferred or conveyed for any reason, including without limitation, via foreclosure or other legal process, the transferee of the lot/lots shall be jointly and severally liable with the prior owner of the lot/lots for all unpaid assessments, fees, charges, late charges, fines, interest and costs of collection outstanding at the time of transfer, without prejudice to the right of the transferee to recover from the prior owner the amounts paid by the transferee therefore. However, any such transferee or proposed purchaser under a purchase and sale contract may, upon written request and upon payment of such fee as may be set by the Board of Trustees, obtain a statement from the Corporation setting forth the amount of unpaid assessments, fees, charges, late charges, fines, interest and costs of collection owing on the lot/lots, and the transferee shall not be liable for, nor shall the lot/lots transferred be subject to lien for, any assessments, charges, late charges, fines, interest and costs of collection arising before the statement date in excess of the amount set forth in the statement.

Section 3. Liens. The Corporation has a lien on the lot/lots of a Member for any assessment levied or fine imposed against said Member from the time the assessment or fine becomes due. The Corporation's lien may be foreclosed in a like manner as a mortgage on real estate and is prior to all other liens and encumbrances on the lot/lots except: (1) Liens and encumbrances recorded before August 10, 1995; (2) A first mortgage recorded before or after the date on which the assessment sought to be enforced becomes delinquent; and (3) Liens for real estate taxes and other governmental assessments and charges against the lot/lots. Fees, charges, late charges, fines and interest are enforceable as assessments under this section.

Section 4. Additional Penalties for Failure to Pay Assessments and Other Defaults. If any assessment against a Member is currently unpaid and overdue by more than thirty (30) days, except where a Member is actively in an approved payment plan and current with payments, there shall be no right in a Member of the Corporation to exercise any rights as a Member of the Corporation except the right to vote. The Member's rights denied include, but are not limited to, the right to run for or hold office and to use the Corporation's roads, water supply and recreational facilities.

ARTICLE VI: BYLAW AMENDMENTS

Section 1. Accepting Proposed Amendments. These bylaws may be amended by a vote of a two-thirds majority of the Members of the Corporation voting in person or by absentee ballot at any Annual or Special Meeting of Members, the notice of which states that an amendment or amendments of the bylaws will be proposed and indicates the proposed amendment or amendments.

Section 2. Proposing Amendments. Amendments to these bylaws may be proposed by any Member of the Corporation as defined in Article II, Section 1, of the Corporation. A proposed amendment must be reviewed by counsel for legality and will be placed on the agenda of the next Annual or Special Member Meeting provided it meets at least one of the following requirements:

- A. Be approved by a majority of the Board of Trustees.
- B. Be submitted to the Board of Trustees by the Clerk, upon written application that states the proposed amendments and is signed by at least fifty (50) Members of the Corporation as defined in Article II, Section 1 in good standing of the Corporation. Such petition, if it is to be acted on at the next Annual Member Meeting, must be received at the Corporation's office no later than May 31st each year in order to be placed on the warrant.

ARTICLE VII: MISCELLANEOUS

Section 1. Indemnification. The Corporation shall, to the full extent of its power to do so provided by law, indemnify any person who was or is a Trustee, Officer, Employee, or Agent of the Corporation or is or was serving at the request of the Corporation as a Trustee, Officer, Employee, or Agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in his duties as Trustee, Officer, Employee, or Agent of the Corporation. Nothing contained in the foregoing sentence shall

prevent the Corporation, by action of its Members or by action of disinterested Trustees from indemnifying any person, including without limitation, a Trustee, Officer, Employee, or Agent of this Corporation, in a particular case if in the judgment of the Corporation such indemnification should be made.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be from May 1 through April 30, unless changed by the Board of Trustees for good reason.

Section 3. Seal. The seal of the Corporation shall be either a circular disc upon which shall be inscribed the words LAKE ARROWHEAD COMMUNITY, INC., or a wafer seal.

Section 4. Execution of Writings and Documents. Unless the Board of Trustees or Members shall otherwise generally or in any specific instance provide, any bill, note, check, or negotiable instrument shall be signed or endorsed in the name and on the behalf of the Corporation by both the President and Treasurer, or if the offices of the President and Treasurer are held by the same individual, then by the President and such other individual as the Board of Trustees may designate.

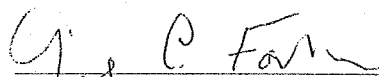
Section 5. Bonds. The Board of Trustees may from time to time require from any one or more of the Officers or Agents of the Corporation, that he, or they, shall give bond, and the premium for all such bonds may be paid by the Corporation.

Section 6. Conducting Meetings. All meetings of the Board of Trustees or Members shall be conducted in accordance with the latest edition of "Robert's Rules of Order."

Section 7. Sale of Real Estate. The sale or transfer of any Corporation real estate within the subdivision known as "Lake Arrowhead Estates" shall be approved by a vote of the majority of the Members, voting in person or by absentee ballot, at a duly called and scheduled Annual or Special Meeting.

Section 8. Approval of New Construction. All new construction within the subdivision known as "Lake Arrowhead Community" must be approved by the Board of Trustees or its designee.

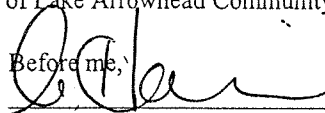
Section 9. Conflict. In the event of a conflict between these bylaws and the laws of the State of Maine governing nonprofit organizations, the laws of the State shall prevail.


George Fowler, Trustee
Clerk of the Corporation

August 7, 2009

STATE OF MAINE)
)
COUNTY OF YORK)

Personally appeared the above named George Fowler, Trustee of Lake Arrowhead Community, Inc.

Before me, 

Amy J. Harris, Notary Public
State of Maine
My Commission Expires: 11/16/10

Article III, Section 1 (f). Description and Power
Article III, Section 10; Article III, Section 11 (a-d). Committees of the Board of Trustees.

For the purpose of these bylaws, "he", "him", "his", and "chairman" shall be used generically and refer to either male or female members of the Corporation.