34753

DECLARATION OF CONDOMINIUM

BEAVER CREEK TOWNHOUSE CONDOMINIUM
OLD ORCHARD BEACH, MAINE

THIS DECLARATION is made this 18th day of September, 1985 by Hampton Management Corporation (the "Declarant"), as the owner in fee simple of Real Estate hereinafter described.

ARTICLE 1

Submission

Section 1.1 Submission of Property. Declarant, the owner in fee simple of the real estate described in Exhibit A attached hereto and made a part hereof (the "Real Estate") situated in the Town of Old Orchard Beach, County of York, and State of Maine, hereby submits the Real Estate, together with the subject to all easements, rights and appurtenances thereto belonging and the buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, as the same may be amended from time to time, known as the Maine Condominium Act (the "Act"), and hereby creates Beavery Creek Townhouse Condominium (the "Condominium").

The property is shown on the condominium plats and plans recorded in the York County Registry of Deeds and is described in Exhibit A, attached hereto.

Section 1.2 Address of Condominium. The address of the condominium is Portland Avenue, Old Orchard Beach, Maine.

ARTICLE 2

Definitions

Section 2.1 Terms Defined in the Act. Capitalized terms are defined herein or in the Plats and Plans, otherwise they shall have the meaning specified or used in the Act.

Section 2.2 Specifically Defined in this Declaration. In addition to the terms hereinabove defined, the following terms shall have the following meanings in this Declaration, the Bylaws and Plats and Plans:

A. "Building" means any structure or other improvement now or hereafter constructed on the Property.

B. "Association" means the Unit Owners Association of the condominium organized under Section 1603-101 of the Act, which is known as York Street Condominium Owners' Association.

C. "Declaration" means the document herein as it is amended from time to time.

D. "Condominium Documents" includes the Declaration, Bylaws and Rules, Regulations, and Plats and Plans.

E. "Declarant" means the person as described in Section 1.1 of this Declaration.

F. "Bylaws" means a document having the name and providing for the operation of the Association, as amended from time to time and written pursuant to Section 1603-106 of the Maine Condominium Act.

G. "Common Elements" (or "Element") means those parts of the Property other than the Units described in the Act as Common Elements or described herein or in the Plats and Plans as being Common Elements.

H. "Condominium" means Real Estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions under the Declaration or an amendment to the Declaration duly recorded pursuant to the Act, and is described in particular in Section 1.1 of this document.

I. "Executive Board" means the body designated in this Declaration to act on behalf of the Association.

J. "Limited Common Elements" (or "Element") means the Common Elements not only described in the Act and this Declaration but also in the Plats and Plans and allocated for the exclusive use of one or more but fewer than all of the Units.

K. "Mortgagee" means the holder of any recorded first and second mortgage which encumbers one or more Units.

L. "Percentage Interest" means the undivided interest in the Common Elements apputenant to a Unit, as described in Exhibit B., and as amended from time to time.

M. "Property" means the Real Estate described in Section 1.1 above.

N. "Plats and Plans" means Plats and Plans recorded as part of the Declaration which may be amended from time to time.

O. "Recorded" means filed in the York County Registry of Deeds of the Declaration, the Plats and Plans and amendments thereof from time to time.

P. "Rules and Regulations" means such Rules and Regulations which may be promulgated by the Declarant or the Executive Board with respect to the use of the Property from time to time.

Q. "Unit" means the physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Article 3.

Section 2.3 Provision of the Act. The Maine Condominium Act shall apply to the operation and governance of the Condominium, except to the extent that contrary provisions, not prohibited by the Act, are contained in the Condominium documents.

ARTICLE 3

Unit Boundaries and Maintenance Responsibilities

Section 3.1 Location and Dimension of Property. The location and dimensions of the property are depicted on the Plats.

Section 3.2 Location and Dimension of Buildings. The location and dimensions of the Buildings are depicted on the Plats and Plans.

Section 3.3 Unit Boundaries.

A. The boundary lines of each Unit are as shown on the Plats and Plans and are formed by the following planes:

1. The Unit-side surface of the interior walls and partitions of the Building which separate such Unit from adjoining Units or Common Elements, the Unit to include the thickness of the finish material such as plaster or drywall;

2. The Unit-side surface of utility shafts, and other Common Elements within or passing through such Unit, the Unit to include the thickness of the finish material such as plaster or drywall;

3. The Unit-side surface of ceilings under and around (a) wood members and (b) utility lines, ducts, and cables, the Unit to include the thickness of the finish material such as plaster or drywall;

4. The Unit-side surface of the structural wood floor of such Unit, the Unit to include the thickness of the finish material such as carpet, ceramic or resilient tile or hardwood;

5. The Unit-side surface of the sash of windows which are set in the exterior walls of such Unit, the exterior surface of the panes of such windows and the Unit-side surface of window sills, moldings, trim, jambs and mullions for such windows, the Unit to include the thickness of the finish material such as plaster or drywall; and

6. The exterior surface of doors, and their sills and hardware of porch screening, and the Unit-side surface of the door frames in which such doors are set.

B. Each Unit consists of all portions of the Building within the aforesaid boundary lines, except the air space displaced by (1) structural members, fire-walls including gypsum drywall finish, and load-beaing partitions within or passing through such Unit which are deemed to be Common Elements; (2) other Common Elements within such Unit including, without limitation, chutes, flues, ducts, wires, conduits and piperuns which serve more than one Unit.

By way of illustration and not limitation, there is included within a Unit: (1) the air space enclosed by such boundary lines, (2) all nonload partitions which are wholly contained within such boundary lines, including but not limited to all doors, door frames, hardware, electrical outlets and wiring, telephone outlets and conduits and other equipment and devices in such partitions serving only such Unit, (3) all fixtures located within such boundary lines and serving only such Unit, and their water and waste connections, (4) all items of kitchen equipment located within such boundary lines and serving only such Unit, and such equipment's water, waste, and electrical connections, (5) exhaust fans, and the grills, registers, ventilation ducts, and related fixtures, and screens and storm windows, which serve only such Unit, whether or not any of the foregoing is located in any portion of the Common Elements, (6) lighting devices (including by way of illustration and not limitation lamps and bulbs which are surface mounted on, recessed in, or suspended from ceilings, walls and partitions, within or around the perimeter or such Unit) serving only such Unit, whether or not such lighting devices are themselves located entirely within the boundary lines of such Unit, (7) outlets, wires, cables, conduits, circuits and related equipment transmitting electricity for lighting and power of transmitting electrical impulses and signals (including, but not limited to, impulses and signals for telephone, telegraph, and television transmission, except to the extent otherwise specifically provided herein) which serve only such Unit and which are located entirely within the boundary lines of such Unit, (8) surface mounted and recessed medicine cabinets including by way of illustration and not limitation, all associated lighting fixtures and accessories, and (9) refrigerators, ranges, dishwashers, and other appliances and the portions of their water, waste, electrical and exhaust connections located within such boundary lines and serving only such Unit.

C. Each Unit's identifying number is shown on the Plats and Plans.

Section 3.4 Maintenance Responsibilities. Notwithstanding the ownership of the various Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each Unit owner and by the Association in accordance with the provisions of Section 1603-07 of the Maine Condominium Act, unless expressly designated as otherwise herein.

ARTICLE 4

Description and Allocation of Common Elements and Limited Common Elements

Section 4.1 Description of Common Elements. Common Elements shall mean all portions of the Condominium other than the Units and in particular those portions of the Condominium defined in this Declaration and as designated in the Plats and Plans.

Section 4.2 Description of Limited Common Elements. Limited Common Elements shall mean portions of the Common Elements allocated by this Declaration for the exclusive use of one or more but fewer than all of the Units, more particularly Common Elements as identified and designated as Limited Common Elements on the Plats and Plans, or by Section 4.3 of this Declaration. Those portions of the Limited Common Elements serving only the Units designated, as the case may be, are Limited Common Elements allocated only to the Unit which they serve.

Section 4.3 Specific Limited Common Elements. The following portions of the Condominium Building or Property are hereby designated as Limited Common Elements:

A. Existing or association-approved decks, stoops, steps, patios and other fixtures designed to serve a single Unit which are not part of a Unit but which are adjacent to and used exclusively by a single Unit.

B. Yards as designated on the Plats.

Section 4.4 Allocation of Common and Limited Common Elements.

A. The location of the Common Elements are designated on the Plats and Plans as Common Elements.

B. The location of the Limited Common Elements are designated on the Plats and Plans as Limited Common Elements.

Section 4.5 Reserved Common Elements. The Executive Board shall have the power from time to time to grant revocable licenses and designated Common Elements to the Association or to any Unit owners and to establish a reasonable charge to each Unit owner for the use and maintenance thereof. Such designation by the Executive Board shall not be construed as a sale or disposition of the Common Elements.

ARTICLE 5

Allocation of Percentage Interests, Common Expenses and Voting Rights

Section 5.1 Percentage Interests. Attached as Exhibit B is a list of all Units by their identifying number and the Percentage Interests appurtenant to each Unit, determined on the basis of the approximate square footage of each Unit.

Section 5.2 Common Expenses. The liability of each Unit for the common expenses of the Condominium shall be the same percentage share as the Percentage Interest set forth on Exhibit B attached hereto.

Section 5.3 Allocation of Unit Owners' Voting Rights. Each unit owner shall be entitled to a vote in the association equivalent to the percentage interest held by that owner as shown in Exhibit B attached hereto.

ARTICLE 6

Amendment to Condominium Document

Section 6.1 Amendment to 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 therefor is made by the person or persons calling such a meeting. Notice shall also be sent to eligible mortgage holders as defined in Article 14.

B. At the meeting of the proposed amendment shall be adopted if it receives the affirmative vote of three-fourths (3/4) of the votes in the Association.

ARTICLE 7

Maintenance, Restrictions on Use, Sale and Lease of Units

Section 7.1 Use. The following restrictions shall apply to the use of the Condominium.

A. All units within the Condominium are restricted to residential use. No present or future owner of the Units shall permit his Unit to be used or occupied except for residential purposes.

B. No unit owner may obstruct the Common Elements in any way or store anything in or on the Common Elements without prior written consent of the Executive Board.

C. No Unit owner may carry on any practice, or permit any practice to be carried on, which unreasonably interferes with the quiet enjoyment of the occupants of any other units. Limited Common Areas are to be maintained in a clean and sanitary manner, and no Unit owner may place any garbage, trash or rubbish anywhere on the Property other than in his own Unit and in or on such parts of the Common Elements as may be designated by the Executive Board for the storage of garbage, trash or rubbish.

D. No Unit shall be used, occupied or kept in a manner which in any way increases the fire insurance premiums for the Property.

E. Except for single, small, name signs on the door of each Unit, no owner of any units may erect any sign on or in his Unit or any Limited Common Element which is visible from the outside of his Unit or from the Common Elements without in each instance having obtained the prior written permission of the Executive Board.

F. Domestic animals are permitted provided:

1. They are not kept for commercial purposes;

2. They are kept in strict accordance with the rules and regulations relating to household pets which may be adopted and approved by the Executive Board;

3. They do not, in the judgment of the Executive Board, constitute a nuisance; and,

4. They are kept in compliance with local laws.

G. Exterior construction upon any Unit or within the Limited Common Area of a Unit shall require the written approval of the Executive Board.

H. Exterior Appearance: The Association may adopt Rules and Regulations regulating canopies, antennas, awnings, clotheslines, or other structures or things which affect the exterior appearance of the Units.

Section 7.2 Maintenance.

A. Each Unit owner shall be responsible, at his expense, for maintaining his Unit in good order and repair.

B. Each Unit owner shall be responsible, at his own expense, for cleaning the Limited Common Element appurtenant to or assigned such Unit.

C. The Association and the Executive Board shall maintain, repair, and replace Common Elements when necessary in the sole judgment of the Executive Board.

Section 7.3 Lease and Sale of Units.

A. A Unit owner may sell or lease his Unit at any time and from time to time provided that:

1. All leases in excess of one (1) month must be approved by the Executive Board; and,

2. all tenants and leases shall be subject and be bound to all the covenants, restrictions and conditions set forth in the Condominium documents.

ARTICLE 8

Easements

Section 8.1 Easements for Access.

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

B. The Association, including any other persons authorized by the Executive Board, 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.

Section 8.2 Encroachment. To the extent that any Common Element, Limited Common Element or Unit encroaches on a Common Element, Limited Common Element or Unit, a valid easement exists.

Section 8.3 Additional Easement. The Units and Common Elements and Limited Common Elements are and shall be subject to easements in favor of appropriate utilities, service companies and other Unit owners as may be necessary to service the common utilities of the Property. Existing easements are designated on Plats and Plans.

ARTICLE 9

Insurance

Section 9.1 Types and Amounts. The Association shall maintain as a common expense and to the extent reasonably available the following types and amounts of insurance:

A. Property insurance insuring against "all risks," subject only to policy exclusions, of direct physical loss commonly insured against or such other fire and casualty insurance as the Executive Board may determine provides equal or greater protection for the Unit owners and their Mortgagees, if any, in each case complying with the applicable requirements of Section 9.2 hereof. The insurance maintained by the Association shall cover the Property including but not limited to, all Common Elements and Limited Common Elements, the Units and all improvements, fixtures and appliances contained with the Unit as of the date of settlement on the Unit by the Declarant of the value thereof, and building service equipment and common equipment and supplies owned by the Association, but excluding any improvements or appliances subsequently added by a Unit owner and all other personal property of the Unit owner. The amount of any such hazard insurance obtained pursuant to this subsection A shall be equal to one hundred percent (100%) of the current replacement cost of the Condominium, including the individual Units, at the time the insurance is purchased and at each renewal date without deduction for depreciation, exclusive of land, foundations, excavation and other items normally excluded from coverage. In the event that there are multiple Buildings or location, insurance will be written on a "blanket" basis. Such hazard insurance policy may, at the option of the Association, contain a "deductible" provision in an amount to be determined by the Executive Board, but not more than $250.00. The proceeds of such policy shall be payable to the Insurance Trustee, if any, otherwise to the Association for the benefit of the Unit owners and holders of mortgages secured by the Units. Such hazard insurance policy shall include a separate "loss payable endorsement" in favor of the Mortgagees, if any, modified to make the loss payable provisions in favor of the Mortgagees subject and subordinate to the loss payable provisions in favor of the Association if there is no Insurance Trustee or, if there is an Insurance Trustee, to the Insurance Trustee under the Insurance Trust Agreement. If the Executive Board fails within sixty (60) days after the date of an insured loss to initiate a claim for damages recoverabel under the policy or policies obtained pursuant to this subsection A, any Mortgagee may initiate such a claim on behalf of the Association.

B. Comprehensive Liability Insurance, complying with the requirements of Section 9.2 hereof, insuring the Unit owners, in their capacity as Unit owners and Association members and any managing agent retained by the Association, against any

liability to the public or to the other Unit owners, their tenants or invitees, relating in any way to the ownership and/or use of the Common Elements, public ways and any other areas under the supervision of the Association and any part thereof. Such insurance policy shall contain a "severability of interest endorsement" or equivalent coverage which precludes the insurer from denying the claim of a Unit owner because of the negligent acts of the Association or another Unit owner. Such insurance shall include coverage for bodily injury and property damage that results from the operation, maintenance or use of the Common elements. Broad Form extended liability endorsement will also be included with such endorsement covering personal injury, contractual, Broad Form Property Damage, and other commonly included perils. Liability for nonowned and hired automobiles, liability for property of others, and such other risks as are customarily covered in similar projects will also be included. The amount of such liability insurance shall be at least $1,000,000.00 for bodily injury and property damage for any single occurrence. The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Executive Board and may be changed in its discretion provided that such policies shall continue to comply with the requirements of this Section and Section 9.2 hereof.

C. Such worker's compensation insurance as applicable laws may require. Independent contractors must provide the Association with a certificate of insurance.

D. Insurance to satisfy the indemnification obligation of the Association and all Unit owners as set forth herein, if and to the extent available, including but not limited to insurance coverage commonly referred to as "Directors and Officers Insurance."

E. Blanket Bond to cover the Treasurer of the Association and others handling money.

F. Blanket Loss of Rents Insurance but only if Association is involved in reting Units and Unit owners have not obtained their own Loss of Rents Insurance.

Section 9.2 Required Provisions. Insurance obtained by the Association shall be in accordance with the following provisions:

A. All policies shall be written with a company authorized to do business in the State of Maine and, for the hazard insurance policy described in Section 9.1.A. hereof, such company must hold a general policy holder's rating of at least "A" by Best's Insurance Reports, or by an equivalent rating bureau should Best's Insurance Reports cease to be issued.

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

C. Each Unit owner may obtain additional insurance at his own expense; provided, however, that:

1. Such policies shall not be invalidated by the waivers of subrogation required to be contained in policies required by this Declaration; and,

2. No Unit owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which the Association may have in force on the Property at any particular time.

D. Any Unit owner who obtains individual insurance policies covering any portion of the Property other than personal property belonging to such owner shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after purchase of such insurance.

E. With respect to the insurance policies described in subsections A and B of Section 9.1. issued to the Association and covering all or any part of the Property, the Association shall cause such policies to provide that:

1. Each Unit owner is an insured person under such policies with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Association;

2. The insurer waives its right to subrogation under the policy against any Unit owner of members of his household;

3. No act or omission by any Unit owner, unless action with the scope of his authority on behalf of the Association, will void such policies or be a condition to recovery under such policies;

4. If at the time of a loss under such policies there is other insurance in the name of a Unit owner covering the same risk covered by the policy, the Association's policy provides primary insurance;

5. The liability of the insurer shall not be affected by, and the insurer shall not claim, any right of set-off, counter-claim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Unit owner;

6. The insurer shall be relieved from no liability for loss occurring while the hazard to the Property is increased, whether or not within the knowledge or control of the Executive Board, or because of any breach of warranty or condition or any other act or neglect by the Executive Board.

7. Such policies may not be cancelled nor may coverage thereunder be substantially changed (whether or not requested by the Executive Board) except by the insurer giving at least ten (10) days' prior written notice thereof to the Executive Board, the Insurance Trustee, if any, Unit owners, each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in such polcies, and every other party in interest who shall have requested such notice of the insurer.

F. With respect to the property insurance policy described in subsection A of Section 9.1, such policy shall contain a standard mortgagee clause which shall:

1. Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Unit in their respective order and preference, whether or not named therein;

2. Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Executive Board of Unit owners or any persons under them;

3. Waive any provisions invalidating such mortgagee clauses caused by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, and requirements that the mortgagee pay any premium thereon, and any contribution clause; and,

4. Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Insurance Trustee designated by the Executive Board for that purpose, otherwise to the Association.

G. With respect to the property insurance policy described in subsection A of Section 9.1, such policy shall contain the following endorsements:

1. Agreement Amount Replacement Cost and Inflation Guard Endorsement, when it can be obtained.

2. Construction Code Endorsements, if there is a construction code provision that requires changes to undamaged portions of the building even when only part of the Condominium is destroyed by an insured hazard.

Section 9.3 Insurance Trustee and Power of Attorney. Notwithstanding any of the provisions and requirements of this Article relating to property or liability insurance, the Executive Board may designate as an insured, on behalf of the Assocaition, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (hereinafter referred to as the "Insurance Trustee"), who shall

have the exclusive authority to negotiate losses under any policy providing such property or liability insurance.

Section 9.4 Repair of Damage or Destruction to Condominium. The repair or replacement of any damage or destroyed portion of the Condominium shall be done in accordance with and governed by the provisions of Section 1603-113(e) and (h) of the Act.

Section 9.5 Additional Insurance. Nothing in this Declaration shall be construed to limit the authority of the Executive Board to obtain additional insurance which it deems advisable.

ARTICLE 10

Executive Board of the Association

Section 10.1 Members. The Executive Board shall consist of four (4) members. The Executive Board shall possess all the duties and powers granted to the Executive Board by the Act.

Section 10.2 Disputes. In the event of any dispute or disagreement between any of the Unit owners relating to the Property or any questions of interpretation or application of the provisions of the Condominium documents the determination thereof by the Executive Board shall be final and binding on each and all of the Unit owners.

Section 10.3 Evading and Enjoinment Violations by Unit Owners. Violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the Bylaws, a breach of any provision of this Declaration or the Act by any tenant of such Unit owner shall give the Executive Board the right in addition to any other rights to which it may be entitled to enjoin, abate or remedy by the appropriate legal proceedings, either by law or in equity, the continuance of any such breach.

ARTICLE 11

Management

Section 11.1 Owners Associations. Each owner of a Unit or owners shall be a member of the Association, a nonprofit and nonstock corporation organized under the laws of the State of Maine and to be known as Beaver Creek Townhouse Condominium Association.

Membership shall be appurtenant to Units and transfer of title to a Unit shall automatically transfer the membership appurtenant to that Unit to the transferee(s). A Mortgage shall not transfer membership until foreclosure or sale in lieu of foreclosure.

Section 11.2 Amendments. The Association may adopt and amend the Bylaws and Rules and Regulations as well as exercise any of the powers available under Section 1603-102 of the Act.

ARTICLE 12

Liability of Unit Owners

Section 12.1 Power to Assess. The Association, acting through the Executive Board in accordnace with the Bylaws, shall have the power to fix and determine from time to time the sums necessary and adequate to provide for the common expenses, including but not limited to, such amounts as are necessary for uncollectible assessments, budget deficits, such reserves as are hereinafter described and such other expenses as are specifically provided for in the Act, this Declaration or its Bylaws. The Association shall establish an adequate reserve fund for maintenance, repair and replacement of those common elements which are anticipated to require replacement, repair or maintenance on a periodic basis. The reserve fund shall be funded by monthly payments as part of the common expenses.

Section 12.2 Payment of Assessments. Each Unit owner shall pay all assessments levied by the Association. Such assessments shall be due and payable on a periodic basis as designated by the Executive Board. Assessments that are unpaid for over fifteen (15) days after the due date shall bear interest at the rate of fifteen (15) percent per annum from the due date until paid.

Section 12.3 Special Assessments. If the cash requirement estimated at the beginning of a fiscal year shall prove to be insufficient to cover the actual common expenses for such fiscal year, the Executive Board shall have the power as it deems necessary and proper to levy one or more special assessments against each Unit owner. These assessments shall be deemed payable in the manner and on the date set forth by the Executive Board.

Section 12.4 Exemption by Waiver. No Unit owner may exempt himself from liability for the common expenses by waiver of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise.

Section 12.5 Personal Liability of Unit Owners. All sums assessed by the Association as a monthly or special assessment shal constitute the personal liability of the owner of the Unit so assessed and also, until fully paid, shall constitute a lien against such Unit. The expense of maintenance, repair, renovation or restoration of the Limited Common Elements shall be assessed to the Unit to which each Limited Common Element is assigned. The delinquent owner shall be obligated to pay all expenses of the Executive Board, including reasonable attorney's fees incurred in collection of the delinquent assessment or

legal proceedings or otherwise and for any amount paid by the Executive Board for taxes or on account of superior liens or otherwise to protect its lien. Such expense amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such. The Association may take action for failure to pay any assessments in accordance with Section 1603-116 of the Maine Condominium Act.

Section 12.6 Subordination. Any fees, cover charges, late charges, fines or interest which may be levied by the Association shall be subordinate to any first mortgage lien.

ARTICLE 13

Eminent Domain

Section 13.1 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, Unit's allocated Percentage Interest shall be automatically reallocated to the remaining Units in proportion to their respective allocated interests before the taking, and the Association shall promptly prepare, execute and record an instrument reflecting the reallocations.

Section 13.2 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 their respective Percentage allocated Interests of those Units with the partially acquired Unit participating in the reallocation of the basis of its reduced allocated Interests.

Section 13.3 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 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 the Court of competent jurisdiction must be equally divided among the owners of the Units to which that Limited Common Element allocated at the time of acquisition in proportion to their interests in the Common Elements.

ARTICLE 14

Rights of Mortgagee

Section 14.1 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 therefore 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 Executive Board shall cause notice to be sent by prepaid United States mail to the Eligible Mortgage Holders of any one or more of the following events affecting the mortgage Unit(s), if so requested.

A. Default in the payment of monthly common charges, assessments, service charges, or other amounts due the Association which continues for sixty (60) days or as required by the Act;

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

C. The 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 pursuant to Section 1602-118 of the Act;

G. Change in the Allocated Interest of a Unit 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; and,

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

The adoption of any proposed budget by the Executive Board and the date of the scheduled Unit owners meeting to consider ratification (a summary of the proposed budget) shall accompany this notice.

Section 14.2 For a material amendment to the Declaration, but subject in any event to the provisions of the Act, approval shall be obtained from Eligible Mortgage Holders representing in the aggregate at least sixty-seven percent (67%) of the votes of Units subject to the 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. Reallocation 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. Imposition of any restrictions on a Unit owner's right to sell or transfer his Unit;

K. A decision by the Association to establish self-management when professional management had been required previously by and Eligible Mortgage Holder;

L. 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 the Declaration; or,

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

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 seventy-five percent (75%) of the votes of Units subject to mortgages held by Eligible 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.

Section 14.3 Disability for Use and Charges. Any Mortgagee who obtains title to a Unit pursuant to the remedies provided in a mortgage for foreclosure of such mortgage or a deed in lieu of foreclosure shall not be liable for such Unit owner's unpaid assessments or charges which accrue prior to the acquisition of title to such Unit by the Mortgagee, except to the extent otherwise provided for in the Act and except to the extent that such Mortgagee is liable as a Unit owner for the payment of such unpaid assessment or charge that is assessed against the Mortgagee as a result of all Unit owners being reassessed for the aggregate amount of such deficiency.

Section 14.4 Condemnation Rights. No provision of this Declaration shall give a Unit owner, or any other party, priority over any rights of the Mortgagee of a Unit pursuant to its mortgage in the case of a distribution to such Unit owner of insurance proceeds or condemnation awards for loss to or a taking of one or more Units and/or Common Elements.

Section 14.5 Books and Records. Any Mortgagee shall have the right, exercisable by written notice to the Executive Board, to examine the books and records of the Association and to require that it be provided with a copy of each annual report of the Association and other financial data of the Association reasonably requested by such Mortgagee.

ARTICLE 15

Termination

The Condominium may be terminated only by agreement of the Unit owners to which one hundred percent (100%) of the votes in the Association are allocated. Such an agreement to terminate must be evidenced by the Execution of a termination agreement or ratification thereof, in the same manner as a deed, by the requisite number of Unit owners. The termination agreement must

specify a date after which the agreement will be void unless recorded before that date. The termination agreement and all ratifications thereof must be recorded and becomes effective only upon recordation. The termination of the Condominium will be governed by the provisions of Section 1602-118 of the Act.

ARTICLE 16

General Provisions

Section 16.1 Headings. The headings used in the Declaration and the Table of Contents are inserted solely as a matter of convenience for the readers of this Declaration and shall not be relied on or used in construing the effect or meaning of any of the provisions of this Declaration.

Section 16.2 Interpretation. In the event of any conflict or discrepancy between this Declaration and the Plats and Plans, this Declaration shall govern.

Section 16.3 Conflict. If any provision of this Declaration, the Bylaws or 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 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 16.4 Effective Date. This Declaration shall become effective when it and the Plats and Plans have been recorded.

Section 16.5 Gender and Plurality. 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.

Section 16.6 Leasing and Rentals. The Bylaws may contain additional provisions for the regulation of leasing and rental of Units.

Section 16.7 Notice. All notices and other communications required or permitted to be given under or in connection with this Declaration shall be in writing and shall be deemed given when delivered in person, or on the second business day after the day on which mailed by certified mail, return receipt requested, addressed to the address maintained in the register or current addresses established by the Association.

Section 16.8 Exhibits. All exhibits attached to this Declaration are made a part of this Declaration.

ARTICLE 17

Executive Board of the Association

Section 17.1 Members.

A. The initial Executive Board shall consist of four (4) members. The members of the initial Executive Board shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The Declarant-appointed members of the Executive Board shall be replaced with Unit owners other than the Declarant in accordance with the provisions of subsection B of this Section 17.1.

B. The transition from Declarant-appointed members of the Executive Board to Unit owners other than the Declarant shall occur as follows:

1. No later than the earlier of (a) sixty (60) days after the conveyance of seventy-five percent (75%) of the interest in the Common Elements to Unit owners other than the Declarant or (b) three (3) years following conveyance of the first Unit to a Unit owner other than the Declarant, members of the Executive Board appointed by the Declarant shall resign and the Unit owners (including the Declarant to the extent of Units owned by the Declarant) shall elect new members of the Executive Board.

2. The Unit owners on this Executive Board shall serve until the first regular election of the Executive Board held at the first regular meeting of the Association held in accordance with the bylaws.

C. The Executive Board shall possess all of the duties and powers granted to the Executive Board by the Act.

Section 17.2 Disputes. In the event of any dispute or disagreement between any Unit owners relating to the Property, or any questions of interpretation or application of the provisions of the Condominium Documents the determination thereof by the Executive Board shall be final and binding on each and all such Unit owners. the Executive Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief in order to assist it in carring out its responsibilities under this Section 17.2. All costs of obtaining such a judgment shall be borne by the disputants or, in the absence of disputants, by the Association as a Common Expense.

Section 17.3 Abating and Enjoining Violations by Unit Owners. The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the Bylaws or the breach of any provision of this Declaration or the Act by any tenant of such Unit owner, shall give the

Executive Board the right, in addition to any other rights to which it may be entitled, to enjoin, abate or remedy by appropriate legal proceedings, either by law or in equity, the continuance of any such breach.

Section 17.4 Liability. the Executive Board members, in the performance of their duties, shall not be liable to Unit owners for negligence, mistakes in judgment or otherwise; for failure of any service obtained by the Board; for injury to person and property caused by the elements or by another Unit owner, by any person on the Property, or from its pipes, drain conduits, appliances, equipment, gas, water, or electricity, except where the negligence, mistakes, injury or damage results from gross negligence or willful misconduct.

Section 17.5 Indemnification. All members of the Executive Board in their official capacity shall be indemnified by the Association against all expenses and liability, including attorney's fees, reasonably incurred by or imposed upon them by virtue of a proceeding or settlement of a proceeding by reason of their being or having been a Board member.

ARTICLE 18

Development Rights

Section 18.1 Expandable Area. The Declarant expressly reserves the right to further develop that portion of the land submitted to condominium usage shown on the Beaver Creek Townhouse's Site Plan as expandable area. The entire premises which the Declarant is submitting to condominium usage herein consists of approximately five (5) acres. The initial 20 units of the condominium are situate on approximately 1.96 acres. The expandable area upon which the developer reserves the right to construct up to an additional 38 condominium units consists of approximately 3.04 acres.

Section 18.2 Maximum Number of Units. The maximum number of units which would be constructed in the expandable area would be 38. The Declarant, however, reserves the right to construct fewer units.

Section 18.3 Use Restrictions. Any condominium units constructed in the expandable area will be restricted solely to residential use.

Section 18.4 Dilution of Interest in Common Areas. In the event that additional units are created within the expandable area then the undivided interests in the common areas shall be reallocated. Such reallocation will be done on the square footage of each unit as it represents a percentage of the square footage of all units. The percentage interest of the initial 20 townhouse condominiums will not be reduced to less than 1.72 percent interest in the undivided common area of the entire condominium.

Section 18.5 Compatibility. All units constructed in the expandable area will generally be compatible with the existing townhouses in terms of architectural style, quality of construction and size. No assurances should be inferred, however, that such units will be identical in such terms.

Section 18.6 Improvements. In addition to the maximum number of units which may be constructed upon the expandable area. The Declarant reserves the right to establish, construct and install, parking areas, utility lines and facilities, driveways or roadways, sidewalks, ramps, landscaping improvements and other such facilities, both within the expandable area and upon the area where the original 20 townhouses are situate as shall be deemed necessary or desirable to the improvement of the expandable area.

Section 18.7 Building Locations. The Declarant reserves the right to locate any building or improvements in the expandable area as it sees fit.

Section 18.8 Limited Common Elements in Expandable Area. Limited Common Elements in the expandable area will be of the same general type and size as those Limited Common Elements within other parts of the Condominium, but no assurances are made that they will be identical. Furthermore, the proportion of Limited Common Elements to units created in the expandable area will be approximately equal to the proportion existing within the initial 20-unit development area.

Section 18.9 Time Limit. The Declarant reserves to itself, its successors, and assigns fifteen (15) years from the initial filing of this Declaration within which to exercise its development rights to construct up to 38 additional units in the expandable area.

ARTICLE 19

Sales Office and Signs

Section 19.1. The Declarant may maintain a sales office, management office, models in units, or any combination of the above. Any such office or model will be located in a unit, rather than in a common area, and may be relocated from time to time among units as the development proceeds, and in accordance with the reserved development rights of the Declarant. The Declarant may maintain such signs on the common elements as comply with state and local ordinances, the Act and this Declaration. The Declarant specifically reserves an easement to facilitate its sales and the exercise of the remainder of its reserved rights pursuant to Section 1602-116 of the Act.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed as of the day and year first above written.

Hampton Management Corporation

Witness: Brud Weger

By: Roger B. Nold, President

Brud Weger

State of New Hampshire
Rockingham, ss.

12 June, 1985

Then personally appeared the above-named Roger B. Nold, President of Hampton Management Corporation and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of corporation, before me,

Susan Achorn

Notary Public
Susan Achorn

SUSAN ACHORN, Notary Public
My Commission Expires April 3, 1990

SCHEDULE A

Property Description

A certain lot or parcel of land situated in the Town of Old Orchard Beach, County of York and State of Maine bounded and described as follows:

Beginning at an iron pipe driven into the ground on the easterly sideline of Portland Avenue at the southwesterly corner of land conveyed by these grantors to the York-Cumberland Housing Development Corporation by deed dated June 3, 1982 and recorded in York County Registry of Deeds in Book 2936, Page 146; thence North 72° 07' East, by said land of York-Cumberland Housing Development Corporation, 415.16 feet to an iron pipe driven into the ground on the westerly sideline of land of the State of Maine; thence South 13° 59' East, by said land of the State of Maine, 550.00 feet to the northerly corner of land conveyed by these grantors to King Weinstein by deed dated February 22, 1984 and recorded in said Registry of Deeds in Book 3248, Page 106; thence South 70° 26' West, by said land conveyed to King Weinstein, 377.86 feet to said easterly sideline of Portland Avenue; thence North 17° 53' West, by said easterly sideline of Portland Avenue, 559.79 feet to the point of beginning. Containing 5.0 acres.

Reference is made to a "Plan of Property in Old Orchard Beach, Maine made for Maine Department of Inland Fisheries and Game and Back Cove Realty Corp." dated November 7, 1973 made by H.I. & E.C. Jordan-Surveyors.

The above bearings refer to the above-named plan. The line of Portland Avenue used in this description also refers to the above-named plan.

Meaning and intending to dedicate those same premises conveyed to Hampton Management Corporation by deed of Aber K. Weinstein, et al, recorded in the York County Registry of Deeds.

SCHEDULE B

Unit	Area	Percentage Interest in Common Area
Unit 1	945 sq. feet	5.00%
Unit 2	945 sq. feet	5.00%
Unit 3	945 sq. feet	5.00%
Unit 4	945 sq. feet	5.00%
Unit 5	945 sq. feet	5.00%
Unit 6	945 sq. feet	5.00%
Unit 7	945 sq. feet	5.00%
Unit 8	945 sq. feet	5.00%
Unit 9	945 sq. feet	5.00%
Unit 10	945 sq. feet	5.00%
Unit 11	945 sq. feet	5.00%
Unit 12	945 sq. feet	5.00%
Unit 13	945 sq. feet	5.00%
Unit 14	945 sq. feet	5.00%
Unit 15	945 sq. feet	5.00%
Unit 16	945 sq. feet	5.00%
Unit 17	945 sq. feet	5.00%
Unit 18	945 sq. feet	5.00%
Unit 19	945 sq. feet	5.00%
Unit 20	945 sq. feet	5.00%
Totals	18,900 sq. feet	100%

BY-LAWS

OF

BEAVER CREEK TOWNHOUSE CONDOMINIUM OWNER'S ASSOCIATION

ARTICLE 1

Creation and Application

Section 1.1 This corporation is organized under the Maine Nonprofit Corporation Act in connection with the submission of premises known as Beaver Creek Townhouse Condominium Owners' Association (the "Condominium"), a condominium located at Portland Avenue, Old Orchard Beach, Maine, to the Maine Condominium Act pursuant to the Declaration of Condominium of Beaver Creek Townhouse Condominium Owners' Association (the "Declarant") as recorded in the York County Registry of Deeds. The corporation is Beaver Creek Townhouse Condominium Owners' Association (the "Association").

Section 1.2 Definitions. The capitalized terms used herein without definition shall have the same definitions as the terms in the Declaration and the Maine Condominium Act (the "Act"). In the event of inconsistencies in definitions between the Act and the Declaration, the Declaration shall control.

Section 1.3 Office. The principal office of the Association shall be located at Portland Avenue, Old Orchard Beach, Maine.

Section 1.4 Compliance. Pursuant to the provisions of the Act, every Unit Owner and all persons entitled to occupy a Unit shall comply with these Bylaws.

ARTICLE II

The Association

Section 2.1 Purpose. The purpose of the Association is to establish an association of Unit Owners pursuant to the Maine Condominium Act.

Section 2.2. In addition to all the powers, authority and responsibilities granted to or imposed up this Association by the Laws of the State of Maine, the Association shall also have the 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;

C. To hire and terminate employees and agents and managers;

D. To institute, defendant, 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. To make contracts and incur liabilities;

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

H. Grant easements, leases and licenses for public utilities benefiting the premises through or over the Common Elements, with the consent of the majority in interest of the members;

I. Impose and receive payments, fees or charges for the use, rental or operation of facilities located on the Common Elements (other than Limited Common Elements);

J. Impose charges and interest for late payment of assessments and service charges and to impose after reasonable notice penalties for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;

K. Provide for indemnification of officers and directors;

L. To maintain liability insurance for officers and directors;

M. To exercise any and all powers conferred by both the Declaration and the Bylaws as well as those powers granted pursuant to the Maine Nonprofit Corporation Act;

N. Impose reasonable charges for the preparation or recordation of amendments to the Declaration.

Section 2.3 Nonprofit. The Association is not organized for profit. It is, in fact, organized under 13-B M.R.S.A., Section 101 et. seq.

Section 2.4 Membership. The members shall consist of all Owners of Units in the Condominium created in accordance with the Declaration or, following termination of the Condominium, of all the former Unit Owners entitled to the distribution of proceeds or their heirs, successors and assigns. Membership is transferrable only as provided in the Declaration and the Bylaws. a Unit Owner's membership terminates upon conveyance, transfer or other disposition of his interest in the Unit. Membership is otherwise not transferrable. A mortgage of a

Unit or the grant of a security interest therein as a security for an obligation shall not operate to transfer membership until there is a foreclosure. The recordation of an instrument of conveyance in the York County Registry of Deeds shall be determinative in all disputes concerning the date of transfer of title to any Unit.

Section 2.5 Annual Meetings. The annual meeting of the Association shall be held each successive year on the 15th day of January 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 meeting shall be held at the Condominium's principal office or such other places which may be designated in a notice of meeting.

Section 2.6 Special Meetings. Special meetings shall be called if so directed by a resolution of the Executive Board. The secretary of the Executive Board shall promptly send out notices of the meeting to all members of the Association and shall state the purpose of the meeting.

Section 2.7 Notice of Meetings. A written notice of each meeting of the Association, stating whether it is a special or annual meeting, the authority for the meeting as well as the place and time for the meeting and the agenda shall be sent by the president or the secretary at least ten (10) days, but not more than sixty (60) days before the date of the meeting. Notice shall be given to each member listed in the records of the Association as well as to the eligible mortgage holders if and as required by the Declaration. Notice may be given by hand delivering or by mailing to the address of the Unit Owner on the records of the Association.

Section 2.8 Waiver of Notice. The presence of all members in person or proxy at a meeting shall establish the meeting's validity, unless objection shall be made by any member at the meeting to the noncopmpliance of it with this Article. any meeting held without objection shall be considered valid for all purposes and thus any business or transactions may be taken.

Section 2.9 Parliamentary Procedure. At all meetings of the members or of the Executive Board Roberts' Rules of Order as then amended shall be follows. If there is a conflict, the Bylaws and Declaration shall prevail.

Section 2.10 Order of Business. The order of business at all meetings of the members shall be generally as follows:

A. Roll call;

B. Proof of Notice or Waiver;

C. Reading of Minutes from previous meetings;

D. Report of officers;

E. Report of Executive Board;

F. New Business and the Election of the Executive Board;

G. Adjournment

Section 2.11 Quorum. The presence of eighty-five percent (85%) of the members shall constitute a quorum for the transaction of all business.

Section 2.12 Voting. Any person or entity owning any Unit duly recorded in its name shall be a member of the Association and is entitled to a vote. Multiple owners of the Unit shall be deemed one owner. Votes allocated to a Unit may be case pursuant to a proxy duly executed by a Unit Owner. (Vote of multiple owners is to be in accordance with Section 1603-110 of the Act.)

At any meeting at which a quorum is present, the affirmative vote of a majority of those present shall determine any question.

Section 2.13 Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by the majority vote of the members present, whether a quorum be present or not without further notice of the time and place of adjournment beyond that given at the meeting.

Section 2.14 Action by Members Without a Meeting. If an action is required or permitted to be taken at a meeting of the members, it may be taken without a meeting if written consents, setting forth the actions so taken, are signed by all members entitled to vote and are filed with the Secretary of the Association as part of the corporate records.

ARTICLE III

Executive Board

Section 3.1 Number. The affairs of the Association shall be governed by an Executive Board composed of four (4) persons. Each Director shall be the Owner, parent, child or 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, provided, however, that at least a majority of the Executive Board members must be Unit Owners or spouses of Unit Owners or, in the case of a Unit Owner which is a corporation, partnership, trust or estate, a designated agent thereof.

Section 3.2 Election and Term of Office. Members of the Executive Board shall serve a term of one (1) year and until their successors are elected and qualified.

Section 3.3 Powers and Duties. The Executive Board shall act on behalf of the Association, shall have all the powers and duties as designated within the Declaration, the Bylaws, the Maine Condominium Act and the Maine Nonprofit Corporation Act as amended from time to time. The Executive Board shall be responsible for election of officers of the Association and for the management and administration of the Condominium. Additionally, the Executive Board shall determine and collect assessments and make service charges.

Section 3.4. The Executive Board may employ for the Association a managing agent or manager at a compensation established by the Board. The managing agent shall perform all duties and services authorized by the Executive Board including those listed in the Act, Declaration, and the Bylaws.

Section 3.5 Vacancies. Vacancies in the Executive Board caused by any reason other than the expiration of term or removal of Director by vote shall be filled by a vote of the majority of the remaining members of the Executive Board. any vacancy caused by the expiration of an Executive Board member, member's term or by removal by a vote of the members shall be filled by a vote of the members of the Association.

Section 3.6 Removal of a Member of the Executive Board. At any regular meeting as well as any special meetint duly called, a member of the Executive Board may be removed with or without cause by majority of the members of the Association. any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 3.7 Annual Meeting. The Annual Meeting of the Executive Board shall be held immediately following the Annual Meeting of the Association and at the same place, no further notice being necessary.

Section 3.8 Compensation. There shall be no compensation paid to the Executive Board for their services as such. However, a member of the Executive Board shall be reimbursed for out-of-pocket expenses incurred on behalf of the Condominium upon presentation of receipts.

Section 3.9 Regular Meeting. Regular meetings of the Executive Board may be held at such time and place as from time to time may be determined to be required if a majority of the Executive Board requests such meeting. Notice of these meetings shall be given to each Director, either in person or by mail at least five (5) days prior to the named day.

Section 3.10 Special Meeting. Special meetings of the Executive Board may be called by the President provided three

(3) days' notice is given to each member. Notice shall be in person or by mail and it shall state the time, place and purpose of the meeting.

Section 3.11 Waiver of Notice. Before or after any meeting of the Executive Board, any Executive Board member may in writing waive notice of such meeting and such Waiver shall be deemed equivalent to the giving of such notice. If all Executive Board members are present, no notice shall be required and business may be transacted at such meeting.

Section 3.12 Quorum. At all meetings of the Executive Board the presence of four (4) of the Executive Board members shall constitute a quorum for the transaction of business. Acts of seventy-five percent (75%) of the Executive Board members present shall be acts of the Executive Board.

Section 3.13 Unanimous Actions. Unless otherwise expressly provided by law, any action which may be taken at a meeting of the Executive Board may be taken without a meeting if all of the Executive Board members sign written consents setting forth the actions taken or to be taken at a time before or after the intended effective date of such action. These consents must be filed with minutes of the Executive Board's meeting, and they shall have the same effect as the unanimous vote.

ARTICLE IV

Officers

Section 4.1 Principal Officers. The principal officers of the Association shall be a president, secretary, treasurer and vice-president, of whom only the president need be elected from among the Executive Board.

Section 4.2 Election. The principal officers of the Association shall be elected annually by the Executive Board at its annual meeting.

Section 4.3 Removal. Upon a majority vote of the Executive Board, any officer may be removed with or without cause, and his successor shall be elected at a regular meeting of the Executive Board or at a special meeting called for that purpose.

Section 4.4 President. The president shall be the chief executive officer of the Association, and he shall also be a member of the Executive Board. He shall preside at all meetings of the Association and of the Executive Board. All the powers and duties which are usually vested in the office of the president of a nonprofit corporation shall be vested in the president.

Section 4.5 Treasurer. The treasurer shall be responsible for keeping all financial records and accounts of the

Association. The treasurer shall be subject therefor to the direction of the Executive Board for preparation and dissemination to members of all financial reports, budgets and notices required.

Section 4.6 Secretary. The secretary shall keep and certify the minutes of all meetings of the Executive Board and of the Association. The secretary shall also give all notices as provided by these Bylaws and shall have other powers and duties incidental to the office of the secretary which are given by the Bylaws and assigned by the Executive Board from time to time. If the secretary is not able to be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of the meeting and record them in the books for that purpose. The secretary shall also be responsible for the filing of all reports and documents required to be filed by the Association with any governmental agency.

Section 4.7 Vice President. The vice-president shall, in the absence of the president, exercise the powers and duties of the president and perform such other duties as the Executive Board designates.

ARTICLE V

Fiscal Affairs and Administration

Section 5.1 Accounting. Books and accounts of the Association shall be kept under the direction of the treasurer and in accordance with customary accounting principles and practice. Within sixty (60) days of the close of the fiscal year the Association shall furnish its members with a statement of the income and disbursements for the prior fiscal year. All financial records shall be available for examination of Unit owners, mortgagees and their duly authorized agents at all reasonable times at the office of the Association.

Section 5.2 Budget. The Board shall cause a proposed annual budget to be prepared based on its estimate of annual income and expenses. Within fifteen (15) 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. Unless at that meeting a majority of all the Unit Owners rejects the budget, the budget is ratified, whether or not a quorum is present. The budget shall include the amount required by the Association to meet its expenses for each fiscal year as it deems appropriate.

Section 5.3 Common Charges. Each member shall pay his share of assessments without set-off or deduction in any amount to the total Association budget and service charges as defined herein. Each member is liable to the Association and a lien shall arise against his Unit for his entire share of the assessment at the commencement of the fiscal period. Each member shall pay his

share of the common charges in monthly installments on or before the first day of each and every month. If any installment is not paid when due, then if it is not paid upon fifteen days written notice of default, the entire remaining balance shall immediately become due and payable in full.

Any member who fails to pay or refuses to pay to the Association when due his share of the assessments or any other service charges, shall pay inteest at the rate established by the Association on the amount due. Assessments and service charges with late charges as well as all interest, cost of collection, which will include reasonable attorneys' fees shall constitute a lien on the Unit of a non-paying member.

The Executive Board shall exercise and enforce any and all rights and remedies provided to it in the Maine Condominium Act, the Declaration of these Bylaws, or otherwise as available by law or in equity for the collection of all unpaid amounts.

Section 5.4 Special Assessments. If at any time the Executive Board shall determine the amount of the common charges to be inadequate, it shall cause a proposed revised estimated annual budget, to be approved by the Association members as provided in Section 5.2 Thereafter the monthly charges shall be determined and paid on the basis of this revised budget.

Section 5.5 Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Executive Board.

Section 5.6 Capital Improvements. The majority vote of the members shall be required to make a capital improvement to the Common Elements.

Section 5.7 Use of Units. All Units shall be utilized in accordance with the provisions of the Bylaws, Declaration or Rules and Regulations.

Section 5.8 Enforcement. Every Unit Owner shall pay to the Association promptly on demand all costs and expenses, including reasonable attorney's fees and expenses incurred by or on behalf of the Association in connection with the collection of assessments from or enforcement of rules against such Unit owner.

Section 5.9 Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the Units and the Common Elements of the Condominium, the Executive Board from time to time may adopt, modify and revoke reasonable Rules and Regulations governing the Condominium as it may deem necessary. Whenever the Rules and Regulations shall be amended or modified, they shall be sent promptly to each member Unit Owner. The Rules and Regulations may be amended and modified or rejected in whole or in part by a majority vote of the Executive Board.

Section 5.10 Right of Entry. The manager or any other person authorized by the Executive Board shall have the right to enter any Unit to perform authorized installations, alterations or repairs to the Common Element therein or accessible therefrom.

Section 5.11 Title. Every Unit Owner shall promptly record in the York County Registry of Deeds the deed assignment or other conveyance to him of his Unit or other evidence of his title and such evidence of title shall be filed with the Association.

ARTICLE VI

The Sale, Lease or Transfer of a Unit

Section 6.1 Sales and Leases. All subsequent sales, leases or 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.

No portion of any residential Unit (other than the entire Unit) shall be leased for any period. No Unit Owner shall rent or lease a Unit other than in accordance with a form of lease requiring the Tenant to comply with the Declaration, Bylaws and Rules and Regulations. Any lease shall be in writing and shall be placed on file with the Executive Board.

Section 6.2 Common Elements. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the interest in Common Elements appurtenant thereto, it being the intention hereof to prevent any severence of such combined ownership.

ARTICLE VII

Execution of Instruments

All checks, drafts, notes, vouchers, bonds, acceptances, contracts, deed, lien notices, certificates, and all other instruments shall be signed or approved by the president or the secretary or the treasurer.

ARTICLE VIII

Amendments

Section 8.1 Bylaws. These Bylaws may be amended, modified or revoked in any respect from time to time by a vote of seventy-five percent (75%) of the Association members present at a meeting duly called for such 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. Additionally, no amendment to the Bylaws shall be valid until a certificate of amendment is executed by the secretary and president of the Association to evidence such amendment. Such amendment may be recorded. The secretary shall prepare amendments to the Bylaws.

Section 8.2 Declaration. The Declaration may be amended in accordance with the provisions thereof. Such amendment shall be recorded. The secretary shall prepare a certificate of amendment to the Declaration. The president and secretary shall execute the certificate for recording on behalf of the Association.

ARTICLE IX

Liability of Directors and Officers

Section 9.1 Indemnification. The Association shall indemnify any person who was or is threatened to be made a party against any actual, threatened or completed action, suit or proceeding whether civil, criminal or administrative, by reason of the fact that he is or was an officer, director, agent, or employee of the Association.

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.

ARTICLE X

General Provisions

Section 10.1 Conflict. In the event of any conflict between these Bylaws and the provisions of the Declaration, the latter shall govern and apply. In the event of any conflict between these Bylaws or the provisions of the Declaration and the Maine Condominium Act, the latter shall govern and apply.

Section 10.2 Headings. The headings preceding the various sections of these Bylaws are intended solely for the convenience of readers of the Bylaws and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 10.2 Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and the neuter genders. The singular shall be deemed to include plural and the plural, the singular wherever necessary.

Section 10.3 Seal. The form of the seal of the Corporation shall contain the name of the Association and the State of Maine.

Section 10.4 Severability. Provisions of these Bylaws shall be deemed independent and severable, and the invalidity, partial invalidity or impossibility of any provision or any portion hereof shall not affect the validity or enforceability of any other provision or portion thereof unless the deletion of such invalid or enforceable provision shall destroy the uniform plan for development or operation of the Condominium project which the Declaration is intended to create.

Rules and Regulations for Beaver Creek Townhouse Condominium Owners' Association.

1. The walkways and entrances of the Buildings shall not be obstructed or used for any purpose other than ingress to and egress from the Units.

2. No building exterior or any other portion of the Limited Common Elements shall be decorated or painted by a Unit Owner in any manner without prior consent of the Executive Board.

3. Nothing shall be hung or shaken from the decks or windows or placed upon the exterior window sills of the Buildings.

4. No clothing or other personal articles shall be allowed to stand in the Common Elements, other than areas designated for such use.

5. No bicycles or similar vehicles or toys or other personal articles shall be allowed to stand in the Common Elements other than in areas designated for such use.

6. No Unit Owner shall make or permit any noises that will disturb or annoy the occupants of the Units, or permit anything to be done therein which will interfere with the rights, comfort or convenience of other Unit Owners.

7. Each Unit Owner shall keep such Owner's Unit in good state of preservation and cleanliness and shall no sweep or throw or permit to be swept or thrown therefrom or from the doors, windows, or decks thereof, any dirt or other substance.

8. all garbage and refuse from the Units shall be deposited with care in receptacles intended for such purpose. All disposals shall be used in accordance with instructions given to the Unit Owners by the Association.

9. No trailers, snowmobiles or campers, motor bikes, mini bikes, ATV's, etc. are to be operated or utilized on the Property, except to enter or leave the parking areas. No automobile belong to a Unit Owner or to a member family or guest, tenant, or employee of an Owner shall be parked in such manner as to impede or prevent ready access to another Unit Owner's parking space. The Unit Owners, their employees, servants, agents, visitors, licensees and the Unit Owners' families shall obey the parking regulations posted, and any other traffic regulations published in the future for the safety, comfort and convenience of the Unit Owners.

10. No architectural or exterior changes may be made to any Building without approval of the Executive Board. No Unit Owner shall make any alterations in the landscaping of any Limited

Common Elements or the Common Elements unless approved ty the Executive Board or permitted by the Declaration. The Unit Owners must have approval of design, materials and exterior colors by the Executive Board.

11. Unit Owners shall be held responsible for the actions of their children, guests and tenants.

12. Guns and weapons of any kind shall not be used on the Property.

13. No felling of trees or other growth is permitted in the Common Elements or Limited Common Elements except as approved by the Executive Board or as done by the Association for maintenance purposes.

14. There shall be no above-ground pools, metal buildings, or any other type of structure, which have not been approved by the Executive Board.

15. Any consent or approval given under these Rules and Regulations by the Executive Board shall be revocable at any time.

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