

MONHEGAN ISLAND SUSTAINABLE COMMUNITY ASSOCIATION

BY-LAWS

as adopted at the Organizational Meeting of the Incorporators on August 8, 2002 with Amendments 1-6 accepted between September, 26, 2002 and August 9, 2006.

ARTICLE 1: Name and Location and Fiscal Year

Section 1.1: Name. The name of the corporation shall be MONHEGAN ISLAND SUSTAINABLE COMMUNITY ASSOCIATION. It shall be a non-profit, non-stock corporation organized under the laws of the State of Maine.

Section 1.2: Location. Said corporation shall be located in Monhegan Plantation, County of Lincoln, State of Maine.

Section 1.3: Fiscal Year. The fiscal year of the corporation shall extend from October 1 of one year through September 30 of the following year.

ARTICLE 2: Purposes

Section 2.1: Incorporation. This association has been organized and is incorporated under the Maine Nonprofit Corporation Act and shall be operated exclusively for charitable, educational or scientific purposes within the meaning of 501(c)(3) of the United States Internal Revenue Code of 1986 (the "Code") as the same may be amended from time to time.

Section 2.2: Primary purposes. Within these purposes, the primary purposes of the corporation shall be:

- (a) To promote the sustainability of the Monhegan Island community by contributing to the development of year-round housing and economic opportunities; and
- (b) To create and maintain a community land trust on Monhegan Island to acquire land and buildings and, while holding the land in perpetuity, to make the buildings available for purchase by participants in the year-round community for individual ownership and use as their primary residence and/or as their location of a business enterprise, and, through the use of covenants on future transfers, ensure that a certain number of community land trust buildings remain available to the future year-round population; and
- (c) To foster and support access to and provision of decent, safe, and affordable housing opportunities for low- to moderate-income persons who cannot provide themselves with permanent housing by their own means, and who are year-round residents of Monhegan Island.

Section 2.3: Tax-exempt status. The Corporation shall be organized and empowered to do everything necessary, proper, advisable, or convenient for the accomplishment of the foregoing purposes, and to do all other things incidental to them, or connected with them, that are not forbidden by law, the Articles of Incorporation, or these By-Laws of the Corporation; provided, however, that the Corporation shall not engage in any transaction, or do or permit any act of omission, which shall operate to deprive it of its tax-exempt status as a Corporation described in 501(c)(3) of the Code. No part of the net income of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign or behalf of any candidate for public office.

ARTICLE 3: Membership

Section 3.1: Eligibility. The corporation shall have one class of members who will consist of those persons at least eighteen years old who shall meet the following requirements:

- (a). shall have owned at any time for at least two years at least one-eighth acre of land on Monhegan Island, or a sufficiently large fractional interest in a larger amount of such real estate or a dwelling house there, or shall be the husband, wife, child, son-in-law, or daughter-in-law of a person so qualified; or, alternately, shall have resided, or sojourned, or been a registered voter at Monhegan Plantation for a cumulative total period of at least two years; and
- (b). shall make written application for membership, which application shall contain the applicant's signed statement of when the foregoing requirements were met and that the applicant is generally in sympathy with the purposes and objectives of this corporation; and
- (c). shall pay one year's dues to cover the current fiscal year.

The corporation shall have an additional class of non-voting members who will meet the following requirements:

- (a). are sympathetic to MISCA's aims; and
- (b). shall pay one year's dues to cover the current fiscal year.

Section 3.2: Dues. The amount of dues shall be determined by a majority vote of the Board of Trustees.

Section 3.3: Payment of Dues. The annual dues of each member shall become payable at the beginning of each fiscal year and shall be billed as of that time. If the dues of any member shall remain unpaid on May 1, a second notice of dues due shall be mailed to such member; and if such member's dues still remain unpaid on July 1, the membership of such member may be cancelled. Any member who has allowed her or his membership to lapse may be reinstated as a member by paying the dues for the current year.

Section 3.4: Membership Records. Membership will be recorded on the books of the corporation maintained by the Treasurer for that purpose, together with a record of the amounts of dues paid.

Section 3.5: Duties and Privileges. Members in good standing are entitled to all the benefits and privileges associated with membership, including the right to elect the Board of Trustees. Only members in good standing are entitled to serve as officers or as Trustees.

Section 3.6: Compensation. A member may be compensated for services rendered to the corporation if so approved by the Board of Trustees.

ARTICLE 4: Meetings of Members

Section 4.1: Annual Meeting. The annual meeting of members for the election of Trustees shall be held each year at 7:00 P.M. on the Tuesday after the third Sunday in July at a place on Monhegan Island as shall be designated by the Board of Trustees.

Section 4.2: Agenda. The order of business at the annual meeting of members shall be:

- (a) Calling of the meeting to order
- (b) Proof of notice of meeting
- (c) Determination of presence of a quorum by Inspectors of Election
- (d) Acceptance of minutes of previous annual (and special) meeting(s) of members
- (e) Reports of officers
- (f) Reports of committees
- (g) Old business
- (h) New business
- (i) Announcement of election results

The presiding officer may depart from the foregoing order of business, subject to the approval of a majority of the qualified voters present in person.

Section 4.3: Special meetings. The President or any three Trustees may call a special meeting of members at any time; or, at the written request of any ten members having voting power, the President or Vice President may call a special meeting. Business transacted at any special meeting shall be confined to subjects stated in the notice of that meeting.

Section 4.4: Notice of meeting. Notice of the time and place of all meetings of the members of the corporation shall be given by the Secretary by mailing a postpaid written or printed notice of such meeting to each member at her or his address appearing in the corporation's records, at least fifteen days (exclusive of the day of mailing) prior to the time of such meeting.

Section 4.5: Quorum. A quorum at any annual or special meeting of members shall consist of twenty members, any of whom may be present either in person or by ballot. If a quorum be not present, the members present shall have the power to adjourn from time to time until such quorum appears.

Section 4.6: "Announcements". If, at any meeting of members, a question that has not been included in the notice of the meeting comes up for vote, any five members with voting power may demand an "announcement" of the question, whereupon a vote on the question shall be deferred to the next meeting of members (whether annual, special, or adjourned), the notice of which meeting shall contain a statement of the question to be voted upon.

Section 4.7: Voting.

(a) Members entitled to vote at any meeting shall be the members of record at 10:00 A.M. on the twenty-first day prior to the meeting.

(b) In all voting, each member shall have one equal vote except that, in the election of Trustees, each member shall have one vote per Trustee position to be filled. When two Trustees are elected in one year, both votes may be cast for one candidate or the votes may be distributed between two candidates. Properly cast votes for persons not listed on the ballot shall be deemed valid. The two persons (or one person every third year) who receive(s) the greatest number of votes shall be deemed elected.

(c) For quorum and other purposes, votes taken from ballots in connection with a meeting shall be considered to be votes taken at the meeting.

(d) Subject to the provisions of Section 4.6, voting on minor matters may be carried out by voice votes or showings of hands.

(e) In the election of Trustees and in votes on other duly announced questions and subjects, official ballots shall be distributed in ample time to permit members to use them in voting.

(f) The Inspectors of Election shall close the polls and start opening voting envelopes and counting votes at a time that is three hours prior to the time set for that meeting. Prior to that time, voting envelopes shall remain unopened, to permit ballots to be changed or revoked.

(g) Any member shall have the right to be present and observe the operations of the Inspectors of Elections as they decide questions relating to the qualifications of voters, the acceptance and rejection of ballots, and as they count the votes.

Section 4.8: Selection of Candidates for Trustee. A Board of five Trustees shall be elected in such a way that the Board is composed of at least three winter residents and at least one summer resident of Monhegan Plantation, and that the terms of two trustees shall expire at the end of each of the first and second annual meetings, respectively, and the term of one trustee shall expire at the end of the third annual meeting, of the Board. At annual meetings after normal succession has been established, the members shall elect one or two Trustee(s), each of whom shall serve from the end of the annual meeting of the Board of Trustees in the calendar year of her or his election until the end of the annual meeting of the Board of Trustees in the third subsequent calendar year.

(a) The Nominating Committee, appointed by the Board of Trustees in accordance with the provisions of Article 6.7, shall nominate, annually, at least one nominee for each Trustee position that will become open that year; the names of these nominees shall be placed upon the ballot. The report of the Nominating Committee shall be in the hands of the Secretary three weeks prior to the

annual meeting of members, to permit posting a notice to announce the nominations of the Committee at two public locations.

(b) Any person not so nominated (if eligible to serve) may have her or his name placed on the ballot as a candidate for election as Trustee by filing with the Secretary, at least three weeks before the annual meeting, a petition requesting such action signed by at least ten members in good standing.

Section 4.9: Inspectors of Election. Prior to each meeting of members at which an election is to be held or at which a referendum vote is to be taken, the President shall appoint three Inspectors of Election, whose duty shall be to take charge of all ballots and determine that the ballots are proper and valid according to law and the conditions set forth in these By-laws. For this purpose, the Secretary and Treasurer shall make available to the Inspectors the latest list of members and such other data as they may need in the performance of their duties. In case one or more of the appointed Inspectors is absent or refuses to act, the presiding officer at such meeting of members may fill each vacancy thus created by appointing another Inspector.

ARTICLE 5: Board of Trustees

Section 5.1: Powers and Duties.

(a) The management and control of this corporation shall be vested in a Board consisting of five Trustees. The Board shall, subject to the By-Laws, have full charge of the property and affairs of the corporation, and may exercise all such powers of this corporation and do all such lawful acts and things as are not by statute or by these By-Laws required to be done by the members.

(b) The Board of Trustees shall have the power to accept, on behalf of the corporation, voluntary contributions of any kind for any of the purposes of this corporation from members and others. Every significant contribution (i.e., \$1000 or more) from organizations not previously reviewed by the Board of Trustees shall be accepted only with a majority vote of the Board of Trustees. To safeguard and protect the purposes of this corporation and the Monhegan Community, such vote shall follow deliberations based on information concerning the source of the donation.

Section 5.2: Eligibility. Each member in good standing is eligible to serve as a Trustee except during the time he or she is an applicant to acquire property through programs sponsored by this corporation.

Section 5.3: Tenure. No limit is set on the number of terms that a person may serve as Trustee, but no person shall serve as Trustee for more than two full terms in immediate succession. In the event an election is not held, Trustees' terms shall extend until their successors are qualified.

Section 5.4: Compensation and Expenses. No Trustee shall receive any pay for acting as such, but this provision shall not prevent a Trustee from receiving fair compensation for services actually rendered in some other capacity. Expenses, if any, of attendance at any meetings of the Board or of its committees may be allowed in whole or in part by vote of the Board.

Section 5.5: Resignation. Any Trustee may resign at any time by giving written notice to the Board. Such resignation shall take effect at the time specified therein and the acceptance of such resignation shall not be necessary to make it effective.

Section 5.6: Removal. Any elected Trustee may be removed from office, for cause, by affirmative vote of two-thirds of the members casting ballots at a special meeting. The voting may be either by mail or in person at a special meeting of the membership called for such purpose.

Section 5.7: Vacancies. Any vacancy in the Board of Trustees may be filled by a majority vote of the full Board of Trustees for the appointment of a Trustee to serve until the election by ballot vote at the next annual members meeting. The Trustees shall exercise all their powers notwithstanding the existence of one or more vacancies, and vacancies need not be filled as long as a minimum of three persons remain on the Board.

ARTICLE 6: Meetings of the Board of Trustees

Section 6.1: Annual and Regular Meetings. The annual meeting of the Board of Trustees shall be held immediately following each annual meeting of members at the same place. Regular meetings of the Board of Trustees may be held at such times and places as the Board may designate.

Section 6.2: Agenda. The order of business at the annual meeting of the Board of Trustees shall be as follows, unless a different order is approved by three-fifths of those Trustees present:

- (a) Calling of the meeting to order
- (b) Determination of presence of a quorum
- (c) Acceptance of minutes of previous meeting(s)
- (d) Reports of officers and committees (if not already covered in the annual meeting of members)
- (e) Old business
- (f) New business
- (g) Appointment of Registered Agent and appointments to Nominating Committee and other committees where the appointing power is not delegated to the President
- (h) Election and swearing-in of officers, and taking of office by them

Section 6.3: Special meetings.

(a) The President or, in her or his absence, the Vice President may call a special meeting of the Board at any time. At the written request of two or more Trustees, the President or, in the President's absence, the Vice President shall call a special meeting. Business transacted at any special meeting shall be confined to subjects stated in the notice of that meeting.

(b) In emergency circumstances, any action which could be taken at the meeting of the Board of Trustees may also be taken without a meeting by the consent thereto of three-fifths of all the members of the Board, evidenced by signed and dated statements submitted to the Secretary.

Section 6.4: Notice of meeting. The Secretary shall give notice of the time and place of all regular meetings of the Board of Trustees by contacting each Trustee, and posting a public notice of the meeting, at least seven days prior to the time of such meeting. The Secretary shall give notice of the time and place of all special meetings of the Board of Trustees by contacting each Trustee, and posting a public notice of the meeting at least two days prior to the time of such meeting. Notice of special meetings may be waived by written consent of three-fifths of the Trustees, evidenced by signed and dated statements submitted to the Secretary.

Section 6.5: Quorum. A quorum at any meeting of the Board shall consist of half of all the Trustees then on the Board. If a quorum be not present, the members present shall have the power to adjourn from time to time until such quorum appears.

Section 6.6: Tie-breaking vote. The officers of this corporation shall be free to attend all meetings of the Board of Trustees, and shall receive notices of such meetings. Officers who are not Trustees shall not vote at meetings of the Board, provided, however, that in the event of a tie vote among the Trustees, the presiding officer may cast a tie-breaking vote whether a Trustee or not.

Section 6.7: Registered Agent and Committees. At its annual meeting, the Board of Trustees shall appoint a Registered Agent, and the following committees: a Finance Committee, a Nominating Committee of at least three persons, and a Research and Review Committee (for example, for significant contributions). The Board may also appoint other standing and/or temporary committees, including an Auditing Committee, which committees the Board may invest with such powers of the Board, and make subject to such conditions, as the Board may see fit; provided, however, that no major powers of the board shall be delegated to any such committee. All committees shall serve for one year unless their charge is superseded by another duly appointed committee. Except for the Nominating Committee, Finance Committee, and Research and Review Committee, the Board may delegate to the President the power to make appointments to committees.

ARTICLE 7: Officers

Section 7.1: Powers and Duties. The Officers of this corporation shall be a President, a Vice President, a Secretary, and a Treasurer. Except where obviously inappropriate, any officer may be elected or appointed to serve in more than one capacity. In addition to the duties respectively assigned to the officers in the following listing, each officer shall have the powers and duties that are normally incident to the office and/or that are properly assigned to the officer by the Board.

- (a) The President shall have general management of and supervision over the property and affairs of the corporation, shall preside at the meetings of the members and of the Board of Trustees, shall sign all official papers, each year shall place on the agenda of the first trustees' meeting held after October 1, a vote on whether or not to audit the books of the corporation for the just-completed fiscal year, and shall make reports to the Board and to the members regarding financial and other matters.
- (b) The Vice President shall perform the duties of the President in the event of the absence or disability of the President, shall perform other duties as the Board of Trustees may delegate to her or him, and shall cooperate with the President in the exercise of the powers and duties of the President as the President may request.
- (c) The Secretary shall issue all notices of meetings of members and of the Board of Trustees, shall keep the minutes of all meetings of members and of the Board, and shall have charge of the seal and books and records of the corporation (other than the books of account).
- (d) The Treasurer shall have custody of the monies, funds, and documents belonging to the corporation and shall keep correct and suitable books of account of the same. He or she shall keep a record of the members showing their names and places of residence, shall collect all contributions, and shall deposit all money of the corporation in its name in a place of deposit selected by the Board of Trustees. The Treasurer or the President shall sign all orders for the payment of money and shall pay out the same under the direction of the Board of Trustees. He or she shall make a written report of the state of the finances of the corporation to the members at the annual meeting and at any meeting of the Board whenever requested by the President or the Board, and shall see that the annual financial report is in the hands of the Secretary within three weeks after the close of the fiscal year.

Section 7.2: Eligibility. Each member in good standing is eligible to serve as any officer of the corporation, except to serve as the President or the Vice President who must be a current Trustee.

Section 7.3: Election. The Board of Trustees shall elect the officers each year as soon as practicable after the annual meeting of members. The Nominating Committee shall submit a slate of nominees to the Board of Trustees at the annual meeting of trustees.

Section 7.4: Tenure. Each officer shall assume office as soon as elected and shall hold office for one year or until her or his successor is duly elected and qualified (or the office is abolished).

Section 7.5: Compensation. The salaries of all officers and agents of this corporation shall be fixed by the Board of Trustees.

Section 7.6: Resignation. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect at the time specified therein and the acceptance of such resignation shall not be necessary to make it effective.

Section 7.7: Removal. Any officer may be removed for cause by the affirmative vote of three-fifths of all of the Trustees then on the Board of Trustees, after due notice to such officer, and, if a hearing is requested in writing by such officer, after a hearing conducted according to such reasonable procedure as shall be prescribed by the Board.

Section 7.8: Vacancy, Absence or Disability. A vacancy in any office arising from any cause may be filled by the Board of Trustees at any regular or special meeting. In case of the absence or disability of

any officer and of any person properly authorized to act as an alternate, the Board may from time to time delegate the powers and duties of such officer to any person it may select.

ARTICLE 8: Protection of Trustees and Officers

Section 8.1: Limitation of Liability. No Trustee shall be liable to this corporation except for her or his own acts, neglects, and defaults in bad faith. No Trustee shall be liable out of her or his personal assets for any obligation or liability incurred by this corporation or by the Trustees. The corporation alone shall be liable for the payment or satisfaction of all obligations and liabilities incurred in carrying out the affairs of this corporation.

Section 8.2: Indemnification. Each member of the Board of Trustees and each officer of the corporation shall be indemnified by the corporation against all loss, costs, damage, expenses and charges reasonably incurred or suffered by her or him in connection with the defense or reasonable settlement of any action, suit or proceeding in which he or she is made a party by reason of her or his being or having been a Trustee or an officer of the corporation (whether or not he or she continues to be a Trustee or officer at the time of incurring or suffering such loss, costs, damage, expenses or charges) except in relation to any matter as to which he or she shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of her or his duties as such Trustee or officer. The foregoing right of indemnification shall not be deemed exclusive of any other rights or remedies to which such Trustee or officer may be entitled under any By-Law, agreement, vote of members, matter of law, or otherwise.

Section 8.3: Bonding. The Board of Trustees shall take out a blanket bond in such amount as the Board shall deem appropriate covering all of the officers and agents of this corporation.

ARTICLE 9: Dissolution

Section 9.1: Dissolution. In the event of the dissolution of the corporation, the Board of Trustees shall, after paying or making provision for the payment of all the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation, in such manner, or to such organization or organizations organized and operating exclusively for such purposes as shall, at the time, qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) as the Board of Trustees shall consider will best perpetuate the corporation's objectives, giving special consideration to such organization or organizations within the Plantation of Monhegan that qualify as an exempt organization or organizations under Section 501(c)(3).

ARTICLE 10: Amendment Procedure

Section 10.1: Procedure. These By-Laws may be amended at any annual or special meeting of the members only by the affirmative votes, cast in a referendum ballot, of at least two-thirds of all of the members who shall vote in the referendum; provided that

(a) the amendment was proposed and discussed at an annual or special meeting of the members and the majority of the members present voted in favor of an "announcement" of the proposed amendment to the members, and

(b) a printed notice, stating the proposed amendment and the meeting at which it will be considered by referendum vote, was then sent to all members of the corporation at the latest addresses of such members on the official membership list of the corporation, with at least fifteen days notice of said meeting.

ARTICLE 11: Management of Affairs until first annual meeting

Section 11.1: Powers of Incorporators. Because the persons who are to serve as Trustees until the first annual meeting of members were not named in the articles of incorporation, the Incorporators shall manage the affairs of the corporation until the Trustees are elected and may do whatever is necessary and proper to perfect the organization of the corporation, including the adoption of the original By-Laws of the corporation and the election of Trustees. The power of the Incorporators shall terminate upon the election and qualification of at least one Trustee.

Section 11.2: Organizational Meeting. At any time before or after the filing date of the articles of incorporation, an organizational meeting of the Incorporators shall be held to adopt By-Laws of the corporation, to elect Trustees, and to serve and hold office until the first annual meeting of the members, and to do any other or further acts to complete the organization of the corporation and to transact such other business as may come before the meeting.

Section 11.3: Calling of Meeting. The organizational meeting shall be held at the call of a majority of the Incorporators. The persons calling the meeting shall give to each other Incorporator at least three days' written notice thereof by any usual means of communication. The notice shall state the time, place and purposes of the meeting. Waiver of notice according to Maine Title 13-B, 4-705, shall apply to the organizational meeting.

Section 11.3: First Board of Trustees. Notwithstanding the provisions of Article 4.8 (a) and (b) of these By-Laws, the first Board of Trustees may consist of persons who are not members of the corporation but such non-member Trustees must become members prior to the first annual meeting of the members of the corporation to be held in July 2003. Any Trustee elected at the organizational meeting of the Incorporators for a term expressed as a number of years shall be a duly elected and qualified Trustee from the date of her or his election to the first annual meeting of members in July 2003, and her or his term of years shall be measured from the organizational meeting of the Incorporators.

Section 11.4: First Meeting of Trustees. The five Trustees elected at the organizational meeting of the Incorporators shall constitute a quorum for the first meeting of Trustees held thereafter. No notice of said meeting shall be required provided all five Trustees are present. Said five Trustees may proceed to elect officers and transact all other business they deem proper and all action taken at said meeting shall be valid and effective corporate action.

ARTICLE 12: Eligibility requirements to purchase a building on MISCA property

Section 12.1: The Board of Trustees shall maintain requirements for who is eligible to purchase a residence/building on MISCA property. The Trustees shall make these requirements known to the community in as full a manner as possible, including public posting.

Section 12.2: Eligibility Requirements. A registrant must:

1. be at least twenty-two (22) years of age, and be
2. of low to moderate income (Only 35% of people selected to purchase property from MISCA can exceed the low income limit, but not by more than 115% of the area's median income.), and
3. not own a majority interest in any residence or house lot on Monhegan [with the exception of a residence/building on MISCA land which would be sold in order to purchase a different residence/building on MISCA land].

A registrant must submit, to the Contact Person, a Registration Form with a signed statement that he or she meets the above requirements and is generally in agreement with the purposes of this corporation to provide perpetually affordable housing for Monhegan's year-round community.

Section 12.3: Eligibility Registration Process.

1. The Board of Trustees shall appoint a Contact Person who is not a registrant.
2. The Contact Person shall receive all submitted Registration Forms and mark each with the date received.
3. The Board of Trustees shall review each new Registration Form in executive session, at the first meeting of the Board after its receipt. If the Board concurs with the information on the Form, the person shall be registered on the Eligibility Registration List maintained by the Contact Person.
4. If two or more Trustees challenge any of the statements made on the Registration Form, eligibility shall not be decided until the person has had an opportunity to be heard in executive session at a Board meeting. The meeting shall be held no sooner than seven (7) days and no later than fourteen (14) days after the meeting at which the question of eligibility was raised or, in the absence of a quorum, as soon as a quorum can be present.
5. The Contact Person shall send written notice to each individual of the Board's decision.

Section 12.4: Application Requirements.

1. An applicant must:
 - a. Be registered on the MISCA Eligibility Registration List, and
 - b. Submit a completed Application Form, *postmarked on or before the deadline date*, to the Contact Person.
2. The Application Form shall include the following information:
 - a. Residence or building under consideration
 - b. Name of applicant(s)
 - c. Contact information of applicant(s)
 - d. Chronology of time spent on Monhegan
 - e. Signed statement that the applicant(s) *currently* meet(s) the three registration requirements.

Section 12.5: Application Process.

1. The Board of Trustees shall:
 - a. name the residence/building under consideration, and
 - b. schedule (an) information session(s) to present an overview of MISCA and the perpetual affordability covenants on the residence/building under consideration and the price of the residence/building, and to answer questions, and
 - c. set the date and time of the deadline for the receipt of Application Forms by the Contact Person for the residence/building under consideration.
2. The Board shall direct the Contact Person to announce the residence/building by:
 - a. sending an Application Form to each registrant, and
 - b. distributing and posting copies of the Application Form at two public locations on Monhegan.
3. The Application Form shall:
 - a. identify the residence/building, and
 - b. announce the date, time and location of the information session(s), and
 - c. give the date and time of the deadline by which all Application Forms must be received by the Contact Person to be included in the Purchaser Selection Process.

Section 12.6: Purchaser Selection Process.

1. The Contact Person shall receive the Application Form(s) and keep them, with their respective postmark(s), for the Board of Trustees.
2. Five (5) days after the deadline or, in the absence of a quorum, as soon after the deadline as a quorum can be present, the Board of Trustees shall review the application(s) in executive session.
3. The Board may arrange for applicant interviews.
4. Each Trustee must disclose any possible conflict of interest in participating in a Purchaser Selection Process. A Trustee may choose to recuse herself or himself.
5. The Board of Trustees shall select the (potential) Purchaser using the criteria of Section 12.8
6. If no registrant applies to purchase a residence or building on MISCA land, the Trustees may, if they chose the option, re-announce the available residence/building with a lower age eligibility

requirement than that listed in Section 12.3.1. If this option is used, a Conditional Eligibility Registration List shall be opened for the residence/building under consideration.

7. The Board's Purchaser Selection Decision shall be final.
8. The Board of Trustees shall make a written record of the decision on each Application Form and place each on file with the Contact Person.
9. Within four (4) days from the date of the Purchaser Selection Decision, the Contact Person shall mail a notification letter to each applicant; letters to applicants who were turned down shall include a brief explanation of the Board's decision.

Section 12.7: Purchaser Selection Criteria.

1. Using information from the Registration and the Application Forms, and interview(s), the Board of Trustees shall select the applicant considered to offer the *best possible match* with the available residence/building (in the interest of the success of the new homeowner and of MISCA, and for the benefit of the community).
2. In making their decisions, the Trustees shall consider the applicant's length of time on Monhegan and may consider:
 - a. potential contribution to the community's inventory of skills,
 - b. commitment to the community, and
 - c. a lender's preliminary evaluation of the applicant's ability to qualify for loans, subsidies, and other available financing.

Section 12.8: Completion of the Purchase.

1. To accept the offer to purchase the property, the selected applicant shall sign a purchase and sale agreement with MISCA. This agreement commits the applicant to go through the mortgage qualification process but allows the applicant to withdraw in the event that the mortgage is not granted or other legal problems, specified in the purchase and sale agreement, develop before closing. The Trustees shall encourage the applicant to review the purchase and sale agreement and all subsequent documents with legal counsel prior to signing.
2. If the selected applicant is unable to complete the purchase, he or she shall inform the Board of Trustees in writing of her or his decision to withdraw, and the Board shall begin the process again at Section 12.7.2.
3. If the selected applicant obtains financing, he or she reviews in depth the land lease, the covenants between MISCA and the homeowner, and the rights and responsibilities for each as specified in the legal documents.
4. The mortgage is processed and finalized, typically with the applicant's attorney making a final review before the closing.

Section 12.9: Purchaser Selection Decision Discussion.

1. An applicant who has been turned down may request a meeting with the Board of Trustees to present his or her concerns by notifying the Board, in writing, within seven (7) days of the Selection Decision.
2. The Board of Trustees shall schedule to meet with the applicant in executive session.
3. MISCA may choose to offer information about credit counseling programs that are available from other organizations.

Section 12.10: Ground Lease and Covenant Monitoring.

Each year, the President shall place on the agenda of the first trustees' meeting held after January 1, "review monitoring of ground leases and covenants". The Board of Trustees shall consider how MISCA and each resident/building owner, as partners, over the preceding year, have accepted the responsibilities and have honored the requirements of their mutual, two-party agreement.

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