Dunstan
Crossing

HOMEOWNERS' HANDBOOK
Exhibit 1

DUNSTAN CROSSING MASTER ASSOCIATION
RULES AND REGULATIONS

GENERAL

1. Adoption and amendment. The Dunstan Crossing Master Association ("Master Association") has adopted the following Rules and Regulations ("Regulations") pursuant to the recorded Master Declaration of Covenants, Conditions, and Restrictions as they may be amended (the "Master Covenants").

These Rules and Regulations apply to both lots and condominium units. The term "Unit" shall mean both a condominium unit and a residence constructed on a Lot.

The Dunstan Crossing Condominium and the Homeowners Associations may adopt additional or more restrictive rules and regulations. These Rules and Regulations may be amended from time to time by resolution of the Board of Directors of the Master Association.

2. Compliance, Costs and Expenses. All Owners, their families, guests, invitees and all other persons on the Property, shall comply with these Regulations. The cost of repairing any damage resulting from noncompliance with the Rules and Regulations caused by an Owner, his family, guests and invitees, shall be paid by the Owner.

After notice and opportunity to be heard, the Board of Directors may fine Owners for each day of noncompliance with the Rules and Regulations, Bylaws and the Master Covenants. Each Owner shall pay the legal expenses of the Master Association in enforcing compliance with these Rules and Regulations, with the Master Association's Bylaws, and with the Master Covenants, including without limitation any breach by the owner, members of his family, guests and invitees.

3. Obstructions. There shall be no obstruction of the Common Areas.

5. Document Conflict. In the event these Rules and Regulations conflict with the provisions of the Master Association's Bylaws or Master Covenants, the latter shall control.

6. Insurance, etc. No Owner shall permit anything to be done or kept in his Unit or on the Common Areas which will result in the cancellation or reduction in the scope of insurance on the Common Areas, in an increase in the amount of the premiums, or permit anything which would be in violation of any building or fire code.

Each Owner should obtain, at his own expense, a personal homeowners insurance policy (for example, form HO-3 as established by Insurance Services Office, Inc.) or a condominium insurance policy (for example, form HO-6) for the coverage within the deductible of damage to his Unit and to his personal property for his own benefit and for his personal liability; provided, however, that no Owner shall maintain insurance coverage which would decrease the amount which the Master Association may realize under any insurance policy maintained by the Master Association or which would cause any insurance coverage maintained by the Master Association to

be brought into contribution with insurance coverage obtained by an Owner. All such policies shall contain waivers of subrogation in favor of the Association. Neither the Master Association, nor its officers, directors or manager,s have any obligation to monitor whether an Owner has procured such insurance coverage.

7. **Trash**. All garbage and trash must be stored inside a Unit or in a house or screened from view until the day designated by the Master Association or by the Town of Scarborough (once the roads have been accepted) for pick up, at which time it may be left outside in an animal-proof, covered container. Occupants shall comply with any procedures required by the Town, including those which stipulate the use of certain types of containers.

Empty trash receptacles shall be promptly returned to the interior of the Unit by the end of the day of pick up. Any trash spread over lawns and common areas shall be promptly picked up by the Owner.

8. **Plumbing and Electrical**. Each Unit shall deposit only ordinary household waste in the sewerage system. No fat, grease, oil, petroleum, sweepings, rags, ashes or other improper articles shall be deposited in the sewerage system.

No person shall overload the electrical wiring or operate any machinery, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Board of Directors, any unreasonable disturbance, or shall make any alterations to or connections with the common electrical, plumbing, or sewage disposal systems unless Design Review approval has been received.

9. **Unit Condition and Repair**. Each Owner shall keep his Unit in a neat and attractive manner, and in a good state of preservation, repair and cleanliness, and shall not sweep or throw or permit to be swept or thrown any dirt or other substance onto the Common Areas.

10. **Structural and Common Element Changes**. Nothing shall be done in any Unit or on the Common Areas which may impair the structural integrity of the building or which may structurally change the building, nor shall anything be altered or constructed on or removed from the Common Areas except upon the prior written consent of the Board of Directors or as otherwise provided in the Master Covenants and in the Design Review Guidelines.

11. **Antenna**. No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property, including any Unit, except upon receipt of Design Review approvals under the Master Covenants, excepting certain small dishes as allowed by the Federal Communications Commission. Developer and/or the Master Association shall have the right, without obligation, to erect aerials, satellite dishes, or other apparatus for a master antenna or cable system for the benefit of all or of a portion of the Property, should any such master system or systems be utilized by the Master Association or any Neighborhood Association.

Pursuant to regulations adopted by the Federal Communications Commission, an antenna that is one meter (39") or less in diameter designed to receive direct-broadcast satellite service, including direct-to-home satellite service, or programming services via wireless cable, may only be located on a Unit in areas exclusively owned by and within the control of the Unit Owner, *excluding* any Master Common Areas and any Condominium Common Areas and Limited Common Areas.

Unless an acceptable quality signal cannot otherwise be received, all such antennas, dishes and towers must be set back more than one (1) time their total height above ground from all Lot boundary lines (front, rear and side) and shall be screened from view from the streets and from all other Units to the extent feasible, and shall be painted so that they blend into the background against which they are mounted.

12. Noise/Nuisances. No noxious or offensive activity shall be carried on in any Unit or on the Common Areas, nor shall anything be done therein which may be or which may become an annoyance or nuisance to the other Owners or occupants. No disposal of waste shall be committed on the Common Areas.

No Owner shall make or permit any disturbing noises or do or permit any noise which will interfere with the rights, comforts or convenience of other Owners with normal sensibilities, including without limitation the actions of pets.

All Owners shall keep the volume of any radio, television, musical instrument and other devices sufficiently reduced at all times so as not to disturb other Owners with normal sensibilities, as determined by the Board of Directors.

Furthermore no Owner shall operate or permit to be operated any such sound-producing devices in a Unit between the hours of 11 o'clock p.m. and the following 8 o'clock a.m. if such operation shall disturb or annoy other occupants with normal sensibilities.

13. Single Family Residential Use of Units/Leasing. The Units are restricted to residential use. Except activities conducted entirely within the Unit or within a house, not detectable from outside the Unit or a house and not involving visits by customers, salesmen or clients, no unit shall be used for commercial or business purposes.

No Unit shall be used or rented for transient, hotel or motel purposes.

As further appears in the Master Covenants, no portion of any Unit (other than the entire Unit or a permitted Accessory Living Unit) shall be leased for any period. No Owner shall rent or lease a Unit other than in accordance with a written form of lease, for a period of not less than six (6) months, which provides that the tenant and all other occupants must comply with the Master Covenants, these Bylaws, and the Rules and Regulations, and that the tenant's failure to comply constitutes a default under the lease. Copies of the lease must be provided to the Master Association.

14. Accessory Living Units Permitted for Lots Only. One Accessory Living Unit is permitted on a single family Lot that meets all of the standards established under the Town of Scarborough's Zoning Ordinance and that complies with the following requirements: (i) the owner(s) of the principal structure must reside in the principal structure or in the Accessory Living Unit, which residence may be seasonal, but the non-owner occupied living area (accessory unit or principal unit) can be occupied only during the time that the owner is also actively living on the Lot; (ii) no more than two (2) persons may occupy the Accessory Living Unit; (iii) the Accessory Living Unit shall contain a maximum of seven hundred fifty (750) square feet of living space; (iv) not less than one (1) off-street dedicated parking space shall be provided specifically for the Accessory Living Unit; (v) separate ingress and egress shall be provided to the Accessory Living

Unit; (vi) only one Accessory Living Unit shall be permitted on a Lot; (vii) the Accessory Living Unit and the principal structure must be serviced by common utility meters, unless the utility company providing the service refuses to do so; should a utility company be unwilling to service the Accessory Living Unit with a common meter, the applicant must provide the Association with a letter signed by the utility company so stating, with specific reasons for the refusal; (viii) the Accessory Living Unit shall retain and respect the existing streetscape and character of the neighborhood; (ix) no open or enclosed outside stairways shall be permitted except for access to the first floor of the building; (x) all municipal and state land use ordinances and building codes must be followed; (xi) the Lot owner must provide the Association with (x) the approval by the Town of Scarborough Board of Appeals for a Special Exception for an accessory unit, accompanied by (y) the current Registration of Accessory Unit Form as recorded in the Cumberland County Registry of Deeds which must be updated every five (5) years as required by the Town of Scarborough.

Before a Lot Owner applies to the Town of Scarborough for approval of the Accessory Living Unit, the Lot owner must first obtain the written approval of the Board of Directors of the Homeowners Association, subject to such conditions as it may establish, based on a determination that the Accessory Living Unit will not have an adverse impact on neighboring Lots and that the foregoing standards are met. The Homeowners Board may revoke or condition its approval after-the-fact if the Accessory Living Unit no longer meets these standards.

No Condominium Unit may contain an Accessory Living Unit.

15. Signs. No "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising shall be maintained or permitted on any part of the Units except by the Declarant or with the approval of the Board of Directors. The Declarant has the right to place "For Sale," "For Rent" or "For Lease" signs on any unsold or unoccupied Units. Any Mortgagee who may become the owner of any Unit may place such signs on any Unit owned by such Mortgagee, but in no event will any sign be larger than one foot by two feet.

Individual owners may install signs measuring up to two square feet in size identifying the name and address of the occupant, subject to compliance with the Design Guidelines. While a Unit is initially under construction, one sign identifying the contractor, architect and/or landscape architect may be displayed while construction actively continues.

16. Window Coverings. Draperies, curtains or blinds must be installed by each Owner on all windows of the Unit and must be so maintained thereon at all times.

17. Hangings and Visible Changes. Except as otherwise authorized by the Governing Documents, no Person shall cause or permit anything to be hung, displayed or exposed on the Common Areas.

No clothes line, clothes rack or any other similar device may be used to hang any items where visible from outside of a house or condominium unit except in such areas as may be specifically designated for such use by the Board of Directors or as otherwise permitted herein.

18. Storage. No bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property shall be left unattended in the Common Areas.

19. Tents, Trailers and Temporary Structures. Except for Developer and its agents and except for contractors during the course of active construction within the Property, no utility shed, shack, trailer or other Structure of a temporary nature shall be placed upon any part of the Property. Temporary buildings or structures used during construction shall be placed on the lot in close proximity to the construction and in a location approved by the Association and such buildings or structures shall be promptly removed upon completion of construction.

20. Pools and Recreational Structures. Above-ground swimming pools, tennis courts, trampolines, and paddle tennis courts are not permitted at Dunstan Crossing unless the variance standards in the Design Guidelines are met. In-ground pools and children's play equipment should be located so as to minimize their impact on neighbors.

21. Illegal Acts. No Unit shall be used for any unlawful purpose, and no Person shall do or permit any unlawful act in or upon his Unit.

PET RULES

22. General. No animals of any kind are allowed to be kept on the Property except orderly dogs, cats or other ordinary household pets, as permitted by these Rules and Regulations. Otherwise, the maintenance, keeping, boarding and/or raising of animals, including without limitation laboratory animals, livestock, poultry or reptiles, or "exotic" pets of any kind, regardless of number, is prohibited within any Unit or upon the Common Areas.

An Owner may keep up to two (2) dogs, four (4) cats, and a reasonable number of other ordinary household pets such as caged birds and tropical fish, in a Unit.

No pets shall be permitted outside of a Unit except on a leash attended by a responsible person.

Pet owners shall immediately clean up the droppings left by their pets.

23. Nuisance and Dangerous Pets. A pet may be maintained in a Unit and in the Common Areas only so long as it does not become a nuisance or endanger anyone, as determined by the Board of Directors. Actions which will constitute a nuisance include, but are not limited to, abnormal or unreasonable crying, barking, scratching or unhygienic offensiveness. The Board of Directors shall have the exclusive right, in its discretion, to determine what constitutes a nuisance.

Pet owners are fully responsible for personal injuries and/or property damage caused by their pets.

Dobermans, Rottweilers and Pit Bulls or any mixtures thereof are prohibited unless the Owner demonstrates that the Owner has liability insurance in place specifically covering such breeds of dogs, which policy shall name the Association as a certificate holder entitled to notice of cancellation or expiration. Any type or breed of pet which is not covered by the Master Association's liability insurance or by Owner's liability insurance or which results in an additional Master Association insurance premium or which is deemed dangerous by the Board of Directors in its discretion shall also be prohibited.

24. **Registration and Licensing.** Each pet kept on the Property for more than seventy-two (72) hours shall be registered with the Master Association, in writing, and such additional information shall be provided as the Association may request. All pets must be licensed and inoculated as required by law.

25. **Violations**. Upon having given notice to their Owners and upon having provided those Owners with the opportunity to be heard, any dogs, cats or other pets that have been found to be in violation of these Regulations or of the Master Covenants may be expelled from the Property by the Master Association, and the Association may fine offending Owners.

VEHICLES, PARKING AND STORAGE

26. **Permitted Vehicles.** Unless otherwise authorized by the Master Association, the Common Elements and Unit parking areas may not be used for any purpose other than parking automobiles and trucks with a gross vehicle weight of less than eight thousand (8,000) pounds.

All vehicles must be in operable condition and fully licensed for operation on public highways unless stored inside a garage or, in the case of Lots, stored in an area at the rear of the Unit and screened so that the vehicles are not readily visible from the streets or from any other Unit.

The temporary, short term parking of service or delivery vehicles actively delivering to or servicing the Units is permitted. The use of commercial vehicles and trailers in connection with the active construction of improvements for a Unit is permitted.

27. **Parking and Storage**. Only one (1) motor vehicle may be kept overnight in each approved, designated parking and garage space assigned to a Lot or Condominium Unit except those spaces that are also temporarily being used by guests.

No motorized vehicles shall be used or parked on the Property except within the parking areas, Alleyways, and streets as shown on the Master Plans or on approved driveway and parking areas within an individual Lot or Condominium property.

No parking is permitted on the paved portions of the Alleyways.

No boats, recreational vehicles, snowmobiles, all terrain vehicles, campers, trailers, tractors, mobile homes or other vehicles or recreational equipment or similar items may be kept or stored on the Property except within a fully enclosed garage forming a part of the Unit or in an area at the rear of the Unit screened so that it is not readily visible from the streets or another Unit.

All personal property placed in any portion of the Common Areas shall be at the sole risk of the Owner. The Master Association shall in no event be liable for the loss, destruction, theft or damage to such property, even if due to the alleged fault or negligence of the Master Association.

28. **Repairs and Signs**. No motor vehicle repair may be carried on in the Common Areas or in an area readily visible from the streets or another Unit.

No vehicles shall be parked with conspicuous "For Sale" signs attached.

29. Operation of Other Vehicles. No snowmobiles, all terrain vehicles or similar vehicles may be operated anywhere on the Property, except by the Association in connection the maintenance of the Master Common Areas.

30. Regulations and Signs. All persons shall observe and abide by all parking and traffic regulations and signs as posted by the Master Association or by municipal authorities.

Parking shall not be permitted in areas posted against parking by the Master Association or which block sidewalks, Alleyways, garage entrances, or driveways.

31. Overnight Parking – Snow. Between 2 AM and 6 AM of each day, parking on any portion of the Alleyways is prohibited and, pending acceptance of the streets by the Town, is also prohibited on the streets and drives.

During snow related parking bans announced by the Town of Scarborough, no parking is permitted in the Alleyways, streets, drives, or other Common Areas. Owners shall move their vehicles as required to facilitate snow removal.

32. Violations. Vehicles parked in violation of any such regulations may be towed away at the Owner's sole risk and expense. If any vehicle owned or operated by an Owner, any member of his family, tenants, guests, invitees or licensees shall be improperly parked or abandoned on the property, the Master Association shall be held harmless by such Owner for any and all damages or losses that may ensue, and any and all rights in connection therewith that the owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The Owner shall indemnify the Master Association against any liability which may be imposed on the Master Association as a result of such illegal parking or abandonment and any consequences thereof.

FAILURE TO PAY COMMON CHARGES AND SERVICE CHARGES - NONCOMPLIANCE

33. There is a 10 day grace period for the late payment of Assessments and Service Charges. If not paid within 10 days of when due, a $20.00 late fee shall be assessed on the 11th day and on the first day of month thereafter that that the payment remains delinquent. If not paid within 30 days of when due, then effective on the 31st day there will be a 18% interest rate fee assessed effective back to the original due date.

34. Upon any failure to comply with the Rules and Regulations, the Bylaws or the Declaration, or the Design Guidelines then the Board may assess a fine against the Unit owner after giving notice and opportunity to be heard in the amount of $35.00 for each day the violation continues. For each separate successive repeat violation, the amount of the fine shall double, measured cumulatively.

In the event these Rules and Regulations conflict with the provisions of these Master Association Bylaws or the Master Covenants, the latter shall control.

RULEREGS Dunstan Master 4-2-07.DOC
5/17/2007