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DECLARATION OF CONDOMINIUM
SPRING STREET CONDOMINIUM
Gardiner, Maine

ARTICLE 1
SUBMISSION

Section 1.1. Submission of Property. **MAINE AFFORDABLE PROPERTIES, LLC**, a Maine limited liability company with a place of business in Yarmouth Maine (**"Declarant"**), owner in fee simple of the land described in **Exhibit A** annexed hereto, located within the City of Gardiner, Kennebec County, Maine (the **"Land"**), hereby submits the Land, together with all improvements, easements, rights and appurtenances thereunto belonging (the **"Property"**) to the provisions of Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, as amended, known as the Maine Condominium Act (**"Condominium Act"** or **"Act"**) and hereby creates with respect to the Property a condominium, to be known as **"Spring Street Condominium"** (the **"Condominium"**). The Property is shown on a Plat titled "Condominium Plat of Spring Street Condominiums" made for MAINE AFFORDABLE PROPERTIES, LLC, dated July 7, 2021 and recorded in Plan Book 2021, Page 0097. The Property is also shown on the following plans: (i) the plans recorded on September 23, 2021 in the Kennebec County Registry of Deeds in Plan Book 2021, Pages 0125-0128 identified as follows: "Typical Unit Sections of Spring Street Condominiums", " Typical Unit Elevations of Spring Street Condominiums", Typical Unit Floor Plans of Spring Street Condominiums" and Typical Unit Foundations of Spring Street Condominiums (collectively the **"Plat"**); and (ii) on individual unit plans to be recorded in the Kennebec County Registry of Deeds on or before the conveyance of each Unit (collectively the **"Plans"**).

Section 1.2. Name and Address of Condominium. The name of the Condominium shall be "Spring Street Condominium." The address of the Condominium is Magnolia Lane, Gardiner, Maine. The name of the unit owners association is the **"Magnolia Lane Condominium Association"** (the "Association") and its address is 325 Memorial Highway, North Yarmouth, Maine 04097.

Section 1.3. Description of Condominium Development. Initially, the Condominium consists of the Land described in the attached **Exhibit A** and consisting of up to ten (10) units to be declared, which are identified on the Plat as Units 1 through 10.

ARTICLE 2
DEFINITIONS

Section 2.1. Terms Defined in the Act. Capitalized terms are defined herein or in the Plat and Plans, otherwise they shall have the meanings specified or used in the Condominium Act. In the case of conflict between the meanings specified or used in the Act, those meanings specified or used in the Condominium Act shall control.

Section 2.2. Terms Specifically Defined in this Declaration. In addition to the terms hereinabove

defined, the following terms shall have the following meanings in this Declaration, the Bylaws, and Plat and Plans:

(a) "Assessment" means the Owner's share of the anticipated Common Expenses, allocated by Percentage Interest, for the Association's fiscal year as reflected in the budget adopted by the Executive Board for such year.

(b) "Association" means the Condominium Association of the Condominium, which is known as the **Magnolia Lane Condominium Association.**

(c) "Buildings" (or in the singular, a "Building") means any residential, commercial, service or recreational structure or other improvement now or hereafter constructed on the Property.

(d) "Built Units" means constructed Units for which a certificate of occupancy has been issued by the City of Gardiner.

(e) "Bylaws" means the document having that name and providing for the governance of the Association, pursuant to Section 1603-106 of the Condominium Act, as such document may be amended from time to time.

(f) "Common Elements" (or in the singular, a "Common Element") means those parts of the Property other than the Units as described either in the Condominium Act as being Common Elements or described herein as being Common Elements. Common Elements includes those items defined in the City of Gardiner Land Subdivision Ordinance as "Private Common Use Improvements" and any reference in said ordinance to Private Common Use Improvements shall mean Common Elements for purposes of this Declaration and the Association

(g) "Common Expenses" means expenditures made by or financial liabilities of the Association together with any allocations to reserves.

(h) "Condominium" means the Condominium described in Section 1.1 above.

(i) "Condominium Documents" means the Declaration, Plat and Plans, Bylaws and Rules and Regulations.

(k) "Declarant" means **MAINE AFFORDABLE PROPERTIES, LLC,** a Maine limited liability company, its successors and assigns.

(l) "Declaration" means this document, as the same may be amended from time to time.

(m) "Development Rights" means those rights defined in Section 1601-103(11) of the Condominium Act, as it may be amended from time to time, including, but not limited to, those rights which the Declarant has reserved to itself, if any, to add real estate to the Condominium, to create Units, Common Elements or Limited Common Elements within the Condominium, to subdivide Units or, convert Units into Common Elements, or to withdraw any Real Estate, Units, or Property from the Condominium.

(n) "Eligible Mortgage Holder" means the holder of a recorded first mortgage on a Unit, or the holder of a recorded or unrecorded Land Installment Contract, which has delivered written notice to the association by prepaid United States mail, return receipt requested, or by delivery in hand securing a receipt therefore, which notice shall state the mortgagee's name and address, the Unit Owner's name and address, and the identifying number of the Unit, and shall state that the mortgage is a recorded first mortgage. Such notice shall be deemed to have been given reasonably prior to the proposed actions described in Section 15.2 if sent at the time notice thereof is given to the Unit Owners.

(o) "Executive Board" means the Executive Board of the Association. The terms executive Board and Board of Directors shall be interchangeable.

(p) "Insurance Trust Agreement" means that certain agreement, if any, between the Association and the Insurance Trustee providing for the management and disbursement of

insurance proceeds in accordance with Section 16.3 hereof.

(q) "Insurance Trustee" means the entity responsible for the management and disbursement of insurance proceeds pursuant to the Insurance Trust Agreement, if any.

(r) "Land Installment Contract" means a contract under which the Declarant or an Owner agrees to sell or otherwise convey a Unit or other real property interest in a Unit or any portion thereof to a buyer and that buyer agrees to pay the purchase price in subsequent payments and the Declarant or Owner retains title to the Unit as security for the buyer's obligation under the Contract. The Declarant or Owner may assign its rights under the Contract to any third party.

(s) "Limited Common Elements" (or in the singular, a "Limited Common Element") means those parts of the Common Elements allocated for the exclusive use of a Unit. In the event of any discrepancy between the Condominium Act and Condominium Documents, the terms of the Condominium Documents shall control with respect to Limited Common Elements.

(t) "Limited Common Expenses" mean: (a) the Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element which shall be assessed against the Unit(s) to which that Limited Common Element is assigned, in proportion to the relative Common Expense liabilities as between themselves, as the Executive Board may periodically define; and (b) the Common Expenses for services benefiting fewer than all the Units, which are assessed exclusively against the Units benefited in accordance with the use of such services as permitted by to Section 1603-115(c) of the Condominium Act.

(u) "Manager" or "Managing Agent" means the agent of the management company appointed by the Association to manage the Condominium or provide maintenance services.

(v) "Mortgagee" means the holder of any recorded mortgage encumbering one or more of the Units or the holder of a recorded or unrecorded Land Installment Contract.

(w) "Owner" means the record owner or owners of a Unit but does not include a person or entity having an interest in a Unit solely as security for an obligation.

(x) "Percentage Interest" means the undivided interest in the Common Elements appurtenant to a Unit, as set forth on **Exhibit B** attached hereto, as the same may be amended from time to time.

(y) "Property" means the Property described in Section 1.1 above.

(aa) "Private Common Use Improvements," as used in the City of Gardiner Land Subdivision Ordinance, shall, for the purposes of this Declaration and associated Condominium Documents, have the same meaning as Common Elements.

(bb) "Plat and Plans" means the Plat and Plans as defined in Section 1.1 above, which are recorded in the Kennebec County Registry of Deeds, and as such may be amended and supplemented from time to time.

(cc) "Record" means to record in the Kennebec County Registry of Deeds.

(dd) "Reserved Common Element" means a portion of the Common Elements immediately surrounding a Unit that is licensed to a Unit owner as a Reserved Common Element.

(ee) "Rules and Regulations" means such rules and regulations as are promulgated by the Declarant or the Executive Board from time to time with respect to the use of all or any portion of the Property.

(ff) "Section" means one or more residential Buildings developed at or around the same time pursuant to the Development Rights and Special Declarant Rights set forth in Article 10 hereof.

(gg) "Special Assessment" means an Owner's share of any assessment made by the Executive Board in addition to the Assessment.

(hh) "Special Declarant Rights" means those rights defined in Section 1601-103 (25) of the Condominium Act, as it may be amended from time to time, including, but not limited to, those rights the Declarant has reserved to itself to complete improvements, to maintain sales offices, to use easement through Common Elements for the purpose of making improvements within the

Condominium, and to appoint or remove any officer of the Association during any period of Declarant control.

(ii) "Unit" means a physical portion of the Condominium created by this Declaration or any amendment thereto and designated for separate ownership or occupancy, the boundaries of which are described in Article 3.

(jj) "Un-built Units" means declared Units that are not built, or that are not completed, and for which a certificate of occupancy from the City of Gardiner has not been issued. Once a certificate of occupancy has issued, such Unit shall be treated as a Built Unit.

Section 2.3. Provisions of the Condominium Act. The provisions of the Condominium Act shall apply to and govern the operation and governance of the Condominium, except to the extent that contrary provisions, not prohibited by the Act, are contained in one or more of the Condominium Documents.

ARTICLE 3

DESCRIPTION OF PROPERTY AND UNITS

Section 3.1. Description of the Property. The legally sufficient description of the Property included in the Condominium is set forth in Schedule A and the location and dimensions of the Property included in the Condominium are depicted on the Plat. The initial Plat was recorded in the Kennebec County Registry of Deeds on July 22, 2021 and recorded in Plan Book 2021, Page 0097, as supplemented by Plats and Plans which will be recorded at the said Registry.

Section 3.2. Location and Dimensions of Building. The location and dimensions of each building and other improvements to be erected on the Land are depicted on said Plat and Plans. As set forth in Section 10.1, the units and buildings and related improvements initially depicted on the Plats and Plans need not be built and the Declarant reserves the right to alter the same.

Section 3.3. Maximum Number of Units. The Declarant has not initially created any Units. The Declarant has reserved the right to create ten units, pursuant to Section 10.1.

Section 3.4. Creation of Units. With respect future Units, Schedule B shall be amended to set forth the identifying number and type of each Unit created by amendment to this Declaration and to the Plats and Plans for a description of each identifying number, and locations and dimensions of the vertical boundaries and horizontal boundaries of each Unit, the Common Elements to which the Unit has direct access and any other information necessary to identify the Unit.

Section 3.5. Unit Boundaries. The boundary lines of each Unit are as shown on the Plat and Plans and shall conform with unit boundaries as described in the Act to the extent not described herein.

(a) For units 3 through 10, the entire building and appurtenances attached thereto shall be the extent of the Unit's Boundaries, as follows:

a. The upper and lower (horizontal) boundaries of each level of each Unit shall be the following boundaries extended to the intersection with the vertical (perimeter)

boundaries: (i) Upper Boundary: the horizontal plane of the lower horizontal surface of the ceiling joists; (ii) Lower Boundary: the horizontal plane of the lower surface of the concrete subfloor slab.

b. The vertical (perimeter) boundaries of each Unit shall be the interior vertical planes at the stud line back surface of the Unit's perimetric walls, extended to the intersections with each other and with the upper and lower Unit boundaries.

c. Boundary lines shall also be the outside surface of the exterior structures and fixtures attached to the Unit or enclosing the Unit and separating it from the Common Elements, including the exterior surface of doors, windows and storm windows, and glass walls, and their frames, sills and thresholds, shutters, awnings, window boxes, front and rear steps and railings, balconies, porches, decks, patios, and dormers, including all finish materials.

(b) For units 1 and 2, the entire building and appurtenances attached thereto shall be the extent of the Unit's Boundaries, as follows:

a. The upper and lower (horizontal) boundaries of each level of each Unit shall be the following boundaries extended to the intersection with the vertical (perimeter) boundaries: (i) Upper Boundary: the horizontal plane of the lower horizontal surface of the ceiling joists; (ii) Lower Boundary: the horizontal plane of the lower surface of the concrete subfloor slab.

b. The vertical (perimeter) boundaries of each Unit shall be the interior vertical planes at the stud line back surface of the Unit's perimetric walls, extended to the intersections with each other and with the upper and lower Unit boundaries.

c. Boundary lines shall also be the outside surface of the exterior structures and fixtures attached to the Unit or enclosing the Unit and separating it from the Common Elements, including the exterior surface of doors, windows and storm windows, and glass walls, and their frames, sills and thresholds, shutters, awnings, window boxes, front and rear steps and railings, balconies, porches, decks, patios and dormers, fencing, including all finish materials.

(c) Each Unit's identifying number is shown on the Plat and on **Exhibit B**.

ARTICLE 4

DESCRIPTION AND ALLOCATION OF COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND RESERVED COMMON ELEMENTS

Section 4.1. Description of Common Elements. Common Elements shall consist of all of the Property except the individual Units, and shall include the land, the sewer pump station,

buildings, any playground built for common use, all wires, pipes, ducts, foundation drains, electrical wiring and conduits, public and private utility lines (other than those which are contained within the Unit and serve only that Unit), and any easements as set forth in **Exhibit A** for parking, access, and utilities; and in addition, all other parts of the Property necessary and convenient to its existence, maintenance and safety, normally in common use as defined in the Condominium Act, except such parts of the Property as may be specifically excepted or reserved herein or in any exhibit attached hereto. As provided in Section 1602-102(2) of the Condominium Act, any wires, ducts, pipes, or other fixtures located within a Unit but serving another Unit or Units are part of the Common Elements. Each Owner shall have the right to use the Common Elements in common with all other Owners, as may be required for the purposes of ingress and egress to and use, occupancy and enjoyment of the respective Owners and guests, tenants, and other authorized occupants, licensees, and visitors of the Owner. The use of the Common Elements and the rights of the Owners with respect thereto shall be subject to and governed by the provisions of the Act and Condominium Documents. Without limitation, the Common Elements shall specifically include the following:

(a) Grounds. The land, lawns, trees, any forested areas, signage, parking spaces as identified on the Plats and Plans, common mailboxes, any common facilities or storage buildings, and all private access roads and drives as shown on the Plat and Plans.

(b) Systems & Utilities. Sanitary sewer lines to each unit, to unit outlet (in foundation, basement, and exterior walls), electric distribution to each unit meter, water distribution to each unit master valve, storm and unit drainage system, water lines servicing more than one unit (in foundation, basement, and exterior walls), electrical wiring from meter and serving more than one unit (in foundation and exterior walls).

(c) Other. All other parts of the property necessary or convenient to its existence, maintenance and safety or normally in common use, except as otherwise expressly provided.

Section 4.2. Description of Limited Common Elements. Limited Common Elements shall mean all wires, ducts, pipes, drains or other fixtures serving only one Unit. Those portions of the Limited Common Elements serving only a single Unit are Limited Common Elements allocated only to the Unit that they serve. Limited Common Elements that service less than all Units but more than one Unit shall be allocated equally to the serviced Units.

Section 4.3. Locations of Common and Limited Common Elements. Except for the Limited Common Elements described in Section 4.2 above, the locations of the Common Elements and Limited Common Elements are shown on the Plat and Plans.

Section 4.4. Alteration of Common Elements by the Declarant. The Declarant reserves the right to modify, alter, remove or improve portions of the Common Elements, including without limitation, any equipment, fixtures and appurtenances, when in the Declarant's judgment it is necessary or desirable to do so.

ARTICLE 5

MAINTENANCE

RESPONSIBILITIES

Section 5.1. Maintenance Responsibilities. Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each unit Owner and by the Association in accordance with the provisions of Section 1603-107 of the Act, except as expressly set forth to the contrary herein.

Section 5.2 Maintenance and Inspection of Limited Common Elements. The maintenance, repair and replacement of Limited Common Elements created, if any, shall be the responsibility of the Association, with the cost thereof, if any, to be allocated among the Units so benefitted, except as otherwise noted in the Condominium Documents.

Section 5.3 Maintenance and Inspection of Common Elements.

(a) The Association, or the Managing Agent of the Association in accordance with Article 7, shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of a unit Owner) of all of the Common Elements whether located inside or outside of the Units, the cost of which shall be charged to the Unit Owners as a Common Expense except as otherwise provided herein with regard to Limited Common Elements and certain Reserved Common Elements. The maintenance, repair and replacement of Common Elements located within a Unit, if any, for which the unit Owner is not responsible, to the extent required for the functioning of or for connecting utilities to the Property and Units, shall be furnished by the Association as part of the Common Expenses.

(b) The Association shall cause the regular inspection of Common Elements at intervals specified by the City of Gardiner and at such other times as the Association deems appropriate.

Section 5.4 Maintenance of Unit. Each unit Owner shall keep and maintain his Unit, private garden area, if any, including the building, grounds, equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, whether such maintenance and repair shall be structural or non-structural, ordinary or extraordinary, and shall do all property maintenance, redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. No unit Owner shall sweep or throw, or permit to be swept or thrown, from his Unit any dirt, debris or other substance. In addition, each unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from his failure or neglect to make any of the repairs required by this Article. Each unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other unit Owners. Each unit Owner shall promptly report to the Executive Board or the managing agent any defect or need for repairs for which the Association is responsible. No unit Owner shall change the exterior color of his or her Unit nor alter the exterior materials or structure without the written approval of the Board of Directors. All exterior maintenance shall be undertaken so as to maintain the general character and quality of the condominium. No work shall be undertaken without all necessary State and local permits and approvals, and copies of all such permits and approvals shall be given to the Association.

Section 5.6 Liability of Owner. Each unit Owner shall be liable for, and the Association shall

have a lien against his Unit for, the expense of maintenance, repair or replacement of any portion of another Unit or the Common Elements, including Limited Common Elements and Reserved Common Elements, of another Unit caused by such unit Owner's act, neglect or carelessness or by that of any member of such unit Owner's family, or such unit Owner's guests, employees, agents, lessees, or their pets, and the Association shall have the right to cure, correct, maintain, repair or replace any damage or disrepair resulting from such act of neglect or carelessness. The Association shall also have the right to perform maintenance required of a unit Owner under Section 5.5, but not performed by the unit Owner, including, without limitation, services of the Managing Agent requested by the unit Owner and the unit Owner shall be liable for and the Association shall have a lien against the Unit for the expense of such maintenance. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation against such unit Owner.

Section 5.7 Maintenance of Spring Street. The Magnolia Lane Condominium Association shall be responsible for the maintenance, upkeep, repair and replacementof Magnolia Lane, regardless of whether ownership of the Road is transferred to Magnolia Lane Condominium Association. The Road shall be maintained by the Association in a safe and passable condition, at all times. The Road shall be plowed free of snow within a reasonable amount of time after each snowfall. The Road shall be paved and maintained in that condition, provided the initial paving of the Road shall be at the Declarant's sole expense.

Upon completion of construction of the Road and related stormwater and erosion control facilities, Declarant shall have no further liability for the maintenance, upkeep, repair and replacement of the Road. By acceptance of a deed to a Unit, each owner of a condominium unit agrees to pay its share ofthe costs of such maintenance, upkeep, repair and replacement of the Road, and Stormwater Management Area as further as shown on the Plans and as set forth herein and in the Bylaws.

ARTICLE 6

ALLOCATION OF PERCENTAGE INTERESTS, COMMON EXPENSES AND VOTING RIGHTS

Section 6.1. Percentage Interests. Attached hereto as **Exhibit B** is a list of Units by their identifying number and the Percentage Interest appurtenant to each Unit, for all Units created as of the time of the recording of this Declaration together with an explanation of the formula by which such Percentage Interest is determined. Attached hereto as **Exhibit B-1** is a list of all Units in all Phases that may be created, their identifying numbers, common element interest, common expense liability and vote appurtenant to each Unit, based upon the completion of all of the Units and both of the Phases in the Condominium. Upon the creation and declaration of additional Units, this Declaration and **Exhibit B** shall be amended to include the Units then existing in the Condominium, their identifying numbers, phase numbers, common element interest, common expense liability and vote appurtenant to each Unit.

The Allocated Interests allocated to each Unit shall be listed and allocated to the Units per amendment to Schedule B. Each Allocated Interest has been rounded to the nearest one hundredth of one

percent (0.00%). The formula for determining the interest allocated to each Unit shall be as follows:

$$\frac{100\%}{\text{TOTAL NUMBER OF UNITS}}$$

Section 6.2. Common Expenses. The liability of each Unit for the Common Expenses of the Condominium shall be the same percentage share as the Percentage Interest set forth on **Exhibit B**, and as such shall be determined by the same formula by which the Percentage Interest is determined. Notwithstanding the foregoing, and in accordance with Section 1603-115 of the Act, the Association may adopt an annual Budget allowing for different categories or amounts of monthly assessments as applicable to Built Units that are (i) fully constructed and benefiting from all Common Expenses and (ii) Un-Built Units that are not fully constructed or otherwise benefiting from all Common Expenses (e.g., incomplete or unoccupied units, may be assessed a lower monthly assessment if such Units do not benefit from common expenses relating to common utilities, trash removal, snow removal, etc.), and may assess Built and Un-built Units based upon the reduced level of expenses that benefit such Un-Built Units.

All Utilities that are not separately metered or billed to a Unit shall be treated as part of the Common Expenses; provided however, that the Declarant or the Association shall have the right to separately meter or submeter any or all utilities used by each Unit and to allocate expenses as Common Expenses or Limited Common Expenses, as the case may be.

Section 6.3. Allocation of Owners' Voting Rights. Each Owner of a Unit shall be entitled to vote as described on **Exhibit B**. If a Unit is owned by more than one person or entity, the voting interest shall not be divided and the vote for the Unit shall be cast by only one of the Owners as determined by a majority of the Owners of such Unit.

ARTICLE 7

MANAGEMENT

Section 7.1. Managing Agent. The Association may employ a professional experienced property management firm to provide property maintenance services to individual Unit Owners at their request and/or to the Association, and the right to employ the same firm or another professional experienced property management firm to oversee the daily operation of the Condominium in accordance with the provisions of the Act and the Declaration (either or both firms, a "Managing Agent"); provided, however, that no agreement for such professional services may exceed a term of three (3) years but may be renewed upon consent of the Association. Such agreement(s) shall be cancelable by either party without cause and without a termination fee upon not less than sixty (60) days nor more than ninety (90) days written notice and shall be cancelable by the Executive Board with cause upon not less than thirty (30) days written notice. Any agreement for professional management negotiated by the Declarant shall meet the requirements of this Article 7 for such agreements negotiated by the Association and

shall not exceed one (1) year, but may be renewed upon consent of the Association.

Section 7.2. Maintenance Responsibilities. A Managing Agent, or the Association through the Executive Board in the absence of a Managing Agent, shall be responsible for maintenance, repair and replacement of the Common Elements and Common Property including, but not limited to, the Limited Common Elements but excluding any private garden or other structures. The cost of the provision of such services shall be a Common Expense. The Managing Agent performing property maintenance services shall be required by contract to make itself available to provide services for individual Unit Owners upon request for any maintenance responsibilities of the individual Unit Owner in the Unit, to be payable through the Association by assessment upon the Unit Owner receiving such services.

ARTICLE 8

EASEMENTS

Section 8.1. Additional Easements. In addition to the easements provided for by the Act, the following easements are hereby created:

(a) All Units shall be subject to an easement in favor of the Declarant pursuant to Section 1602-115 of the Condominium Act. The Declarant reserves the right to use any Units owned or leased by the Declarant and any Common Element as models, management offices, sales offices for this and other projects or customer service offices; and the Declarant reserves the right to relocate the same from time to time within the Property; upon relocation, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Property such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of the Declarant. Prior to assignment as Limited Common Elements, the Declarant shall have the right to restrict the use of certain Common Element parking areas for sales purposes and to use such areas for sales purposes. Further, the Declarant shall have the right to erect temporary offices on any Common Element parking areas for models, sales, management, customer service and similar purposes. This easement shall continue until the Declarant has conveyed all Units in the Condominium to Owners other than the Declarant.

(b) The Units and Common Elements (including Reserved Common Elements) shall be, and hereby are, made subject to easements in favor of the Declarant, other Owners, appropriate utility and service companies, cable television companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created by this Section 8.1(b) shall include, without limitation, rights of the Declarant, any Owner or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, drainage ditches and pump stations, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits, and equipment and ducts and vents over, under, through along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 8.1(b), any such easement through a Unit shall be located either in or substantially in the same location as such facilities or similar facilities existed at the time of first conveyance of a Unit by the Declarant or so

as not to materially or unreasonably interfere with the use, occupancy, or quiet enjoyment of the Unit by its occupants. With respect to any utility lines or equipment serving only the Condominium and located upon the Common Elements, the Executive Board shall have the right and power to dedicate and convey title to the same to any private or public utility company. The Executive Board shall also have the right and power to convey permits, licenses and easements over the Common Elements for the installation, maintenance, repair and replacement of utility poles, lines, wires and other equipment to any private or public utility company. In addition, the Executive Board shall have the right to grant permits, licenses and easements over the Common Elements for the building and, maintenance of roads, for the protection of the natural, scenic and open space values of the Property, and for other purposes necessary for the proper operation the Condominium.

(c) The Declarant reserves for as long as it is entitled to exercise any Development Right an easement on, over and under those portions of the Common Elements not located within a Building for the purpose of maintaining and/or correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 8.1(c) expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably determined to be necessary. The Declarant or the Association, as the case may be, shall restore the affected property as closely to its original condition as is practicable.

(d) The Common Elements (other than the Limited Common Elements and Reserved Common Elements) shall be, and hereby are made, subject to an easement in favor of the Owners and their invitees, employees, tenants and servants, the Association and the agents and employees of the Association for access, egress and ingress over, through and across each portion thereof, pursuant to such requirements and subject to such charges as the Executive Board may from time to time prescribe; provided that nothing contained herein shall create any access easement in favor of Owners with respect to such portions of the Common Elements which are not needed in order to gain access to one or more Units and as to which the Executive Board may from time to time determine it to be necessary or desirable to limit or control access by Owners or the occupants of Units, or both, including, by way of illustration and not limitation, machinery and equipment rooms, and any management agent's office, provided, however, that every Owner shall have an unrestricted right of ingress and egress to his Unit for his specified Period of Use. Until the Declarant conveys the last Unit to an Owner other than Declarant, the Declarant shall have the right to restrict access by owners to management and sales offices and areas located on or in any Common Element.

(e) The Common Elements (including, but not limited to, the Limited Common Elements and Reserved Common Elements) and Units are subject to an easement in favor of the Declarant for the purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units or Common Elements.

(f) The Common Elements (including, but not limited to, the Limited Common Elements and Reserved Common Elements) shall be and hereby are made subject to an easement in favor of the Association and the agents, employees and independent contractors thereof for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements, and Property (including, but not limited to the Limited Common Elements and Property and Reserved Common Elements and Property).

(g) The Common Elements (including, but not limited to, the Limited Common

Elements) shall be and hereby are made subject to the following easements in favor of the Units benefited for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are part of or exclusively serve a single Unit and which pass across or through a portion of the Common Elements;

(h) To the extent necessary, every Unit shall have an easement for structural support over the Common Elements, and every Unit and the Common Elements shall be subject to an easement for structural support in favor of every Unit. The Units, Reserved Common Elements and the Limited Common Elements are hereby made subject to the following easements:

(1) In favor of the Association and its agents, employees and independent contractors, (i) for inspection of the Units, Reserved Common Elements and Limited Common Elements in order to verify the performance by Owners of all items of maintenance and repair for which they are responsible, (ii) for inspection, maintenance, repair and replacement of the Common Elements and Property or the Limited Common Elements and Property situated in or accessible from such Units or Limited Common Elements or both, (iii) for correction of emergency conditions in one or more Units, Reserved Common Elements or Limited Common Elements, or any of them, or casualties to the Common Elements and Property, the Limited Common Elements and Property, the Reserved Common Elements and Property and/or the Units, and (iv) to do any other work reasonably necessary for the proper maintenance of the Condominium, it being understood and agreed that the Association and its agents, employees and independent contractors shall take reasonable steps to minimize any interference with an Owner's use of his Unit resulting from the Association's exercise of any rights it may have pursuant to this Section 8.1(i)(1) and the following Section 8.1(i)(2) or both;

(2) In favor of the Owner benefited thereby and the Association and its agents, employees and independent contractors, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical, telephone or other communication systems and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of one or more Units or Reserved Common Elements.

(i) If construction, reconstruction, repair, shifting, settlement or other movement of any portion of the Condominium results either in the Common Elements encroaching on any Unit, or in any Unit encroaching on the Common Elements or on any other Unit, a valid easement shall exist during the period of the encroachment for the encroachment and for the maintenance thereof.

U) All easements, rights and restrictions described and mentioned in this Declaration are easements appurtenant, running with the land and the Property, including by way of illustration but not limitation the Units and the Common Elements, and (except as expressly may be otherwise provided herein or in the instrument creating the same) shall continue in full force and effect until the termination of this Declaration.

Section 8.2. Reservation of Easement Rights. Until the construction, marketing and sale of all Units is completed, the Declarant reserves the right to grant to any third party any license or easement in, on, over or through the Property, in addition to and not in limitation of those

set forth above, which license or easement is determined by the Declarant, in its reasonable judgment, to be necessary for the development or improvement of the Property or any adjacent Property owned by the Declarant or any entity owned by the Declarant. Any such license or easement granted hereunder may be recorded by the Declarant at its sole cost and expense. The Association, at the request of the Declarant, shall execute and deliver in recordable form any instrument or document necessary or appropriate to confirm the grant of such license or easement.

Section 8.3. Additional Easements, Covenants, Restrictions, DEP Order. The Property is also subject to any easements and restrictions set forth on the attached **Exhibit A** and as shown on the Plat and Plans and the Site Plan, and is further subject to the following:

(a) Subdivision Plan and City Approvals. Terms and conditions of the Subdivision Plan, and the terms and conditions of any related subdivision or site plan permits or approvals granted by the City of Gardiner (the "City"), as evidenced by said Subdivision Plan (collectively the "City Approvals"), whether or not such terms and conditions are noted or referenced on the Plan or in any other instrument recorded in the Kennebec County Registry of Deeds.

ARTICLE 9

RESTRICTIONS ON USE, SALE AND LEASE OF UNITS

Section 9.1. The following restrictions shall apply to the use of the Condominium:

(a) Residential Use. The Units and Common Elements (with the exception of any such Units during the time period when they are being used by the Declarant as a sample, model or sales office) are restricted to residential use. The Units may not be used for any other purposes by the Owner or any future Owner. No present or future owner of any Unit shall permit his Unit to be used or occupied for any purpose other than as a single family residence. Notwithstanding any of the foregoing, an Owner may use a Unit for the purpose of a home office, provided, however, that any such use complies with all applicable state and local laws and ordinances, and that such use is otherwise consistent with the Condominium Documents.

(b) Obstruction of Common Elements. No Owner may obstruct the Common Elements in any way. No Owner may store anything in or on the Common Elements without the prior written consent of the Executive Board.

(c) Quiet Enjoyment. No Owner may carry on any practice, or permit any practice to be carried on, which unreasonably interferes with the quiet enjoyment of the occupants of any other Unit. The Property is to be maintained in a clean and sanitary condition, and no Owner may place any garbage, trash or rubbish anywhere in the Property other than in his own Unit and in or on such parts of the Common Elements as may be designated for such purpose by the Executive Board. Except during the initial construction of a house, garbage and rubbish shall be stored in sanitary receptacles with sealing covers or as required by City ordinances or regulations. The individual Unit owners shall be responsible for removal of their rubbish; however, at such time that 50% of the Units have certificates of occupancy then the Association will hire a private company to remove the trash and

each Lot Owner who has a certificate of occupancy will be responsible to reimburse the Association for their share of the cost of the trash removal.

(d) Fire Hazards. No Unit shall be used, occupied or kept in a manner that in any way increases the fire insurance premiums for the property without the prior written permission of the Executive Board.

(e) Signs. No Owner (other than the Declarant in connection with its marketing and sale of the Units) may erect any sign on or in his Unit or any Limited Common Element which is visible from outside his Unit or from the Common Elements, without in each instance having obtained the prior written permission of the Executive Board.

(f) Pets and Animals. No animals, except as common household pets in accordance with the Rules and Regulations, shall be kept or maintained on the property, nor shall common household pets be kept, bred or maintained for commercial purposes on the Property. Owners are responsible for immediate clean-up of pet waste. Unless otherwise permitted by the Board, authorized pets shall not be permitted outside of Units unless they are accompanied by an adult person and carried or leashed. The Board of Directors may make further provisions in the Rules for the control and regulation of household pets in the Condominium and any pets kept in violation of this Declaration or the Rules and Regulations may be removed from the Condominium by the Association. Additionally, the Board may specifically regulate or exclude from the Condominium particular breeds or species of dogs or other pets as determined by the Board to be necessary for the safety and quiet enjoyment of the Condominium and as necessary to conform with any insurance requirements relating to the Condominium. The owner of a unit where a pet is kept or maintained shall be responsible and may be assessed by the Board of Directors for all damages to the property resulting from the maintenance or conduct of said pet, and any costs incurred by the Association in enforcing the Rules prescribed or to be prescribed by the Board of Directors for the control and regulation of pets in the Condominium and each such owner shall be deemed to indemnify and hold the Board harmless against such loss or liability resulting from said pet.

(g) Rules and Regulations. The Executive Board shall promulgate reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Owners by the Association promptly after the adoption of such Rules and Regulations and any amendments thereto.

(h) Alterations to Units. Except as otherwise provided herein, approval by a majority vote of the Executive Board of the Association is required for alteration, remodeling or renovation of the exterior of any Unit. Executive Board approval shall not be required for interior alterations of any Unit or interior renovations that do not affect the structural integrity of any Common Elements or of any other Unit in the commercial building. When making any alteration, the Unit Owner is required to obtain all necessary approvals and permits as may be required by the City of Gardiner, engage insured contractors to perform the services, and otherwise comply with all Rules of Regulations of the Association.

(i) Labor, Mechanic's Liens. No Owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in subparagraph (h) above. Each Owner shall indemnify and hold the other Owners of his Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this Section 9.1, including but not limited to the costs of removing any unauthorized improvements, any repairing and restoring the Unit to substantially its condition prior to such alteration, remodeling, renovation or repair and

the cost of removing, bonding, defending or paying any mechanic's or materialmen's liens.

Section 9.2. Sale and Lease of Units.

(a) The Declarant shall have the right to operate any Units owned by the Declarant as a rental project. The Declarant may establish and maintain in the Units and Common Elements, all offices, signs and other accoutrements normally used in the operation of such rental properties in the sole discretion of the Declarant. Such operation shall be for the benefit of the Declarant and neither the Association nor any Owner (other than the Declarant) shall have any right or interest in the profits or losses thereof.

(b) There shall be no rental program offered to the Owners by Declarant, Managing Agent or any third parties. Subject to the approval of the Executive Board, an Owner other than the Declarant may rent his or her Unit in accordance with a written lease agreement. The Executive Board may prescribe by resolution a form of lease or specific provisions to be included in any lease of a Unit owned by a party other than the Declarant, and thereafter no Owner other than the Declarant shall execute a lease of his or her Unit which is not in compliance with such resolution. Each tenant and lease shall be subject to the covenants, restrictions and conditions set forth in the Declaration and all other Condominium Documents, including without limitation the enforcement rights reserved to the Executive Board pursuant to Section 12.3 herein.

(c) This Section 9.2. shall not be deemed or construed to impair a Mortgagee's right to foreclose, accept a deed in lieu of foreclosure or sell or lease a Unit so acquired by the Mortgagee.

Section 9.3. Time Share Ownership Prohibited. No ownership interest in any Unit shall or may be subdivided to permit "time sharing" or any other devices to effect interval ownership. For the purposes of this subsection, such devices shall be deemed to include, without limitation, the use of corporations, partnerships and tenancies in common in which four or more persons not members of a single household have acquired by means other than inheritance, devise or operation of law, a direct or indirect, equitable or legal, right to occupy or arrangement, formal or informal regarding occupancy of the same unit.

ARTICLE 10

DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Section 10.1. Expansion. Declarant reserves the right but not the obligation to legally create from time to time up to fourteen additional units and appurtenant limited common areas as described above on the Land as described in the attached Schedule A until the Twentieth (20th) anniversary date of the recording of this Declaration in the Kennebec County Registry of Deeds.

10.1.1. The projected location and approximate dimensions of the additional units and limited common elements for are shown on the Plats and Plans and future Plats and Plans. Said additional buildings, units and limited common elements may not be built with the configurations or in the locations as shown on the Plats, and the DECLARANT EXPRESSLY RESERVES THE RIGHT TO VARY SUCH BUILDINGS, UNITS, LIMITED COMMON ELEMENTS AND THEIR LOCATIONS in its discretion. Upon the addition of such units and limited common elements, which may occur in such stages and in such order as the Declarant

determines, they shall be fully integrated into the Condominium as if this Declaration had been originally executed and recorded containing the additional Building Phase(s) and the Allocated Interests of the units shall be reallocated in accordance with the formulas set forth in this Declaration and as more particularly set forth in the amendment adding said Building Phase(s). All such future units and limited common elements shall be consistent with the initial units in terms of the quality of construction, general architectural style and principal materials, provided that the Declarant may substitute construction materials and technique of equal or better quality and, upon the addition thereof to the Condominium, must be substantially completed. All restrictions in or created by authority of this Declaration affecting the use, quality or alienation of units shall apply to such Building Phases including, without limitation, the restriction to residential use. Declarant need not add said Building Phases or said limited common elements to the Condominium and hence said buildings, units and limited common elements NEED NOT BE BUILT. All improvements within a future Building Phase must be substantially completed upon the addition to the Condominium. The Declarant must exercise its right hereunder within twenty (20) years of the recording of this Declaration.

10.1.2. In order to exercise any of the development rights reserved by the Declarant hereunder, the Declarant shall prepare, execute and record in the Kennebec County Registry of Deeds an amendment to the Condominium Declaration. Said amendment shall become effective upon recording without the consent of any other person. Pursuant to Schedule B attached hereto, and the amendment, an identifying number will be assigned to each new unit created and the allocated interest will be reallocated among all units pursuant to Section 10.1.3. below.

10.1.3. Redetermining Allocated Interests and Assessments. The allocated interest allocated each Unit shall be determined by the formula set out in 6.1 and subject to Schedule B. The total amount of common expense shall be reassessed against the Units pursuant to the formula set out in 3.5.

10.1.4. No Amendment Prior to Sale of All Units. This ARTICLE V and Section 6.1. and 3.3. shall not be amended or waived without the consent of all persons holding Declarant Rights duly recorded in the Kennebec County Registry of Deeds. The benefits of ARTICLE 10 and all other special rights of Declarant set forth in this Declaration, the By-Laws or otherwise, as amended from time to time, may be transferred in whole or part by recorded instrument specifically referring to this Section and executed by Declarant and its successor or assignee.

Section 10.2. General Development Rights. In addition to the easement rights reserved in Article 8, the Declarant reserves to itself and for the benefit of its successors and assigns the right:

(a) Until the construction, marketing and sale of all Units is completed, including any future Units which may be created under this Declaration, to 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 services so used;

(b) Until the construction, marketing and sale of all Units is completed, including any future Units which may be created under this Declaration, to use the Common Elements for ingress and egress, for the repair and construction of Units and Common Elements including the movement and temporary storage of construction materials and equipment, and for the installation of signs and lighting for sales and promotional purposes;

(c) Until the construction, marketing and sale of all Units is completed, including any future Units which may be created under this Declaration, to subdivide or convert Units into Common Elements, to withdraw Units or real estate from the Condominium and any and all other Development Rights as are now allowed or in the future may be allowed by the Condominium Act. No land may be withdrawn from the Condominium if a Unit has been legally located on such land unless the Owner and any Eligible Mortgage Holder of the Unit have consented. No easement rights may be withdrawn in connection with such withdrawn land across any existing Unit unless the Owner and any Eligible Mortgage Holder of the Unit have consented. Once such land and associated easements have been withdrawn, they shall no longer be subject to the terms of this Declaration or any of the covenants and restrictions set forth herein. Any withdrawal of land must be structured so that the balance of the Condominium complies with applicable zoning and subdivision ordinance requirements of the City of Gardiner. Declarant reserves the right to withdraw portions of said land at different times and in separate portions with boundaries other than those depicted on the Plat and Plans and in such order as it deems appropriate, provided, however, that land may only be withdrawn in accordance with applicable federal, state, and municipal laws, regulations, and ordinances. Declarant further reserves the right to create easements as it deems necessary over Common Areas of the Condominium benefiting such withdrawn land. Otherwise no consent of the Association, any Unit owners or the Association is required. Once such land has been withdrawn it shall be released from all terms, covenants and restrictions set forth in this Declaration, and it may be developed and used in any manner permitted by the City of Gardiner Zoning and Land use Ordinances as they may vary; and

(d) Until the construction, marketing and sale of all Units is completed, including any future Units which may be created under this Declaration, to complete all improvements shown on the Plat and Plans, to relocate any improvements shown on the Plat and Plans, construct additional Common Element improvements on any part of the Property, to exercise the Development Rights set forth herein, to maintain models and sales offices and to exercise the easements as set forth in Article 8 hereof, to make the Condominium part of a larger condominium, to make the Condominium subject to a master association, to appoint or remove any officer or Executive Board member during any period of Declarant control of the Association and any and all other Special Declarant Rights as are now allowed or in the future may be allowed by the Condominium Act. The real estate subject to these Development Rights and Special Declarant Rights is all of the Property, except those portions lying within the boundaries of declared Units and upon which declared Units are located.

(e) Appoint and remove members of the Board of Directors and Officers of the Association in accordance with Section 12.1.

Section 10.3. Exercise of Rights. The exercise of the Development Rights and Special Declarant Rights reserved herein shall be in accordance with and governed by the provisions of the Act, including without limitation Section 1602-110 of the Act. A copy of all amendments to this Declaration prepared by Declarant shall be forwarded to Eligible Mortgage Holders upon request. Further, in accordance with Section 1602-109(f) of the Condominium Act, the Declarant will either record new Plat and Plans or record an affidavit that the Plat and Plans previously recorded conform to the requirements of the Act. Said amendment shall become effective upon recording without the consent of any other person.

Section 10.4. Amendment, Waiver, Etc. This Article 10 shall not be amended without the written consent of the Declarant duly recorded in the Kennebec County Registry of Deeds. The

rights and benefits of Article 10 and all other rights of Declarant set forth in this Declaration, the Bylaws or otherwise, as amended from time to time, may be transferred in whole or part by recorded instrument specifically referring to this Section and executed by Declarant and its successor or assignee. The Declarant shall have the right to waive the Development and Special Declarant Rights reserved hereunder in whole or part by an written instrument provided that such waiver shall only be effective upon recording in said Registry of Deeds and such waiver shall be subject to the limitations of Section 1603-103(d) of the Act regarding Declarant Control of the Association.

Section 10.5. Other Declarant Amendments. The Declarant further reserves the right, without seeking consents of Unit Owners or Eligible Mortgagees, to prepare, execute and record amendments to the Declaration and the Plats and Plans to correct technical errors, to address requirements of approval of the City of Gardiner, or any other governmental authority having jurisdiction over the Condominium, or as may be reasonably required for the Declarant to be able to obtain underwriting approval for secondary mortgage market financing on the Units, provided that no such amendment shall have a material adverse effect upon the use or enjoyment of any Unit, other than a Unit owned by the Declarant.

ARTICLE 11

UNITS SUBJECT TO CONDOMINIUM DOCUMENTS, EMINENT DOMAIN

Section 11.1. Applicability of Condominium Documents. Each present and future Owner, tenant, occupant and Mortgagee of a Unit therein shall be subject to and shall comply with the provisions of the Act, and with the covenants, conditions and restrictions as set forth in the Condominium Documents and the deed to such Unit; provided that nothing contained herein shall impose upon any tenant of a Unit or Mortgagee any obligation which the Act or one or more of such documents, or both, make applicable only to Owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit therein, or the entering into of a lease or the entering into occupancy of any Unit therein shall constitute an agreement that the provisions of the Act and the covenants, conditions and restrictions set forth in the Condominium Documents and the deed to such Unit therein are accepted and ratified by such grantee, Mortgagee or tenant. All of such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage, contract or lease thereof. The Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with the provisions of the Condominium Documents, the Act, or with decisions made by the Association or the Executive Board. Aggrieved Owners shall have similar rights of action against the Association.

Section 11.2. Eminent Domain. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, provided, however, that the Association shall officially, represent the Owners in such proceedings. In any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein and any award for such damages shall be payable to the Association for the benefit of the Owners and Mortgagees. Notwithstanding the foregoing, if the Association elects to distribute such award of damages to the Owners, any amount payable to an Owner shall be paid instead to the Owner's Mortgagee upon the written request of such Mortgagee

to an officer of the Executive Board.

ARTICLE 12

EXECUTIVE BOARD OF THE ASSOCIATION

Section 12.1. Members.

(a) The Executive Board shall consist of a minimum of three (3) members and a maximum of five (5) members. The initial Executive Board shall consist of three (3) members appointed by the Declarant. The members of the initial Executive Board shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The Declarant-appointed members of the Executive Board, which may include the Declarant, shall be replaced with Owners in accordance with the provisions of paragraph (b) of this Section 12.1.

(b) Not later than the earlier of (i) sixty (60) days after the conveyance of 75% of the all of the Units that may be created hereunder to Owners other than the Declarant, as such percentage is calculated in accordance with Section 1603-103(f) of the Act or (ii) seven (7) years following conveyance of the first Unit to an Owner other than the Declarant (the **"Period of Declarant Control"**), all members of the Executive Board appointed by the Declarant shall resign and the Owners (including the Declarant to the extent of any Units owned by the Declarant at that time) shall elect new members of the Executive Board in accordance with the Bylaws.

(c) The Executive Board shall have the authority to change the number of Directors and shall possess all of the duties and powers granted to the Executive Board by the Act.

Section 12.2. Disputes. (a) Regarding Owners, Condominium, and Condominium Documents. In the event of any dispute or disagreement between any Owners relating to the Property, or any questions of interpretation or application of the provisions of the Condominium Documents, the determination thereof by the Executive Board shall be final and binding on each and all such Owners. The Executive Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief in order to assist it in carrying out its responsibilities under this Section 12.2. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

(b) Disputes with Declarant. In any dispute between one or more unit Owners and the Declarant regarding the Common Elements, the Board of Directors shall act for the unit Owners, and any agreement with respect thereto by the Board shall be conclusive and binding upon the unit owners. All claims, disputes and other matters in question between the Declarant, on the one hand, and the Association or any unit owners on the other hand, arising out of or relating to, a unit, the common elements, the limited common elements, this Declaration, the Bylaws, or the deed to any unit or the breach thereof, or the course of dealing between any unit owner, the Association and the Declarant, except for claims which have been waived by the acceptance of a deed, shall be decided by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then applicable unless the parties

mutually agree otherwise in- writing. 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. The demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations or other principals of law and equity.

Section 12.3. Abating and Enjoining Violations by Owners. The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the Bylaws or the breach of any provision of this Declaration or the Act by any Owner or tenant of such Owner, shall give the Executive Board the right, in addition to any other rights to which it may be entitled, to enjoin, abate or remedy by appropriate legal proceedings, either by law or equity, the continuance of any such breach.

ARTICLE 13

LIMITATION OF LIABILITY

Section 13.1. Limited Liability of the Executive Board. The Executive Board and its members in their capacity as members, officers and employees:

(a) Shall not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to persons or property caused by the elements or by another Owner or person on the Property, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board;

(b) Shall not be liable to the Owners or any mortgagees as a result of the performance of the Executive Board members' duties for any mistakes of judgment, negligence or otherwise, except for the Executive Board members' own willful misconduct or gross negligence;

(c) Shall have no personal liability in contract to an Owner, any mortgagee, or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board or the Association in the performance of the Executive Board members' duties;

(d) Shall not be liable to an Owner, or such Owner's tenants, employees, agents,

customers or guests, for loss or damage caused by theft of or damage to personal property left by such Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements or Limited Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

(e) Shall have no personal liability in tort to an Owner, any mortgagee, or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

(f) Shall have no personal liability arising out of the use, misuse or condition of the Buildings, or which might in any other way be assessed against or imputed to the Executive Board members as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.

Section 13.2. Indemnification. Each member of the Executive Board in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties or any other standard imposed by the Condominium Act; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification by the Owners set forth in this Section 13.2 shall be paid by the Association on behalf of the Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Owners or otherwise.

Section 13.3. Joint and Several Liability of Owners and Lessees. Each Owner shall be jointly and severally liable with any tenants of the Unit owned by such Owner for all liabilities arising out of the ownership, occupancy, use, misuse, or condition of any Unit or any portion of the Common Elements or Limited Common Elements.

Section 13.4. Defense of Claims. Complaints filed in any State or Federal court brought against the Association, the Executive Board or the officers, employees or agents thereof their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Owners and the holders of any mortgages and such complaints shall be defended by the Association. The Owners and the holders of mortgages shall have no right to participate other than through the Association in such defense. Complaints of a nature specified in Section 13.3 hereof against one or more but less than all Owners shall be defended by such Owners who are defendants themselves and such Owners shall promptly give written notice of the institution of any such suit to the association and to the holders of any mortgages encumbering such Units.

ARTICLE 14

ASSESSMENTS: LIABILITY OF OWNERS

Section 14.1. Power to Assess. The Association, acting through the Executive Board in accordance with the Bylaws, shall have the power to fix and determine, from time to time, the sums necessary and adequate to provide for the Common Expenses, including, but not limited to such amounts as are necessary for the maintenance, repair and replacement of the Common Elements, Limited Common Elements and Reserved Common Elements as set forth in Section 7.2 hereof, such amounts as are necessary for uncollectible Assessments or Reserved Common Element Area license fee or maintenance expenses otherwise the responsibility of a Unit Owner; budget deficits; such expenses as are necessary for the Association's share of any Common Expenses for any master association which the Association may now or hereafter be a member of; such reserves as are hereinafter described and such additional reserves as the Executive Board shall deem necessary or prudent, and such other expenses as are specifically provided for in the Condominium Act, this Declaration or the Bylaws. The Association shall establish an adequate reserve fund for maintenance, repair and replacement of all of those Elements and Property for which the Association is responsible which are anticipated to require replacement, repair or maintenance on a periodic basis, to cover any deductible amount for insurance policies maintained by the Association, and to provide sufficient funds to meet the Association's anticipated expenses for one year after the date on which the management of the Association is to be turned over to the owners pursuant to Section 12.1(b). The reserve fund shall be funded as a part of the Common Expenses.

Section 14.2. Assessments for Limited Common Expenses. The Association, acting through the Executive Board in accordance with Section 1603-115(c) of the Act and the Bylaws and as circumstances may reasonably require, shall assess Common Expenses and Limited Common Expenses as follows: (i) If a Limited Common Expense or Common Expense only benefits a single Unit (e.g. fees and charges of the Managing Agent for services performed for an individual Unit Owner at its request), that Limited Common Expense or Common Expense may be assessed solely against the Unit benefited; and (ii) If a Limited Common Expense benefits more than a single Unit but fewer than all the Units, that Limited Common Expense may be assessed exclusively against the Units benefited in equal proportion between such Units, or, at the election of the Executive Board, in proportion to the relative Common Expense liabilities of such Units as between themselves, as the Executive Board may periodically determine, as those Common Expense liabilities may be changed as provided in Section 6.2 and **Exhibit B**. Pursuant to the foregoing, and in accordance with Section 1603-115 of the Act, the Association may adopt an annual Budget allowing for different categories or amounts of monthly assessments as applicable to Built Units that are (i) fully connected and benefiting from all Common Expenses and (ii) Un-Built Units that are not fully constructed or otherwise benefiting from all Common Expenses (e.g., incomplete or unoccupied units, may be assessed a lower monthly assessment if such Units do not benefit from common expenses relating to common utilities, trash removal, snow removal, etc.).

Section 14.3. Special Assessments. If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year for any reason (including by way of illustration and not limitation, any Owner's non-payment of his Assessment or municipal assessments not yet assessed), the Executive Board shall have the power, at any time it deems necessary and proper, to levy one or more Special Assessments against each

Owner. Special Assessments shall be due and payable in the manner and on the date set forth in the notice thereof.

Section 14.4. Payment of Assessments. Each Owner, including the Declarant to the extent it is the owner of any unsold Units, shall pay all Assessments levied by the Association. Liability for such assessments shall be determined in accordance with the formula set forth in **Exhibit B** hereto and the budget established by the Association in accordance with the Bylaws. Penalties for delinquent assessments shall be set forth in the Rules and Regulations of the Condominium. Notwithstanding anything herein to the contrary, and with respect to any assessments levied by the Association against Un- built Units owned by the Declarant, the Declarant in its discretion may elect either: (a) in lieu of paying any monthly or other periodic assessments, to make an annual contribution to the Association on or before the last day of each calendar year in an amount equal to the reasonable value of services actually received by Declarant as part of the Common Expenses or Limited Common Expenses for such year, as may be reasonably determined by the Declarant; or (b) offset against such assessments the value of either (i) amounts paid directly by the Declarant for any expenses relating to the Common Expenses or Limited Common Expenses of the Condominium, or (ii) the value of any services provided by the Declarant for the benefit of the Association that would otherwise constitute a Common Expense or Limited Common Expense of the Condominium.

Section 14.5. Failure to Fix New Assessments. If the Executive Board shall fail to fix new Assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Owners shall continue to pay the same sums they were paying for such Assessments during the fiscal year just ended and such sum shall be deemed to be the new Assessments for the succeeding fiscal year. If the Executive Board shall change the Assessment at a later date, the difference between the new Assessment, if greater, and the previous year's Assessment up to the effective date of the new Assessment shall be treated as if it were a Special Assessment under Section 14.2 hereof; thereafter each Owner shall pay the new Assessment. In the event the new Assessment is less than the previous year's Assessment, in the sole discretion of the Executive Board, the excess either shall be refunded to the Owners, credited against future Assessments or retained by the Association for reserves.

Section 14.6. Exemption by Waiver. No Owner may exempt himself from liability for the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise.

Section 14.7. Personal Liability of Owners. All sums assessed by the Association as an Assessment, Special Assessment or Assessment for Limited Common Expenses or Reserved Common Expenses shall constitute the personal liability of the Owner of the Unit so assessed and also, until fully paid, shall constitute a lien against such Unit pursuant to Section 1603-116 of the Condominium Act. The Association shall take action for failure to pay any assessment or other charges pursuant to Section 1603- 116 of the Condominium Act. The delinquent Owner shall be obligated to pay (a) all expenses of the Executive Board, including reasonable attorneys' fees and costs, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (b) any amounts paid by the Executive Board for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

Section 14.8. Liability of Purchaser of Unit for Unpaid Assessments. Upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or any interest therein, the grantee thereof shall not be personally liable with the grantor thereof for all unpaid Assessments for Common Expenses, special assessments, Limited Common Expenses, Reserved Common Expenses, which are a charge against the Unit as of the date of consummation of the sale, conveyance or transfer, unless such grantee agrees to assume the obligation therefor. A lien against the Unit so purchased for Assessments imposed pursuant to this Declaration or the Condominium Act shall not be affected by such sale, conveyance or other transfer, however.

Section 14.9. Subordination of Certain Charges. Any Assessments or any fees, charges, late charges, fines and interest that may be levied by the Association pursuant to Section 1603-102 of the Condominium Act or otherwise shall be subordinate to any first mortgage lien recorded before the due date of the Assessment or the due date of the first installment payable on the Assessment.

Section 14.10. Surplus. The Budget of the Association shall set forth general Common Expenses. Any amounts accumulated from assessments for Common Expenses in excess of the amount required for actual Common Expenses and reserves for future Common Expenses, unless otherwise directed by the Executive Board, in its sole discretion, shall be credited to each Owner, such credit to be applied to the next Assessments of Common Expenses due from said Owners under the current fiscal year's budget, and thereafter until exhausted, or retained by the Association for reserves.

ARTICLE 15

RIGHTS OF MORTGAGEES, CONTRACT HOLDERS, INSURERS AND GUARANTORS:

Section 15.1. Subject to Declaration. Whether or not it expressly so states, any mortgage which constitutes a lien against a Unit and an obligation secured thereby shall provide generally that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act, the Declaration, the Plat and Plans and any Rules and Regulations.

Section 15.2. Rights of Eligible Mortgage Holders. (a) The Association shall send reasonable prior written notice by prepaid United States mail to Eligible Mortgage Holders of the consideration by the Association of the following proposed actions, except where such change may be effected by the Declarant in exercise of a Development Right or otherwise:

(1) The termination of the Condominium pursuant to Section 1602-118 of the Condominium Act;
(2) A change in the allocated interest of a Unit or Unit, a change in the boundaries of a Unit or a subdivision of a Unit;
(3) The merger or consolidation of the Condominium with another condominium;
(4) The conveyance or subjection to a security interest of any portion of the Common Elements;

(5) The proposed use of any proceeds of hazard insurance required to be maintained by the Association under, Section 1603-I 13(a) of the Condominium Act, or of any condemnation proceeds, for purposes other than the repair or restoration of the damaged property;
(6) The adoption of any proposed budget by the Executive Board and of the date of the scheduled Owners' meeting to consider ratification thereof. A summary of the proposed budget shall accompany this notice;
(7) Any default in the performance or payment by an Owner of any obligations under the Declaration, including, without limitation, default in the payment of Common Expense liabilities;

(b) In the event of any proposed actions described in subsection (a), paragraphs (1), (2), (3), (4), or (5) hereinabove, an Eligible Mortgage Holder shall have the right, but not the obligation, in place of the Owner to cast the votes allocated to that Unit or give or withhold any consent required of the Owner for such action by delivering written notice to the Association with a copy to the Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by prepaid United States mail, return receipt requested, or by delivery in hand. Failure of the Eligible Mortgage Holder to so exercise such rights shall constitute a waiver thereof and shall not preclude the Owner from exercising such right. In the event of any default described in subsection (a), paragraph (7), the Eligible, Mortgage Holder shall have the right, but not the obligation, to cure such default.

(a) In addition, an Eligible Mortgage Holder or its representative shall have the right to attend Association and Executive Board meetings for the purposes of discussing the matters described in subsection (a), paragraphs (I) through (6).

Section 15.3. Liability for Use and Charges. Any Mortgagee who obtains title to a Unit pursuant to the remedies provided in a mortgage for foreclosure of such mortgage or a deed in lieu of foreclosure shall not be liable for such Owner's unpaid assessments or charges which accrue prior to the acquisition of title to such Unit by the Mortgagee, except to the extent otherwise provided for in either of the Act and except to the extent that such Mortgagee is liable as an Owner for the payment of such unpaid assessment or charge that is assessed against the Mortgagee as a result of all Owners being reassessed for the aggregate amount of such deficiency.

Section 15.4. Condemnation Rights. No provision of this Declaration shall give an Owner, or any other party, priority over any rights of the Mortgagee of a Unit pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation award for loss to or a taking of one or more Units and/or Common Elements.

Section 15.5. Books and Records. Any Mortgagee shall have the right exercisable by written notice to the Executive Board, to examine the books and records of the Association and to require that it be provided with a copy of each annual report of the Association and other financial data of the Association reasonably requested by such Mortgagee.

ARTICLE 16

INSURANCE

Section 16.1. Types and Amounts. The Association shall maintain as a Common Expense and to the extent reasonably available, the following types and amounts of insurance:

(a) Property insurance insuring against all risks of direct physical loss normally covered by the standard extended coverage endorsement and commonly insured against, including those covered by the standard "all risk" endorsement, or such other fire and casualty insurance as the Executive Board may determine provides equal or greater protection for the Owners and their Mortgagees, if any, in each case complying with the applicable requirements of Section 16.2 hereof. The insurance maintained by the Association shall cover all Common Elements and Limited Common Elements to the extent required by Section 1603-113 of the Act, and building service equipment and common equipment, fixtures, personal property and supplies owned by the Association, excluding the Units or any portions thereof. The amount of any such hazard insurance obtained pursuant to this paragraph (a) shall be equal to one hundred percent (100%) of the current replacement cost of any improvements to the Common Elements, at the time the insurance is purchased and at each renewal date without deduction for depreciation, exclusive of land, foundations, excavation and other items normally excluded from coverage. Such hazard insurance policy may, at the option of the Association, contain a "deductible" provision in an amount not to exceed the lesser of $10,000 or one percent (1%) of the policy face amount. Funds to cover this deductible amount shall be included in the Association's reserve fund, once the reserve fund contains sufficient funds to cover such amount through the payment of Unit Owner assessments. The named insured under the policy shall be "Spring Street Condominium Association, for the use and benefit of the individual owners", or a specified authorized representative of the Association, including but not limited to any Insurance Trustee, and the Association or its representative, as the case may be, shall be designated to represent the Owners in any proceedings, negotiations or settlements under such policy. The "loss payable" clause of such policy shall show the Association or the Insurance Trustee, if any, as a trustee for each Owner and each Mortgagee of a Unit. Such policy shall also contain a standard mortgage clause naming separately the Mortgagees of the Units, their successors and assigns. If the Executive Board fails within sixty (60) days after the date of an insured loss to initiate a claim for damages recoverable under the policy or policies obtained pursuant to this paragraph (a), any Mortgagee may initiate such a claim on behalf of the Association.

(b) Comprehensive Liability Insurance, including medical payments insurance, complying with the requirements of Section 16.2 hereof, insuring the Owners, in their capacity as Owners and Association members and any managing agent retained by the Association, against any liability to the public or to other Owners, their tenants or invitees, relating in any way to the ownership and/or use of the Common Elements, Limited Common Elements, and any other areas under the supervision of the Association and any part thereof. Such insurance policy shall contain a "severability of interest endorsement" or equivalent, coverage which precludes the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner. Such insurance shall include coverage

for bodily injury and property damage that results from the operation, maintenance or use of the Common Elements, Limited Common Elements and Reserved Common Elements, any liability resulting from lawsuits related to employment contracts in which the Association is a party, water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as are customarily covered in similar projects. The amount of such liability insurance shall be at least $1,000,000.00 for bodily injury and property damage for any single occurrence. The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Executive Board and may be changed in its discretion provided that such policies shall continue to comply with the requirements of this Section and Section 16.2 hereof. To the extent reasonably available, Mortgagees shall be named, upon their written request, as additional insureds under the Association's liability policy or policies.

(c) Such worker's compensation insurance as applicable law may require, if any.

(d) Insurance to satisfy the indemnification obligation of the Association and all Owners set out in Section 13.2 hereof if and to the extent available, including but not limited to insurance coverage commonly referred to as "Directors and Officers Insurance."

(e) If at any time it is determined that all or any part of the improvements on the Property are located within a special flood hazard area, a master or blanket policy of flood insurance covering the any portion of the improvements comprising any Common Elements, and building service equipment and common equipment, fixtures, personal property and supplies owned by the Association, but excluding the Units and all other personal property of the Owner. The amount of any such flood insurance obtained pursuant to this paragraph (e) shall be equal to the lesser of one hundred percent (100%) of the insurable value of the property insured or the maximum coverage available under the appropriate National Flood Insurance Administration program. Such flood insurance policy may, at the option of the Association, contain a "deductible" provision in an amount not to exceed the lesser of $5,000 or one percent (1%) of the policy face amount. Funds to cover this amount shall be included in the Association reserve fund.

Section 16.2. Required Provisions. Insurance obtained by the Association shall be in accordance with the following provisions:

(a) Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Executive Board or its authorized representative.

(b) Each Owner shall obtain property, casualty and liability insurance on his Unit at his own expense as set forth in Section 16.6 below; provided, however, that: (1) such policies shall not be invalidated by the waivers of subrogation required to be contained in policies required by this Declaration; and (2) no Owner shall be entitled to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which the Association may have in force on the Property at any particular time.

(c) With respect to the insurance policies described in subsection (a) and (b) of Section 16.1 issued to the Association, and covering all or any part of the Property, the Association shall cause such policies to provide that: (I) Each Owner is an insured person under such policies with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Association; (2) The insurer waives its right to subrogation under the policy

against any Owner or members of his household; (3) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association will void such policies or be a condition to recovery under such policies or prejudice the coverage under such policies in any way; (4) If at the time of a loss under such policies there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance; (5) The liability of the insurer shall not be affected by, and the insurer shall not claim, any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Owner; (6) The insurer shall be relieved from no liability for loss occurring while the hazard to the Property is increased, whether or not within the knowledge or control of the Executive Board, or because of any breach of warranty or condition or any other act or neglect by the Executive Board or any Owner or any other person under either of them; (7) Such policies may not be cancelled nor may coverage thereunder be substantially changed (whether or not requested by the Executive Board) except by the insurer giving at least thirty (30) days prior written notice thereof to the Executive Board, the Insurance Trustee, if any, Owners, and every other party in interest who shall have requested such notice of the insurer; and (8) The insurer will recognize any Insurance Trust Agreement entered into by the Association.

Section 16.3. Insurance Trustee and Power of Attorney. Notwithstanding any of the provisions and requirements of this Article relating to property or liability insurance, the Executive Board may designate as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (hereinafter referred to as the "Insurance Trustee"), who shall have the exclusive authority to negotiate losses under any policy, providing such property or liability insurance.

Section 16.4. Repair of Damage or Destruction to Condominium. The repair or replacement of any damaged or destroyed portion of the Condominium shall be done in accordance with and governed by the provisions of Sections 1603-113(e) and (h) of the Condominium Act.

Section 16.5. Additional Insurance. Nothing in this Declaration shall be construed to limit the authority of the Executive Board to obtain additional insurance which it deems advisable.

Section 16.6. Unit Owner to Obtain Insurance on Unit.

(a) Each Unit Owner shall maintain at its own expense and to the extent reasonably available (i) property insurance insuring against all risks of direct physical loss normally covered by the standard extended coverage endorsement and commonly insured against, including those covered by the standard "all risk" endorsement, in each case complying with the applicable requirements of this Section 16.6. The amount of such hazard insurance obtained pursuant to this paragraph (a) shall be equal to one hundred percent (100%) of the current replacement cost of the Unit and any improvements to the Unit, at the time the insurance is purchased and at each renewal date without deduction for depreciation, exclusive of land, foundations, excavation and other items normally excluded from coverage. Such hazard insurance policy may contain a "deductible" provision in an amount not to exceed the lesser of $10,000 or one percent (1%) of the policy face amount. Such policy shall also contain a standard mortgage clause naming separately the Mortgagees of the Unit, their successors and assigns; and (ii) Comprehensive Liability Insurance, including medical payments insurance, complying with the requirements of Section 16.6(b) hereof, insuring the Owners and Association members and any managing agent retained by the

Association, against any liability to the public or to other Owners, their tenants or invitees, relating in any way to the ownership and/or use of the Unit, and any part thereof. Such insurance policy shall contain a "severability of interest endorsement" or equivalent, coverage which precludes the insurer from denying a claim of the Association because of the negligent acts of the Owner or another Owner. Such insurance shall include coverage for bodily injury and property damage that results from use of the Unit, water damage liability, liability for property of others, and such other risks as are customarily covered in such policies. The amount of such liability insurance shall be at least $500,000.00 for bodily injury and property damage for any single occurrence.

(b) With respect to the insurance policies described in subsection 16.6(a) issued to the Unit Owner, the Unit Owner shall cause such policies to provide that: (1) The insurer waives its right to subrogation under the policy against the Association and the Declarant; (2) No act or omission by the Association or Declarant will void such policies or be a condition to recovery under such policies or prejudice the coverage under such policies in any way; (3) If at the time of a loss under such policies there is other insurance in the name of the Association or Declarant covering the same risk covered by the policy, the Owner's policy provides primary insurance; (4) The liability of the insurer shall not be affected by, and the insurer shall not claim, any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for the Association or Declarant; (5) The insurer shall be relieved from no liability for loss occurring because of any breach of warranty or condition or any other act or neglect by the Association, the Declarant or any person under either of them; (6) Such policy may not be cancelled nor may coverage thereunder be substantially changed except by the insurer giving at least thirty (30) days prior written notice thereof to Owner and every other party in interest who shall have requested such notice of the insurer.

(c) Each Unit Owner is required to file a copy of such individual policy or policies with the Association within thirty (30) days after purchase of such insurance.

(d) Under no circumstances shall the Association or Declarant be liable for any losses or damages incurred by a unit owner resulting from any failure or insufficiency of the Unit Owner's insurance policy or policies.

Section 16.7 Additional Requirements. All policies shall be written with a company authorized to do business in the State of Maine and, for the hazard insurance policy described in Section 16.l(a) hereof, such company must hold a general policy holder's rating of at least "A" by Best's Insurance Reports, or by an equivalent rating bureau should Best's Insurance Reports cease to be issued.

ARTICLE 17

ASSIGNABILITY OF DECLARANT'S RIGHTS

All or any part of the rights, powers or reservations of Declarant contained in this Declaration may be assigned by Declarant to any person or entity which will assume the duties and obligations of Declarant related to the rights, powers or reservations assigned. Upon the recording of a document in said Registry of Deeds by which Declarant assigns any of such rights, powers or reservations and by which the assignee assumes the duties and obligations of Declarant related to the rights, powers or reservations assigned, the assignee shall become a successor Declarant as to such rights, powers or reservations assigned and shall have the same rights and powers and be subject to the same duties and obligations with respect to the rights, powers or reservations assigned as are given to and assumed by Declarant

herein, and Declarant shall be relieved from all liability with respect to the rights, powers, reservations, duties and obligations hereunder which are assumed by the assignee.

ARTICLE 18

AMENDMENT OF DECLARATION

Pursuant to Section 1602-117 of the Condominium Act and except as provided herein for amendments which may be executed by the Declarant, the Association or certain Owners, this Declaration may be amended only by vote or agreement of owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. In addition, approval of amendments of a material nature must be obtained from Eligible Mortgage Holders representing at least 51% of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders. A change to any of the following, except where such change may be effected by the Declarant in exercise of a Development Right or otherwise would be considered as material:

(a) voting rights;
(b) assessments, assessment liens, or subordination of assessment liens;
(c) reserves for maintenance, repair and replacement of Common Elements;
(d) responsibility for maintenance and repairs;
(e) reallocation of interests in the Common or Limited Common Elements, or rights to their use;
(f) boundaries of any Unit, except for locations of decks or patios or for the establishment of the initial location of vertical and horizontal unit boundaries as may be approved by the City of Gardiner;
(g) convertibility of Units into Common Elements or Common Elements into Units;
(h) expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;
(i) insurance or fidelity bonds;
(j) leasing of Units;
(k) imposition of any restrictions on an Owner's right to sell or transfer his or her Unit;
(l) a decision by the Association to establish self management when professional management had been required previously by an Eligible Mortgage Holder;
(m) restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
(n) any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or
(o) any provisions that expressly benefit holders, insurers or guarantors of mortgages on the Units.

If the amendment is not of such a material nature, 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 that eligible Mortgage Holder has failed to submit response to any written proposal for an amendment within thirty (30) days after the proposal is made.

ARTICLE 19

TERMINATION

The Condominium may be terminated only by agreement of the Owners of Units to which eighty percent (80%) of the votes in the Association are allocated; provided, however, that if the Condominium is being terminated for reasons other than substantial destruction or condemnation of the Condominium, the termination of the Condominium must also be approved by Eligible Mortgage Holders of Units to which at least sixty-seven percent (67%) of the votes of Units subject to mortgages held by Eligible Mortgage Holders are allocated. Termination of the Condominium will be governed by the provisions of Section 1602-118 of the Condominium Act.

ARTICLE 20

ATTORNEY IN FACT

Each Owner by his acceptance of the deed or other conveyance vesting in him a Unit does hereby constitute and appoint the Managing Agent acting from time to time with full power of substitution, as his true and lawful attorney in his name, place and stead to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Declaration and which the Managing Agent in its discretion may believe are necessary and proper to carry out the agent's responsibilities and duties. Each Owner stipulates and agrees that the Power of Attorney created by this Article 20 is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each Owner in the absence of fraud or clear mistake.

ARTICLE 21

GENERAL PROVISIONS

Section 21.1. Headings. The headings used in this Declaration and the table of contents are inserted solely as a matter of convenience for the readers of this Declaration and shall not be relied upon or used in construing the effect or meaning of any of the provisions of this Declaration.

Section 21.2. Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion hereof unless such deletions shall destroy the uniform plan of development and operation of the Condominium which this Declaration is intended to create.

Section 21.3. Applicable Law. This Declaration shall be governed and construed according to the

laws of the State of Maine.

Section 21.4. Interpretation. The provisions of this Declaration shall be liberally construed in order to effect Declarant's desire to create a uniform plan for development and operation of the Condominium.

Section 21.5. Effective Date. This Declaration shall become effective when it and the Plat and Plans have been recorded.

Section 21.6. Notices. Unless otherwise provided by the Condominium Documents, all notices and other communications required or permitted to be given under or in connection with this Declaration shall be in writing and shall be deemed given when delivered in person or on the third business day after the day on which mailed by regular U.S. mail, postage prepaid, addressed to the address maintained in the register of current addresses established by the Association.

Section 21.7. Exhibits. All exhibits attached to this Declaration are hereby made a part of this Declaration.

Section 21.8. Pronouns. Wherever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

ARTICLE 22
FUTURE DEVELOPMENT

Owner, by purchase of a Lot, acknowledges and agrees that the Declarant and/or its assign, intends to develop additional residential units. Spring Street is a portion of a larger master plan which will be presented to the City of Gardiner. The Lot Owner consents to such future development by the Declarant and/or its assigns and agrees not to oppose such future development. In the event Lot Owner opposes such future development in violation of the terms of this Declaration, damages may not be an adequate remedy for the Declarant, its successors and/or assigns (the "Damaged Parties"), and therefore the Damaged Parties shall be entitled to an injunction prohibiting such persons from opposing such redevelopment.

IN WITNESS WHEREOF, the Declarant, MAINE AFFORDABLE PROPERTIES, LLC, LLC, and the Association, Magnolia Lane Condominium Association have caused this Declaration to be signed in their respective names by Robert Andersen, in his capacity as Member of MAINE AFFORDABLE PROPERTIES, LLC, and Robert Andersen in his capacity as President of Spring Street Condominium Association, thereunto duly authorized, this 30th day of the month of October, 2024.

SIGNED, SEALED AND DELIVERED
In the presence of:

MAINE AFFORDABLE PROPERTIES, LLC

By: Robert Andersen
Its: Member

MAGNOLIA LANE CONDOMINIUM ASSOCIATION

By: Robert Addison
Its: President

STATE OF MAINE
CUMBERLAND SS

October 30, 2024

Then personally appeared the above-named Robert Anderson the Member of MAINE AFFORDABLE PROPERTIES, LLC, LLC, and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of MAINE AFFORDABLE PROPERTIES, LLC, :

Before me,

~~Notary Public~~/ Attorney at Law
Alan E. Wolf #3453

STATE OF MAINE
CUMBERLAND SS.

October 30, 2024

Then personally appeared the above-named Robert Anderson, the President of Magnolia Lane Condominium Association, and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of Spring Street Condominium Association.

Before me,

~~Notary Public~~/ Attorney at Law
Alan E. Wolf #3453

EXHIBIT A
Condominium Parcel
Spring Street Condominium
Gardiner, Maine

PARCEL I:

A certain lot or parcel of land, with the buildings thereon, situated in the City of Gardiner, County of Kennebec and State of Maine, between Spring Street and Highland Avenue, bounded and described as follows: BEGINNING at the southeast corner of land conveyed by Edwin P. Ladd to Gardiner Savings Institution, FSB by deed dated May 9, 1934 and recorded in the Kennebec County Registry of Deeds at Book 690, Page 460; thence running westerly on said land 7 rods, more or less, to land formerly owned by Ichabod Plaisted, deceased; thence southerly on said Plaisted land 16 rods, more or less, to an iron bounded to land formerly of one Webber and now or formerly owned by Delia Sprague; thence easterly on the said Sprague land 7 rods, more or less, to land formerly belonging to the heirs of Michael Woodward; thence northerly on the said Woodward land 16 rods, more or less, to the point of beginning.

There is also conveyed herewith all the right, title and interest in and to a passage way 20 feet wide located on the easterly side of the land described in the deed recorded in Book 690, Page 460.

PARCEL 2:

A certain lot or parcel of land with the buildings thereon, situated in said Gardiner, on the southerly side of Spring Street, and bounded as follows, viz: COMMENCING on said Spring Street at the northwesterly corner of land of the heirs of Michael Woodward, deceased, at an iron bound; thence running westerly on said street 7 rods, more or less, to an iron bound; thence running southerly on land formerly owned by Ichabod Plaisted, deceased, 12 rods to an iron bound; thence easterly and parallel to Spring Street 7 rods, more or less, to an iron bound on land now or formerly belonging to said Woodward heirs; thence northerly 12 road, more or less, to said Spring Street and bound first mentioned.

Excepting and reserving forever a passageway 20 feet wide, said passageway located on the easterly side of land above conveyed and adjoining land now or formerly of heirs of Michael Woodward, and to be used to pass and repass on foot and with teams. Said passageway is reserved for the benefit of any lots situated between said Spring Street and Highland Avenue in said Gardiner, as reserved in deed recorded in Book 471, Page 597.

BEING the same lands and premises conveyed to Maine Affordable Properties, LLC, by a virtue of a deed from Matthew C. Shea dated January 28, 2020 and recorded in the Kennebec County Registry of Deeds in Book 13463, Page 70.

EXHIBIT B
DECLARATION OF CONDOMINIUM
SPRING STREET CONDOMINIUM, GARDINER, MAINE

PERCENTAGE INTERESTS IN COMMON ELEMENTS AND
PERCENTAGE OF COMMON EXPENSE LIABILITY

Unit #	Votes	in common elements	common expenses

The Declarant has not initially created any Units

EXHIBIT B-1
DECLARATION OF CONDOMINIUM
SPRING STREET CONDOMINIUM, GARDINER, MAINE

PERCENTAGE INTERESTS IN COMMON ELEMENTS AND
PERCENTAGE OF COMMON EXPENSE LIABILITY
Based upon the completion of all created units

Unit #	Votes	in common elements	common expenses
1	1	10.00%	10.00%
2	1	10.00%	10.00%
3	1	10.00%	10.00%
4	1	10.00%	10.00%
5	1	10.00%	10.00%
6	1	10.00%	10.00%
7	1	10.00%	10.00%
8	1	10.00%	10.00%
9	1	10.00%	10.00%
10	1	10.00%	10.00%

A Unit's Percentage Interest and percentage of Common Expense liability shall be determined by dividing 100 by the number of Units.