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DECLARATION OF CONDOMINIUM

COVE LANDING, A CONDOMINIUM

OGUNQUIT, MAINE

Dated: July 31, 1989

York County Registry of Deeds
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Condominium File No. 507, Sheets 1 and 2

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DECLARATION OF COVE LANDING, A CONDOMINIUM

ARTICLE I. SUBMISSION: DEFINED TERMS

Section 1.1 Submission of Property. MIDDLESEX, DANA & BERWICK DEVELOPMENT CO., a Maine General Partnership, of Ogunquit, in the County of York and State of Maine, whose mailing address is P. O. Box 1248, Ogunquit, Maine 03907, ("Declarant"), hereby submits the land and easements with all buildings and improvements thereon located within the Town of Ogunquit, York County, Maine, and more particularly described in Exhibit A attached hereto (the "Property") to the Maine Condominium Act, Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, as amended (the "Condominium Act" or the "Act"), and hereby creates the "COVE LANDING, A CONDOMINIUM" (the "Condominium"). The Property is shown on the condominium plat and plans recorded in the York County Registry of Deeds, identified as follows: "COVE LANDING, A CONDOMINIUM" dated June 1 and September 7, 1988 and recorded in said Registry of Deeds in Condominium File 107, Pages 1 and 2.

Section 1.2 Definitions. Terms used herein, or in the

plats and plans shall have the meanings specified in the Condominium Act except as otherwise defined herein. The Unit Owners' Association shall be known as "Cove Landing, A Condominium Owners' Association".

ARTICLE II. BUILDINGS ON THE LAND: UNIT BOUNDARIES

Section 2.1 Location and Dimension of Building. The location and dimensions of the buildings are depicted on the plat and plans.

Section 2.2 Units. For each unit the identification number, location, and approximate area are shown on the plats and plans of the Property or described in Exhibit B attached hereto.

A unit is defined herein as consisting of all the components of ownership held by the owner of an individual unit in the condominium. A unit consists of a defined space in a building (the unit), an undivided interest in the common areas, and the right to use any limited common areas appurtenant to such unit and any other easements. The Unit Owner's interest in the unit is in fee simple. Each unit includes the following items:

A. All interior partitions (excepting those portions thereof which are load-bearing), interior doors and the interior door to the interior common element hallway;
B. Finish flooring, floor coverings, carpeting and the like, finish wall and ceiling coverings (including paint, wallpaper, furring, gypsum board and any other materials constituting any part of the finished surfaces thereof);
C. Windows, and doors providing access to the common elements including their locks and hardware;

D. Bathroom fixtures;
E. Electrical wiring and equipment from the point where the feed wire enters the unit's circuit breaker distribution box inwards, and portions of water and sewer utility lines serving only that unit and located within its general boundary lines as hereinafter described.
F. The perpetual and unrestricted right of ingress and egress which shall pass with the unit estate as transfers of ownership of the unit occur.

Section 2.3 Allocated Interests.

A. The allocation of common element interest, voting rights and common expense liability appurtenant to each unit is set forth in Exhibit B.

B. The percentage of ownership of common elements and liability for common expenses is generally allocated by a formula, based on the total number of square feet of a unit divided by the total number of square feet of all the condominium units provided that the percentage stated in Exhibit B shall prevail. Each unit shall each have the number of votes in the Association equal to the percentage of common ownership, as set forth in Exhibit B.

Section 2.4 Unit Boundaries. The boundaries of each unit are generally as follows:

A. Upper and Lower (horizontal) Boundaries: The upper and lower boundaries of each unit are generally the following boundaries extended to an intersection with the vertical (perimeter) boundaries:

1. Upper Boundary: The horizontal plane at the lower surface of the joist line or rafter line or the interior surface of the sound deadening board if attached thereto, which includes the upper

side of the wallboard of the ceiling or any other materials constituting any part of the finished surfaces thereof.

2. Lower Boundary: The horizontal plane of the upper surface of the floor underlayment or concrete floor slab.

B. Vertical (perimeter) Boundaries. The vertical boundaries of each unit are generally the vertical planes at the interior edge of the stud line or the interior surface of the sound deadening board if attached thereto, which includes the exterior back surfaces of the wallboard of all walls bounding the unit, extending to intersections with each other and with the upper and lower boundaries. The vertical boundary lines also specifically include the exterior surface of doors, windows, storm windows, and glass walls, and their frames, hardware, sills and thresholds.

Except as specified in this ARTICLE, all spaces and improvements within a unit's boundaries are a part of that unit. No Unit Owner shall permit or suffer any impairment of any sound deadening material between units. An easement for access to the unit through the common elements in common with other Unit Owners is appurtenant to each unit.

A unit does not include: the exterior walls, the roof, foundation, land, joists, studs, beams and rafters; the wires, conduits, flues, ducts, pipes, or other utility lines running through a unit which serve more than one unit or which serve the common elements or which serve another unit and the

sprinkler and any other life safety systems.

Section 2.5 Relocation of Unit Boundaries and Subdivision of Units. Relocation of boundaries between units and subdivision of units is permitted only by amendment to the Declaration, in compliance with the provisions of the Condominium Act. The Declarant or subsequent owner shall apportion the allocated interest in common elements and expenses and the number of votes attributable to the units so divided by the ratio of the resulting floor space of the resulting units.

Section 2.6 Use of Units. Residential units are restricted to residential use and garage units are restricted to garage and storage use.

Section 2.7 Right of Ingress and Egress. Each unit owner shall have an unrestricted right of ingress and egress to his or her unit. This right is perpetual and passes with the unit as transfers of ownership of the unit occur.

ARTICLE III. COMMON ELEMENTS

Section 3.1 Common and Limited Common Elements.

A. Common elements consist of all of the property covered by this Declaration, except the individual units as described above, and generally include:

1. The land, with the benefit of and subject to all the accompanying rights and easements described in Exhibit A;
2. The foundations, cellar, roof, exterior walls,

and all load bearing portions of the buildings;

3. All pipes, wires, electrical and transmission wires and conduits, all portions of the sprinkler and any other life safety systems, and water and sewer utility lines which serve more than one unit or which serve one unit only but are located outside its boundary line excepting equipment owned by public utilities; and
4. All other parts of the property necessary or covenient to its existence, maintenance and safety or normally in common use, except as otherwise expressly provided in this Declaration.
5. The hot water heater and space heating equipment serving each unit and the controls appurtenant thereto, provided, however, that the electrical service for such heaters and equipment shall be the individual responsibility of each unit owner.

B. Limited common elements, the exclusive use of which is reserved to the use of a particular unit or units, to the exclusion of other units, consist of the following:

1. The decks in front of the units and the balconies as the same are represented on the plat and plans.
2. Water, sewer or other utility lines and other fixtures designed to serve a single unit but not a defined part of the unit are limited common elements allocated exclusively to that unit.
3. Exterior windows designed to serve a single unit.

If the record owners of adjoining units affirmatively elect, with the approval of the Board of Directors of the Association (the "Association") based on the owner's compliance with the standards set forth hereafter, all to be evidenced by recorded instrument duly executed and acknowledged, that portion of the common element located between the boundary lines of adjoining units or located between a unit and an adjoining limited common element with the consent of any other units sharing the same, may be thereby subjected to an easement

in favor of each such unit respectively running to the midpoint of the space between each unit or to the limited common element for the removal and alteration of any intervening partition and the creation of appertures therein for passage back and forth between the two units or to the limited common element, and for the installation of stairs, doors, windows and frames appurtenant thereto. The owners shall be strictly liable for any resulting damage. At all times after such election each Unit Owner shall preserve and maintain the structural integrity, the mechanical and utility systems, and the support of all portions of the Property; and shall strictly comply with all fire, building code and other governmental requirements. Any such Unit Owner or his respective heirs, mortgagees or assigns, may at any time revoke such election by instrument duly executed and acknowledged served on the other such owners and duly recorded, and thereafter may seal up passageways and/or remove the stairs, doors and their frames, and/or install a permanent wall, floor ceiling or other partitions, at all times preserving the structural integrity, the mechanical and utility systems and support of all portions of the Property. Nothing contained herein shall be deemed to merge or otherwise affect the separate identity, configuration or the boundaries of said units.

Section 3.2 Alteration of Common Element by the Declarant. The Declarant reserves the right to repair 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, until the expiration of the applicable warranty period.

ARTICLE IV. DECLARANT'S CONTROL

Section 4.1 Special Declarant and Development Rights. The Declarant reserves the right:

A. Until the marketing and sale of all units is completed to locate (1) the electrical, alarm, plumbing, heating, telephone, air conditioning, and other utility services, in the common elements and units of the Property, even though not depicted on the survey and floor plans, and (2) to grant and reserve easements and rights-of-way for the installation, maintenance, repair, replacement and inspection of public and private utility lines, wires, pipes, conduits and facilities servicing the Property including, but not limited to, water, electric, telephone, television, fuel, heat and sewer, provided that no such easement shall be effective until of record and no such easements may be granted through units sold by Developer to third parties;

B. Until the marketing and sale of all units is completed 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 Developer shall be responsible for

the cost of services so used;

C. Until the marketing and sale of all units is completed, to use the common areas and facilities for ingress and egress, for the construction of units and common areas and facilities including the movement and temporary storage of construction materials and equipment, and for the installation of signs and lighting for sales and promotional purposes;

D. Until the marketing and sale of all units is completed to operate a sales, leasing and management office, permit prospective tenants, purchasers and others to visit that office and use unsold units for sales, leasing and display purposes;

E. Until Declarant transfers control of the Owners' Association, the Declarant may, through the Association, enter into professional management contracts provided that such contracts may be terminated by the Association without cause at any time after the transfer of control without the payment of any penalty or an advance notice of more than 90 days.

F. Designate members of the Board of Directors of the Association until Sixty (60) days after the sale of Seventy-Five percent (75%) in percentage interest or more of the total number of units, but in any event within Three (3) years of the first conveyance of a unit;

G. Subdivide any unit owned by Declarant as provided in Section 2.5 hereof; and

H. Those rights established under the Act needing no special reservation.

Section 4.2 Board of Directors.

A. Subject to the provisions of the Act, this Declaration or the Bylaws, the Board of Directors shall have the power to act on behalf of the Association. The initial Board of Directors shall consist of Three (3) persons to be appointed, removed and replaced by Declarant.

1. No later than the earlier of (i) Sixty (60) days after the conveyance of Seventy-Five percent (75%) or more of the total number of Units, or (ii) within Three (3) years of the first conveyance of a Unit, the Owners shall elect a Board of Directors consisting of Three (3) members.
2. The Unit Owners on this Board of Directors shall serve until the first regular election of the Board of Directors held at the first regular meeting of the Association held in accordance with the Bylaws.

Section 4.3 Amendments to Condominium Documents. ARTICLE IV shall not be amended without the consent of the Declarant. The benefits of ARTICLE IV and all other special rights ofDeclarant set forth in this Declaration, the Bylaws or otherwise, as amended from time to time, may be transferred by recorded instrument specifically referring to this Section and executed by Declarant, its successors or assignees.

ARTICLE V. AMENDMENT TO CONDOMINIUM INSTRUMENTS; REQUIRED CONSENT

Section 5.1 Amendment of Declaration. This Declaration including the Plats and Plans may be amended or modified generally in accordance with the following procedure except as otherwise provided herein or in the Act:

A. The notice of any regular or special meeting of the Association at which a proposed amendment to this Declaration is to be considered shall contain a statement of the proposed amendment, including the proposed text thereof. Such a statement must be included in the notice of any meeting if a written request thereof is made by the person or persons calling such a meeting or by any two Unit Owners. Notice shall also be sent to eligible mortgage holders as defined in ARTICLE X.

B. At the meeting the resolution shall be adopted if it receives the affirmative vote or written consent of Sixty-Seven percent (67%) of the votes in the Association and such eligible mortgage holders, as required under ARTICLE X. Unit owners and mortgagees may express their approval in writing or by proxy.

C. No amendment may change the uses to which a unit may be put without the unanimous consent of the owners of units affected.

D. An amendment shall be effective when recorded. Copies of the amendment shall be sent to each Unit Owner and eligible mortgage holders in the manner elsewhere provided for the giving of notices, but the same shall not constitute a condition precedent to the effectiveness of such amendment.

Section 5.2 Consent of Declarant. No amendment shall be made to any Condominium Instrument during the Declarant's

Control Period as defined in Section 4.1(E) above without the prior written consent of the Declarant.

ARTICLE VI. DAMAGE OR DESTRUCTION.

Section 6.1 Repair. Any portion of the Property damaged or destroyed shall be repaired or replaced promptly by the Association unless: (i) the Condominium is terminated under ARTICLE VII, (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) One Hundred percent (100%) in interest of the Unit Owners of units or limited common areas which would not be rebuilt vote not to rebuild including the consent of the eligible mortgage holders as provided in ARTICLE X. The cost of repair or replacement in excess of insurance proceeds and reserves, or not covered by any deductible shall be a common expense.

Section 6.2 Application of Insurance Proceeds. If the entire Condominium is not completely repaired or replaced; (i) the insurance proceeds attributable to the damaged units and common elements and facilities shall be used to restore the damaged areas to a condition compatible with the remainder of the Condominium; (ii) the insurance proceeds attributable to units which are not rebuilt, including without limitation the interest in the common elements and facilities and in limited common elements and facilities, shall be distributed to such

Unit Owners and their mortgagees; and (iii) the remainder of the proceeds shall be held in trust to be distributed to the Unit Owners and their mortgagees in accordance with the Act. Any loss covered by such insurance shall be adjusted with the Association, which shall exclusively represent all Unit Owners in any proceedings, negotiations, settlements or agreements. The insurance proceeds shall be paid to the Association as trustee for the Unit Owners and lien holders as their interests may appear. Mortgagees' liens shall transfer in order of priority to the insurance proceeds. Notwithstanding the provisions of this Section, ARTICLE VII of this Declaration governs the distribution of insurance proceeds if the Condomiunium is terminated. If the members vote not to rebuild any unit, that unit's percentage interest in the common elements and facilities shall be automatically reallocated to the then remaining units in proportion to their percentage interests prior to the reallocation, and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocation. Unless a Unit Owner has requested and received written confirmation from both the Association and the Association's hazard insurance carrier of optional insurance coverage for the owner's permanent improvements and betterments within the unit, the Unit Owner shall be responsible for the expense of repair or replacement.

ARTICLE VII. REMOVAL FROM THE CONDOMINIUM ACT.

Section 7.1 Termination. The submission of the Property to the Condominium Act herein shall not be terminated unless Eighty percent (80%) in voting interest of all of the then Unit Owners in accordance with the Act and the percentage of the eligible mortgage holders required by ARTICLE X shall agree to such revocation or removal of the Property from the provisions of the Act, their agreement to be established by written instrument duly recorded.

Section 7.2 Ownership after Termination. Upon removal of the Property from the Condominium Act, the Unit Owners shall hold the Property and any proceeds thereof as tenants in common in accordance with the Act and subject to the Act with any mortgages or liens affecting a unit to attach in order ofpriority against the resulting interest. Removal shall not bar the subsequent resubmission of the Property to the Condominium Act.

ARTICLE VIII. EMINENT DOMAIN.

Section 8.1 Payment of Proceeds. If a unit is acquired by eminent domain, to the extent the award is paid to the Association or is controlled by this Declaration or the Association, the award shall be applied to compensate the Unit Owner and his mortgagee(s), if any, for the unit and its

percentage interest in the common elements, whether or not any common elements and facilities are acquired. Upon acquisition of the unit, the unit's allocated percentage interests shall be automatically reallocated to the remaining units in proportion to their respectively allocated interests before the taking, and the Association shall promptly prepare, execute, and record an instrument reflecting the reallocations.

Section 8.2 Partial Acquisition. If part of a unit is acquired by eminent domain, to the extent the award is paid to the Association or is controlled by this Declaration or the Association, the award shall be applied to compensate the Unit Owner and his mortgagee(s), if any, for the reduction in value of the unit and its interest in the common elements, whether or not any common elements and facilities are acquired. Upon such acquisition, (i) that unit's allocated interests shall be reduced in proportion to the reduction in the size of the unit, and (ii) the portion of the percentage allocated interest divested from the partially acquired unit shall automatically be reallocated to that unit and the remaining units in proportion to the respective percentage allocated interests of those units with the partially acquired unit participating in the reallocation on the basis of its reduced allocated interests.

Section 8.3 Proceeds from Partial Acquisition. If part of the common elements are acquired by eminent domain, the

Association shall be entitled to payment of the award, subject, however, to the Maine Condominium Act; generally the portion of the award attributable to the common elements taken shall be distributed to the Unit Owners and their mortgagee(s) in accordance with the Act, unless the Association rebuilds or acquires comparable areas and facilities. Any portion of an award attributable to the acquisition of a limited common element or as may otherwise benefit the Condominium as determined by a Court of competent jurisdiction must be equally divided among the owners of the units to which that limited common element is allocated at the time of acquisition in proportion to their interests in the common elements.

Section 8.4 Representation in Eminent Domain Proceeding. In the event of a proposed acquisition by eminent domain, the Association shall have the right but not the obligation to act and to intervene on behalf of Unit Owners as their attorney-in-fact in any proceeding negotiations, settlements or agreements. Nothing contained in this Section or this Declaration, however, shall entitle any Unit Owner or other person to priority over a first mortgagee of a unit pursuant to its mortgage instrument in the right to receive eminent domain awards for the taking of units and/or common elements.

ARTICLE IX. GENERAL ADMINISTRATIVE

Section 9.1 Easement for Access and Support.

A. Each unit includes a perpetual right of ingress and egress.

B. The Association and the managing agent and/or any other person authorized by the Board of Directors shall have the right of access to any unit as provided in the Act and the Bylaws. In case of emergency, such entry shall be immediate whether or not the Unit Owner is present at the time.

C. Each unit and common element shall have an easement for support from every other unit and common element.

Section 9.2 Encroachments. To the extent that any unit or common element encroaches on any other unit or common element, resulting from construction, reconstruction, repair, shifting, settlement or other movement of any portion of the improvements, a valid easement for such encroachment and its maintenance exists for whatever period the encroachment exists. This easement shall not relieve a Unit Owner of liability in case of his willful misconduct.

Section 9.3 Use. Each unit may be used subject to all restrictions contained in the Unit deed, this Declaration, the Bylaws of the Association, and the Rules and Regulations of the Association, as amended from time to time. The Residential Units are restricted to residential use and the garage units are restricted to garage and storage use.

Section 9.4 Pets. The Association shall have the power to regulate or prohibit the keeping of any pets and animals on the premises.

Section 9.5 Maintenance. The Association and the Board of Directors and their designees shall have the right to maintain, repair and replace the common elements and the roof including, without limitation, the utility and service lines and facilities, building exteriors and windows, excluding the windows, doors, and other building components forming a part of the unit. No Unit Owner shall do any of the foregoing without the prior permission of said Board of Directors in each instance. Unit Owners shall be responsible for the washing of all exterior windows designed to serve the respective units.

Section 9.6 Exterior Appearance. The Association may adopt reasonable rules and regulations regulating signs, canopies, antennas, awnings, or other structures or things which affect the appearance from the exterior of the building.

Section 9.7 Preservation of Property. No Unit Owner shall in any manner jeopardize the soundness or safety of the Property, create a nuisance, reduce the value thereof, or impair any easements, rights, appurtenances or the use and benefit of common elements, as determined in the judgment of the Board of Directors of the Association.

Section 9.8 Liability for Damage. Each Unit Owner shall be liable for the expense of maintenance, repair or replacement of any damage to the common elements or to another unit caused by such Unit Owner's act, neglect or carelessness

or by that of a member of such Unit Owner's family, or such Unit Owner's guests, licensees, employees, agents, contractors, or lessees. Such liability shall include any increase in 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.

ARTICLE X. RIGHTS OF MORTGAGEES

Section 10.1. Eligible Mortgage Holders. Any first mortgagee of a unit may file a request identifying itself as a recorded first mortgage holder and the unit number of its mortgage with the Association by United States mail, return receipt requested or by delivery in hand securing a receipt therefor and shall thereby become an "Eligible Mortgage Holder"; the Secretary of the Association shall maintain such information. After the filing of the request by the Eligible Mortgage Holder, the Board shall cause notice to be sent to the Eligible Mortgage Holders of any one or more of the following events affecting the mortgaged unit(s), if so requested.

A. Default in the payment of monthly common charges, assessments, service charges, or other amounts due the Association by the owner of any unit on which it holds the

mortgage and which continues for Sixty (60) days;

B. Default or violation of the Condominium documents, or any proceedings by the Association relating thereto;

C. The lapse, cancellation, expiration or material modification of insurance required to be maintained under the Declaration or Bylaws of the Association;

D. A change in the management agent or manager employed by the Association;

E. A material amendment to the Declaration requiring the consent of Eligible Mortgage Holders;

F. Termination of the Condominium;

G. Change in the allocated interest of a unit's voting rights, a change in unit boundaries or the subdivision of a unit;

H. The merger or consolidation of a condominium with another condominium;

I. The conveyance or subjection to a security interest of any portion of the common elements;

J. The use of any hazard insurance proceeds for other than repair or restoration of the Property;

K. The adoption of any proposed Budget together with the date of the meeting to consider ratification thereof, (to be accompanied by a summary of the proposed Budget); and

L. Any condemnation or casualty loss that affects either a material portion of the condominium property or the unit on

which it holds the mortgage.

Section 10.2 Amendment to Declaration. For a material amendment to this Declaration but subject in any event to the provisions of the Act, approval must be obtained from Eligible Mortgage Holders representing in the aggregate at least Fifty-One percent (51%) of the votes of units subject to mortgages held by Eligible Mortgage Holders. An amendment affecting any of the following is considered material:

A. Voting rights in the Association;

B. Change in percentage liability for common expenses, assessment liens for common expenses, or the subordination of assessment liens;

C. Reserves for maintenance, repair and replacement of common elements;

D. Responsibility for maintenance and repairs;

E. Reallocaton of pro-rata interests in the common elements or limited common elements or rights to their use;

F. Boundaries of any unit;

G. Convertibility of units into common elements or vice versa;

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 of a Unit 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 project (after damage or destruction, or partial taking by eminent domain or condemnation in a manner other than that specified in this Declaration;

N. Any action to terminate the Condominium after substantial damage, destruction or condemnation occurs; or

O. Any provisions of this Section.

When Unit Owners are considering termination of the Condominium for reasons other than substantial damage, destruction or taking by eminent domain of the Condominium, the Eligible Mortgage Holders representing at least Sixty-Seven percent (67%) of the votes of units subject to mortgages held by Eligible Mortgage Holders must agree.

If an addition or amendment is not considered as a material change, such as the correction of a technical error or the clarification of a statement, approval shall be presumed when an Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within Thirty (30) days after the proposal is made.

Secton 10.3 Records. A mortgagee may examine the books,

records and accounts of the Association at reasonable times. Any eligible mortgagee may have an audited statement of the Association's fiscal affairs prepared at his own expense.

ARTICLE XI. ASSESSMENT FOR COMMON CHARGES AND SERVICE CHARGES

Section 11.1 Common Charges. Each unit is subject to a statutory lien in favor of the Association for the unpaid common charges as provided in the Act and also is subject to a lien for service charges and penalties, interest and costs of collection as provided in the Act, Declaration and the Bylaws. The expense of maintenance, repair, renovation, and restoration of limited common elements is to be assessed to the unit or group of units to which each limited common element is assigned. When the common expense associated with the maintenance, repair or replacement of limited common elements is to be assessed to less than all units, it shall be allocated in accordance with the relative proportions of their common expense liability. Until the Board of Directors is elected by the members or Sixty (60) days after the first unit is conveyed, whichever comes first, the Developer may pay all expenses of the Association and assess all Unit Owners in proportion to their common expense liability, but shall have no liability for establishing reserves.

Section 11.2 Service Charges. The Association shall have the express power to separately charge a unit and the owner

thereof for services rendered to that unit. Such charges shall be a lien on the unit with the same status as a lien for common expense assessments under this Declaration and Bylaws, which lien for service charges may be foreclosed in a like manner as a mortgage on real estate. The recordation of this Declaration constitutes record notice of the lien.

Service charges shall include without limitation:

A. If a Unit Owner requests the Association to perform repair and maintenance work on his unit, damages the common elements, or fails to perform maintenance and repair work required, the expense thereof as determined by the Board of Directors or its designee may be assessed as a Service Charge.

B. Fees, if any, which may be established by the Board of Directors for the use and maintenance of water, sewer, heat and/or other utility services.

C. Insurance premiums on permanent improvements to units installed by Unit Owners and insured by the request of the Unit Owner with the Association's hazard insurance carrier.

Section 11.3 Liability. In a voluntary conveyance, the grantee of a unit shall be jointly and severally liable with the grantor for all unpaid common charges, assessments, service charges, interest and costs of collection up to the time of the grant or conveyance, although the grantee shall not be prevented from exercising any right to recover from the grantor, the amounts paid for those assessments, common

charges, etc. A Unit Owner or proposed purchaser under a purchase and sale contract for a unit may obtain, upon request and the payment of such fee as may be established, from time to time by the Board of Directors, a statement from the Association setting forth the amount of unpaid common charges, assessments and service charges, interest and costs of collection against the unit as of the date of grant or conveyance and such other items required by the Act. The grantee shall not be liable for, and the unit conveyed shall not be subject to, a lien for any unpaid amounts due from the grantor before the statement date in excess of the amount set forth in the statement except interest and costs of collection accrued thereafter.

Section 11.4 Violations. Any Unit Owner in default in the payment of any amount due the Association or in violation of any provision of the Condominium Act, this Declaration, the Bylaws, or the Rules and Regulations of the Association, which violation continues after reasonable notice to cure by the Association to the Unit Owner may be prohibited by the Board of Directors from the use and enjoyment of any and all of the common elements not essential to access to the unit, in addition to all other remedies available to the Board of Directors.

ARTICLE XII. MAINTENANCE AND REPAIR

Section 12.1 Generally. Notwithstanding the ownership of various portions of the units and common elements by virtue of the boundary descriptions provided in this Declaration, the units and common elements shall be repaired and maintained by each Unit Owner and the Association pursuant to Section 1603-107(a) of the Maine Condominium Act, except as expressly stated to the contrary in this Declaration.

Section 12.2 Maintenance and Repair of Units.

A. Every Unit Owner shall perform promptly all maintenance and repair work within the Owner's own unit, which if omitted, would affect the Condominium in its entirety, the common elements, or other unit(s), and the Unit Owner shall be expressly responsible for any damages or liabilities resulting from the failure to do so. If any Unit Owner fails to perform such maintenance or repair, after reasonable notice from the Association, the Association through its officers or manager shall have the right, but not the obligation, to enter the unit and perform such maintenance or repair in the name of the Unit Owner; the Association, after notice to the Unit Owner and opportunity to be heard before the Board of Directors, shall be entitled to assess the expense thereof as a service charge due in full at the time of the next regular monthly payment.

B. All the repairs to the heating equipment, water heater, bathroom fixtures, appliances, window glass, doors, and installations of the unit, if any, including without limitation, carpeting, finish flooring, utility lines, light, power, sewage, telephones, and all other accessories considered a part of the unit shall be maintained at the Unit Owner's expense.

Section 12.3 Damage. The responsible Unit Owner shall promptly pay the Association as a service charge for any expenditures incurred in repairing or replacing any common elements damaged through his negligence, misuse or neglect, or that of his guests, lessees or tenants.

ARTICLE XIII. ASSOCIATION

Section 13.1 Owners' Association and Bylaws. Each Unit Owner and/or owners shall be a member of the Association, a non-profit and non-stock corporation organized under the laws of the State of Maine and to be known as the "Cove Landing Condominium Owners' Association". Membership shall be appurtenant to the units, and the transfer of title to a unit shall automatically transfer the membership appurtenant to that unit to the transferee or transferees. A mortgage, however, shall not transfer membership until foreclosure or sale in lieu of foreclosure. The Bylaws of the Association are attached hereto as Exhibit C.

ARTICLE XIV. INSURANCE

Section 14.1 Hazard Coverage. Commencing not later than the time of the first conveyance of a unit to a person other than Declarant, the Association shall maintain, to the extent reasonably available insurance coverage to protect against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of condominiums, including those covered by the standard "all risk" endorsement. The Owners' Association shall maintain a "master" or "blanket" type of insurance policy, with premiums being paid as a common expense. The policy shall cover all of the general and limited common elements that are normally included in coverage. These include fixtures, building service equipment, and common personal property and supplies belonging to the Owners' Association.

The following endorsements are required:

- Agreed Amount and Inflation Guard Endorsement, when it can be obtained; and

- Construction code endorsement, if there is a construction code provision that requires changes to undamaged portions of the buildings even when only part of the project is destroyed by an insured hazard. Typical endorsements include Demolition Cost Endorsements, Contingent Liability from Operation of Building Laws Endorsement, and Increase Cost of Construction Endorsement.

The policy shall provide that

- the right of subrogation against Unit Owners will be waived;

- the insurance will not be prejudiced by any acts or omissions of individual Unit Owners that are not under the control of the Owners' Association; and
- the policy will be primary, even if a Unit Owner has other insurance that covers the same loss.

The insurance policy or policies shall show the following as the named insured:

"Association for the Owners of Cove Landing, A Condominium, for the use and benefit of the individual owners."

The "loss payable" clause shall show the Owners' Association as a trustee for each Unit Owner and the holder of each unit's mortgage.

The insurance policy or policies shall require the insurer to notify in writing the Owners' Association and each first mortgage holder named in the mortgage clause at least ten days before it cancels or substantially changes a condominium project's coverage.

Section 14.2 Liability Coverage. The Owners' Association shall maintain a comprehensive general liability insurance policy covering all common areas, public ways, and any other areas that are under its supervision. The insurance shall also cover all spaces that are owned by the Owners' Association,

commercial or otherwise, even if they are leased to others. The policy shall provide coverage of at least $1,000,000 for bodily injury and property damage for any single occurrence covering all occurrences commonly insured against for:

- death, bodily injury and property damage that results from the operation, maintenance, or use of the project's common areas; and
- any legal liability that results from law suits related to employment contracts in which the Owners' Association is a party.

If the policy does not include "severability of interest" in its terms, a specific endorsement shall preclude the insurer's denial of a Unit Owner's claim because of negligent acts of the Owners' Association or of other Unit Owners.

The policy shall provide for at least 10 days' written notice to the Owners' Association and to each holder of a first mortgage on an individual unit in the condominium before the insurer can cancel or substantially modify it.

Section 14.3 Fidelity Bonds. The Owners' Association shall maintain blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Owners' Association, whether or not he or she receives compensation for services. The Owners' Association bonds shall name the Association as the obligee and the premiums shall be paid as a common expense by the Owners' Association.

A management agent who handles funds for the Owners' Association shall be covered by his own fidelity bond, which

shall provide the same coverage required of the Owners' Association. The Owners' Association shall be named as an additional obligee in the management agent's bond.

The fidelity bond shall cover the maximum funds that will be in the custody of the Owners' Association or its management agent at any time while the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three months' assessments on all units in the condominium, plus the Association's reserve funds. The bonds shall include a provision that calls for ten days' written notice to the Owners' Association before the bond can be cancelled or substantially modified for any reason. This same notice must also be given to each servicer that services a Fannie Mae-owned mortgage in the condominium.

Section 14.4 Notices. If the insurance described in Section 14.1 is not maintained, the Association promptly shall cause notice of that fact to be hand-delivered or sent prepaid by United States Mail to all Unit Owners and to Eligible Mortgagees who have filed notice with the Association in accordance with the Declaration.

Section 14.5 Scope of Coverage. Insurance policies carried pursuant to Subsection (i) shall provide:

1. A Unit Owner is an insured person under the policy 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 Condominium Unit Owner of members of his household;
3. No act or omission by any insured will be a defense to recovery under the policy; and
4. If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same property covered by the Association's policy, the Association's policy is primary insurance not contributing with the other insurance; and
5. A standard mortgagee clause which shall:
   (a) Provide that any reference to a morgagee in such policy shall mean and include all holders of mortgages of any unit of the project, in their respective order and preference, whether or not named therein;
   (b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or owners or any persons under any of them; and
   (c) Waive any provision invalidating such mortgagee clauses by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, and requirement that the mortgagee pay any premium thereon, and any contribution clause.

Section 14.6 Payment of Claims. Any loss covered by the property policy under Section 14.1 shall be adjusted with the Association, but the insurance proceeds for that loss shall be payable to the Association in trust for Unit Owners and lien holders. Subject to the provisons of Section 14.9, the proceeds shall be disbursed first for the repair or restoration of the damaged common elements and units, and Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the common elements and units have been completely repaired or restored, or the repair or reconstruction is not undertaken, or

the Condominium is terminated.

Section 14.7 Unit Owners' Additional Coverage. Unit owners shall not be prohibited from obtaining insurance for their own benefit; provided nonetheless that all such insurance shall contain waivers of subrogation and further provide that the insurance obtained by the Board of Directors shall not be affected or diminished by such additional insurance obtained by any Unit Owner.

Section 14.8 Repair and Replacement. Any portion of the Condominium damaged or destroyed shall be repaired or replaced promptly by the Association unless:

i. The Condominium is terminated;
ii. Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or
iii. Eighty percent (80%) of the members vote not to rebuild, including every owner of a unit or assigned limited common element which would not be rebuilt.

Section 14.9 Partial Repair or Replacement. The cost of repair or replacement in excess of insurance proceeds and reserves shall be a common expense. If the entire Condominium is not completely repaired or replaced:

i. The insurance proceeds attributable to a damaged unit and common elements shall be used to restore the damaged areas to a condition compatible with the remainder of the Condominium;
ii. The insurance proceeds attributable to each unit, (including, without limitation, improvements constituting a permanent part of the unit which are insured by the Association, the unit's interest in limited common elements) which is not rebuilt shall be distributed to the owners of each such unit and the owners of the units to which those limited common

elements were assigned after payment of the holders of liens thereon; and

iii. The remainder of the proceeds shall be held in trust to be distributed to all the Unit Owners in accordance with the Maine Condominium Act.

Notwithstanding the provisions of this section, of the Declaration governing the distribution of insurance proceeds if the Condominium is terminated, if the members vote not to rebuild any unit, that unit's percentage interest in the common elements shall be automatically reallocated to the remaining units in proportions to their percentage interest prior to the reallocation, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocation.

Section 14.10 Claims Negotiation. In the event of a claim under any insurance maintained by the Association, the Board of Directors shall designate one or more persons to adjust the loss or otherwise negotiate with the insurer.

Section 14.11 Unit Owners' Personal Property Coverage. It shall be the responsibility of each Unit Owner to procure adequate insurance covering the contents of his unit, and any applicances, fixtures, betterments or improvements thereto installed by the owner unless that owner has elected to procure insurance under the Association's policy as provided in the Declaration.

ARTICLE XV. MISCELLANEOUS

Section 15.1 Interpretation. In the event of any conflict or discrepancy between this Declaration and the plats and plans, this Declaration shall govern.

Section 15.2 Conflict. If any provision of this Declaration, the Bylaws, the Rules and Regulations, or any section, sentence, clause, phrase, or word therein, or the application thereof in any circumstances be judicially held in conflict with any applicable laws, including, but not limited to, the Condominium Act, then the laws shall be deemed controlling; but the validity of the remainder of this Declaration, the Bylaws and Rules and Regulations, and the application of any such provision, section, clause, phrase, or word in other circumstances shall not be affected thereby.

Section 15.3 General Provisions.

1. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provisions hereof.

2. The use of the singular number in this Declaration shall be deemed to include the plural, the plural the singular, and the use of any one gender shall be deemed applicable to all genders.

3. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of

violations or breaches which may occur.

Section 15.4 Interpretation. Any dispute or disagreement between Unit Owners with respect to interpretation or application of this Declaration, the Bylaws, or Rules and Regulations, shall be determined by the Board of Directors, which determination shall be final and binding on all parties.

Section 15.5 Invalidity. If any term, covenant, provision, phrase or other element of this Declaration, the Bylaws, any deed to a unit, or the Rules and Regulations, is held to be invalid or unenforceable, for any reason whatsoever, such holdings shall not affect, alter, modify or impair in any manner, any other term, covenant or provision, phrase or other element of such documents.

Section 15.6 Limitations on Ability to Sell. The Owners' Association shall not restrict a Unit Owner's right to sell, transfer, or convey his or her unit. This includes any restrictions that would require the Association to be given the right of first refusal before a unit can be sold.

Section 15.7 Lease and Rentals. Any lease or rental agreement must be in writing and be subject to the requirements of the Declaration and Bylaws documents and the Rules and Regulations of the Owner's Association. No unit may be leased or rented for less than 30 days. There shall be no other restrictions relating to the term of any lease or rental agreement.

Section 15.8 Summary Abatement. When the Declarant or the Owner's Association desires to exercise summary abatement or similar means to enforce restrictions against the unit property of its use, judicial proceedings shall be instituted before any items of construction can be altered or demolished.

Section 15.9 Availability of Condominium Documents. The Condominium Owners' Association shall maintain copies of the Declaration, Bylaws, and other rules concerning the condominium as well as its own books, records, and financial statements and make them available for inspection by Unit Owners or by holders, insurers, and guarantors of first mortgages that are secured by mortgages on units in the condominium. These documents shall be available during normal business hours or under other reasonable circumstances. Any mortgage holder shall be allowed to have an audited statement for the ending fiscal year prepared at its own expense.

Section 15.10 Arbitration. In any dispute between one or more Unit Owners, and the Declarant, regarding the common area, 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 this Declaration, the Bylaws, or the deed to any unit, or the breach

thereof, except for claims which have been waived by the acceptance of a deed, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining, unless the parties mutually agree otherwise. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with the 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 15.11 Right of Action. Subject to the provisions of Section 15.10 above, the Owners Association and/or any aggrieved Unit Owner shall have a right of action against Unit Owners who fail to comply with the provisions of the Declaration, Bylaws or regulations adopted by the Association pursuant thereto. Unit owners shall have similar rights of

action against the Association.

ARTICLE XVI. NOTICES

Section 16.1. Notices. Any notice required or given pursuant to this Declaration to the Board of Directors of the Association, or to any Unit Owner, may deliver to any Director, or such Unit Owner, either in person, or by delivering it to his unit by mail or by hand, or as otherwise permitted by the Bylaws.

IN WITNESS WHEREOF, the Declarant, Middlesex, Dana & Berwick Development Company, has caused this document to be executed this 31st day of July, 1989.

SIGNED, SEALED AND WITNESSED
IN THE PRESENCE OF:

MIDDLESEX, DANA & BERWICK
DEVELOPMENT CO.

By: _____
Phyllis M. Perkins, General
Partner

By: _____
Harvey B. Wells, General
Partner

STATE OF MAINE
YORK, ss.

July 31, 1989

Personally appeared the aboved named Phyllis M. Perkins and Harvey B. Wells, General Partners of Middlesex, Dana & Berwick Development Co,, and acknowledged the foregoing Declaration by them subscribed to be their free act and deed in their said capacities.

Before me,

Wayne T. Adams
Attorney at Law/Notary Public
Wayne T. Adams

EXHIBIT A

COVE LANDING, A CONDOMINIUM

Real Estate Description

A certain lot or parcel of land, together with the buildings and improvements thereon, located at the corner of Frazier Pasture Road and Shore Road in the Town of Ogunquit, County of York and State of Maine, which certain lot or parcel of land is more particularly bounded and described as follows:

BEGINNING at an iron pipe driven into the ground at the base of a granite monument located on the southeasterly side of Frazier Pasture Road, which iron pipe marks the northeasterly corner of the parcel herein conveyed and the northwesterly corner of land now or formerly of Benita M. Braggiotti Carey as described in a deed recorded in the York County Registry of Deeds in Book 3832, Page 155;

THENCE RUNNING South 06° 08' 38" East by and along land of said Carey and by and along land now or formerly of Norton and Mariam G. Zieff as described in a deed recorded in the York County Registry of Deeds in Book 3017, Page 231, for a total distance of 99.03 feet to an iron pipe driven into the ground for a cornerbound at land now or formerly of Sunday Segretario as described in a deed recorded in th York County Registry of Deeds in Book 3658, Page 73, which iron rod marks the southeasterly corner of the parcel herein conveyed;

THENCE TURNING AND RUNNING South 87° 30' 27" West by and along land of said Segretario a distance of 109.47 feet to a point on the northerly sideline of Shore Road as originally laid out, which point marks the southwesterly corner of the parcel herein conveyed;

THENCE TURNING AND RUNNING North 22° 43' 33" West by and along the northeasterly sideline of Shore Road as originally laid out a distance of 80.51 feet to a point on the southwesterly sideline of Frazier Pasture Road as originally laid out, which point marks the northwesterly corner of the parcel herein conveyed;

THENCE TURNING AND RUNNING North 77° 08' 45" East by and along the southeasterly sideline of Frazier Pasture Road as originally laid out a distance of 131.69 feet to an iron rod driven into the ground as a line marker;

THENCE TURNING AND RUNNING South 77° 15' 16" East by and along the apparent southeasterly sideline of Frazier Pasture Road as originally laid out a distance of 1.52 feet to an iron rod, which iron rod marks the point of beginning.

The above described premises are conveyed subject to the encroachment of an existing structure on adjacent land of Segretario.

The above described premises are conveyed subject to the encroachment of Shore Road and the sidewalk adjacent thereto. The area of said encroachment being, in 1988, described as follows:

BEGINNING at a point on the northeasterly sideline of Shore Road as originally laid out which point marks the southwesterly corner of the above described premises;

THENCE RUNNING North 22° 43' 33" West by and along the northeasterly sideline of Shore Road as originally laid out a distance of 80.51 feet to a point;

THENCE TURNING AND RUNNING North 77° 08' 45" East by and along the southeasterly sideline of Frazier Pasture Road as originally laid out a distance of 16.3 feet to an iron rod driven into the ground as a line marker;

THENCE TURNING AND RUNNING South 16° 46' 15" East a distance of 40.51 feet to an iron rod driven into the ground as a line marker;

THENCE TURNING AND RUNNING South 13° 29' 33" East a distance of 40.01 feet to an iron rod driven into the ground as a line marker at land now or formerly of Segretario;

THENCE TURNING AND RUNNING South 87° 30' 27" West by and along land of said Segretario a distance of 5.80 feet to a point, which point marks the point of beginning.

Being the same premises described in a Warranty Deed from Robert E. Weare to Middlesex, Dana and Berwick Development Co. dated January 8, 1988 and recorded in the York County Registry of Deeds in Book 4585, Page 269.

EXHIBIT B

COVE LANDING, A CONDOMINUM

Unit	Square Footage	Percentage Ownership Interest	Number of Votes
Residential Unit A	831.6	23.65	1
Residential Unit B	697.02	19.83	1
Residential Unit C	763.9	21.7	1
Residential Unit D	600.42	17.0	1
Residential Unit E	622.84	17.7	1
Garage Unit 1	170	.06	0
Garage Unit 2	170	.06	0

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EXHIBIT C

BYLAWS

of

COVE LANDING CONDOMINIUM OWNERS' ASSOCIATION

ARTICLE I. CREATION AND APPLICATION

Section 1.1 Creation. This corporation is organized under the Maine Nonprofit Corporaton Act in connection with the submission of premises known as the "COVE LANDING, A CONDOMINIUM" (the "Condominium") located in the Town of Ogunquit, York County, Maine to the Maine Condominium Act pursuant to the COVE LANDING CONDOMINIUM DECLARATION (the "Declaration") as recorded in the York County Registry of Deeds. The corporation is COVE LANDING CONDOMINIUM OWNERS' ASSOCIATION (the "Association").

The term "Premises" as used herein shall include the land, the building and all other improvements thereon (including the Units, the Common Elements and all easements, rights and appurtenances belonging thereto and all other property, personal or mixed, intended for use in connection therewith submitted to or governed by the Declaration.

Section 1.2 Application. All present and future Unit Owners, mortgagees, lessees, licensees and occupants of the Units, their employees, agents and customers, and any other

persons who may use the Premises in any manner are subject to these Bylaws and to the Rules and Regulations, all as adopted, amended or altered from time to time by the Board of Directors of the Association (the "Board of Directors").

Section 1.3 Office. The principal office of the Association shall be located in Ogunquit, Maine.

ARTICLE II. PURPOSES AND POWERS OF THE ASSOCIATION

Section 2.1 Purposes. The purposes of the Association are to establish an association of unit owners pursuant to the Maine Condominium Act for the government, operation and maintenance of the Condominium established under the Declaration; and

Section 2.2 Powers. In addition to all the powers, authority and responsibilities granted to or imposed upon this Association by the laws of the State of Maine, specifically including those set forth or referred to in the Maine Condominium Act or the Maine Non-Profit Corporation Act all of which the Association shall have to the extent permitted by law and by the Declaration, the Association shall have the specific powers to:

A. Adopt and amend Bylaws and Rules and Regulations;

B. Adopt and amend budgets for revenues, expenditures and reserves, and to collect assessments for common expenses and service charges from unit owners;

persons who may use the Premises in any manner are subject to these Bylaws and to the Rules and Regulations, all as adopted, amended or altered from time to time by the Board of Directors of the Association (the "Board of Directors").

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A. Adopt and amend Bylaws and Rules and Regulations;

B. Adopt and amend budgets for revenues, expenditures and reserves, and to collect assessments for common expenses and service charges from unit owners;

C. Hire and terminate managers and other employees, agents and independent contractors;

D. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more unit owners on matters affecting the Condominium;

E. Make contracts and incur liabilities;

F. Regulate the use, maintenance, repair, replacement and modification of common elements provided, however, that the use of the limited common elements may not be changed without the consent of those unit owners affected;

G. Cause additional improvements to be made as a part of the common elements subject to the restrictions set forth herein;

H. Acquire, hold, encumber and convey in its own name any right, title, or interest to real or personal property;

I. Grant permits, easements, leases and licenses for public utilities, fire escapes, roads and other purposes necessary to the proper operation of the premises or benefitting the Premises through or over the common elements, with the consent of a majority in interest of the members;

J. Impose and receive payments, fees, or charges for the use, rental, or operation of facilities located on the common elements;

K. Impose charges and interest for late payment of

C. Hire and terminate managers and other employees, agents and independent contractors;

D. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more unit owners on matters affecting the Condominium;

E. Make contracts and incur liabilities;

F. Regulate the use, maintenance, repair, replacement and modification of common elements provided, however, that the use of the limited common elements may not be changed without the consent of those unit owners affected;

G. Cause additional improvements to be made as a part of the common elements subject to the restrictions set forth herein;

H. Acquire, hold, encumber and convey in its own name any right, title, or interest to real or personal property;

I. Grant permits, easements, leases and licenses for public utilities, fire escapes, roads and other purposes necessary to the proper operation of the premises or benefitting the Premises through or over the common elements, with the consent of a majority in interest of the members;

J. Impose and receive payments, fees, or charges for the use, rental, or operation of facilities located on the common elements;

K. Impose charges and interest for late payment of

assessments and service charges and, after notice and an opportunity to be heard, impose reasonable penalties for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;

L. Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid common charges and assessments or resale certificates furnished in accordance with the Maine Condominium Act;

M. Provide for the indemnification of its officers and directors and maintain directors' and officers' liability insurance;

N. Enter any unit to perform emergency repairs or to do other work reasonably necessary for the proper maintenance of the condominium;

O. Exercise any other powers conferred by Declaration or Bylaws;

P. Exercise all other powers that may be exercised pursuant to the Maine Nonprofit Corporation Act.

The Board of Directors of the Association shall manage the Condominium and exercise such powers on behalf of the Association, subject to the terms of these Bylaws, the Declaration and the Maine Condominium Act.

Section 2.3 Non-Profit Status. The Association is not organized for profit, and no property or profit thereof shall inure to the benefit of any person, except in furtherance of

the nonprofit-making purposes of the Association, or in the course of acquiring, constructing or providing management, maintenance and care of the condominium Premises, or by virtue of a rebate of excess membership dues, fees, assessments, or common charges.

ARTICLE III. ASSOCIATION OF OWNERS

Section 3.1 Membership. The members shall consist exclusively of all owners of units in the Condominium created in accordance with the Declaration, or following termination of the Condominium, of all former unit owners entitled to the distribution proceeds or their heirs, successors and assigns. Membership is transferrable only as provided in the Declaration or these Bylaws. The membership of a unit owner shall terminate upon the conveyance, transfer or other disposition of his interest in the unit accomplished in accordance with the Declaration, whereupon his membership and any interest in the assets of the Association shall automatically transfer to and be vested in the successor in ownership. Membership is otherwise non-transferrable. A mortgage of a unit, or the grant of a security interest not therein as security for an obligation, shall not operate to transfer membership until a foreclosure of the mortgage or security agreement.

Section 3.2 Annual Meeting. The first annual meeting of the members shall be held within Sixty (60) days after the

closing of the sales by Declarant of Seventy-Five percent (75%) in percentage interest or more of all of the units, unless sooner called by Declarants but in any event not to exceed Three (3) years from the date of the first conveyance of a unit. Thereafter, the annual meeting of the Association shall be held each successive year on the fourth Saturday of September, or in the event that day is a legal holiday, then on the first day thereafter which is not a holiday. The annual meeting and any special meetings shall be held at the Condominium's principal office or such other place as may be designated in the Notice of Meeting.

Section 3.3 Special Meetings. Special meetings of the members may be held at any time upon the call of the Board of Directors, or upon the call of Twenty percent (20%) or more in interest of the owners, which call shall state the purpose of the meeting. Upon receipt of such call, the Secretary shall promptly send out notices of the meeting to all members of the Association.

Section 3.4 Notice of Meetings. A written notice of each meeting of the Association, stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place and time of the meeting, and the items on the agenda (including the general nature of any proposed declaration or bylaw amendment, any budget charges and any proposal to remove an officer or director) shall be sent by the

President or Secretary or Assistant Secretary, if any, at least Ten (10) days, but not more than Sixty (60) days, before the date set for the meeting. Such notice shall be given to each member listed with the records of the Association as set forth below and to each Eligible Mortgage Holder, if, and as, required by the Declaration:

A. By hand delivering it to him, or

B. By mailing it, postage prepaid, addressed to the member at the address of the Unit or any other address designated in writing by that member with the records of the Association.

The notice of any meeting shall state the time and place of the meeting, and the items on the agenda, including the general nature of any proposed Declaration or Bylaw amendments, any budget changes and any proposal to remove an officer or director. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall not invalidate the meeting.

Section 3.5 Waiver of Notice. The presence of all the members in person or by proxy, at any meeting shall conclusively establish the meeting's validity, unless any member shall object at the meeting to the noncompliance with this Article. Any meeting so held without objection shall be valid for all purposes, and at any annual meeting any general business may be transacted and any action may be taken.

Section 3.6 Order of Business. The order of business at

all meetings of the members shall be generally as follows, if applicable:

A. Roll call.

B. Proof of notice of meeting or waiver of notice.

C. Reading of minutes of preceding meeting.

D. Reports of Officers.

E. Reports of Board of Directors.

F. Reports of committees.

G. Election of the Board of Directors.

H. Unfinished business.

I. New business.

J. Adjournment.

Section 3.7 Parliamentary Procedure. At all meetings of the members of the Board of Directors, Roberts' Rules of Order, as then amended, shall be followed, except in the event of conflict these Bylaws or Declaration as the case may be shall prevail.

Section 3.8 Quorum. The presence at the beginning of any meeting of the Association, in person or by proxy of unit owners whose aggregate voting interest constitutes more than Twenty-Five percent (25%) of the total interest therein shall constitute a quorum for the transaction of all business.

Section 3.9 Voting.

A. Any person, partnership, corporation, trust, or other legal entity, or a combination thereof, owning any unit (other

than an interest held as security for an obligation) duly recorded in his or its name, which ownership shall be determined from the records of the York County Registry of Deeds, shall be a member of the Association,, and either, in person or by proxy, entitled to a vote equivalent to his percentage interest in the common elements and facilities for each unit so owned.

B. Multiple owners of a Unit shall be deemed one owner. If only one of the multiple owners of a unit is present in person or by proxy at a meeting of the Association, he is entitled to cast all the votes allocated to that unit. If more than one of the multiple owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is presumed to be a majority agreement if any one of the multiple owners present casts the votes allocated to that unit unless any of the other owners of the unit promptly protest to the person presiding over the meeting.

C. Votes allocated to a unit may be cast pursuant to a proxy duly executed by a unit owner. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. A unit owner may not revoke a proxy given pursuant to this section except by actual notice of revocation if the person is void, if it is not dated,

or purports to be revocable without notice. A proxy shall automatically terminate Eleven (11) months after its date, unless it specifies a shorter term.

D. An executor, administrator, personal representative, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any unit owned or held by him by such capacity, whether or not the same has been transferred of record by a duly recorded conveyance. If the unit has not been so transferred, he shall satisfy the secretary that he so holds the unit.

E. The Declarant may exercise the voting rights pertaining to any unit to which they retain title. No vote pertaining to a unit owned by the Association may be cast, and the percentage interest of such a unit in the common elements and facilities shall not be deemed to be outstanding in determining the presence of a quorum or the percentage of approval needed to act.

F. Each unit owner shall have a single vote. Any specified percentage vote refers to the aggregate percentage of such votes.

G. At any meeting at which a quorum is present, the affirmative vote of a majority of the percentage in interest of those present shall determine any question except the election of directors, unless a greater percentage vote is required by law, by the Declaration or by these Bylaws. In the election of

Directors, those receiving the greatest number of votes, though less than a majority, shall be elected. To the extent required by the Act, for the purposes of amending the Declaration or these Bylaws, the percentage in interest shall be measured against the total percentage of those entitled to vote, regardless of whether or not such unit owners are present.

Section 3.10 Adjournment. Any meeting of the Association may be adjourned, from time to time, to such place, and time, as may be determined by majority vote of the members present, whether a quorum be present or not, without further notice of the time and place of meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 3.11 Unanimous Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of the members (to the extent not otherwise precluded by law) may be taken without a meeting if written consents, setting forth the action so taken, are signed by all the members entitled to vote on such action and are filed with the Secretary of the Association as part of the corporate records. Such written consents shall have the same effect as a unanimous vote of the members.

ARTICLE IV. BOARD OF DIRECTORS

Section 4.1 Number and Qualifications. During the period

of Declarant's control, or until voluntarily waived by Declarant, the affairs of the Association shall be governed by a Board of Directors composed of Three (3) members appointed, removed and replaced by the Declarant. During the period of transition from Declarant's control, the Board shall be elected as specified in Section 4.2. Thereafter, the affairs of the Association shall be governed by a Board of Directors composed of Three (3) as may be determined by the membership. Each such director shall be the owner, or the spouse of an owner of a unit, or if a unit owner is a corporation, partnership, trust or estate, then an officer, employee, partner, trustee, personal representative or beneficiary of such unit owner. For a director who no longer so qualifies, the Director's term of office shall cease upon written notice to such Director from the Secretary of the Association.

Section 4.2 Permanent Board. The transition from the Declarant-appointed members of the Board of Directors shall occur as follows:

No later than the earlier of:

1) Sixty (60) days after the conveyance of Seventy-Five percent (75%) in percentage interest or more of all of the units to owners other than Declarant; or
2) Three (3) years following the conveyance of the first unit to an owner other than Declarant;

the members shall then elect a Board of Directors consisting of Three (3) directors as follows: For Three (3) years, for Two (2) years and for One (1) year. Thereafter, the Directors

shall be elected for terms of Three (3) years each.

Section 4.3 Election and Term of Office. The Directors elected by the owners shall generally have a term of office of Three (3) years. At the expiration of the initial term of office of each director, his successor shall be elected to serve a term of office of Three (3) years; provided, however, that a director shall hold office until his successor has been elected.

Section 4.4 Powers and Duties. The Board of Directors shall generally act on behalf of the Association, shall have all powers and duties necessary or appropriate for the administration of the affairs of the Association, and shall have all powers referred to in the Declaration, the Bylaws or otherwise provided under the Maine Condominium Act or the Maine Nonprofit Corporation Act, as either may be amended from time to time, except those matters which by law, by the Declaration or by these Bylaws are specifically reserved to the members.

Section 4.5 Other Duties. In addition to other duties imposed by these Bylaws or by duly adopted resolutions of the members of the Association, the Board of Directors shall be responsible for the following:

A. Election of the officers of the Association;

B. Management and administration of the Condominium, the Association's property and the common elements, including the maintenance, repair and replacement thereof;

C. Determination and collection of assessments, and service charges from the owners and the regulation of its fiscal affairs;

D. Appointment and dismissal of the personnel and agents for the maintenance and operation of the Condominium, including without limitation, the common elements, and to fix the terms of their engagement and their compensation and authority; and

E. Designation of executive and other committees.

Section 4.6 Manager or Management Agent, Employees, Generally. The Board of Directors may employ on behalf of the Association a management agent or manager at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 4.5 (B), (C), (D); and 6.2 of these Bylaws. Any agreement for professional management, or any other contract providing for services of the Declarant to the owners shall be for a term of no more than One (1) year, which upon default shall be cancellable by the other party for cause and without a termination fee upon Thirty (30) days' written notice to cure.

Section 4.7 Appointment and Vacancies. Except for directors appointed by the Declarant, or Directors elected by the members during the period of Declarant's control, vacancies in the Board of Directors caused by any reason other than the expiration of a Director's term, or the removal of a Director

by a vote of the members, shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. A vacancy caused by the expiration of a Director's term, or the removal of a Director by a vote of the members, shall be elected for the unexpired term of his predecessor in office.

Section 4.8 Removal of Directors. At any regular meeting or special meeting duly called, any one or more of the Directors (other than one appointed by the Declarant) may be removed with or without cause by a majority of the members and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting, but the members' decision shall be final.

Section 4.9 Compensation. No compensation shall be paid to Directors for their services as Directors, or in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Members before or after the services are undertaken. A Director shall be reimbursed for out-of-pocket expenses incurred for the benefit of the Condominium upon presentation of receipts or other satisfactory evidence to the Treasurer.

Section 4.10 Annual Meeting. The annual meeting of the

Board of Directors shall be held immediately following the annual meeting of the Association and at the same place; no further notice shall be necessary in order to legally constitute such meeting.

Section 4.11 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by One or more of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by delivery to his unit, or by telephone, at least Three (3) days prior to the day named for such meeting.

Section 4.12 Special Meetings. Special meetings of the Board of Directors may be called by the President on Three (3) days notice to each Director, given personally or by delivery to his unit, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of Two (2) or more Directors.

Section 4.13 Waiver of Notice. Before or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the

Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.14 Board of Directors' Quorum. At all meetings of the Board of Directors, at the presence of two of the Directors, at the beginning of a meeting, shall constitute a quorum for the transaction of business. The acts of the majority of the Directors present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, a quorum is not present, the members present may adjourn the meeting, from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.15 Unanimous Action. Unless otherwise expressly provided by law, any action which may be taken at a meeting of the Directors may be taken without a meeting if all of the Directors sign written consents, setting forth the action taken, or to be taken, at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of Directors' meetings and shall have the same effect as a unanimous vote.

ARTICLE V. OFFICERS

Section 5.1 Designation. The principal officers of the

Association shall be a President, a Secretary and a Treasurer, of whom only the President need be elected from among the Directors. The Directors may in their discretion appoint a Vice President, Assistant Treasurer, and an Assistant Secretary, and such other officers, none of whom need be Directors, as in their judgment may be necessary.

Section 5.2 Election of Officers. The principal officers of the Association shall be elected annually by the Board of Directors at the annual meeting and shall hold office at the pleasure of the Board.

Section 5.3 Removal of Officers. Upon a majority vote of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of Directors called for such purpose. Any officer whose removal has been proposed, shall be given an opportunity to be heard at the meeting, but the Board's decision shall be final.

Section 5.4 President. The President shall be the chief executive officer of the Association and shall be a Director. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in office of President of a nonprofit corporation, including but not limited to the power to appoint committees from among the owners or their spouses from time to time as he may in his discretion decide is

appropriate to assist in the conduct of the affairs of the Association.

Section 5.5 Treasurer. The Treasurer shall be responsible for keeping financial records and accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall also, in the absence of the President, exercise the powers and perform the duties of the President. He shall be responsible, subject to the discretion of the Board of Directors, for the preparation and dissemination to the members of all financial reports, budgets and notices required, and for the preparation and signing, if necessary, of all financial reports or tax returns required to be filed by the Association.

Section 5.6 Secretary. The Secretary shall keep and certify the minutes of all meetings of the Board of Directors of the Association, shall give all notices as provided by these Bylaws, and shall have other powers and duties as may be incidental to the offices of Secretary, given him by these Bylaws or assigned to him from time to time by the Directors. If the Secretary or any assistant secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose. The Secretary shall be responsible for the filing of all reports and documents required to be filed by the Association with any governmental agency.

Section 5.7 Auditor. The members may at any meeting appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association and to perform such audits and fiscal duties as may be requested by the Association.

Section 5.8 Amendments to Declaration. The Secretary shall prepare amendments to the Declaration and the President and Secretary shall execute the certificate for recording on behalf of the Association.

ARTICLE VI. FISCAL AFFAIRS AND ADMINISTRATION

Section 6.1 Accounting. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principles and practices. Within Ninety (90) days after the close of each fiscal year, the Association shall furnish its members with a statement of the income and disbursements for such prior fiscal year and a balance sheet as of the close of that year. All financial records shall be available for examination by unit owners, mortgagees and their duly authorized agents and accountants at reasonable times.

Section 6.2 Initial Working Capital Fund. The Declarant shall establish a working capital fund at least equal to 2 months' estimated common charges for each unit. Any amounts paid into this fund shall not be considered as advance payments

of regular assessments. Each unit's share of the working capital fund shall be collected at the time the sale of the unit is closed and then should be transferred to the Association for deposit in a segregated fund. Within 60 days after closing has been held for the first unit, the Declarant shall pay each unsold unit's share of the working capital fund to the Association. The Declarant shall then reimburse herself for this payment from the funds collected at closing when each of the unsold units are sold.

Section 6.3 Budget and Common Charges.

A. The Board shall cause a proposed annual budget to be prepared based on its estimate of annual income and expenses. Within Thirty (30) days of the adoption of the proposed budget, the Board shall send a summary of such budget to each member and shall set a date for a meeting of the members to ratify the budget not less than Fourteen (14) nor more than Thirty (30) days after the notice is sent. Unless at the meeting a vote of Fifty-One percent (51%) or more in interest of the owners rejects the budget, the budget shall be deemed to be adopted whether or not a quorum is present.

B. The budget shall include the amount required by the Association to meet its expenses for each fiscal year or such other fiscal period as it deems appropriate, including but not limited to the following items:

1) Management and administration expenses;
2) The cost of operation, repairs, maintenance,

replacement, and improvements of common elements and facilities benefitting the Premises;

3) The cost of such insurance, services and utilities as may be furnished by the Association, other than such items for which a service charge is assessed;

4) The amount of such working capital and reserves, as may be reasonable, for the periodic maintenance, repair and replacement of improvements to the common areas and those limited common areas which the Association is obliged to maintain; and

5) Such other expenses of the Association as may be approved by the Board of Directors including operating deficiencies, if any, for prior periods.

During the period of Declarant's control, the Declarant shall be responsible in the first instance for the expense of the Condominium, but the purchasers of units shall reimburse Declarant for their proportionate share thereof, which obligation or reimbursement shall be a common charge.

Also during the period of Declarant's control, the Declarant shall establish a reserve fund initially in an amount consistent with the estimated remaining life of the individual components.

C. All units shall be allocated full assessments no later than 60 days after the first unit is conveyed. The obligation to pay assessments shall begin with the purchase of each unit, and until an annual budget is adopted, the members shall continue to pay that monthly amount which had been previously established; any delay or failure to estimate, to deliver or to adopt such budget shall not waive or release such obligation. The Association may send periodic statements to members showing the amount of assessments due, but each member shall pay his

assessment promptly when due regardless of whether such a statement is sent.

D. Each member shall pay his share of assessments without setoff or deduction in an amount equal to the total Association budget, net of other income and service charges as defined herein, multiplied by his respective fractional ownership in the common elements. Each member shall become liable to the association, and a lien shall arise against his unit for his entire fractional share of the assessments at the commencement of the pertinent fiscal period. Each member may pay his share of the common charges in monthly installments on or before the first day of each and every month during such period, or at such other times and for such other periods as the unit owners may determine at their annual meeting, provided, however, that if any such installment is not paid when due, then if not paid upon Twenty (20) days written notice of default, the entire remaining balance thereof shall immediately become due and payable in full.

E. If any member shall fail or refuse to pay to the Association when due his share of the assessments or any other service charges, user fees and penalties, thereafter the amount thereof shall bear interest at the rate of Eighteen percent (18%) per annum or such other rate as may be set by vote of the Board prior to the date on which the payment came due. Such assessments and service charges with such late charges as may

be determined by the Board of Directors, interest and all costs of collection, including reasonable attorneys' fees, shall constitute a lien on the unit of such member. Recording of the Declaration constitutes record notice and perfection of the lien for assessments, service charges, users fees, including penalties, late charges, interest and costs of collection. The Association may record a notice from time to time stating the amount and mature of the lien signed by an officer or director of the Association or by an agent authorized by the Board of Directors but such recorded notice is not necessary to establish or perfect the lien. Such lien shall be subordinate to a first mortgage on such unit, if the mortgage was recorded before the delinquent assessment was due. A lien for a common expense assessment shall not be affected by the sale or transfer of the unit, unless a foreclosure of a first mortgage is involved.

F. If such payments are not received within Thirty (30) days after they become due, the Board shall exercise and enforce any and all rights and remedies provided in the Maine Condominium Act, the Declaration or these Bylaws or otherwise available, all possessory remedies against the delinquent owner's unit under the Forcible Entry and Detainer Laws of Maine, as amended from time to time. The delinquent owner shall be required to pay to the Association a reasonable rental for such unit until sale or foreclosure. In any action to

foreclose the lien for common charges, assessments, service charges, user fees, late charges, penalties, interest, and costs of collection including reasonable attorneys' fees against any owner of a unit, the Association may act through its manager of Board of Directors in the same manner as any mortgagee of real property. The manager or Board of Directors acting on behalf of the unit owners shall have the power to bid and acquire such unit at a foreclosure sale and to lease, mortgage, convey, or otherwise deal with the unit. Suit to recover a money judgment for unpaid common charges, assessments, service charges, user fees and penalties due to the Association, with interest and all costs and reasonable attorney's fees, may be maintained without foreclosing upon or waiving the lien securing the same. The lien is extinguished unless action to enforce the lien is started within Three (3) years after the full amount of the assessments becomes due.

Section 6.4 Service Charges. Service charges (other than common expenses) may be assessed separately to each unit or group of units benefited thereby and shall be paid by the unit owner within Fifteen (15) days of deposit in the U.S. Mail or hand delivery, and shall constitute a lien on the unit of the same status as a lien for common charges set forth in Section 6.2.

Section 6.5 Revised and Special Assessments. If at any time the Board shall determine the amount of the common charges

to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Board may adopt and deliver to the member at least thirty days prior to the date on which it becomes effective, a revised estimated annual budget for the balance of such fiscal year and thereafter monthly common charges shall be determined and paid on the basis of such revision.

The Board may, upon determining that circumstances exist which require immediate assessment of the members, make special assessments, not to exceed an amount equal to one current monthly assessment for each unit unless approved by the members, which shall be due and payable when delivered to the members.

Section 6.6 Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Board of Directors.

Section 6.7 Capital Improvements. The approval of the members shall be required to make a capital improvement to the common elements in an amount in excess of Thirty-five percent (35%) of the aggregate assessments against all the members over the prior fiscal year, exclusive of service charge and user fees, and in such event the cost thereof shall be assessed to all unit owners as an assessment.

Section 6.8 Use of Units. All units shall be utilized in accordance with provisions of the Bylaws, Declaration, and

Rules and Regulations.

Section 6.9 Enforcement of Declaration and Bylaws. Every unit owner shall pay to the Association promptly on demand all costs and expenses, including reasonable attorneys' fees and expenses incurred by or on behalf of the Association, in collecting any delinquent assessments, service charges or fees due from such unit, foreclosing its lien for assessments, collecting any penalties imposed hereunder, or enforcing any provisions of the Declaration, these Bylaws, or the Rules and Regulations against such owner or any occupant of such unit.

Section 6.10 Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the buildings and common elements of the Condominium, the Board of Directors may from time to time adopt, modify, and revoke, in whole or in part, such further reasonable rules and regulations governing the Condominium as it may deem necessary, including, but not limited to, methods and procedures of enforcing compliance with the Declaration and Bylaws. Such Rules and Regulations upon adoption, and every amendment, modification, and revocation thereof, shall be sent promptly to each unit and shall be binding upon all members of the Association and all persons present on the Condominium. Such Rules and Regulations may be amended, modified or rejected, in whole or part, at any time, by a vote of Three-fourths (3/4) in interest of the members present in person or by proxy at any meeting duly called for

the purpose, which vote shall be binding upon the Board of Directors.

Section 6.11 Restrictions. As an amendment to these Bylaws and subject to the Declaration, the members may from time to time adopt, modify and amend such further restrictions on and requirements respecting the use and maintenance of units and the use of common elements designed to prevent unreasonable interference with the use and enjoyment of the Condominium. The following restrictions shall apply initially in addition to those expressed elsewhere in these Bylaws or in the Declaration;

A. Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time in accordance with rules and regulations established by the Board of Directors. No article of personal property belonging to any unit owner shall be stored in any portion of the common elements of facilities.

B. No member shall overload the electrical wiring in the building or operate any machinery, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Board of Directors, any unreasonable disturbance or make any alterations to or connections with the heating, plumbing, or sewage disposal systems without prior written consent of the Board of Directors.

Section 6.12 Right of Entry. Upon such prior notice as is possible under the circumstances, the manager and any person

authorized by the Board of Directors shall have the right to enter any unit in case of any emergency originating in or threatening such unit or adjoining common elements whether or not the owner or occupant is present at the time, and upon prior notice to enter any unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the common elements thereon or accessible therefrom.

Section 6.13 Title. Every unit owner shall promptly record in the York County Registy of Deeds, the deed, assignment, or other conveyance to him of his unit or other evidence of his title thereto and file such evidence of his title with the Association, and the Secretary shall maintain such information in the records of the Association.

ARTICLE VII. SALE, LEASE, RENTAL OR OTHER TRANSFER OF A UNIT

Section 7.1 Binding Effect. All subsequent sales, leases or other transfers of a unit by a unit owner shall be subject in all respects to the Declaration, Bylaws, and Rules and Regulations of the Condominium.

Section 7.2 Leasing Restrictions.

A. No unit owner shall rent or lease a unit other than in accordance with a lease: (i) requiring the tenant to comply with the Declaration, these Bylaws, and Rules and Regulations; (ii) providing that failure to comply constitutes a default under the lease; and (iii) providing that the Board of Directors has the power to terminate the lease or to bring

summary proceedings to evict the tenant in the name of the unit owner after Thirty (30) days' prior written notice to the unit owner, in the event of a default by the lessee in the performance of the lease. Leases shall be in writing. Each unit owner of a condominium unit shall, promptly following the execution of any written lease of a condominium unit, forward written notification of such lease to the Board of Directors identifying the tenant, indicating the term of the lease and indicating whether or not it contains any options to purchase. The foregoing provisions of this paragraph, shall not apply to the Declarant or to an institutional lender in possession of a unit as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

In the event that a Unit Owner, his guests, business invitees, or employees, agents or lessees fail to comply with the provisions of this Declaration, the Bylaws, Rules and Regulations or the lease, then in addition to all other remedies which it may have, the Association may notify the Owner of such violaton(s) and demand that the same be remedied through the Owner(s) efforts within a reasonable time after such notice in the judgment of the Directors. If such violation(s) is not remedied within said period, then the Owner shall thereafter, at this own cost and expense, immediately institute and diligently evict his tenant or guest on account of such violation(s). In the event the Owner(s) fails to so

act promptly, then the Board shall have the right, but not the duty, to institute and prosecute such election as attorney-in-fact for the Owners and at the Owner(s) sole cost and expense, including all legal fees incurred. Said costs and expenses shall be due and payable upon demand by the Association and shall be deemed to constitute a lien on the particular unit involved, and collection thereof may be enforced by the Board of Directors in the same manner as the Board is entitled to enforce collection of service charges.

Section 7.3 Liability for Assessments, Etc. In the transfer of a unit, the grantee of the unit shall be jointly and severally liable with the grantor for all unpaid assessments and service charges, interest and costs of collection outstanding at the time of the grantor's transfer, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee or proposed purchaser under a purchase and sale contract upon written request and upon payment of such fee as may be set by the Directors may obtain a statement from the Board of Directors setting forth the amount of unpaid, assessments, and service charges against the unit, and the grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for any, assessments, and service charges arising before the statement date in excess of the amount therein set forth.

Section 7.4 Common Elements. No unit owner shall execute any deed, mortgage, or other instrument conveying or mortgaging elements appurtenant thereto, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interest, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

ARTICLE VIII EXECUTION OF INSTRUMENTS

Section 8.1 Instruments Generally. All checks, drafts, notes, vouchers, bonds, acceptances, contracts, deeds, lien notices, certificates, and all other instruments shall be signed or approved by the President or the Secretary or Treasurer, and in addition by any one or more officer(s), agent(s) or employee(s), all as the Board of Directors may designate, unless otherwise unanimously voted by the Board of Directors.

ARTICLE IX GENERAL ADMINISTRATION

Section 9.1 Easements, Etc. The Association is authorized and empowered to grant such easements, rights-of-way, leases and lines, electrical cables, telephone cables, television cables and antennas, gas lines, storm drains, underground

conduits, fire escapes and alarms and such other purposes related to the provision of public services, and utilities to the Condominium as may be considered desirable, necessary or appropriate by the Board of Directors for the orderly maintenance, improvement and preservation and enjoyment of the common elements or for the preservation of the health, safety, convenience and welfare of the owners of the individual units upon at least Thirty (30) days' notice to the member unless a special meeting of the members is called within such period and the members vote to reject such grant. No such rights may be created through any unit without the written consent of the owners thereof and that no such easement shall materially impair the use and enjoyment of the Condominium.

Section 9.2 Utility Services. The Association shall not be liable for the failure of electricity, telephone, water supply, sewage disposal systems, or other services to be obtained by the Association or paid for out of the common expenses or service charge funds, or for injury or damages to persons or property caused by elements or by the owner of any unit or by any other person, or resulting from electricty, water, snow or ice which may leak, fall or flow from or settle on any portion of the common elements or from any roof, wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the owner of any unit for loss of damage, by theft, or otherwise, of property which may be stored

upon or in any indivivual unit or in any of the common elements or facilities. No set-off, diminution or abatement of assessments for common expenses or service charges, shall be claimed or allowed for the expense, damage or discomfort arising from the making or repairs of improvements to the common elements or facilities or to any unit, or from any action taken by the Association to comply with any law, ordinance, or order of any other governmental authority.

Section 9.3 Self Help. If the Association shall default in its obligations to maintain, repair and replace the portions of the Limited Common Elements or Common Elements appurtenant to or serving any Unit, or the portions of any Unit as to which pursuant to this Declaration it is the responsibility of the Association to maintain, repair and replace, and such failure or default is not cured within thirty (30) days after notice from the Owner of that Unit to the Association specifying the default, or the Association shall not within said period commence to cure the default and thereafter prosecute the curing of such default to completion with due diligence, the Owner of said Unit may, at its option, without waiving any claims for breach, at any time thereafter cure such default for the account of the Association and shall be entitled to set off against subsequent assessments for Common Expenses the amounts paid and expenses or contractual liabilities incurred in an amount that shall not exceed two (2) months' installments of

assessments against that Unit for Common Expenses; provided, however, that such Unit Owner may cure any such defaults as aforesaid prior to the expiration of said waiting period after notice to the Association if it is necessary to protect his Unit or its appurtenant Limited Common Elements or other interests, or to prevent injury or damage to persons or property.

Section 9.4 Additions, Alterations or Improvements by the Unit Owners. Subject to the terms of the Declaration with regards to nonstructural improvements and alterations to the interior of a Unit, no Unit Owner shall make any structural addition, or structural alteration or improvement in or to his Unit without the prior written consent of the Board of Directors. No Unit Owner shall paint or alter the exterior of his Unit, including the doors and windows, nor shall any Unit Owner paint or alter the exterior of the Building, nor do any other thing which affects the appearance from the exterior of the Buildings or grounds, without the prior written consent of the Board of Directors. The Board of Directors shall be obligated to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in or to such Unit Owner's Unit within forty-five (45) days after receipt of such written request, and failure to do so within the stipulated time shall constitute a consent to the proposed structural addition, alteration or improvement.

The answer to such written request shall be in writing and shall state the reason for the denial or approval of the request. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any Unit requires execution by the Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Association only by an authorized officer, without however incurring any liability on the part of the Board, the Association or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. Subject to the approval of any Eligible Mortgage Holder of the Mortgage of such affected Units, the Board of Directors and any Unit Owner affected, any Unit may be subdivided or may be altered so as to relocate the boundaries between such Unit and any adjoining Units. This right shall be in addition to and not in derogation of the rights granted in Section 2.5 of the Declaration. The Secretary shall record any necessary amendment to the Declaration to effect such action as provided in Sections 1602-113 or 1602-112 of the Act. The provisions of the paragraph shall not apply to Units owned by Declarant andto additions, alterations, improvements, deletions and/or changes to the Common Elements made by Declarant until the later to

occur of one (1) year after all Units have been conveyed to Purchasers, or the expiration of any applicable periods for warranty-related work.

ARTICLE X LIABILITY OF DIRECTORS AND OFFICERS

Section 10.1 Exculpation. No director or officer of the Association shall be liable for acts or defaults of himself or any other officer or member, or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own willful misconduct or gross negligence.

Section 10.2 Indemnification. The Association shall indenmify any person who was or is threatened to be made a party against any actual, threatened, or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact he is or was an officer, director, agent or employee of the Association against all expenses including reasonable counsel fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection therewith, excepting, however, such matters in which such person is finally adjudged to have acted with willful misconduct or gross negligence towards the Association or absent a final adjudication thereof, excepting such matters in which the Board of Directors (excluding any interested Director) determines any such person acted with willful misconduct or gross negligence. This right to

indemnification shall be in addition to any other power of the Association to indemnify as permitted by law. The Association may also maintain insurance on behalf of any person who is or was a director, officer, agent or employee of the Association against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the Association would otherwise have the power or duty to indemnify him.

ARTICLE XI BYLAWS

Section 11.1 Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by vote of Seventy-Five percent (75%) or more in interest of the owners of the Association at a meeting duly called for the purpose, PROVIDED, HOWEVER, that these Bylaws shall always contain those particulars which are required by the Maine Condominium Act, as amended from time to time to the extent applicable by law to this Condominium; and PROVIDED, FURTHER, that no modification of or amendment is executed to evidence the property of such amendment to the Bylaws shall be valid until a certificate of the amendment or modificaton by the Secretary and President of the Association. Such certificate may be recorded.

Section 11.2 Conflict. In the event of any conflict between these Bylaws and the provisions of the Declaration or the Maine Condominium Act, the latter shall govern and apply.

RECEIVED YORK, SS.
1989 AUG-2 PM 12: 12
RECORDED REGISTRY OF DEEDS
ATTEST: Ann M Ponzetti
REGISTER