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DECLARATION OF CONDOMINIUM FOR LAKESIDE AT PLEASANT MOUNTAIN, A CONDOMINIUM

This Declaration is filed pursuant to the Maine Condominium Act (the "Act") Title 33, Chapter 31, M.R.S.A. to which statute reference is specifically made and which is incorporated herein by reference. There shall be created, pursuant to the terms of the Act, Lakeside at Pleasant Mountain, a Condominium and Lakeside at Pleasant Mountain Condominium Association ("Association"), a Maine non-profit corporation under Title 13-B of the Maine Revised Statutes Annotated, and Bylaws for said Association. Lakeside at Pleasant Mountain Condominium Association shall elect an Executive Board, pursuant to Section 1603-103 of the Act and Bylaws of the Association, which Association shall be the Unit Owners' Association required by the Act.

1. Declarant and Description of Land.

(a) Northland of Maine, Inc., a Maine corporation, (the "Declarant") hereby submits the land and easements with all buildings and improvements thereon located within the Town of Bridgton, Cumberland County, Maine described in Schedule A attached hereto and made a part hereof (the "Premises") to the provisions of said Act. The Premises are also shown on the Condominium Plats prepared by Main-Land Development Consultants, Inc. dated October, 1984 and entitled "Plan of Lakeside at Pleasant Mountain" and the Condominium Plans prepared by Claude Miquelle Associates entitled "Lakeside at Pleasant Mountain Condominium Plan" (hereafter the "Plats and Plans") which are to be recorded in the Cumberland County Registry of Deeds herewith.

Initially, Lakeside at Pleasant Mountain Condominium shall consist of the land described in Schedule A attached hereto and Unit Numbers 10 through 13 and 22 through 28, for a total of eleven (11) units. As set forth in this Declaration, the Declarant reserves various Development Rights including the right to create additional condominium units up to a maximum total of 60 Units and to create additional common elements and limited common elements.

(b) The Premises are subject to:

(i) Mortgage, Collateral Assignment of Leases and Financing Statement from the Declarant to Shawmut Bank of Boston, N.A. dated August 15, 1984, and recorded in the Cumberland County Registry of Deeds in Book 6536, Pages 174, 191 and 195.

(ii) Subdivision approval of Town of Bridgton, Maine dated July 25, 1984.

(iii) Easement and rights in favor of Pleasant Mountain Corporation, its successors and assigns set forth in the deed from Pleasant Mountain Corporation to the Declarant dated August 15, 1984 and recorded in Cumberland County Registry of Deeds in Book 6536, Page 153, including:

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- The right to use in common with others a 100 foot right of way extending from Mountain Road to the "Pumphouse Building", so-called, on the shore of Moose Pond for access to Moose Pond as shown on the Plat;

- The right and easement to lay, maintain and repair in, under and above said 100 foot right of way all pipes, conduits and equipment necessary for Pleasant Mountain Corporation's snowmaking and water pumping activities;

- The right to construct, maintain and repair in, upon and under Moose Pond and the shore of Moose Pond, across an area equal to the width of the aforesaid right of way, ramps, beaches, docks and other like appurtenances; and

- The right to construct and maintain a parking area adjacent to Mountain Road and to use same exclusively from the first day of November to the last day of April each calandar year.

(iv) Site Location of Development, Minimum Lot Waiver, Great Ponds and Water Quality Certification Findings of Fact and Order dated June 28, 1984 and recorded in Cumberland County Registry of Deeds in Book 6501, Page 269.

(v) Easements granted from Pleasant Mountain Corporation to Central Maine Power Company dated September 16, 1971 and April 23, 1973 recorded at the Cumberland County Registry of Deeds in Book 3207, Page 861 and Book 3399, Page 331.

(vi) The easements, covenants, restrictions and reservations contained in and created by this Declaration and the Bylaws of the Association.

2. Definitions.

The terms hereinafter defined shall have the meanings as hereinafter set forth. Any term not defined herein shall have the meaning accorded it by the Act.

(a) "Association" or "Unit Owners' Association" means the Unit Owners' Association of Lakeside at Pleasant Mountain, A Condominium which is known as Lakeside at Pleasant Mountain Condominium Association.

(b) "Allocated Interests" means the undivided interests in the common elements, the common expense liability and votes in the Association allocated to each unit.

(c) "Common Elements" means all portions of the Condominium other than the units and shall include, without limitation, the parking areas and the Recreational Facilities (as hereinafter defined).

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

(e) "Common Expense Liability" means liability for common expenses allocated to each unit pursuant to Section 1607-107 of the Act.

(f) "Condominium" means Lakeside at Pleasant Mountain, A Condominium, as same is created and administered by this Declaration, the Bylaws and the rules and regulations developed thereunder, consisting at present of eleven (11) Units.

(g) "Declarant" means Northland of Maine, Inc., a Maine corporation, its successors and assigns.

(h) "Executive Board" means the body designated in the Bylaws to act on behalf of the Association.

(i) "Limited Common Element" means the decks and balconies and other elements of the Condominium so designated on the Plans and those portions of the common elements allocated by the Declaration and the Act for the exclusive use of one or more but fewer than all of the units, as defined in Section 1602-102 of the Act.

(j) "Recreation Facilities" means the boat dock, swimming and picnic areas and tennis courts.

(k) "Special Declarant Rights" means those rights reserved by Declarant in Section 7 of this Declaration.

(l) "Unit" means a physical portion of the Condominium described herein and in the Plans designated for separate ownership or occupancy.

(m) "Unit Owner" means the Declarant or other person who owns a Unit.

3. Description of Units.

The Plats and Plans show the layout, location, Unit numbers and dimensions of Units of the Condominium.

Reference is made to the Plans for the description of the building stating the number of stories and basements and the number of units. Brick, wood, fieldstone, concrete and block are the principal materials of which said buildings are constructed.

Acceptance of a deed to a Unit shall constitute a waiver of minor discrepancies in the Plats and Plans, if any.

4. Allocation of Common Element Interests and Boundaries:

(a) Percentage Interests. Attached hereto as Schedule B is a list of all Units for Phase I, with identifying numbers (all as shown

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more fully on the Plans), allocating a percentage of undivided interests in the common elements and in the common expenses of the Association, and the vote allocated to each Unit. Each Unit's percentage of allocated interest is determined according to the following formula. Each Unit's percentage allocated interest is equal to the allocated interest of every other Unit in the Condominium:

$$\frac{1}{\text{Total Number of Units in Condominium}} \times 100$$

= Percentage of Allocated Interest of Each Unit

In the event Declarant adds additional Units to the Condominium as set forth herein, the Percentage of Allocated Interest for Each Unit in the Condominium shall be adjusted or determined according to this formula.

(b) Unit Boundaries. The boundaries of each unit are the walls, floors and ceilings of the Unit and shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereon. The exterior surfaces of doors, windows, storm windows, and the glass and frames, and thresholds are also unit boundaries. All other portions of the walls, floors and ceilings are part of Common Elements.

5. Limited Common Elements.

Limited Common Elements shall include those items designated as Limited Common Elements in Section 1602-102 of the Act, and all chimney flues located partially within and partially without the boundaries of the Units and decks. Any expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed equally against the Unit or Units to which that Limited Common Element is assigned. Any common expense benefiting fewer than all of the units shall be assessed exclusively against the unit or units benefited.

6. Easements.

(a) Utilities, Pipes and Conduits. Each Unit Owner shall have an easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving his Unit and located in any of the other Units or in Limited Common Elements. Each Unit shall be subject to an easement in favor of all other Unit Owners to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Executive Board of the Association shall have the right to grant to third parties such additional utility easements as shall be deemed reasonable by the Executive Board in connection with the supply of utility services to the Units and/or the Common Elements.

(b) Ingress and Egress. Each Unit Owner shall have an easement, subject to any rules and regulations established by the Executive Board, in common with all other Unit Owners to use the entrances, exits and other

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Common Elements as a means of ingress, egress and regress to and from the Premises, the Common Elements and the adjoining public streets. The Executive Board shall not and cannot establish any rules and regulations depriving any Unit Owner of reasonable ingress, egress and regress to and from his Unit, the Premises and Common Elements, and the adjoining public streets.

(c) Condominium Association and Executive Board Access. Declarant reserves in favor of itself, the Association and its Executive Board, officers, agents, employees, and the managing agent (if any) and every other person authorized by the Executive Board the irrevocable right and easement to have access to each Unit as provided in Section 1603-107(a) of the Act as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Elements and Limited Common Elements therein or accessible therefrom or the making of any addition or improvements thereto; or the making of repairs to any Unit, the Common Elements or the Limited Common Elements if such repairs are reasonably necessary for public safety or to prevent damage to any other Unit or Units, the Common Elements or the Limited Common Elements; or the abating any violation of law, orders, rules or regulations of the Association or of any governmental authorities having jurisdiction thereof. In case of an emergency, such right of entry shall be immediate whether or not the Unit Owner is present at the time. Until the expiration of the warranty period, if applicable, such entry shall be permitted to perform warranty-related work whether or not the Owner of the Unit consents or is present at the time. The Declarant, during the period of Declarant Control, the Association and its Executive Board shall have the right to grant permits, licenses and easements over and through the Common Elements for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Condominium.

(d) Declarant's Easement for Marketing. The Declarant reserves the right with respect to its marketing of Units to use the Common Elements for the ingress and egress of itself, its officers, employees, agents, contractors and subcontractors and for prospective purchasers of Units, including the right of such prospective purchasers to park in parking spaces. The Declarant also reserves the right to use any Units owned or leased by the Declarant as models, management offices, sales offices or customer service offices, which may be relocated from time to time. Upon relocation, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Premises such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the Premises and may be relocated or removed, all at the sole discretion of the Declarant. Prior to sale of all the Units by the Declarant, the Declarant shall have the right to restrict the use of the parking spaces allocated to unsold Units to sales purposes and to use such spaces for sales purposes. The Declarant shall have the right to erect temporary offices on the Common Elements for models, sales, management, customer service and similar purposes, which may be relocated or removed, all at the sole discretion of Declarant. These easements shall continue until the Declarant has conveyed to Purchasers all Units in the Condominium which the Declarant has reserved Development Rights to create.

(e) Declarant's Easement for Construction. The Declarant reserves the easement, right and privilege without let or hindrance with respect to the construction of the Units, Common Elements, Limited Common Elements

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and other improvements of the Condominium, to go upon any and all of the Premises for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units or Common Elements. Furthermore, the Declarant reserves an easement in the Units and Common Elements pursuant to Section 1602-116 of the Act for the purpose of discharging Declarant's obligations and exercising the Development Rights and other Special Declarant Rights reserved pursuant to this Declaration. This easement shall continue until the Declarant has conveyed to Purchasers all Units in the Condominium which the Declarant has reserved Development Rights to create.

(f) Declarant's Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Common Elements not located within a Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Paragraph expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the affected property as closely to its original condition as practicable. The reservation of this right does not and shall not result in the imposition of an obligation. This easement shall continue until the Declarant has conveyed to Purchasers all Units in the Condominium which the Declarant has reserved Development Rights to create.

(g) Encroachments. Each Unit shall have an easement to the extent necessary for structural and subjacent support over every other Unit and over the Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural and lateral support in favor of every other Unit. If any portion of the Common Elements or Limited Common Elements hereafter encroaches upon any Unit, or if any Unit hereafter encroaches upon any other Unit or upon any portion of the Common Elements or Limited Common Elements, as a result of settling or shifting of any Building or Buildings in which they are located or otherwise than as a result of the purposeful or negligent act or omission of the Owner of the encroaching Unit, or of the Association in the case of encroachments by the Common Elements or Limited Common Elements, a valid easement appurtenant to the encroaching Units, Common Elements or Limited Common Elements for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist. In the event that any Building or Buildings shall be partially destroyed as a result of fire or other casualty or as a result of a taking by the power of, or in the nature of, eminent domain or deed in lieu of condemnation, and then are rebuilt encroachments of a portion or portions of the Common Elements or Limited Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements or Limited Common Elements, due to such rebuilding, shall be permitted, and valid easements appurtenant to the encroaching Units, Common Elements or Limited Common Elements for such encroachments and the maintenance thereof shall exist so long as that Building as so rebuilt shall stand.

(h) Declarant's Right to Connect With Utilities. The Declarant further reserves an easement to connect with and make use of utility lines, wires, pipes and conduits located on the Premises for construction purposes on the Premises, provided that Declarant shall be responsible for the cost of service so used, and to use the Common Elements for ingress

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and egress and construction activities and for the storage of construction materials and equipment used in the completion of the Units and Common Elements. This easement shall continue until the Declarant has conveyed to Purchasers all Units in the Condominium to which the Declarant has reserved Development Rights to create.

(i) Declarant's Right to Grant Easements. The Declarant shall have the right, until the Declarant has conveyed to Purchasers all Units in the Condominium which Declarant has reserved Development Rights to create, to grant and reserve easements and rights-of-way through, under, over and across the Premises for construction purposes, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Premises. The easements created in this Paragraph shall include, without limitation rights of the Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), air conditioning, heating systems, ventilation systems, electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Paragraph, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants. This easement shall expire after all the Units have been conveyed to Purchasers and the Declarant has completed all warranty-related work and non-warranty-related work to the Condominium.

(j) Alteration of Units by Declarant. To the fullest extent permitted by law and applicable zoning, land use and environmental ordinances, regulations and statutes, the Declarant reserves the right without the vote or consent of the Executive Board, any Unit Owner or any Mortgagee until all the Units have been conveyed to Purchasers, to change the size, number, architectural style, principal materials, height, elevation, arrangement, and location of Units, Buildings not containing Units conveyed to Purchasers, and other improvements. Any single change or all changes in the aggregate described in this paragraph shall not be deemed to be substantial.

(k) Common Elements Easement in Favor of Unit Owners. All Common Elements (including, but not limited to, all Limited Common Elements) shall be and are hereby made subject to the following easements in favor of the Units benefited:

(i) For the installation, repair, maintenance, use removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of

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or serve any Unit and which pass across or through a portion of the Common Elements.

(ii) For the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of any Common Elements adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the building or impair or structurally weaken the building.

(iii) For driving and removing nails, screws, bolts and other attachment devices into the unit-side surface of the studs which support the dry wall or plaster perimeter walls bounding the Unit, the bottom surface of floor joists above the Unit and the top surface of the floor joists below the Unit to the extent such nails, screws, bolts and other attachment devices may encroach into a part of any Common Elements adjacent to such Unit; provided that any such action will not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the building.

(l) Recreation Easement. Each Unit Owner is hereby granted a non-exclusive easement for the use and enjoyment of all Recreational Facilities located on the Premises. However, this right of use shall be subject to the power of the Executive Board: (a) to charge a fee for the use of the Recreational Facilities; (b) to establish rules and regulations regarding the use of any of the Recreational Facilities; and (c) to allow guests of Unit Owners and/or tenants leasing a Unit to use some or all of the Recreational Facilities, subject to such fees, rules and regulations as the Executive Board may establish. The Executive Board shall establish the method by which the twenty (20) boat slips appurtenant to the boat dock shall be allocated, but in no event shall any power boat with a horsepower in excess of 100 horsepower be permitted to utilize any boat slip. In no event shall the Executive Board extend the right to use or enjoy the Recreational Facilities to any person who is not a Unit Owner or a guest or tenant of a Unit Owner. This right of use shall also be subject to the power of the Declarant prior to the termination of the Declarant Control Period to grant and reserve temporary easements and rights-of-way through, under, over and across such Recreational Facilities necessary for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities. In the event an Owner leases his Unit, the tenant of such Unit shall be entitled to use the Recreational Facilities, provided however, that the tenant's right to use shall be deemed an assignment of the Unit Owner's right to use the Recreational Facilities and shall preclude the non-resident owner from simultaneously using the Recreational Facilities unless otherwise determined by the Executive Board. Each person having the right to use the Recreational Facilities and each person to whom such right has been assigned shall comply with all rules and regulations regarding such use, as such rules and regulations may be established and amended from time to

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time by the Executive Board. Such rights to use may be suspended by the Executive Board upon failure of a Unit Owner to pay his assessments for Common Expenses including Limited Common Expenses, or upon the failure of a person having the right to use the Recreational Facilities to pay his fee for the use of the Recreational Facilities.

7. Development Rights and Declarant Control

(a) In addition to those rights and easements reserved or created by Paragraph 6 hereof, the Declarant reserves the right:

(i) To appoint and remove members of the Executive Board and Officers of the Association until sixty (60) days after the sale of Seventy-Five percent (75%) of the total number of Units but in any event, the right to appoint and remove persons from the Executive Board shall expire five (5) years after the first conveyance of a Unit. In calculating the percentage of Units sold, the percentage shall be measured by taking into account all the Units the Declarant reserved the right to create in the Condominium up to a total of 60 Units.

(ii) To exercise those rights established under the Condominium Act.

(b) In accordance with, and subject to, the Condominium Act, the Declarant reserves the right (but not the obligation), for seven (7) years from the date of the recording of this Declaration:

(i) To create up to 49 additional Units and Limited Common Elements appurtenant to such Units, making a total of sixty (60) Units in the Condominium. Notwithstanding Declarant's intention to construct and create additional Units, these additional Units NEED NOT BE BUILT. All additional Units must be substantially completed prior to their annexation to the Condominium. No more than 1.3 dwelling units per acre of land shall be created. All additional Units, Common Elements and Limited Common Elements, shall be consistent with Unit Numbers 10 through 13 and 22 through 28 with respect to the quality of construction, and the principal materials; provided, however, that the Declarant may substitute construction materials and techniques of equal or better quality and may change the architectural style.

(ii) To reallocate the percentage of allocated interests of all Units upon the addition of Units to the Condominium, according to the formula set forth in Section 4 of this Declaration. Any such reallocation shall be effective as of the date of recording of the Amendment to this Declaration adding such Units to the Condominium.

(iii) To exercise any rights under this Section 7 (b), the Declarant shall prepare, execute and record an amendment to the Declaration pursuant to the Act, which amendment shall include a Plat and Plans as required by the Act, to the extent not previously recorded. Said amendment shall become effective without the consent of any other person.

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The aforesaid Development Rights and Special Declarant Rights shall apply to all portions of the real estate described on Schedule A attached hereto, excepting those portions declared as part of the Condominium in this Declaration.

(c) Subject to the provisions of the Act, this Declaration and the Bylaws, the Executive Board shall have the power to act on behalf of the Association. The initial Executive Board shall consist of three (3) persons to be appointed by Declarant. The members so appointed may be removed and replaced by the Declarant at Declarant's sole discretion.

No later than the earlier of (i) sixty (60) days after the conveyance of seventy-five percent (75%) of the Units, or (ii) five (5) years from the date the first Unit is sold, the Unit Owners shall elect an Executive Board consisting of five (5) members.

The Unit Owners on this Executive Board shall serve until the first regular election of the Executive Board, which election shall be held at the first regular meeting of the Association in accordance with the Bylaws.

(d) This Section 7 shall not be amended without the written consent of the Declarant. The benefits of Section 7 and all other special rights of the Declarant set forth in this Declaration, the Bylaws or otherwise, as amended from time to time, may be transferred by a recorded instrument specifically referring to this Section and executed by Declarant and its successor or assignee.

8. Amendment and Termination.

(a) This Declaration may be amended only in accordance with the procedures specified in Section 1602-117 of the Act and of this Declaration. No amendment may increase the number of Units or change the boundaries of any Unit, the Allocated Interests allocated to a Unit (except where such change is a result of the addition of additional Units to the Condominium), or the uses to which any Unit is restricted without the consent of one hundred percent (100%) of the votes in the Association and the consent of Eligible Mortgage Holders (as hereinafter defined) of mortgages on Units to which at least fifty-one percent (51%) of the votes in the Association are allocated. Except as otherwise set forth in this Declaration, amendments of a material nature must be agreed to by Unit Owners representing at least 67% of the total allocated votes in the Association. In addition, the consent must be obtained from Eligible Mortgage Holders of mortgages on Units to which at least 51% of the votes in the Association are allocated. A change to any of the following would be considered as material: assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use; boundaries of any Unit; convertibility of Units into Common Elements or vice versa; expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium; insurance or fidelity bonds; leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Association to establish self management when professional management had been required previously by an Eligible Mortgage

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Holder; restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration and the Bylaws; any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors; provided, however, that no such consent for any of such material items shall be required for Declarant's exercise of its Development Rights or Special Declarant Rights. No amendment of this Declaration shall make any change which would in any way affect any of the rights, privileges, powers and options of the Declarant, its successors or assigns, unless the Declarant, or its successors or assigns, shall join in the execution of such amendment.

(b) The Condominium shall not be terminated except by agreement of Unit Owners of Units to which eighty percent (80%) of the votes in the Association are allocated and of Eligible Mortgage Holders holding Mortgages on Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and as otherwise provided in Section 1602-118 of the Act.

(c) Subject to the limitations imposed by Section 1602-119 of the Act and except as set forth in Paragraph 7 and and Subparagraphs (a) and (b) of this Paragraph 8 of this Declaration or permitted by Declarant's exercise of Development Rights and Special Declarant Rights, no amendment of this Declaration may be made without the prior written approval of all record holders of first mortgages on Units if, and to the extent that, such approval is required by the Act or if, and to the extent that, such amendment would have the effect of: (i) abandoning, encumbering, selling or transferring the Common Elements; or (ii) partitioning or subdividing any Unit or the Common Elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed to be a transfer within the meaning of this Section.

9. Use and Occupancy of Units and Common Elements - Restrictions Thereof.

The occupancy and use of the Units and Common Elements shall be subject to the following restrictions:

(a) The Condominium shall be restricted to residential uses.

(b) None of the Condominium Units shall be further subdivided.

(c) No Unit Owner nor a lessee of any Unit Owner: (i) shall permit or suffer anything to be done or kept upon the property which will increase the rate of insurance on the property or on the contents thereof; (ii) shall obstruct or interfere with the rights of other occupants or annoy them by unreasonable noise or otherwise; (iii) shall commit or permit any nuisance or commit or suffer any immoral or illegal act to be committed anywhere in or upon the property; and/or (iv) shall cause or permit any noxious odors to emanate from any portion of the Premises.

(d) Reasonable rules and regulations, not in conflict with the provisions of this Declaration and the Bylaws of the Association, concerning the use and enjoyment of the Premises, may be promulgated from time to

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time by the Executive Board, subject to the right of the Association to change such rules and regulations. Copies of the then current rules and regulations and any amendments thereto shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such rules and regulations or any amendments thereto.

(e) A Unit Owner may lease or sublease his Unit at any time and from time to time. No Unit may be leased or subleased without a written lease or sublease. The lease for any Unit which is subject to a mortgage to the Federal National Mortgage Association shall be for a term of not less than thirty (30) days. A copy of each such lease or sublease shall be furnished to the Executive Board upon request. The rights of any lessee or sublessee of the Unit shall be subject to, and each such lessee or sublessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, Bylaws and Rules and Regulations, and a default thereunder shall constitute a default under the lease or sublease. The Unit Owner shall provide any lessee or sublessee with a copy of the Rules and Regulations of the Condominium. Provided, however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any Common Expense assessments on behalf of the owner of that Unit unless so provided for in said lease or sublease.

10. Budget; Common Expenses; Assessments and Enforcement.

(a) Budget Ratification Vote: At the budget ratification meeting of Unit Owners, unless fifty-one percent (51%) of the votes in the Association reject the budget, it shall be adopted.

(b) Monthly Payments: All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be deemed to be adopted and assessed on a monthly basis (rather than on an annual basis payable in monthly installments) and shall be due and payable in advance on the first day of each month, the first such assessment to be made for the first month of the first fiscal year as determined by the Executive Board of the Association under Article V of the Bylaws. Special assessments shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board.

All unpaid assessments shall constitute a lien on the Unit against which such assessment is made. Payments for assessments which are more than ten (10) days late shall, at the option of the Association, accrue interest at a rate established by the Association.

(c) Subordination of Certain Charges: Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to Article 3 of the Act, shall be subordinate to the lien of an Eligible Mortgage Holder on a Unit as that term is defined in the Act.

(d) Surplus: Any surplus funds of the Association remaining after payment of, or provision for, common expenses including provisions for working capital fund and/or reserve fund shall be held by the Association and credited to the Unit Owners on a pro rata basis to reduce their future common expense assessments.

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(e) Limited Expenses. Limited expenses are those common expenses associated with the maintenance, repair or replacement of a Limited Common Element and shall be assessed against the Unit or Units to which that Limited Common Element has been assigned. Any common expense benefiting fewer than all of the Units shall be assessed exclusively against the Units benefited as a Limited Common Expense.

(f) Working Capital Fund. Prior to the conveyance of the first Unit to a Purchaser, the Declarant shall establish a working capital fund equal to the estimated common expense charges for two months' operation of the Condominium. Upon the sale of each Unit, the Buyer shall pay into said fund an amount based on that Unit's pro rata share of the fund. Said amount shall be transferred to the Association for deposit into a segregated fund. Within sixty (60) days after the closing of the sale of the first Unit, Declarant shall pay to the Association its pro rata share of the working capital fund for any unsold Units of the Condominium. Said fund shall remain in existence until the Association determines that it has established an adequate reserve fund from regular monthly assessments of Unit Owners. Upon establishment of such adequate reserves, any funds then held in the working capital fund shall be returned to the person or persons who contributed such funds.

11. Rights of Eligible Mortgagees.

(a) An "Eligible Mortgage Holder" means the holder of a recorded first mortgage on a Unit which has delivered written notice to the Association by prepaid United States mail, return receipt requested, or by delivery in hand securing a receipt therefor, which notice shall state the mortgagee's name and address, the Unit Owner's name and address, and the identifying number of the Unit, and shall state that the mortgage is a recorded first mortgage.

(b) The Association shall send reasonable prior written notice by prepaid United States mail to Eligible Mortgage Holders as hereinafter defined of the consideration by the Association of the following circumstances or proposed actions:

(i) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first mortgage held, insured or guaranteed by such Eligible Mortgage Holder;

(ii) Any delinquency in the payment of assessments for Common Expenses or any other charges owed by an Owner of that Unit, or any other default in the performance or payment by such Unit Owner of any obligation under this Declaration, the Bylaws or any Rules and Regulations of the Association, which delinquency or other default continues for a period of sixty (60) days;

(iii) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(iv) The proposed use of any proceeds of property insurance required to be obtained and maintained by the Association pursuant to the Bylaws for purposes other than repair, replacement and restoration of the property substantially in accordance with this

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Declaration, the Bylaws, the Plats and Plans and the original elevations thereof, and original building plans and specifications.

(v) The adoption by the Executive Board of any proposed budget, and the date of the meeting of Unit Owners scheduled to consider ratification of such proposed budget, and a summary of such proposed budget(s);

(vi) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as specified in Paragraphs 8(a), (b) and (c) hereof;

(vii) The termination of the Condominium.

(viii) A change in the Allocated Interests appurtenant to any Unit, a change in the boundaries of a Unit, or the subdivision of a Unit, except for such changes created by the Declarant as a consequence of the exercise of any Development Rights reserved in this Declaration by the Declarant;

(ix) The merger or consolidation of the Condominium with another Condominium;

(x) The conveyance or subjection to a security interest of any portion of the Common Elements.

(c) In the event of any proposed actions described in Section 1602-119, subsection (b), paragraphs (1), (2), (3), (4) or (5) of the Act, which actions are set forth in Paragraph 11(b) above, any Eligible Mortgage Holder shall have the right but not the obligation in place of the Unit Owner to cast the votes allocated to that unit or give or withhold any consent required of the Unit Owner for such action by delivering written notice to the Association with a copy to the Unit Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by certified or registered prepaid United States mail, return receipt requested, or by delivery in hand. Failure of the Eligible Mortgage Holder to so exercise such rights within thirty (30) days from receipt of any such notice shall constitute a waiver thereof and shall not preclude the Unit Owner from exercising such right. In the event of any default described in Paragraph 11(b)(ii) above, the Eligible Mortgage Holder shall have the right but not the obligation to cure such default. In addition, an Eligible Mortgage Holder, or its representative, shall have the right to attend Association and Executive Board meetings for the purposes of discussing the matters described in Paragraph 11(b), (i) to (vi).

Failure to comply with the requirements set forth above shall in no way invalidate otherwise proper actions of the Association and the Executive Board.

12. Limitation of Liability.

(a) Limited Liability of the Executive Board. The members of the Executive Board:

(1) Shall not be liable for any injury or damage to persons or

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property caused by the natural elements or by another Unit Owner o person on the Premises, or resulting from electricity, gas, water rain, dust or sand which may leak or flow from the outside or fro any part of the Units, or from any of its pipes, drains conduits, ap pliances, or equipment, or from any other place unless in each suc instance such injury or damage has been caused by the willful mis- conduct or gross negligence of the Association or the Executive Board;

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

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

(4) Shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements or Limited Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

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

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

(b) Indemnification. Each member of the Executive Board, in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that,

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indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer had no reasonable cause to believe his conduct was unlawful. The indemnification by the Unit Owners set forth in this Section 12 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board members and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

(c) Defense of Claims. Complaints brought against the Association, the Executive Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the holders of any mortgages on Units and such complaints shall be defended by the Association. The Unit Owners and the holders of mortgages on Units shall have no right to participate in such defense other than through the Association.

(d) The Executive Board shall obtain insurance to satisfy the indemnification obligations of the Association and all Unit Owners set forth in Paragraph 12(b) above, to the extent such insurance is available.

13. Notice. Notice of matters affecting the Condominium may be given to Unit Owners by the Association in the following manner: all notices shall be in writing and shall be deemed to have been given if delivered personally or sent by United States mail, postage prepaid; or if notification is of a default or lien, then by registered or certified mail, return receipt requested, postage prepaid, to a Unit Owner at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association, or if no address is designated, at the address of the Unit. If a Unit is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

14. Insurance Coverage. The Association's Executive Board shall obtain and maintain insurance for the benefit and protection of the Association and, to a certain limited extent, the Unit Owners as individuals. The specific details regarding insurance coverage are set forth in the Bylaws of the Association. In general, types and amounts of insurance to be obtained by the Association are described as follows: fire insurance, covering all buildings, but excluding the personal property of Unit Owners and improvements within a Unit made by the owner thereof; "All Risk Insurance", so called; workmens compensation insurance; public liability insurance at least covering each Unit Owner with limits of not less than a combined single limit of $1,000,000 for claims for bodily injury or property damage arising out of one occurrence; such other insurance as the Executive Board may, from time to time in its discretion determine, including coverage for other casualties, hazards or risks such as vandalism, malicious mischief, windstorm and water damage.

The Association will obtain insurance covering liability arising from ownership or use of the Common Elements. This coverage will not insure Unit Owners against liability arising from an accident or injury occurring

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within a Unit or liability arising from the act or negligence of a Unit Owner.

The Executive Board will also maintain appropriate insurance required by mortgage lenders.

15. Eminent Domain. If part of the Common Elements shall be taken or condemned by any authority having the power of eminent domain, the Association shall notify the Owners and Eligible Mortgage Holders of the Units affected and shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority, and the portion of the award attributable to the Common Elements taken shall be paid to the Association for the use and benefit of the Unit Owners and their Mortgagees as their interests may appear. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Unit Owners and their Mortgagees, as their interests may appear, in proportion to their Allocated Interests in the Common Elements prior to such taking or condemnation, but the portion of the award attributable to the acquisition of any Limited Common Element shall be equally divided among the Owners of the Units to which such Limited Common Element was allocated at the time of such taking or condemnation and their Mortgagees, as their interests may appear. Each Unit Owner appoints the Association as attorney-in-fact for the purposes described in this Section. Notwithstanding anything to the contrary in this Section 15, lien holders on any Unit, Common Element or Limited Common Element, shall have a lien on any such awards in order of priority of their respective liens.

IN WITNESS WHEREOF, the said Northland of Maine, Inc. by Frank M. Stewart, its Vice President thereunto duly authorized has caused this Declaration of Condominium to be signed, sealed and witnessed on this 25th day of June, 1985.

SEAL

NORTHLAND OF MAINE, INC.

Nancy W. Hanson

By: Frank M. Stewart, Vice Pres.
Its

COMMONWEALTH OF MASSACHUSETTS
~~STATE OF MAINE~~ MIDDLESEX, SS.
~~CUMBERLAND, SS.~~

June 25, 1985.

Personally appeared the above named Frank M. Stewart, Vice President of Northland of Maine, Inc., and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said corporation.

Before me,

Barbara B. Wahlquist
Notary Public - Barbara B Wahlquist
~~Attorney at Law~~

My Commission Expires Oct. 8, 1987

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SEAL