RESTATED
DECLARATION OF CONDOMINIUM
WINDHAM HILL WOODS
CONDOMINIUMS

BY
MACHIGONNE PROPERTIES, INC.

Maine Condominium Act

As Filed:

Original Declaration dated November 8, 1989, recorded at the Cumberland County Registry of Deeds Book 8987, Page 256, Plats and Plans recorded at Book 182, Page 38, and incorporating the following Amendments:
1st: dated April 19, 1990, recorded at Book 9147, Page 163;
2nd: dated August 16, 1990, recorded at Book 9281, Page 296;
3rd: dated May 22, 1991, recorded at Book 9567, Page 236;
4th: dated October 31, 1991, recorded at Book 9777, Page 117; corrected at Book 9794, Page 321;
5th: dated October 31, 2007, recorded at Book 25587, Page 92;
6th: dated October 20, 2015, recorded at Book 32699, Page 18
7th: dated _____, recorded at Book _____, Page _____.
8th: dated _____, recorded at Book _____, Page _____.

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DECLARATION PURSUANT TO TITLE 33, CHAPTER 31, sections 1601-101 ET. SEQ.
KNOWN AS THE MAINE CONDOMINIUM ACT

The Original Declaration dated November 8, 1989, is filed pursuant to Section 1602-101 of the Maine Condominium Act as appears in the Maine Revised Statutes, as amended, Title 33, Chapter 31, Section 1601-101, et. seq. to which reference is specifically made and which Act is incorporated herein by reference and to which all owners of units described herein, and their heirs, successors and assigns, shall be bound.

1. Description of Land. MACHIGONNE PROPERTIES, INC. ("Declarant"), a Maine corporation with a place of business in Portland, County of Cumberland and State of Maine, hereby submits the land hereinafter described in Appendix I attached hereto and incorporated herein with the buildings and improvements thereon ("the Property"), located on Ward Road in the Town of Windham, County of Cumberland and State of Maine, to the provisions of said Maine Condominium Act. The Property is subject to and shall have the benefit of all easements, rights of way and matters affecting title described or referred to in Appendix 1 or in the survey to which reference is hereinafter made.

A properly prepared and certified plat of the land and plans of the units are recorded simultaneously with this Declaration in Plan Book 182, Page 38, in the Cumberland County Registry of Deeds.

2. Creation of Units. Declarant reserves the right to create a total of 40 units in 7 phases as follows:

Phase 1: Units 1 through 7
Phase 2: Units 8 through 14
Phase 3: Units 15 through 17
Phase 4: Units 18 through 23
Phase 5: Units 24 through 29
Phase 6: Units 30 through 35,
Phase 7: Units 36 through 40

and hereby creates phases 1 through 7 inclusive, which include Units 1 through 40 inclusive. The location and boundaries of all 40 units are shown on the Plat and Plans referred to in Section 1 hereof.

3. Unit Numbers and Boundaries. Reference is made to the recorded plat and plans referred to in Section 1 hereof for the identification number of each unit showing the location and dimensions of its boundaries. The boundaries of each unit are the interior unfinished surfaces of the floors, ceilings and walls separating the units from common areas or from other units. All floor and wall coverings, including linoleum, polyurethane, carpeting, paint, wallpaper, etc. are included within the boundaries of a unit. The provisions of Section 1602-102 of the Maine

Condominium Act are adopted and incorporated herein by reference. The provisions of Section 1602-112 of the Maine Condominium Act shall govern relocation of boundaries between units. The subdivision of a unit into two or more units is prohibited.

The units are two bedroom townhouses to be constructed as two floor wood frame structures. Units 1-7 and 8-14 are attached as 7 unit structures, units 15-17 and 36-38 are intended to be attached 3 unit structures, units 18-23, 24-29 and 30-35 are intended to be attached 6 unit structures and units 39-40 are an attached 2 unit structure. The units will be provided with individual oil furnaces for baseboard hot water heat. The buildings have full foundations with a basement. Private yards designated as a limited common element will be at the rear of each unit. Units 1 through 40, comprising Phases 1 through 7, inclusive, may be built.

4. Common Elements. Each of the units will be conveyed together with its respective undivided interest in the common elements as hereinafter set forth and will have the benefit of the right to use the common elements in common with others entitled thereto as provided by the Bylaws of WINDHAM HILL WOODS CONDOMINIUMS OWNERS ASSOCIATION (hereinafter referred to as the "Association") and the rules and regulations adopted by the Association. The common elements consist of all portions of the Property other than the units.

5. Limited Common Elements. Any shutters, awnings, window boxes and all exterior windows or other fixtures designed to serve a single unit, but located outside the unit's boundaries, are limited common elements allocated exclusively to that unit. Parking spaces as indicated on the site plan are a limited common element allocated exclusively to each unit.

6. Fraction of Common Elements, Interests, Voting Rights and Common Expense Liabilities. The fraction of undivided interest in the common elements, voting rights and common expense liabilities appertaining to each unit is set forth in Appendix II attached hereto and incorporated herein by reference; which said fraction was determined by dividing each unit by the total of all Units, said individual unit fractions shall be based on a 40 unit condominium (2.5% interest for each unit) but the percentage of common element interest and common expense liability shall change as additional phases are declared until it equals the Appendix II percentage. No fraction of undivided interest allocated to any unit shall be altered except upon the unanimous vote of all unit owners and their first mortgagees. The formula for votes is that each unit shall be entitled to one vote in Association matters.

7. Special Declarant Rights. The Declarant reserves the right until the sale of all 40 units on the land described in Appendix I is completed, or until ten years from the date of recordation of this Declaration, whichever occurs first, to:

A. Change the size, layout, and location of units 15-40 by appropriate amendment. The change or changes shall be effective upon the recording of (i) an amendment to this Declaration and (ii) the filing of modified plans indicating the changes made or an affidavit pursuant to §1602-109(E) of the Act.

B. Locate on the Property, even though not depicted on the plat and plans, and grant and reserve easements and rights of way for the installation, maintenance, repair, replacement and inspection of, utility lines, wires, pipes, conduits, and facilities, including, but not limited to,

water, electric, telephone and fuel oil and sewer.

C. Connect with and make use of utility lines, wires, pipes and conduits located on the Property for construction and sales purposes, provided that the Declarant shall be responsible for the cost of service so used.

D. Use the common elements for ingress and egress and for the storage of construction materials and equipment used in the completion of the improvements shown on the plats and plans.

E. Operate a management office and a sales office and have prospective purchasers and others visit such offices and use certain portions of the common elements including the roadways and parking spaces. The management office and sales office may be located in any unit owned by Declarant or on common elements and may be of such size and in such location as the Declarant shall deem convenient and shall not unreasonably interfere with use of the common elements by other unit owners. Any management office and sales office not designated a unit shall be the property of. Declarant, which Declarant reserves the right to remove within forty-five (45) days after Declarant ceases to be a unit owner.

F. Install and maintain signs and lighting for sales.

G. With respect to any units remaining unsold by Declarant, Declarant may let or lease such units or use such units as models for display for purposes of sale or rental of the units.

H. From the date of sale of the first unit, Declarant shall be empowered to appoint and remove the officers of the Association and members of the executive board, in accordance with the provisions of the Bylaws. Provided, however, the Declarant shall relinquish all special rights expressed or implied through which he may directly or indirectly control, direct, modify or veto any action of the Association, its Board of Directors or the majority of unit owners, and control of the Owners Association and ownership of any working capital fund controlled by the Declarant shall pass to the owners of units within the Property not later than the earlier of the following: sixty (60) days after the date by which seventy-five percent (75%) of the units which may be created have been conveyed to unit purchasers or three (3) years from the date of conveyance of the first unit to a unit purchaser. The requirements of this paragraph shall not affect the Declarant's rights, as a unit owner, to exercise the votes allocated to units owned by the Declarant.

This Section 7 shall not be amended without the consent of the Declarant.

8. Encroachments. If any portion of the common elements, or any other unit, encroaches at any time upon any unit or upon any portion of the common elements, as a result of minor variations or relocation during construction, settling of the building, alteration or repair to the common elements made by or with the consent of the Board of Directors, repair or restoration of a unit or building after damage by fire or other casualty, or as a result of condemnation or other eminent domain proceedings, an easement shall exist for the encroachment and for its maintenance so long as the building stands.

9. Eminent Domain.

A. If a unit is acquired by eminent domain, or if a part of a unit is acquired by eminent domain leaving the unit owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Declaration, any award therefor shall be paid to the unit owner as

compensation for his unit and its percentage interest, whether or not any percentage of undivided interest is acquired. Upon acquisition, unless the decree otherwise provides, that unit's entire percentage of undivided interest, votes in the Association, and common expense liability shall be re-allocated to the remaining units in proportion to the respective interests, votes and liabilities of those units before the taking, and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the allocations. Any remnant of a unit remaining after part of a unit is taken under this subsection shall be thereafter a common element.

B. Except as provided in subsection (A) hereinabove, if part of a unit is acquired by eminent domain, any award therefor shall be paid to the unit owner as compensation for the reduction in value of the unit. That unit's allocation of common element interest and common expense liability shall remain unchanged.

C. If a part of the common areas or facilities is acquired by eminent domain, the Association shall represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority, and the award shall be paid to the Association for the use and benefit of the unit owners and their mortgagees as their interests may appear. The Association shall divide any portion of the award not used for any restoration or repair of the remaining common elements among the unit owners in proportion to their respective percentages of undivided interest before the taking, but the portion of the award attributable to the acquisition of a limited common element must be equally divided among the owners of the units to which that limited common element was allocated at the time of acquisition.

D. The court decree shall be recorded in the Cumberland County Registry of Deeds.

E. Nothing in this Declaration or the Bylaws, rules or regulations of the Association shall be deemed to give the unit owner or any other party priority over any rights of a first mortgagee of a unit pursuant to its mortgage documents in the case of a distribution to such unit owner of condemnation awards for the taking of units and/or common elements.

10. Restrictions on use and Occupancy. Each unit owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted by the Board and with the covenants, conditions and restrictions set forth in this Declaration or in the deed to his unit. Failure to so comply shall be grounds for an action to recover damages or for injunctive relief or both maintainable by the Manager or Board of Directors on behalf of the Association of unit owners, or, in a proper case, by an aggrieved unit owner. An aggrieved unit owner shall have a right of action against the Association for failure to comply with or to enforce the Declaration, the Bylaws, any rules and regulations duly adopted or any requirements imposed by the Act.

A. Each unit in the building is intended to serve as a self-contained living unit and shall be subject to the rules and regulations and Bylaws of the Association. No unit shall be used for other than residential purposes. Rules and regulations consistent with this Declaration may be promulgated by the Board of Directors in order to ensure the peace and security of each resident, and each member shall be notified in writing of the rules and regulations thus promulgated.

B. The common elements shall be used only for access, ingress and egress to and from the respective units by the members, their lessees, guests, household help and other authorized visitors and for outdoor recreational use incidental to the residential use of the respective units. The use, maintenance and operation of the common elements shall not be obstructed, damaged or unreasonably interfered with by any member. The Board of Directors may adopt rules and regulations that restrict the nature and location of recreational activities

upon the common elements.

C. The Association and its authorized employees and representatives shall have access to and from the unit and limited common element as may be necessary for the repair, maintenance, replacement, alteration, care or protection of the common elements or any portion thereof. In the case of emergency repairs, such right of access shall be immediate and may be exercised without notice to the unit owner. Otherwise, the unit owner shall be entitled to reasonable notice of the time and purpose of any entry pursuant to this paragraph.

D. No unit owner shall do any work which may jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement, rights, appurtenances or other hereditament consisting of common elements without the unanimous consent of all other unit owners.

E. Each member shall maintain his unit in good condition and in good order and repair at his own expense and shall not do or allow anything to be done in his unit which may increase the rate or cause the cancellation of insurance on other units or on the common elements.

F. Trash and garbage and other waste shall be kept only in sanitary containers and shall be disposed of in a clean and sanitary manner in accordance with rules and regulations to be promulgated by the Board of Directors.

G. Each member shall, at his expense, maintain insurance on his unit and contents to the extent not covered by the master blanket policy maintained by the Association.

H. Household pets shall be allowed in such numbers as the Board of Directors determines will not create a nuisance to unit owners. The Board of Directors may adopt regulations with respect to the number, size and type of allowable household pets. Such regulations shall become effective when written notice thereof is delivered or mailed to the members and shall operate prospectively as to all pets subsequently brought into the Property. No animals shall be permitted in any common element unless accompanied by and under the direct supervision of a unit owner or member of unit owner's household.

I. No commercial activity of any nature shall be permitted on the Property.

J. The parking spaces are to be used only for the parking of motor vehicles owned for personal use. No commercial vehicles, trailers, boats or trucks with a gross weight over 6,000 pounds shall be permitted in the parking spaces except service vehicles, moving vans or the like at the property on business. No mechanical repairs of vehicles shall be performed and no stripped or junk vehicles and no boats shall be placed or maintained on any part of the common elements or limited common elements.

11. Common Expenses. Each unit owner shall pay to the Unit Owners' Association, or its authorized representative, monthly, his proportionate share of the budgeted expenses of maintenance, repair, replacement, administration and operation of the common elements; management of the Association; and maintenance of adequate working capital and reserves, which expenses are hereinafter referred to collectively as "common expenses". Such proportionate share shall be in the same ratio as said unit owner's percentage of ownership in the common elements. Payment thereof shall be in equal monthly amounts, the first such payment due thirty (30) days from the date of sale of the first unit, and be subject to annual review and adjustment.

In the event of the failure of a unit owner to pay such proportionate share when due, the

amount thereof together with interest at the rate established by the Association, costs and reasonable attorney's fees shall constitute a lien on the interest of such unit owner, as provided by the Act; provided, however, that such lien shall be the personal liability of the Owner and not pass to successor purchasers without their agreement to assume the same, and that such lien shall also be subordinate to the lien of all prior recorded first mortgages on the interest of such unit owner, and the foreclosure of such mortgages, sale or transfer pursuant to foreclosure or transfer to mortgagee in lieu of foreclosure shall extinguish a subordinate lien for common charges.

The entire unpaid share of the common expenses or assessments by the Association of Unit Owners chargeable to such unit, which became due prior to the foreclosure, shall become common expenses collectible from all unit owners, including such acquirer, his heirs, successors and assigns. Such foreclosure shall not release the delinquent unit owner from personal liability to the Association for unpaid common expenses.

Any unit owner in default in the payment of any amount due the Association or in violation of any provisions of the Condominium Act, this Declaration, the Bylaws or the rules and regulations of the Association, which violation continues for ten (10) days after notice thereof by the Association to the unit owner, may be prohibited by the Board of Directors from the use and enjoyment of any and all of the common elements not essential to access to the unit, in addition to all other remedies available to the Board of Directors. Any delinquency in excess of 60 days in the payment of assessments for common expenses or charges by an Owner shall he reported in writing to that Owner's mortgagee, insurer or guarantor upon proper request.

12. Maintenance. Each unit owner shall furnish and be responsible for, at his own expense, all the maintenance, repairs and replacements within his own unit; provided, however, such maintenance, repair and replacements as may be required for the functioning of or for the bringing of utilities, such as water, gas, electricity and sewer to the unit, shall be furnished by the Association as part of the common expenses. Maintenance repairs and replacements of the refrigerators, stoves and other kitchen appliances and indoor and outdoor lighting fixtures and other electrical or mechanical appliances (including all heating, ventilation and air-conditioning systems which may be located outside of, but adjacent to the unit) of any unit owner shall be at the expense of such unit owner; also each unit shall have a separate hot water heater located in the basement and its repair and replacement shall be at the expense of the unit owner it serves. Except as provided below, maintenance, repairs and replacements of the common elements and limited common elements shall be furnished by the Association as part of the common expenses. If due to the negligent act or omission of a unit owner or of a member of his family or of a guest or other authorized occupant or visitor of such unit owner, damage shall be caused to the common elements or to a unit or units owned by others, and maintenance, repairs or replacements shall be required which are not covered by insurance and which would otherwise be a common expense, then such unit owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association. Each Unit Owner shall be responsible for the maintenance, repair and replacement of all screens, windows and doors appurtenant to his unit.

13. Association of Unit Owners. Prior to the date of this Declaration and the recording thereof, WINDHAM HILL WOODS CONDOMINIUMS OWNERS ASSOCIATION, a non-

profit and non-stock corporation was duly organized under the laws of the State of Maine. The Association shall be the governing body for all of the unit owners with respect to the administration, maintenance, repair and replacement of the Property as provided by the Act, this Declaration and the Bylaws.

Each unit owner and/or owners shall be a regular member of the Windham Hill Woods Condominiums Owners Association, a non-profit corporation organized under the laws of the State of Maine. Membership shall be appurtenant to the units, and the transfer of title to a unit shall automatically transfer the regular membership appurtenant to that unit to the transferee or transferees. A transfer in mortgage, however, shall not transfer membership until foreclosure or sale in lieu of foreclosure.

The provisions of this Declaration and the Bylaws and the rights and obligations established thereby shall be deemed to be covenants, running with the land, so long as the Property remains subject to the provisions of the Act and shall inure to the benefit of and be binding upon each and all of the unit owners and their respective heirs, representatives, successors, assigns, purchasers, lessees, grantees, mortgagees, and insurers or guarantors of mortgages. By the recording or the acceptance of a deed conveying a unit of any interest: therein, or any ownership interest in the property whatsoever, the person to whom such unit or interest is conveyed shall be deemed to accept and agree to be bound by and subject: to all of the provisions of the Act, this Declaration, and the Bylaws. In any voluntary conveyance of a unit deed, it shall be the duty of the seller to furnish the buyer with a copy of this Declaration, the Association Bylaws and rules and regulations as they may from time to time be amended. The Declarant or the Association shall make available to unit owners, prospective purchasers, lenders and the holders, insurers and guarantors of the first mortgage on any unit, current copies of the Declaration, Bylaws and other rules and regulations governing the condominium, and other books, records and financial statements of the Association. This requirement may be satisfied by making the documents available for inspection upon request during normal business hours or under other reasonable circumstances. If copies are requested, the Declarant or Association may, but shall not be obligated to, make them available at a reasonable charge.

14. Notice. The Secretary shall cause notice of all meetings of members and of all proposed actions requiring vote or approval of a specified percentage of unit owners and/or mortgagees to be sent in writing by U. S. Mail, postage prepaid, to all unit owners and all eligible mortgage holders at the address filed with the Secretary by said owners and mortgage holders, or sent by electronic means to any other address, including an e-mail address, specifically designated by the unit owner, not less than ten (10) days and not more than thirty (30) days prior to the proposed meeting or action. Such notice may, however, set a later deadline for any proposed action, if such longer period of time is deemed necessary to obtain the required number of written approvals. Notice of meetings shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration and bylaws, any budget changes and any proposal to remove a director or officer.

15. Separate Taxation and Utilities. It is understood that real estate taxes are to be separately taxed to each unit owner for his unit and his corresponding percentage of ownership in the common elements, as provided in the Act. In the event that for any year such taxes are not

separately taxed to each unit owner, but are taxed on the Property as a whole, then each unit owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the common elements.

Each unit owner shall pay for his own telephone, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the common expenses.

16. Insurance and Related Matters. The Board of Directors shall obtain insurance on the Property against loss or damage by fire and such other hazards as are covered under Standard Extended Coverage Provisions and all other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement for 100% of the current replacement cost of the common elements and fixtures and the units, excepting land, foundations, excavations or other items that are usually excluded from insurance coverage. Such policies shall contain all endorsements required by the guidelines promulgated by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), as the same may be amended from time to time. Such insurance shall be written by an insurance carrier that meets FNMA rating requirements. The maximum deductible amount shall be the greater of that permitted under state law or under FNMA and FHLMC guidelines. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, proceeds of such insurance shall be payable to, the Condominium Association as trustee for each of the unit owners in their respective percentages of the ownership interest in the common areas as established in this Declaration. If practical, each owner shall appoint the Association its attorney-in-fact for losses due to condemnation, destruction or liquidation. The proceeds of such insurance shall be applied by the Association for the reconstruction of the building, or shall be otherwise disposed of in accordance with the provisions of this Declaration and the Act; and the policies shall contain the standard mortgage clause and shall specifically name either the FNMA or its mortgage servicers for all mortgages held by the FNMA on the condominium, providing however the rights of the mortgagee of any unit under any standard mortgage clause endorsement to such policies shall be subject to the provisions in the Act with respect to the application of insurance proceeds to the reconstruction of the building. The policies shall require the insurer to notify in writing the Board of Directors and each first mortgage holder named in the mortgage clause at least twenty (20) days before it cancels or substantially changes the Property's coverage. The Board of Directors shall obtain a "master" or "blanket" policy of flood insurance as a common expense of the Association, covering any portion of the building and any other property located within a special flood hazard area, as defined by the Federal Emergency Management Agency. The Board shall obtain comprehensive public liability insurance in such amounts as it shall deem desirable, insuring each unit owner and the Association, Board of Directors and Managing Agent, if any, from liability in connection with the common elements. Such policy shall provide coverage of at least $1,000,000.00 for bodily injury and property damage for any single occurrence resulting from the operation, maintenance or use of the common elements, and coverage for any legal liability resulting from law suits related to employment contracts in which the owners' association is a party. Such policy shall by its terms or by specific endorsement preclude an insurer's denial of a unit owners claim on the grounds of negligent acts by the Association or other unit owners. Such policy shall provide for at least twenty (20) days written notice to the

Board of Directors and to each holder of a first mortgage on any unit before the insurer can cancel or substantially modify it. Also, the Board shall have authority to purchase worker's compensation insurance and insurance to indemnify the Directors and Officers for losses in managing the Association's affairs. The premiums for all the aforementioned insurance coverage shall be common expenses. Each unit owner, at his own cost, shall be responsible for his own insurance on the contents of his own unit and his additions and improvements thereto and decorations and furnishings, personal property therein and stored elsewhere on the property, and his personal liability to the extent not covered by the liability insurance provided by the Association.

The Board of Directors shall obtain fidelity bond coverage for anyone who either handles or is responsible for funds held or administered by the Association. Such fidelity bonds shall name the Association as an obligee and shall be written in an amount equal to at least one hundred fifty (150) percent of the estimated annual operating expense for the condominium, including reserves.

The Association shall maintain all insurance and bond coverage required by FNMA and FHLMC for the sale of first mortgages of units on the secondary mortgage market, and this section shall be interpreted and applied so as to accomplish that purpose.

17. Mortgage, Reserve Fund, Management and Lease Provisions.

A. The unit owner who mortgages his unit shall notify the Board of Directors of the name and address of his mortgagee and shall, upon request, file a conformed copy of the mortgage with the Board of Directors.

B. The Board of Directors, whenever so requested in writing by a mortgagee of a unit, shall promptly report to it any then unpaid common charges due from, or any other default by, the owner of the mortgaged unit.

C. The Board of Directors, when giving notice to a unit owner of a default in paying common charges or other violation of the provisions of this Declaration, the Bylaws or Rules and Regulations, shall send a copy of such notice within thirty (30) days after the occurrence of such default to each holder of a mortgage covering such unit whose name and address has previously been furnished to the Board of Directors.

D. Each mortgagee of a unit shall be permitted to examine the books, accounts and records of the condominium at reasonable times on business days and to require annual reports and other financial data of the Corporation. If no audited financial statement is available, any holder of a mortgage on any unit shall be allowed to have an audited statement prepared at its own expense.

E. Notwithstanding anything to the contrary elsewhere contained in this Declaration or the Bylaws, the following provisions shall govern:

(1) Any first mortgagee of a unit in the condominium will, upon request, be entitled to inspect the books and records of the condominium or Association during normal business hours.

(2) No provision of this Declaration or of the Bylaws shall be deemed or construed to give a unit owner, or any other party, priority over any rights of first mortgagees of units pursuant to their mortgages in the case of a distribution to

condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.

(3) A holder, insurer or guarantor of a mortgage on a unit shall be entitled to prompt written notification from the Board of Directors of (i) any default by the mortgagor of such unit in the performance of such mortgagor's obligations under this Declaration and/or the Bylaws which is not cured within thirty(30) days, (ii) any event of substantial destruction to, or condemnation or governmental taking of, such unit or any portion of the common elements appurtenant thereto, (iii) any lapse or modification of insurance or fidelity bond coverage, (iv) any proposed amendment under Section 19 of this Declaration and (v) any proposed action of which an eligible mortgage holder is entitled to notice under §1602-119(b) of the Act.

(4) Any first mortgagee of a unit who obtains title to the unit pursuant to, the remedies provided in the mortgage, or through foreclosure of the mortgage, or through deed through foreclosure of the mortgage, or through deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against such unit which accrue prior to the acquisition of title to such unit by the mortgagees, but such expenses or assessments shall become common expenses collectible from all of the unit owners including one who obtains title accordingly.

F. An adequate reserve fund for maintenance, repairs and replacement of those common elements which must be replaced on a periodic basis shall be established and shall be funded by regular monthly payments rather than by special assessments, and a working capital fund shall be maintained by the Association equal to at least two months' assessments for each existing unit as calculated according to Article VI of the Bylaws for the operation and maintenance of the common elements. Such working capital fund shall be paid over to the Association by the Declarant within sixty (60) days after conveyance of the first unit.

G. Any management contract, employment contract or lease of parking or recreational areas and any contract entered into by Declarant which may become binding on the Association shall provide that such contract or lease may be terminated by either party without cause and without payment of a termination fee on not more than ninety (90) days' written notice, the term of any such contract shall not exceed three years, and the Association may terminate said agreement for cause upon thirty (30) days' written notice without payment of a termination fee.

H. No unit owner shall be permitted to lease his unit for transient or hotel purposes and no unit owner may lease less than his entire unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Bylaws and all Rules and Regulations that may be adopted by the Board of Directors, and that failure by the lessee to comply with the terms of such documents shall be a default under such lease. All leases shall be in writing and shall contain a minimum initial term of six (6) months. A copy of the lease of any Unit shall be delivered to the Board of Directors within seven (7) days of its execution, provided, however, that such copy need not disclose the total rent nor monthly rent amount of such lease.

The Windham Hill Woods Condominium rentals may not exceed 10% (4) of the total number of Units. Upon approval from the Board, the owner should refer to the Declaration, Article 17, Paragraph H. Rental privileges are not transferable. When an owner sells a unit, it may not be sold as a "rental Unit". The new owner may request

approval to rent the unit from the Board only after the sale is closed.

I. Unit owners may have non-owners "House Sit" for a period not exceeding 18 months unless approved by the Windham Hill Woods Condominium Association Board. The term "House Sitting" is intended to describe an agreement between the unit owner and another person, for that person to live in the unit during the owner's temporary absence, for the purpose of maintaining and securing the property, and watching family pets. Unit owners shall provide an executed, written House Sitting Agreement to the Board of Directors within seven (7) days of its execution. Said Agreement shall provide that the terms of the Agreement shall be subject in all respects to the provisions of the Declaration, Bylaws and all Rules and Regulations that may be adopted by the Board of Directors, and that failure by the House Sitter to comply with the terms of such documents shall be a default under such Agreement. Said Agreement shall also contain contact information for the Unit owner during their absence and for the House Sitter. Unit owners shall provide a copy of such documents to the House Sitter. Unit owners shall not charge or accept any rent from the House Sitter for such an arrangement, other than an agreement for the House Sitter to be responsible for utilities used during the term of the Agreement and to perform care taking and maintenance services. House Sitters may make use of all the Condominium Association facilities but are not allowed to invite guests to use those facilities.

18. Procedure for Resolving Disputes. Matters of dispute or disagreement between unit owners or with respect to interpretation of application of the provisions of this Declaration or the Bylaws shall he determined by the Board of Directors consistent with the Act, which determination shall be final and binding on all unit owners.

All claims, disputes and other matters in controversy between the Declarant, on the one hand, and the Association or any unit owners, on the other hand, arising out of or relating to this Declaration, the Bylaws or the deed to any unit, or the breach thereof, or the Property and any warranties with respect thereto, except for claims which have been waived by the acceptance of a deed, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Notice of the demand for arbitration shall be filed in writing with the other parties and with the American Arbitration Association or similar non-judicial dispute resolution process. The demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in controversy has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in controversy would be barred by the applicable statute of limitations or other principles of law and equity.

19. Method of Amending Declaration. Except to the extent expressly permitted or required by the Act, this Declaration may be amended by a vote or by written approval of the unit owners of units to which sixty-seven percent (67%) of the votes in the Association are allocated

and written approval from eligible mortgage holders, their insurers or guarantors, as defined in the Act, representing fifty-one percent (51%) of the votes allocated to units that are subject to mortgages held by eligible holders.

Notwithstanding the foregoing, except to the extent expressly permitted or required by the Act, the unanimous consent of all unit owners and the written approval of eligible mortgage holders or their insurers or guarantors representing sixty-seven percent (67%) of the votes allocated to units that are subject to mortgages held by eligible holders shall be required for any amendment that would:

A. Seek to terminate the legal status of the Property for reasons other than substantial destruction or condemnation of the property, and any such termination shall be as provided in Section 1602-118 of the Act;

B. Change the pro rata interest, obligations or voting rights of any unit;

C. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Association shall not be deemed a transfer within the meaning of this clause;

D. Use hazard insurance proceeds from losses to any condominium property (whether to units or to common elements) for other than repair, replacement or reconstruction of such improvements, except as provided by this Declaration or the Act in case of substantial destruction of the condominium.

If an amendment is nonsubstantial such as the correction of a technical error or the clarification of a statement the approval of an eligible mortgage holder may be assumed when such holder fails to submit a response to any written proposal for an amendment within 30 days after notice of the proposal is mailed. If an amendment is deemed nonsubstantial, the notice of such proposal shall state that approval will be assumed as aforesaid.

20. Name and Address. The name of the Condominium is WINDHAM HILL WOODS CONDOMINIUMS as shown on the survey, located on the Ward Road, Windham, Maine.

21. Interpretation/Severability. In the event of any conflict or discrepancy between this Declaration, the Bylaws and the Plats and Plans, this Declaration shall govern. If any provision of this Declaration, the Bylaws or the rules and regulations be in conflict with any applicable laws, including the Maine Condominium Act, then such laws shall govern and such invalid provision shall be of no force and effect, but the validity of the remainder of this Declaration, the Bylaws and rules and regulations shall not be affected thereby and shall remain in full force and effect as if such invalid provision had not been included.

The captions herein are inserted for convenience and reference and do not limit, alter or define the terms of this Declaration.

22. Remedies/Waiver. Except as provided in Section 17 hereof, all rights, remedies and privileges granted to the Declarant, the Association or a unit owner pursuant to the terms of this Declaration, the Bylaws and the rules and regulations shall be deemed to be cumulative to any other right or remedy under said documents or afforded by law or equity, and may be exercised

concurrently, independently or successively. Any forbearance in exercising any right or remedy hereunder or otherwise available by applicable law shall not be a waiver of or preclude the exercise of any such right or remedy.

23. Pledge of Future Income. The Association shall have the authority to pledge, assign, and grant a security interest covering its rights to future income, including the right to receive common charges and assessments, in order to finance the costs of repairs and improvement of the Common Elements and related expenses.

APPENDIX I

A certain lot or parcel of land situated on the easterly side of the Ward Road in the Town of Windham, County of Cumberland and State of Maine and being more particularly described as follows:

Beginning at a monument located on the easterly sideline of said Ward Road at the most Northwesterly corner of land now or formerly of Nancy J. Sloboda; thence South 76° 12' 30" East, 200 feet to a point marking the most northeasterly corner of said Sloboda's land; thence South 13° 47' 30" West, 250 feet along land now or formerly of Sloboda and Gilmore, to a point; thence South 76° 12' 30" East, 25 feet to a point at the most northeasterly corner of land now or formerly of Tapley; thence South 13° 47' 30" West, 150 feet to a point; thence North 76° 12' 30" West, 25 feet to a point; thence South 13° 47' 30" West, 139.27 feet also along land of said Tapley to land now or formerly of C. R. Tanberg, Inc.; thence South 37° 09' 48" East by land of said C. R. Tanberg, Inc., 1,064.18 feet to a point; thence North 54° 01' 13" East, 682.24 feet crossing the Portland Pipeline Corp. right-of-way to a point at land now or formerly of Lloyd P. Bennett, et al; thence North 36° 21' 12" West, 594.77 feet by land of said Bennett and by land of Vance to a point at the approximate center line of the Portland Pipeline Corp. right-of-way; thence following the approximate center line of said right-of-way North 14° 58' 04" West, 572.02 feet to a point and other angle in said center line; thence continuing along the approximate center line North 18° 57' 04" West, 126.38 feet at an angle in said approximate center line; thence crossing the balance of said right-of-way on a course of North 51° 18' 41" East, 219.29 feet to land now or formerly of Rocco Corsetti, et al; thence North 36° 00' 29" West, 744.40 feet to an iron; thence South 53° 59' 31" East, 48.39 feet to land now or formerly of Donald W. Miller, et al; thence South 13° 47' 30" West, 349.90 feet by land now or formerly of said Donald W. Miller and F. Carter Furbush, et al to the most southeasterly corner of land of said Furbush; thence North 76° 12' 30" West by land of said Furbush, 200 feet to a point on the easterly sideline of said Ward Road at the most southwesterly corner of land of said Furbush; thence South 13° 47' 30" West by the easterly sideline of said Ward Road 50 feet to a monument at the most northwesterly corner of land of Gerald L. Jacobs, et al; thence South 76° 12' 30" East, 200 feet by land of said Jacobs to an iron located at the most northeasterly corner thereof; thence South 13° 47' 30" West, 468.74 feet by land now or formerly of said Gerald L. Jacobs, Harold A. Verrill, et al and Irvin Ireland, et al to an iron located at the most southeasterly corner of land of said Ireland; thence North 76° 12' 30" West, 200 feet by land now or formerly of said Ireland to an iron located on the easterly sideline of said Ward Road at the most southwesterly corner of land of said Ireland; thence South 13° 47' 30" West, 50 feet by the easterly sideline of said Ward Road to the point of beginning.

The above described premises are shown on Plan of Windham Hill Woods prepared for John D. Breggia by Herbert P. Gray, duly recorded in Cumberland County Registry of Deeds in Plan Book 171, Page 39, and are subject to said Portland Pipeline Corp. easement and such other easements, conditions and restrictions as are shown on the aforesaid Plan.

APPENDIX II

Units	Percentage of Common Element Interest and Common Expense Liability	Votes in the Association
1-40 Inclusive	2.5% each (total 100%)	1 each