06032

DECLARATION OF CONDOMINIUM

THE HOMESTEAD, A CONDOMINIUM

YORK, MAINE

THE HOMESTEAD, A CONDOMINIUM

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DECLARATION OF CONDOMINIUM

THE HOMESTEAD, A CONDOMINIUM

YORK, MAINE

THIS DECLARATION is made this 6th day of March, 1984, by Robert Chase and David Chase, a general partnership, (the "Declarants"), as the owners in fee simple of the Real Estate hereinafter described.

ARTICLE I

SUBMISSION

Section 1.1 Submission of Property. Declarants, the owners in fee simple of the real estate described in Exhibit A attached hereto and made part hereof (the "Real Estate") situated in the Town of York, County of York and State of Maine, hereby submit the Real Estate, together with and 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 "The Homestead" (the "Condominium").

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

Section 1.2 Address of Condominium. The address of the condominium is "The Homestead", A Condominium, Chase's Pond Road, York, 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 Terms Specifically Defined in this Declaration. In addition to the terms hereinabove defined the following terms shall have the following meanings in this Declaration, the By-Laws and Plats and Plans:

A. "Building" means any residential 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 "The Homestead Association".

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

D. "Condominium Documents" includes the Declaration, By-laws and Rules, Regulations, and Plats and Plans.

E. "Declarants" means the persons as described in Section 1.1 of this Declaration.

F. "By-Laws" 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 appurtenant 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 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 Dimensions of Buildings. The location and dimensions of the Buildings are depicted on the Plats and Plans.

Section 3.2 Unit Boundaries. For each Unit the identification number, location and approximate area are shown on the Plats and Plans of the Property.

There are three Units. Each Unit consists of an entire Building or Buildings. Unit 1 includes Building G1. Unit 2 includes Buildings G2 and S2. Unit 3 consists of only one building.

A. The boundaries of each Unit's Buildings are the exterior surfaces of all roofing,doors, chimneys, walls, windows, screens, sills, shutters, frames, doorsteps, stoops, posts, masonry, foundations, frost walls, thresholds and the interior surface of the basement floors (if the building has a basement) otherwise the exterior surface of floor joists beneath the building. No part of the buildings shall be considered Common Elements.

B. Each Unit consists of all portions of the Building within the aforesaid boundary lines, including by way of illustration and not limitation, electrical wiring pipes, conduits, flues, ducts, and portions of water, sewer and similar utility lines serving only that Unit and located within the boundary lines above described, as well as foundation, joists, studs, beams and rafters of each Building.

Any shutters, awnings, window boxes, doorsteps and stoops designed to serve a single Unit, are a part of the Unit.

All bathroom and kitchen appliances and fixtures in each Unit are included as part of a Unit. Hot water heating and space heating equipment and controls for each Unit are part of the Unit.

Existing balconies, porches and decks designed to serve a single Unit and adjacent thereto are part of the Unit.

Each Unit has an identifying number which is shown on the Plats and Plans and on Exhibit B.

Section 3.3 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 1603-107 of the Maine Condominium Act, unless expressly designated as otherwise in this Declaration.

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

A. Existing or association approved patios, if any, and other fixtures designed to serve a single Unit which are not part of a Unit but which are adjacent to and used exclusively for a single Unit;

B. Parking as designated on the Plat for Unit One.

C. Yards as designated on the Plat for Unit 1, Unit 2, Unit 3.

D. The land below the Buildings of each Unit as described in Article 3.2.

Section 4.4 Allocation of Common and Limited Common Elements.

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

B. The location of the Limited Common Elements are marked 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 their Percentage Interests appurtenant to each Unit, determined on the basis of the approximate value of each Unit as of the date of this Declaration.

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. The vote in the Association to which each owner is entitled shall be set forth on Exhibit C 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 the resolution shall be adopted if it receives the affirmative vote of 100 percent (%) of the votes in the Association.

C. An amendment may change the uses to which a Unit may be put only if the vote is unanimous.

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. The Units numbered 1 through 3 of the Condominium are restricted to residential use. No present or future owner of any Unit numbered 1 through 3 shall permit his Unit to be used or occupied for any purpose other than as a single family residence. Home offices, however, are permitted.

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 Unit. Property is to be maintained in a clean and sanitary condition, 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.

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 to each Unit, no owner of any Unit numbered 1 through 3 may erect any sign on or in his Unit or any Limited Common Element which is visible from outside of his Unit or from the Common Elements without in each instance having obtained the prior written permission of the Executive Board.

F. The prior written consent of the Executive Board must be obtained for Unit owners to be able to keep domestic animal life (including but not limited to dogs, cats, hamsters, birds and fish) provided:

1. They are not kept for commercial purposes, and
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. That they are in the judgment of the Executive Board not constituting a nuisance;
4. That they are kept in compliance with local laws.

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

Section 7.2 Maintenance.

A. The Unit owner shall be responsible for maintaining such Unit in good order and repair, at the expense of such owner.

B. The owner of each Unit shall also be responsible for cleaning of any Limited Common Element serving such Unit at the expense of the Unit owner.

C. Association and Executive Board shall have right to maintain, repair, and replace Common Elements.

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 tenancies be in writing and shall be for a term of not less than six (6) months;
2. No Unit shall be leased or rented for more than two (2) times in each calendar year;
3. All leases must be approved by the Executive Board;
4. Each approved tenant and lease 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 and management including any other persons authorized by the Executive Board have the right of access to any Unit as provided in the Act and the By-laws. In case of emergency, such entry shall be immediate, whether or not 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.

A. Declarant shall have right to maintain advertising signs on the Property for the Condominium and may place such signs anywhere on the Property at his discretion.

B. The Units and Common Elements and Limited Common Elements are and shall be subject to easements in favor of appropriate utilities and service companies as may be necessary to serve any part of the Property. Existing easements are designated on Plats and Plans.

ARTICLE 9

INSURANCE

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

A. Property insurance - Property insurance on the Common Elements, insuring against all direct physical loss commonly insured against for casualty and fire insurance as the Executive Board deems necessary which provides equal or greater protection for the Unit owners and their Mortgagees, if any.

B. Insurance maintained by the Association shall cover the Property (including the Units and all improvements and appliances contained within the Units as of the date of settlement on the Unit by the Declarant or the value thereof) but excluding any improvements or appliances subsequently added by a Unit owner and all other personal property of a Unit owner.

C. Coverage of hazard insurance shall be equal to the full insurable replacement value of the insured Property at the time the insurance is purchased and at each renewal date without deduction for depreciation, exclusive of land, foundations, excavation and other items normally excluded from coverage. Such hazard insurance policy may at the option of the Association contain a deductible provision in an amount to be determined by the Executive Board. The proceeds of such policy shall be payable to the Association.

D. Insurance policies shall contain 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 to and subordinated to the "loss payable" provisions for the Association.

E. Comprehensive liability insurance insuring the Unit owners in their capacity as Unit owners and Association members, any managing agent retained by the Association, against any liability to the public or to other Unit owners, their tenants or invitees, relating in any way to the ownership, use or maintenance of the Common Elements and any part thereof.

F. Worker's Compensation Insurance as applicable laws may require.

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.

B. Exclusive authority to adjust losses on the policies hereafter in force on the Property shall be vested in the Executive Board.

C. Each Unit owner may obtain additional insurance at his own expense provided that such policy shall not be invalidated by the waivers of subrogation required to be contained in policies required by this Declaration; and 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 has in force on the Property. Any Unit owner obtaining 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 with the Association within thirty (30) days of the purchase of said insurance.

Section 9.3 Repair of Damage or Destruction to the Condominium and Disbursement of Proceeds. Any portion of the Property damaged or destroyed shall be repaired or replaced promptly by the Association unless: (i) the Condominium is terminated under Article 15 (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) One Hundred percent (100%) in interest of the Unit owners vote not to rebuild, including every owner of a Unit or Limited Common Elements which would not be rebuilt and including the consent of the Eligible Mortgage Holders. The cost of repair or replacement in excess of insurance proceeds and reserves or not covered by any deductible shall be a common expense.

If the entire Condominium is not completely repaired or replaced: (i) the insurance proceeds attributable to the damaged Units and Common Elements and facilities shall be used to restore the damaged areas to a condition compatible with the remainder of the Condominium; (ii) the insurance proceeds attributable to Units which are not rebuilt, including without limitation the interest in the Common Elements and

facilities and in Limited Common Elements and facilities, shall be distributed to such Unit owners and their Mortgagees; and (iii) the remainder of the proceeds shall be held in trust to be distributed to the Unit owners and their Mortgagees in accordance with the Act. Any loss covered by such insurance shall be adjusted with the Association, which shall exclusively represent all Unit owners in any proceedings, negotiations, settlements or agreements. The insurance proceeds shall be paid to the Association as trustee for the Unit owners and lien holders as their interests may appear. Mortgagees' liens shall transfer in order of priority to the insurance proceeds. Notwithstanding the provisions of this Section, Article 15 of the Declaration governs the distribution of insurance proceeds if the Condominium is terminated. If the members vote not to rebuild any Unit, that Unit's Percentage Interest in the Common Elements and facilities shall be automatically reallocated to the then remaining Units in proportion to their Percentage Interests prior to the reallocation, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocation. Unless a Unit owner has requested and received written confirmation from both the Association and the Association's hazard insurance carrier of optional insurance coverage for the owner's permanent improvements and betterments within the Unit, the Unit owner shall be responsible for the expense of repair or replacement.

In the event that repair or replacement of a unit is required, the tastes of the Unit owner shall govern the interior of the Unit, and the tastes of the Association shall govern the exterior of the Unit.

Section 9.4 Additional Insurance. Nothing in this Declaration shall be construed to limit the authority of the Executive Board to obtain additional insurance.

ARTICLE 10

EXECUTIVE BOARD OF THE ASSOCIATION

Section 10.1 Members. The initial Executive Board shall consist of three (3) 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 paragraph B of this section.

A. Transition from Declarant-appointed members of the Executive Board to Unit Owners other than the Declarant shall occur as follows: Until the sixtieth (60th) day after the conveyance of two Units to Unit owners, other than the Declarant, the Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board. Not later than sixty (60) days after conveyance of two (2) Units to Unit owners other than the Declarant, two of the three (3) members of the Executive Board shall be elected by Unit owners other than the Declarant.

B. The Unit owners of this Executive Board shall serve until the first regular election of the Executive Board held at the first regular meeting of the Association in accordance with the By-Laws.

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

Section 10.2 Disputes. In the event of any dispute or disagreement between any of the 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.

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 By-Laws, a breach of any provision of this Declaration or the Maine Condominium 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 Association. Each owner of a Unit or owners shall be a member of the Association, a non-profit and non-stock corporation organized under the Laws of the State of Maine and to be known as The Homestead 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 Mortgagee shall not transfer membership until foreclosure or sale in lieu of foreclosure. The By-Laws are attached hereto as Exhibit D.

Section 11.2 Professional Management. The Association shall have the right in their discretion to employ a professional experienced managing agent who shall oversee the daily operation of the Condominium in accordance with the provisions of the Maine Condominium Act and the Condominium documents. Such professional management may not exceed a term of one (1) year and is only renewable upon consent of the Association. Such agreement shall be cancellable by either party without cause and without a termination fee upon not less than sixty (60) days notice in writing and shall be cancellable by the Executive Board with cause upon not less than thirty (30) days' written notice.

Section 11.3 Amendments. The Association may adopt and amend the By-laws and Rules and Regulations as well as exercise any of the powers available under §§ 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 accordance with the By-Laws, 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 Maine Condominium Act, this Declaration, or its By-Laws. 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 assessment shall be due and payable on a monthly basis as designated by the Executive Board. Assessments that are unpaid for over fifteen days after the due date shall bear interest at the rate of twelve (12%) per cent 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 shall constitute the personal liability of the owner of the Unit so assessed and also until fully paid shall constitute a lien against such Unit. The expense of maintenance, repair, renovation and restoration of the Limited Common Elements to 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 by any amounts 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 Interests 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 Maine Condominium Act; generally the portion of the award attributable to the Common Elements taken shall be distributed to the Unit owners and their Mortgagee(s) in accordance with the Act, unless the Association rebuilds or acquires comparable areas and facilities. Any portion of an award attributable to the acquisition of a Limited Common Element or as may otherwise benefit the Condominium as determined by a Court of competent jurisdiction must be equally divided among the owners of the Units to which that Limited Common Element 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 Board shall cause notice to be sent to the Eligible Mortgage Holders of any one or more of the following events affecting the mortgaged Unit(s), if so requested.

A. Default in the payment of monthly common charges, assessments, service charges, or other amounts due the Association 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 By-laws of the Association;

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

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

F. Termination of the Condominium;

G. Change in the Allocated Interest of a Unit 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 Property.

K. 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 may be obtained from Eligible Mortgage Holders representing in the aggregate at least Fifty-One percent (51%) of the votes of Units subject to mortgages held by Eligible Mortgage Holders. An amendment affecting any of the following is considered material:

A. Voting rights in the Association;

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

C. Reserves for maintenance, repair and replacement of Common Elements;

D. Responsibility for maintenance and repairs;

E. 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. Leasing of Units:

K. Imposition of any restrictions on a Unit owner's right to sell or transfer his or her Unit;

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

M. Restoration or repair of the project (after damage or destruction, or partial taking by eminent domain or condemnation) in a manner other than that specified in the Declaration;

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

O. Any provisions of this Section.

When Unit owners are considering termination of the Condominium for reasons other than substantial damage, destruction or taking by eminent domain of the Condominium, the Eligible Mortgage Holders representing at least 66-2/3 percent 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.

ARTICLE 15
TERMINATION

The Condominium may be terminated only by agreement of the Unit owners to which one hundred (100) percent 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 By-laws 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 By-laws, 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 By-laws may provide 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 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 of 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

RIGHTS OF FIRST REFUSAL

Unit Owners shall notify in writing the Association and Unit Owners individually of their intention to place their Units on the open market twenty-one (21) days prior to doing so and the Association or other Unit Owners shall have the right to purchase said Unit at the asking price. The intention to exercise such right shall be given in writing by the Association or Unit Owner within the 21-day period prior to placing the Unit on the open market. The right to purchase shall be exercised by the Association or other Unit Owners within sixty (60) days of the written notice to seller of their intention to do so. Notification shall be by certified mail, return receipt requested.

If written notice of intent to purchase has not been given within the 21-day period by the Association or other Unit Owner and the Unit is placed on the open market, then the Association or other Unit Owner shall have the right to match any offer made by a third party and acceptable to the seller. The Association or other Unit Owner shall have 21 days from the date of written notice of the receipt of an accepted offer within which to respond. If the Association or other Unit Owner matches the accepted offer said offer shall be by written notice, and a closing shall take place within sixty (60) days of said written notice.

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

WITNESS

Jon David Levy

Robert Chase

Jon David Levy

David Chase

STATE OF MAINE
YORK, S.S.

On this 6th day of March, 1984, personally appeared before me the above named and acknowledged the foregoing instrument to be his free act and deed.

Before Me:

Notary Public
my comm. expires: 10/10/87
Diane P. Richardson

EXHIBIT A

LEGAL DESCRIPTION

Lot No. 1

Beginning at a point on the Northwesterly side of Chase's Pond Road at a stone wall also located at the Southeasterly corner of land herein conveyed and being the Northeasterly corner of Lot No. 3 on a plan entitled "Homestead Subdivision Plan in York, Maine For Robert Chase" by Kimball Chase Company, Inc. dated October 17, 1983, recorded at Plan Book 125, Page 34.

Thence N 02° 54' 30" E by and along said stone wall for a distance of eighty-six and eighty-five hundredths feet (86.85') to an iron pipe;

Thence N 08° 52' 45" E along a stone wall for a distance of one hundred eighteen and eighty-three hundredths feet (118.83') to an iron pipe;

Thence running N 16° 09' 30" E along a stone wall for a distance of ninety-two and seventy-six hundredths feet (92.76') to an iron pipe;

Thence running N 23° 40' 45" E along a stone wall for a distance of one hundred thirty and ninety-four hundredths feet (130.94') to an iron pipe;

Thence running N 27° 11' 30" E along a stone wall for a distance of one hundred seventeen and eighty-nine hundredths feet (117.89') to an iron pipe;

Thence running N 15° 54' 15" E along the Northwesterly sideline of Chase's Pond Road a distance of ninety-four and eighty-eight hundredths feet (94.88') to an iron pipe at the intersection of Chase's Pond Road and Scituate Road;

Thence turning and running N 18° 35' 00" W along the Southwesterly side of Scituate Road a distance of one hundred twenty-two and thirty-eight hundredths feet (122.38') to an iron pipe;

Thence continuing along the Southwesterly side of Scituate Road on a course of N 45° 54' 45" W for a distance of fifty-eight and no hundredths feet (58.00') to an iron pipe at the Northeasterly corner of Lot No. 2 on said above-referenced Plan;

Thence turning and running S 52° 35' 15" W for a distance of one hundred eighty-five and no hundredths feet (185.00') along the Easterly boundary line of said Lot No. 2 to an iron pipe;

Thence running S 36° 20' 15" W for a distance of one hundred and no hundredths feet (100.00') still along the Easterly boundary line of said Lot No. 2 on the above-referenced plan, to an iron pipe;

Exhibit A

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Thence running S 09° 50' 15" W for a distance of eighty and no hundredths feet (80.00') along the Easterly boundary line of said Lot No. 2 on the above-referenced plan, to an iron pipe;

Thence running S 46° 21' 49" W for a distance of one hundred seventeen and ninety-nine hundredths feet (117.99') along the Easterly boundary line of said Lot No. 2 on the above-referenced plan to an iron pipe;

Thence turning and running on a course of 84° 37' 25" W along the Southerly boundary line of said Lot No. 2 on the above-referenced plan for a distance of two hundred twenty and no hundredths feet (220.00') to an iron pipe at the point where the boundaries of Lots No. 1, 2 and 3 on said above-referenced plan meet;

Thence turning and running S 12° 52' 35" W for a distance of three hundred ninety-nine and twenty-two hundredths feet (399.22') along the Easterly boundary line of Lot No. 3 on said above-referenced plan to an iron pipe;

Thence turning and running S 85° 05' 30" E for a distance of five hundred fifteen and no hundredths feet (515.00') along the boundary line of Lot No. 3 to the point of beginning.

Being a portion of Parcel I of the premises conveyed to David J. Chase and Robert S. Chase by warranty deed of Roger E. Lucas which may be found recorded in the York County Registry of Deeds at Book 2672, Page 273.

Also containing the benefit of a right-of-way twenty feet (20') wide and thirty feet (30') in length running from Scituate Road across said Lot No. 2 on the above-referenced plan to the subject parcel, for the purpose of ingress and egress. Said right-of-way is to be used in common with Grantor, his heirs and assigns, and is more particularly described as follows:

Beginning at a point on the Southwesterly sideline of Scituate Road at the intersection of Lot No. 1 and Lot No. 2 on said above-referenced plan;

Thence running on a course of N 45° 54' 45" W along said Southwesterly sideline of Scituate Road and the Northeasterly boundary line of Lot #2 on said above-referenced Plan, for a distance of twenty and twenty-two hundredths feet (20.22'), more or less;

Thence turning and running on a course of S 52° 35' 15" W for a distance of thirty feet (30');

Thence turning and running on a course of S 37° 24' 45" E for a distance of twenty feet (20') to the Northwesterly boundary line of Lot No. 1 of said above-referenced Plan;

Exhibit A

Page 3

Thence turning and running along the Northwesterly boundary line of said Lot No. 1 on a course of N 52° 35' 15" E for a distance of thirty-two and ninety-nine hundredths feet (32.99'), more or less, to the Southwesterly sideline of said Scituate Road and the point and place of beginning.

The courses and distances for the above-described right-of-way or "easement for common drive" are taken from a Plan entitled "The Homestead, A Condominium in York, Maine" for Robert Chase and David Chase by Kimball Chase Company, Inc., dated December 15, 1983, project no. 83-355, on file with the York County Registry of Deeds.

Subject to an easement for drainage and sewage purposes for the benefit of Lots No. 3 and 4 on said above-referenced Plan, said easement being seventy-five feet (75') in width and three hundred feet (300') in length and being more particularly described as follows:

Beginning at a point on the Northwesterly side of Chase's Pond Road at a stone wall also located at the Southeasterly corner of land herein conveyed and being the Northeasterly corner of Lot No. 3 on the above-referenced Plan.

Thence running along the boundary line between Lot No. 3 and Lot No. 1 on a course of North 85° 05' 30" West for a distance of three hundred feet (300');

Thence turning and running in a northerly direction for a distance of seventy-five feet (75') to a point;

Thence turning and running on a course of South 85° 05' 30" East for a distance of three hundred feet (300') on a line parallel to the first-mentioned course to the Northwesterly side of said Chase's Pond Road;

Thence turning and running along the sideline of said Chase's Pond Road in a southwesterly direction for a distance of seventy-five feet (75') to the point and place of beginning.

EXHIBIT B

PERCENTAGES OF THE UNDIVIDED INTEREST APPURTENANT TO EACH UNIT

Unit Number	Percentage Interest
1 (including 1G)	33.3%
2 (including 2G, 2S)	33.3%
3	33.3%
	100%

EXHIBIT C

VOTING RIGHTS

Unit Number	Voting Right
1	1
2	1
3	1

EXHIBIT D, BY-LAWS

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EXHIBIT D

BY-LAWS OF THE HOMESTEAD ASSOCIATION

ARTICLE I

CREATION AND APPLICATION

Section 1.1. This corporation is organized under the Maine Non-profit Corporation Act in connection with the submission of premises known as "The Homestead", A Condominium (the "Condominium"), located at Chase's Pond Road, York, Maine to the Maine Condominium Act pursuant to the Declaration of Condominium of "The Homestead", A Condominium (the "Declaration") as recorded in the York County Registry of Deeds. The corporation is The Homestead 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 The Homestead, Chase's Pond Road, York, 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 By-Laws.

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 upon this Association by the laws of the State of Maine, the Association shall also have the powers to

A. Adopt and amend By-Laws 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, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more Unit Owners.

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 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, By-Laws, 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 By-Laws as well as those powers granted pursuant to the Maine Non-profit Corporation Act;
N. Impose reasonable charges for the preparation or recordation of amendments to the Declaration.

Section 2.3 Non-profit. The Association is not organized for profit. It is, in fact, organized under 13-B M.R.S.A. § 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 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 By-laws. 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 not 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 will be determinative in all disputes concern-the date of transfer of title to any Unit.

Section 2.5 Annual Meetings. The first annual meeting of the members shall be held within sixty (60) days after the closing of sixty-six and two-thirds (66 2/3) per cent interest or more of all of the Units unless sooner called by Declarant, but in any event not to exceed five (5) years from the date of the first conveyance of a Unit. From that point on, the annual meeting of the Association shall be held each successive year on the first Monday of August 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 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 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 meetings validity, unless objection shall be made by any member at the meeting to the non-compliance 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 followed. If there is a conflict, the By-Laws and Declarations 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;
G. Adjournment.

Section 2.11 Quorum. The presence of two-thirds (2/3) 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 equivalent to his Percentage Interest in the Common Elements and facilities for the Unit owned. Multiple owners of the Unit shall be deemed one owner. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. (vote of multiple owners is to be in accordance with § 1603-110 of the Act.)

At any meeting at which a quorum is present, the affirmative vote of a majority of the percentage and interest 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 three (3) persons. During the period of declaring control, these persons may be appointed by the Declarant. During the period of transition from Declarant control, the Board shall be elected as specified in Section 3.2 of this Article. Thereafter, the Association shall be governed by an Executive Board composed of three (3) Directors subject to the By-Laws and Declaration. 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.

Section 3.2. The transition from the Declarant appointed members of the Board shall occur as follows: No later than the earlier of

A. Sixty (60) days after the conveyance of sixty-six and two-thirds percent of the number of Units to owners other than the Declarant, or

B. Five (5) years following the conveyance of the first Unit to an owner other than the Declarant.

Section 3.3. The Association members shall then elect an Executive Board of three (3) Directors.

Section 3.4 Election and Term of Office. Members of the Executive Board shall have a term of one (1) year.

Section 3.5 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 By-Laws, ---------- ---- the Maine Condominium Act and the Maine Non-Profit Corporation Act as amended from time to time. The Board shall be responsible for election of officers of the Association and for the management and administration of the Condominium. Additionally, the Board shall determine and collect assessments and make service charges.

Section 3.6. The Executive Board may employ for the Association a managing agent or manager at a compensation established by the Board.

Section 3.7 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 3.8 Removal of a Member of the Executive Board. At any regular meeting as well as any special meeting 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 3.9 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 3.10 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 3.11 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 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 3.12 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 3.13 Waiver of Notice. Before or after any meeting of the Executive Board, any Executive 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 members are present, no notice shall be required and business may be transacted at such meeting.

Section 3.14 Quorum. At all meetings of the Executive Board the presence of the majority of the Executive Board members shall constitute a quorum for the transaction of business. Acts of the majority of the Executive Board shall be acts of the Board.

Section 3.15 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, a secretary and a treasurer, of whom only the president need be elected from among the Executive Board. The Executive Board may in its discretion appoint a vice-president, assistant treasurer, and an assistant secretary, and such other officers, none of whom need be members of the Executive Board as they see the need. Officers shall serve without compensation.

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 non-profit 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 also in the absence of the president exercise the powers and perform the duties of the president and he 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 By-Laws and shall have other powers and duties incidental to the office of secretary which are given by the By-Laws 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 Amendments to Declaration. The secretary shall prepare amendments to the Declaration and the president and secretary shall execute the certificate for recording on behalf of the Association of the amendment.

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 principals 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. This budget shall be deemed to be adopted by a majority vote when 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 may 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 interest at the rate of eighteen (18) per cent per annum

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 or these By-Laws, 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 is inadequate, the Board may adopt and deliver to the members with thirty (30) days notice prior to the date on which it becomes effective a revised estimated annual budget. 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 approval 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 By-Laws, Declaration or Rules or Regulations.

Section 5.8 Enforcement. Every Unit Owner shall pay to the Association promptly on demand all costs and expenses, including reasonable attorneys' fees and expenses incurred by or on behalf of the Association.

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. Upon prior notice, whenever possible, the manager and any other person authorized by the Executive Board of Directors shall have the right to enter any Unit in case of an emergency. This may be done whether or not the Owner of occupant is present at the time. Entry may be made upon prior notice at any other reasonable times for the purpose of performing authorized installations, alterations or repairs to the Common Elements thereon 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.

Section 5.12 Working Capital Fund. A capital fund shall be established equal to at least Two Hundred Fifty Dollars ($250.00) for each Unit for general Common Expenses. The sum for each Unit shall be collected and transfered to the Association at the time of the sale of each Unit and shall be maintained in a segregated account for the use and benefit of the Association. Such amounts shall not be considered as advance payment of regular assessments.

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, By-Laws 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, By-Laws 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, deeds, lien notices, certificates, and all other instruments shall be signed or approved by the president or the secretary or the treasurer.

ARTICLE VIII

AMENDMENTS

These By-Laws may be amended, modified or revoked in any respect from time to time by a vote of one hundred (100%) percentage or more of the Association at a meeting duly called for the purpose, provided however that these By-Laws 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 modification or amendment to the By-Laws shall be valid, until a certificate of amendment is executed to evidence such amendment or modification by the secretary and president of the Association. Such amendment may be recorded. The secretary shall execute the certificate for recording on behalf of the Assoc. and record the same.

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 By-Laws and the provisions of the Declaration or the Maine Condominium Act, the latter shall govern and apply.

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

Section 10.2 Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and 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 By-Laws shall be deemed independent and severable and the invalidity, partial invalidity or impossibility of any provision or any portion hereof shall not effect 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.

EXHIBIT E

RULES AND REGULATIONS FOR THE HOMESTEAD, A CONDOMINIUM

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 Unit exterior or any other portion of the Limited Common Elements or 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 not 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 area.No automobile belonging to a Unit owner or to a member of the 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

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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 Units 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 by 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, out of keeping with the Colonial character of The Homestead, and which have 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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