Doc# 2004032928

Doc# 2004032928
Book 14111 Page 764

DECLARATION OF

SHIRETOWNE COMMON CONDOMINIUMS

Maine Condominium Act

Filed:

York County Registry of Deeds
Book _____Page _____

SHIRETOWNE COMMON CONDOMINIUMS

**DECLARATION PURSUANT TO TITLE 33,
CHAPTER 31, SECTION 1601-101 ET. SEQ.
KNOWN AS THE MAINE CONDOMINIUM ACT**

This Declaration dated June 3, 2004, is filed pursuant to Section 1602-67 of the Maine Condominium Act as appears in the Maine Revised Statutes, as amended, Title 33, Chapter 31, Section 1601-101, et. seq. to which reference is specifically made and which Act is incorporated herein by reference and to which all owners of units described herein, and their heirs, successors and assigns, shall be bound.

1. **Description of Land**. KASPRZAK CONDOMINIUM, INC., a Maine corporation ("Declarant") of Waterboro, County of York and State of Maine, has submitted the land hereinafter described in Appendix I attached hereto and incorporated herein with the buildings and improvements thereon ("the Property"), located off Coventry Woods Drive in the Town of Kennebunk, County of York and State of Maine, to the provisions of said Maine Condominium Act. The Property is subject to and shall have the benefit of all easements, rights of way and matters affecting title described or referred to in Appendix I or in the survey to which reference is hereinafter made.

   A properly prepared and certified plat of the land and plans of the units were recorded simultaneously with this Declaration in Condominium Plan File 563 Pages1-3, in the York County Registry of Deeds. The Shiretowne Common Condominiums constitutes an approved subdivision and site plan for purposes of the Town of Kennebunk's ordinances and state law and no amendments may be made to said plats and plans without the approval of the Town of Kennebunk Planning Board.

2. **Creation of Units**. Declarant reserves the right to create 60 units, to be numbered one through sixty, said units are to be created in fifteen (15) separate buildings of four (4) units each, all of which shall be declared and built as fifteen (15) separate phases, not necessarily in numerical order. The location and boundaries of all 60 units are shown on the plat and plans referred to in Section 1 hereof. The actual unit design and footprint may differ from that shown in the condominium plat by square footage increase, deck relocation and/or replacement with a sunroom and the option of unit owners to add a sunroom at a later date; any such adjustments will automatically decrease the amount of adjoining common and/or limited common open space.
3. **Unit Numbers and Boundaries**. Reference is made to the recorded plat and plans referred to in Section 1 hereof for the identification number of each unit showing the location and dimensions of its boundaries. The boundaries of each unit are the interior surface of the roof rafters, walls, windows, and the basement concrete floor slab. All interior floor and wall coverings, including but not limited to linoleum, polyurethane, carpeting, paint, wallpaper, are included within the boundaries of a unit. The provisions of Section 1602-102 of the Maine Condominium Act are adopted and incorporated herein by reference where appropriate and not in conflict with the plat and plans. The provisions of Section 1602-62 of the Maine Condominium Act shall govern relocation of boundaries between units. The subdivision of a unit into two or more units is prohibited.

The buildings are of wood frame construction, having either one, one and one-half or two stories. The one and one and one-half story units will have one (1) bedroom on the first floor and a den that can be used as an additional bedroom and an unfinished second floor area which may be finished as an additional bedroom(s) and/or bath at the option of the unit owner. The two story units will have (2) bedrooms (one up and one down) and a loft area up. The second floor bedroom and bath may be unfinished at the option of the owner. All will be provided with oil heat from a separate furnace. Each unit will have an attached one car garage and an adjoining parking space which will be designated a limited common element.

The building exterior is vinyl siding. Each building has a full foundation with basement. Each unit will have a deck, a private yard, and a covered front porch designated as limited common elements. Further, each unit will have the option of enclosing the deck as a separate four season sunroom. Once enclosed, the four season sunroom will become part of the Unit.

4. **Common Elements**. Each of the units will be conveyed together with its respective undivided interest in the common elements as hereinafter set forth and will have the benefit of the right to use the common elements in common with others entitled thereto as provided by Shiretowne Common Association (hereinafter referred to as the "Association") and the rules and regulations adopted by the Association. The common elements consist of all portions of the Property other than the units, which is all the property located within the boundaries of the parcel more fully described in Appendix 1 and which is also shown on the Site and Subdivision Plan for Plymouth Grove and Shiretowne Common approved by the Town of Kennebunk. Joint ownership of the common elements includes the ownership rights and maintenance responsibilities including but not limited to site roads, drives, parking areas, landscaping, lighting and subsurface utilities. The water and sewer mains within the right of way are intended to be public and may be or may have been conveyed by Declarant to the appropriate municipality or utility company.
5. **Limited Common Elements**. Backyards, decks, porches, stoops, shutters, awnings, window boxes, doorsteps and any other fixture, including but not limited to chutes, flues, ducts, wires and conduits, designed to serve a single unit but located outside the unit's boundaries, are limited common elements allocated exclusively to the unit served.
6. **Fraction of Common Element Interests, Voting Rights and Common Expense Liabilities**. The fraction of undivided interest in the common elements, voting rights and common expense liabilities appertaining to each unit is set forth in Appendix II attached hereto and incorporated herein by reference; which said fraction was determined by dividing each unit by the total of all Units. No fraction of undivided interest allocated to any unit

shall be altered except upon the unanimous vote of all unit owners and their first mortgagees. The formula for votes is that each unit shall be entitled to one vote in Association matters.

7. **Special Declarant Rights**. The Declarant reserves the right until the sale of all 60 units on the land described in Appendix I is completed, or until four years from the date of recordation of this Declaration, whichever occurs first, to:

   A. Locate on the Property, even though not depicted on the plat and plans, and grant and reserve easements and rights of way for the installation, maintenance, repair, replacement and inspection of, utility lines, wires, pipes, conduits, and facilities, including, but not limited to, water, electric, telephone and sewer.

   B. Connect with and make use of utility lines, wires, pipes and conduits located on the Property for construction and sales purposes, provided that the Declarant shall be responsible for the cost of service so used.

   C. Reserve an easement through and use the common elements to complete construction and for ingress and egress and otherwise discharge the declarant's special declarant rights for ingress and egress and for the storage of construction materials and equipment used in the completion of the improvements shown on the plats and plans.

   D. Operate a management office and a sales office and have prospective purchasers and others visit such offices and use certain portions of the common elements including the roadways and parking spaces. The management office and sales office may be located in any unit owned by Declarant or on common elements and may be of such size and in such location as the Declarant shall deem convenient and shall not unreasonably interfere with use of the common elements by other unit owners. Any management office and sales office not designated a unit shall be the property of the Declarant, which Declarant reserves the right to remove within forty-five (45) days after the Declarant ceases to be a unit owner.

   E. Install and maintain signs and lighting for sales.

G. From the date of sale of the first unit, Declarant shall be empowered to appoint and remove the officers of the Association and members of the Executive Board, in accordance with the provisions of the Bylaws. Provided, however, the Declarant shall relinquish all special rights expressed or implied through which he may directly or indirectly control, direct, modify or veto any action of the Association, its Board of Directors or the majority of unit owners, and control of the Owners Association and ownership of any working capital fund controlled by the Declarant shall pass to the owners of units within the Property not later than the earlier of the following: sixty (60) days after the date by which seventy-five percent (75%) of the units which may be created have been conveyed to unit purchasers or four (4) years from the date of conveyance of the first unit to a unit purchaser. Declarant may voluntarily surrender the right to appoint and remove officers and members of the executive board before termination of that period, provided however, that any actions of the association or executive board which may affect the special declarant rights set forth in paragraphs 7A-F above shall be approved by the declarant before they become effective. In any event, the period of declarant control shall end no earlier than the later of: (1) conveyance by the declarant of 50% of the units; (2) termination of any declarant right to appoint officers or members of the executive board; or (3) termination of any right of declarant to approve or veto any actions of the association or the executive board. The declarant shall give written notice to all members and eligible mortgage holders not less than 10 days prior to the turnover date and shall call for a special meeting of members on the turnover date to elect a Board of Directors. The requirements of this paragraph shall not affect the Declarant's rights, as a unit owner, to exercise the votes allocated to units owned by the Declarant. This Section 7 shall not be amended without the consent of the Declarant.

8. **Encroachments**. If any portion of the common elements, or any other unit, encroaches at any time upon any unit or upon any portion of the common elements, as a result of minor variations or relocation during construction, settling of the building, alteration or repair to the

common elements made by or with the consent of the Board of Directors, repair or restoration of a unit or building after damage by fire or other casualty, or as a result of condemnation or other eminent domain proceedings, an easement shall exist for the encroachment and for its maintenance so long as the building stands.

9. **Eminent Domain**.

A. If a unit is acquired by eminent domain, or if a part of a unit is acquired by eminent domain leaving the unit owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Declaration, any award therefor shall be paid to the unit owner as compensation for his unit and its percentage interest, whether or not any percentage of undivided interest is acquired. Upon acquisition, unless the decree otherwise provides, that unit's entire percentage of undivided interest, votes in the Association, and common expense liability shall be re-allocated to the remaining units in proportion to the respective interests, votes and liabilities of those units before the taking, and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the allocations. Any remnant of a unit remaining after part of a unit is taken under this subsection shall be thereafter a common element.

B. Except as provided in subsection (A) hereinabove, if part of a unit is acquired by eminent domain, any award therefor shall be paid to the unit owner as compensation for the reduction in value of the unit. That unit's allocation of common element interest and common expense liability shall remain unchanged.

C. If a part of the common areas or facilities is acquired by eminent domain, the Association shall represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority, and the award shall be paid to the Association for the use and benefit of the unit owners and their mortgagees as their interests may appear. The Association shall divide any portion of the award not used for any restoration or repair of the remaining common elements among the unit owners in proportion to their respective percentages of undivided interest before the taking, but the

portion of the award attributable to the acquisition of a limited common element must be equally divided among the owners of the units to which that limited common element was allocated at the time of acquisition.

D. The court decree shall be recorded in the York County Registry of Deeds.

E. Nothing in this Declaration or the Bylaws, rules or regulations of the Association shall be deemed to give the unit owner or any other party priority over any rights of a first mortgagee of a unit pursuant to its mortgage documents in the case of a distribution to such unit owner of condemnation awards for the taking of units and/or common elements.

10. **Restrictions on Use and Occupancy**. Each unit owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted by the Board and with the covenants, conditions and restrictions set forth in this Declaration or in the deed to his unit. Failure to so comply shall be grounds for an action to recover damages or for injunctive relief or both maintainable by the Manager or Board of Directors on behalf of the Association of unit owners, or, in a proper case, by an aggrieved unit owner. An aggrieved unit owner shall have a right of action against the Association for failure to comply with or to enforce the Declaration, the Bylaws, any rules and regulations duly adopted or any requirements imposed by the Act.

a. Each unit in the building is intended to serve as a self-contained living unit and shall be subject to the rules and regulations and Bylaws of the Association. No unit shall be used for other than residential purposes. Rules and regulations consistent with this Declaration may be promulgated by the Board of Directors in order to ensure the peace and security of each resident, and each member shall be notified in writing of the rules and regulations thus promulgated.

b. The common elements shall be used only for access, ingress and egress to and from the respective units by the members, their lessees, guests, household help and other authorized visitors and for outdoor recreational use incidental to the residential use of the respective units. The use, maintenance and operation of the common elements shall

not be obstructed, damaged or unreasonably interfered with by any member. The Board of Directors may adopt rules and regulations that restrict the nature and location of recreational activities upon the common elements.

c. The Association and its authorized employees and representatives shall have access to and from the unit and limited common element as may be necessary for the repair, maintenance, replacement, alteration, care or protection of the common elements and utilities or any portion thereof. In the case of emergency repairs, such right of access shall be immediate and may be exercised without notice to the unit owner. Otherwise, the unit owner shall be entitled to reasonable notice of the time and purpose of any entry pursuant to this paragraph.

d. No unit owner shall do any work which may jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement, rights, appurtenances or other hereditament consisting of common elements without the unanimous consent of all other unit owners. If said work is to his unit alone, then to the extent it effects the soundness or safety of the abutting unit, the prior written consent of the abutter shall be required.

e. Each member shall maintain his unit in good condition and in good order and repair at his own expense and shall not do or allow anything to be done in his unit which may increase the rate or cause the cancellation of insurance on other units or on the common elements. In the event that a member shall fail to so maintain his unit the Association shall have the right to undertake repairs and maintenance necessary to ensure that such unit is in good condition and in good order, and assess the member the costs of such repair and/or maintenance.

f. Trash and garbage and other waste shall be kept only in sanitary containers and shall be disposed of in a clean and sanitary manner in accordance with rules and regulations to be promulgated by the Board of Directors.

g. Household pets shall be allowed in such numbers as the Board of Directors determines will not create a nuisance to unit owners. The Board of Directors may adopt regulations with respect to the number, size and type of allowable household pets. Such regulations shall become effective when written notice thereof is delivered or mailed to the members and shall operate prospectively as to all pets subsequently brought into the Property. No animals shall be permitted in any common element unless accompanied by and under the direct supervision of a unit owner or member of unit owner's household.

h. No commercial activity of any nature shall be permitted on the Property.

i. The parking spaces are to be used only for the parking of motor vehicles owned for personal use. No commercial vehicles, trailers, boats or trucks with a gross weight over 6,000 pounds shall be permitted in the parking spaces except service vehicles, moving vans or the like at the property on business. No mechanical repairs of vehicles shall be performed and no stripped or junk vehicles and no recreational vehicles or boats shall be placed or maintained on any part of the common elements or limited common elements.

j. The Association shall have the right to grant permits, licenses and easements over the common areas for all purposes necessary for the proper operation of the project.

11. **Common Expenses**. Each unit owner shall pay to the Unit Owners' Association, or its authorized representative, monthly, his proportionate share of the budgeted expenses of maintenance, repair, replacement, administration and operation of the common elements; management of the Association; and maintenance of adequate working capital and reserves, which expenses are hereinafter referred to collectively as "common expenses". Such proportionate share shall be in the same ratio as said unit owner's percentage of ownership in the common elements. Payment thereof shall be in equal monthly amounts, the first such payment due from the owners of each unit within thirty (30) days from the date of sale of each such unit, and shall be subject to annual review and adjustment. No unit shall be

assessable hereunder until sold or, when built, upon the issuance of a certificate of occupancy.

In the event of the failure of a unit owner to pay such proportionate share when due, the amount thereof together with interest at the rate established by the Association, costs and reasonable attorney's fees shall constitute a lien attached to the unit, as provided by the Act; provided, however, that such lien shall be the personal liability of the Owner and not pass personally to successor purchasers without their agreement to assume the same, and that such lien shall also be subordinate to the lien of all recorded mortgages on the interest of such unit owner, and the foreclosure of such mortgages, sale or transfer pursuant to foreclosure or transfer to mortgagee in lieu of foreclosure shall extinguish a subordinate lien for common charges. The entire unpaid share of the common expenses or assessments by the Association of Unit Owners chargeable to such unit, which became due prior to the foreclosure, shall become common expenses collectible from all unit owners, including such acquirer, his heirs, successors and assigns. Such foreclosure shall not release the delinquent unit owner from personal liability to the Association for unpaid common expenses.

Any unit owner in default in the payment of any amount due the Association or in violation of any provisions of the Condominium Act, this Declaration, the Bylaws or the rules and regulations of the Association, which violation continues for ten (10) days after notice thereof by the Association to the unit owner, may be prohibited by the Board of Directors from the use and enjoyment of any and all of the common elements not essential to access to the unit, in addition to all other remedies available to the Board of Directors.

Any delinquency in excess of 60 days in the payment of assessments for common expenses or charges by an Owner shall be reported in writing to that Owner's mortgagee, insurer or guarantor upon proper request.

12. **Maintenance**. Each unit owner shall furnish and be responsible for, at his own expense, all the maintenance, repairs and replacements to his own unit. The Association shall maintain, repair and replace all common elements and limited common elements as a part of the

common expenses. No unit owner may alter or otherwise change the appearance of any of the common elements without the prior written approval of the Association acting through the Board of Directors. The maintenance, repair and replacements as may be required for the functioning of or for the bringing of utilities, such as water, gas, electricity and sewer to the unit, shall be furnished by the utility or municipality, if public, or paid for by the individual unit owner, except to the extent they effect the common elements, then the Association shall pay and collect therefor as part of the common expenses. Maintenance, repairs and replacements of the refrigerators, stoves and other kitchen appliances and indoor and outdoor lighting fixtures and other electrical or mechanical appliances (including all heating, ventilation and air-conditioning systems which may be located outside of, but adjacent to the unit) of any unit owner shall be at the expense of such unit owner; also each unit shall have a separate hot water heater located in the basement and its repair and replacement shall be at the expense of the unit owner it serves. If due to the negligent act or omission of a unit owner or of a member of his family or of a guest or other authorized occupant or visitor of such unit owner, damage shall be caused to the common elements or to a unit or units owned by others, and maintenance, repairs or replacements shall be required which would otherwise be a common expense, then such unit owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association

13. **Association of Unit Owners**. Prior to the date of this Declaration and the recording thereof, Shiretowne Common Condominiums Association, a non-profit and non-stock corporation was duly organized under the laws of the State of Maine. The Association shall be the governing body for all of the unit owners with respect to the administration, maintenance, repair and replacement of the Property as provided by the Act, this Declaration and the Bylaws.

Each unit owner and/or owners shall be a regular member of the Shiretowne Common Condominiums Association, a non-profit corporation organized under the laws of the State of Maine. Membership shall be appurtenant to the units, and the transfer of title to a unit shall

automatically transfer the regular membership appurtenant to that unit to the transferee or transferees. A transfer in mortgage, however, shall not transfer membership until foreclosure or sale in lieu of foreclosure. Further, the Shiretowne Common Condominiums Association shall be a member of the overall Coventry Woods Association, an umbrella organization created to oversee the repair and maintenance of certain amenities common to various developments at the larger site from which this condominium is derived. The Coventry Woods Association shall have the power to ratably assess its member Associations for this purpose.

The provisions of this Declaration and the Bylaws and the rights and obligations established thereby shall be deemed to be covenants, running with the land, so long as the Property remains subject to the provisions of the Act and shall inure to the benefit of and be binding upon each and all of the unit owners and their respective heirs, representatives, successors, assigns, purchasers, lessees, grantees, mortgagees, and insurers or guarantors of mortgages. By the recording or the acceptance of a deed conveying a unit of any interest therein, or any ownership interest in the property whatsoever, the person to whom such unit or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of the Act, this Declaration, and the Bylaws.

In any voluntary conveyance of a unit deed (other than a conveyance by a mortgagee), it shall be the duty of the seller to furnish the buyer with a copy of this Declaration, the Association Bylaws and rules and regulations as they may from time to time be amended. The Declarant or the Association shall make available to unit owners, prospective purchasers, lenders and the holders, insurers and guarantors of the first mortgage on any unit, current copies of the Declaration, Bylaws and other rules and regulations governing the Condominiums, and other books, records and financial statements of the Association. This requirement may be satisfied by making the documents available for inspection upon request during normal business hours or under other reasonable circumstances. If copies are

requested, the Declarant or Association may, but shall not be obligated to, make them available at a reasonable charge.

14. **Notice**. The Secretary shall cause notice of all meetings of members and of all proposed actions requiring vote or approval of a specified percentage of unit owners and/or mortgagees to be sent in writing by U. S. Mail, postage prepaid, to all unit owners and all eligible mortgage holders at the address filed with the Secretary by said owners and mortgage holders not less than ten (10) days and not more than thirty (30) days prior to the proposed meeting or action. Such notice may, however, set a later deadline for any proposed action, if such longer period of time is deemed necessary to obtain the required number of written approvals. Notice of meetings shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration and bylaws, any budget changes and any proposal to remove a director or officer.

15. **Separate Taxation and Utilities**. It is understood that real estate taxes are to be separately taxed to each unit owner for his unit and his corresponding percentage of ownership in the common elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each unit owner, but are taxed on the Property as a whole, then each unit owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the common elements.

Each unit owner shall pay for his own telephone, sewer, water, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the common expenses.

16. **Insurance and Related Matters**.

A. The Board of Directors shall obtain insurance on the units and unit fixtures and the common elements against loss or damage by fire and such other hazards as are covered under Standard Extended Coverage Provisions and all other perils customarily covered for similar types of projects, including those covered by the standard "all risk"

endorsement for 100% of the current replacement cost of the units, unit fixtures, common elements and fixtures, excepting land, foundations, excavations or other items that are usually excluded from insurance coverage. Such policies shall provide such coverage and contain all endorsements required by the guidelines promulgated by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), as the same may be amended from time to time. Such insurance shall be written by an insurance carrier that meets FNMA rating requirements. The maximum deductible amount shall be the lesser of that permitted under state law or under FNMA and FHLMC guidelines. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and proceeds of such insurance shall be payable to, the Condominium Association as trustee, or such other insurance trustee as may be appointed by separate agreement, for each of the unit owners in their respective percentages of the ownership interest in the common areas as established in this Declaration. The Association shall be attorney-in-fact for each unit owner for losses due to total or partial condemnation, destruction or liquidation. In such case, the proceeds from insurance or any other payment or award shall be applied by the Association for the reconstruction of the building, or shall be otherwise disposed of in a reasonable and equitable basis in accordance with the provisions of this Declaration and the Act and Fannie Mae guidelines; and the policies shall contain the standard mortgage clause and shall specifically name either the FNMA or its mortgage servicers for all mortgages held by the FNMA on the condominium, providing, however, the rights of the mortgagee of any unit under any standard mortgage clause endorsement to such policies shall be subject to the provisions in the Act with respect to the application of insurance proceeds to the reconstruction of the building. The policies shall require the insurer to notify in writing the Board of Directors and each first mortgage holder named in the mortgage clause at least twenty (20) days before it cancels or substantially changes the Property's coverage.

B. The Board of Directors shall obtain a "master" or "blanket" policy of flood insurance as a common expense of the Association, covering any portion of the building and any other property located within a special flood hazard area, as defined by the Federal Emergency Management Agency. Such policy should be equal to the lesser of 100% of the insurable value of the facilities or the maximum coverage available under the National Flood Insurance program.

C. The Board shall obtain comprehensive public liability insurance in such amounts as it shall deem desirable, insuring each unit owner and the Association, Board of Directors and Managing Agent, if any, from liability in connection with the common elements. Such policy shall provide coverage of at least $1,000,000.00 for bodily injury and property damage for any single occurrence resulting from the operation, maintenance or use of the common elements, and coverage for any legal liability resulting from law suits related to employment contracts in which the owners' association is a party. Such policy shall by its terms or by specific endorsement preclude an insurer's denial of a unit owner's claim on the grounds of negligent acts by the Association or other unit owners. Such policy should waive any right of subrogation against individual unit owners and should provide that it shall not be prejudiced by acts or omissions of individual unit owners that are not under the control of the Association. Such policy shall be primary even if a unit owner has other insurance that covers the loss. Such policy shall provide for at least twenty (20) days written notice to the Board of Directors and to each holder of a first mortgage on any unit before the insurer can cancel or substantially modify it. Also, the Board shall have authority to purchase worker's compensation insurance and insurance to indemnify the Directors and Officers for losses in managing the Association's affairs. The premiums for all the aforementioned insurance coverage shall be common expenses.

D. Each unit owner, at his own cost, shall be responsible for his own insurance on the contents of his own unit and his additions and improvements thereto and decorations and furnishings, personal property therein and stored elsewhere on the property. Each unit

owner shall obtain and maintain general liability insurance in such amounts as required by the Association and shall provide a certificate of insurance to the Board of Directors for each term of coverage at least two weeks prior to the expiration of the current one.

E. The Board of Directors shall obtain fidelity bond coverage for anyone who either handles or is responsible for funds held or administered by the Association. Such fidelity bonds shall name the Association as an obligee and shall be written in an amount equal to the greater of at least one hundred fifty (150) percent of the estimated annual operating expense for the condominiums, including reserves or the maximum amount of funds that will be in the custody of the Association or its management agent at any time the bond is in force and shall otherwise comply with Fannie Mae guidelines.

F. The Association shall maintain all insurance and bond coverage required by FNMA and FHLMC for the sale of first mortgages of units on the secondary mortgage market, and this section shall be interpreted and applied so as to accomplish that purpose.

G. The Association may appoint an insurance trustee to act on behalf of the unit owners.

17. <u>Mortgage, Reserve Fund, Management and Lease Provisions</u>.

A. The unit owner who mortgages his unit shall notify the Board of Directors of the name and address of his mortgagee and shall, upon request, file a conformed copy of the mortgage with the Board of Directors.

B. The Board of Directors, whenever so requested in writing by a mortgagee of a unit, shall promptly report to it any then unpaid common charges due from, or any other default by, the owner of the mortgaged unit.

C. The Board of Directors, when giving notice to a unit owner of a default in paying common charges or other violation of the provisions of this Declaration, the Bylaws or Rules and Regulations, shall send a copy of such notice within thirty (30) days after the occurrence of such default to each holder of a mortgage covering such unit whose name and address has previously been furnished to the Board of Directors.

D. Each mortgagee of a unit shall be permitted to examine the books, accounts and records of the condominiums at reasonable times on business days and to require annual reports and other financial data of the Corporation. If no audited financial statement is available, any holder of a mortgage on any unit shall be allowed to have an audited statement prepared at its own expense.

E. Notwithstanding anything to the contrary elsewhere contained in this Declaration or the Bylaws, the following provisions shall govern:

(l) Any first mortgagee of a unit in the condominiums will, upon request, be entitled to inspect the books and records of the condominiums or Association during normal business hours.

(2) No provision of this Declaration or of the Bylaws shall be deemed or construed to give a unit owner, or any other party, priority over any rights of first mortgagees of units pursuant to their mortgages in the case of a distribution to condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.

(3) A holder, insurer or guarantor of a mortgage on a unit shall be entitled to prompt written notification from the Board of Directors of (i) any default by the mortgagor of such unit in the performance of such mortgagor's obligations under this Declaration and/or the Bylaws which is not cured within thirty (30) days, (ii) any event of substantial destruction to, or condemnation or governmental taking of, such unit or any portion of the common elements appurtenant thereto, (iii) any lapse or modification of insurance or fidelity bond coverage, (iv) any proposed amendment under Section 19 of this Declaration and (v) if such holder, insurer or guarantor of a mortgage on a unit is an eligible mortgage holder, any proposed action of which any eligible mortgage holder is entitled to notice under §1602-119(b) of the Act.

(4) Any first mortgagee of a unit who obtains title to the unit pursuant to the remedies provided in the mortgage, or through foreclosure of the mortgage, or through deed

through foreclosure of the mortgage, or through deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against such unit which accrue prior to the acquisition of title to such unit by the mortgagees, but such expenses or assessments shall become common expenses collectible from all of the unit owners including one who obtains title accordingly.

F. An adequate reserve fund for maintenance, repairs and replacement of those common elements which must be replaced on a periodic basis shall be established and shall be funded by regular monthly payments rather than by special assessments, and a working capital fund shall be maintained by the Association equal to at least two months' assessments for each existing unit as calculated according to Article VI of the Bylaws for the operation and maintenance of the common elements. Payment of the two month's assessment for the working capital fund shall be made at the time of closing on a unit, shall be maintained in a segregated fund and shall not constitute prepayment of regular assessments. Such working capital fund amounts as have been collected from unit purchasers as a working capital shall be paid over to the Association by the Declarant within sixty (60) days after conveyance of the first unit.

G. Any management contract, employment contract or lease of parking or recreational areas and any contract entered into by Declarant which may become binding on the Association shall provide that such contract or lease may be terminated by either party without cause and without payment of a termination fee on not more than ninety (90) days' written notice, the term of any such contract shall not exceed three years, and the Association may terminate said agreement for cause upon thirty (30) days' written notice without payment of a termination fee.

H. No unit owner shall be permitted to lease his unit for transient or hotel purposes and no unit owner may lease less than his entire unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Bylaws and all Rules and Regulations that may be adopted by the Board of

Directors, and that failure by the lessee to comply with the terms of such documents shall be a default under such lease. All leases shall be in writing and shall contain a minimum initial term of six (6) months. A copy of the lease of any Unit shall be delivered to the Board of Directors within seven (7) days of its execution, provided, however, that such copy need not disclose the total rent nor monthly rent amount of such lease.

18. **Procedure for Resolving Disputes**. Matters of dispute or disagreement between unit owners or with respect to interpretation of application of the provisions of this Declaration or the Bylaws shall be determined by the Board of Directors consistent with the Act, which determination shall be final and binding on all unit owners.

All claims, disputes and other matters in controversy between the Declarant, on the one hand, and the Association or any unit owners, on the other hand, arising out of or relating to this Declaration, the Bylaws or the deed to any unit, or the breach thereof, or the Property and any warranties with respect thereto, except for claims which have been waived by the acceptance of a deed, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Notice of the demand for arbitration shall be filed in writing with the other parties and with the American Arbitration Association or similar non-judicial dispute resolution process. The demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in controversy has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in controversy would be barred by the applicable statute of limitations or other principles of law

and equity. The Association shall institute judicial proceedings before any items of construction can be altered or demolished.

19. **Method of Amending Declaration**. Except to the extent expressly permitted or required by the Act, this Declaration may be amended by a vote or by written approval of the unit owners of units to which sixty-seven percent (67%) of the votes in the Association are allocated and written approval from eligible mortgage holders, their insurers or guarantors, as defined in the Act, representing fifty-one percent (51%) of the votes allocated to units that are subject to mortgages held by eligible holders.

Notwithstanding the foregoing, except to the extent expressly permitted or required by the Act, the unanimous consent of all unit owners and the written approval of eligible mortgage holders or their insurers or guarantors representing sixty-seven percent (67%) of the votes allocated to units that are subject to mortgages held by eligible holders shall be required for any amendment that would:

A. Seek to terminate the legal status of the Property for reasons other than substantial destruction or condemnation of the property, and any such termination shall be as provided in Section 1602-68 of the Act;

B. Change the pro rata interest, obligations or voting rights of any unit, change the boundaries of any unit or the uses to which any unit is restricted;

C. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. The granting of easements for public utilities or the transfer of the roadways to the Town for public purposes consistent with the intended use of the common elements by the Association shall not be deemed a transfer within the meaning of this clause;

D. Use hazard insurance proceeds from losses to any condominium property (whether to units or to common elements) for other than repair, replacement or reconstruction of such improvements, except as provided by this Declaration or the Act in case of substantial destruction of the condominium; or

E. Create or increase special declarant rights. The approval of an eligible mortgage holder may be assumed when such holder fails to submit a response to any written proposal for an amendment within 30 days after receipt of proper notice of the proposal, provided such notice was delivered by certified or registered mail, return receipt requested.

20. **Name and Address**. The name of the Condominium is Shiretowne Common Condominiums as shown on the survey, located off of Coventry Woods Drive, Kennebunk, Maine 04043.

21. **Interpretation; Severability**. In the event of any conflict or discrepancy between this Declaration, the original Declaration, Bylaws and the Plats and Plans, this Declaration shall govern. If any provision of this Declaration, the Bylaws or the rules and regulations be in conflict with any applicable laws, including the Maine Condominium Act, then such laws shall govern and such invalid provision shall be of no force and effect, but the validity of the remainder of this Declaration, the Bylaws and rules and regulations shall not be affected thereby and shall remain in full force and effect as if such invalid provision had not been included.

The captions herein are inserted for convenience and reference and do not limit, alter or define the terms of this Declaration.

22. **Remedies; Waiver**. Except as provided in Section 17 hereof, all rights, remedies and privileges granted to the Declarant, the Association or a unit owner pursuant to the terms of this Declaration, the Bylaws and the rules and regulations shall be deemed to be cumulative to any other right or remedy under said documents or afforded by law or equity, and may be exercised concurrently, independently or successively. Any forbearance in exercising any right or remedy hereunder or otherwise available by applicable law shall not be a waiver of or preclude the exercise of any such right or remedy.

23. **Termination**. Any termination of the condominiums shall be conducted in accordance with Section 1602-118 of the Maine Condominium Act.

IN WITNESS WHEREOF, KASPRZAK CONDOMINIUM, INC. has caused this instrument to be executed by its Vice President, Stephen D. Kasprzak, this 3rd day of June, 2004.

WITNESS: _____ **KASPRZAK CONDOMINIUM INC.**

By: _____
Stephen D. Kasprzak
Its Vice-President

STATE OF MAINE
County of York, ss. June 3, 2004

Personally appeared the above named Stephen D. Kasprzak in his capacity as Vice President of Kasprzak Condominium, Inc. and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said Kasprzak Condominium, Inc.

Before me,

_____ SEAL
Notary Public
Print Name: Gaye C. Littlefield
Commission Expires: 9/10/2008

APPENDIX I
Shiretowne Common

A certain lot or parcel of land situated in the Town of Kennebunk, the County of York, State of Maine, and being Shiretowne Common Condominiums as shown on a site and subdivision plan of Plymouth Grove and Shiretowne Common Condominiums at Coventry Woods prepared by Sebago Technics, Inc. and dated through February 10, 2003, duly recorded in York County Registry of Deeds, and more particularly described on Exhibit A attached hereto.

Also conveying herewith a right of way in common with others for all purposes as if a municipal way, including the right to install utilities, over Coventry Woods Drive as shown on the aforesaid Site and Subdivision Plan and as further delineated on prior plan of condominiums projects at Coventry Woods, said plans referred to as Windsor Commons and Chatham Village, also duly recorded in York County Registry of Deeds in Condominium File 480, Pages 1-4 inclusive, and Condominium File 484, Pages 1-5 inclusive, Hampton Glen and Stratford Place recorded in York County Registry of Deeds in Condominium File 513 and 514, Pages 1-4 inclusive, and Plymouth Grove Condominium File 562, Pages 1-5 inclusive, respectively.

Also conveying a drainage easement to a detention pond located southerly of the terminus of said Coventry Woods Drive as more fully set forth on said Standard Boundary Survey of the Property of Edmund M. Pitts. Said drainage easement and detention pond are to be used in common with the Grantor's successors and assigns as a common detention structure for the development of this condominium and other development of the overall site acquired by Kasprzak Condominium, Inc. and/or related corporations or their successors and assigns and may be enlarged and/or expanded by the Grantors to provide similar drainage and detention for adjoining property. Each of said condominiums and/or homeowners associations are obligated to automatically become members in and share the expenses of Coventry Woods Association, an umbrella organization, to insure the maintenance and continuity of the various common easement areas owned by Kasprzak Condominium, Inc. and/or related corporations or their successors and assigns.

There is hereby excepted and reserved to Kasprzak Landbank, Inc., its successors and assigns, including the owners of units at said Plymouth Grove Condominiums and Shiretowne Common Condominiums, the right and easement to use the above areas for pedestrian and vehicular ingress and egress, and for the installation, maintenance, repair and replacement of any and all utilities that might be useful, desirable, or customary in connection with the full development and use of the other lands of Kasprzak Landbank, Inc. (now or hereafter acquired) together with all those premises shown on the Condominium Plans as the roadway or driveways called Shiretowne Common Drive, Nottingham Court, Sterling Drive, Bentley Place Drive, and Lancaster Court, as shown on the overall Site and Subdivision Plan. The within right and easement shall, also, include the right to enter into, connect with and use any such utility lines, conduits, chases or other facilities as may be located therein, together with the full rights to make use of such areas for the forgoing pedestrian and utility purposes. The premises which are benefited by the forgoing reserved rights and easements are the remaining portions of the premises as conveyed to Kasprzak Landbank, Inc. by deeds from Edmund M. Pitts duly recorded in the York County Registry of Deeds.

Exhibit A
Shiretowne Common

A certain lot or parcel of land situated on the westerly side of Coventry Woods Drive, so called, in the Town of Kennebunk, County of York, State of Maine, being depicted on a plan of land titled "Subdivision Plan of Plymouth Grove and Shiretowne Common Condominiums at Coventry Woods" dated through February 10, 2003 by Sebago Technics, Inc., said parcel being more particularly bounded and described as follows:

Beginning at capped 4 inch square monument set on the westerly side of said Coventry Woods Drive at the northeasterly corner of parcel herein described;

Thence S 13°53'50" W, by and along said Coventry Woods Drive, a distance of 402.45 feet to a capped 4 inch square granite monument set at a point of curvature;

Thence generally southerly, turning more southeasterly on a curve to the left having a radius of 425.00 feet, a central angle of 47°21'49", by and along said Coventry Woods Drive, an arc distance of 351.33 feet to a capped 4 inch square granite monument set at the northwesterly corner of land of Hampton Glen Condominiums as described in a deed recorded in Book 10333, Page 82;

Thence S 43°22'28" W, by and along said land of Hampton Glen Condominiums, a distance of 490.99 feet to a capped 4 inch square granite monument set at the northeasterly corner of land depicted as proposed land of Coventry Woods Association as shown on said plan;

Thence N 35°52'28" W, by and along said proposed land of Coventry Woods Association, a distance of 222.09 feet to an angle point;

Thence N 57°44'31" W, by and along said proposed land of Coventry Woods Association, a distance of 227.12 feet to an angle point;

Thence N 80°50'46" W, by and along said proposed land of Coventry Woods Association, a distance of 223.18 feet to an angle point;

Thence N 49°22'21" W, by and along said proposed land of Coventry Woods Association, a distance of 236.80 feet to a capped 4 inch square granite monument set on the easterly line of land of Maine Turnpike Authority;

Thence N 22°26'40" E, by and along said land of Maine Turnpike Authority, a distance of 1,093.57 feet to an iron pipe found on the southerly side of Cat Mousam Road as shown on said plan;

Thence S 72°48'16" E, by and along said Cat Mousam Road, a distance of 147.52 feet to a granite monument found at the northwesterly corner of land now or formerly of Paul Flaherty and Mark Seeley as described in a deed recorded in Book 10347, Page 99;

Thence S 13°46'48" W, by and along said land of Flaherty and Seeley, a distance of 377.00 feet to an iron pipe found;

Thence S 71°14'47" E, by and along said land of Flaherty and Seeley and by and along land now or formerly of Henry L. Hanscom, Jr. as described in a deed recorded in Book 3698, Page 93, a total distance of 295.00 feet to a capped 5/8 inch iron rebar set;

Thence N 13°36'35" E, by and along said land of Hanscom, a distance of 200.00 feet to a capped 5/8 inch iron rebar set;

Thence S 70°25'21" E, by and along said land now or formerly of Dorothy M. Severence as described in a deed recorded in Book 2567, Page 192, by and along land now or formerly of Lorraine Whitten as described in a deed recorded in Book 1184, Page 373, and by and along land now or formerly of Sharon L. Robinson as described in a deed recorded in Book 10608, Page 143, a total distance of 296.94 feet to a point;

Thence S 71°16'27" E, by and along said Coventry Woods Drive, a distance of 24.59 feet to the point of beginning.

Meaning and intending to describe a certain parcel of land containing 871,601 square feet, or 20.01 acres, more or less, being depicted as Proposed Land of Shiretowne Common as shown on a Plan of Land titled "Subdivision Plan of Plymouth Grove and Shiretowne Common Condominiums at Coventry Woods" dated through February 10, 2003 by Sebago Technics, Inc.

The above described parcel being subject to and benefited by all matters as depicted and described on said subdivision plan.

The above described property being a portion of the premises described in a deed to Kasprzak Landbank, Inc., recorded in Book 9690, Page 76.

Bearings referenced herein are based upon Grid North NAD 1983 Maine West Zone.

APPENDIX II

Units	Fractional Interest In Common Elements and Common Expense Liability	Votes in the Association
1-60 inclusive	1/60	1 each

BYLAWS OF
SHIRETOWNE COMMON CONDOMINIUMS ASSOCIATION

ARTICLE I

Name, Location, and Fiscal Year

Section 1. Name. The name of the corporation is SHIRETOWNE COMMON CONDOMINIUMS ASSOCIATION (the "Corporation").

Section 2. Location. The principal office of the corporation shall be located at Kennebunk, Maine.

Section 3. Fiscal Year. The fiscal year of the corporation shall, unless otherwise decided by the Executive Board, end December 31.

ARTICLE II

Purposes

Section 1. Purposes. The purposes of said corporation are to act on behalf of its members collectively as their governing body with respect to the administration, maintenance, repair and replacement of certain property which will be submitted to the provisions of Maine Condominium Act, Title 33, Chapter 31, Section 1601-101 et seq. and to be known as Shiretowne Common Condominiums Association and as such to own and acquire any real estate or interest or rights therein or appurtenances thereto and any and all personal property in connection therewith as may be incidental or necessary to such purpose.

ARTICLE III

Members

Section 1. Membership. The owner or owners of record from time to time of each unit of the Condominiums, shall constitute one member of the Association, and each such member shall

have the fraction of common interest, common expenses liabilities and voting rights in the corporation that are set forth in Appendix II of the Declaration.

Section 2. Termination of Membership. The membership of each unit owner shall terminate when he ceases to be a unit owner, and upon the sale, transfer or other disposition of his ownership interest in the property his membership in the corporation shall automatically be transferred to the new unit owner succeeding to such ownership interest.

Section 3. Meetings and Notice. An annual meeting of the members shall be held on the last Monday in January in each year, commencing with 2005, at 7:30 p.m. Special meetings of the members may be called by the President, the Executive Board or upon a petition signed by fifty (50) percent of the members. Written notice of any meeting shall be given to each member by the Secretary not less than ten (10) days nor more than thirty (30) days before the meeting by mailing it postage prepaid to the member's mailing address or to any other mailing address designated in writing by the member. The notice shall specify the time and place of the meeting and the items on the agenda.

Section 4. Quorum. A quorum for any meeting shall be constituted by persons entitled to cast 54.17% percent (31 of 60) of the votes for election of the Executive Board, attending in person or represented by proxy.

Section 5. Turnover Date. The Declarant reserves the right, until the Turnover Date, to appoint and remove officers and directors of the corporation. The Turnover Date shall be the date on which the Declarant relinquishes all rights to appoint officers and directors as set forth in paragraph 7, section G of the Declaration. The Declarant may voluntarily surrender the right to appoint officers and directors, in which event it may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective. The Declarant shall give written notice to all members and all eligible holders of mortgages not less than ten (10) days nor more than thirty (30) days prior to the Turnover

Date and shall call for a Special Meeting of members on the Turnover Date to elect a Executive Board.

ARTICLE IV

The Executive Board

Section l. Composition. The Executive Board (herein referred to as Directors) shall consist of a number, not less than three nor more than seven, which shall be fixed for the ensuing year by the members at the annual meeting.

Section 2. Election and Term. The directors, except as provided in Article III, Section 5 and Sections 7 and 8 of this Article, shall be elected at the annual meeting from among the members or spouses of members or in the case of a unit owner which is a corporation, partnership, trust or estate, a designated agent thereof. Each unit shall have one (1) vote for each director at the first annual meeting of members. The term of office of each director shall be fixed at three (3) years, except that the initial directors shall serve for staggered terms so that no more than 50% will have a term expiring in any successive year. The directors shall hold office until their successors have been elected.

Section 3. Powers. The business of the corporation shall be managed by the Executive Board which shall have and may exercise all the powers of the corporation, except those powers reserved to the members by the Act or by these Bylaws. The Board shall have the power to engage a managing agent for the property and to fix the term, compensation and authority of the manager or managing agent. Notwithstanding the foregoing, the Board shall have no authority to approve any capital expenditure in excess of $1,000 nor to authorize the corporation to enter into any contract for a term of more than three (3) years except with the approval in writing of all of the members.

Section 4. Meetings of Directors. Meetings of the Executive Board may be held at any time and place upon call by the President or by a majority of the Directors, reasonable notice thereof being given to each Director. Notice that a meeting has been called may be given by the

President, Secretary or Assistant Secretary, if one is appointed, or by one of the Directors. Notice of any meeting of the Executive Board may be waived in writing signed by the person or persons entitled to such notice, whether before or after the time of such meeting, and shall be equivalent to the giving of such notice. Attendance of a Director at such meeting shall constitute a waiver of notice thereof, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because such meeting is not lawfully convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Executive Board need be specified in the notice, or waiver of notice, of such meeting.

Section 5. Quorum and Voting. Attendance by a majority of directors then in office shall constitute a quorum. If a quorum exists, the directors present may take any action so long as they concur.

Section 6. Action by Consent. Any action required or permitted to be taken at any meeting of the Executive Board may be taken without a meeting if a written consent thereto is signed by all the directors. The Secretary shall file such written consent with the records of the meetings of the Executive Board. Such consent shall be treated as a vote of the Executive Board for all purposes.

Section 7. Vacancies. A vacancy in the Executive Board shall be filled by appointment of the Directors and shall hold office for the unexpired term of the director whose place is vacant and until his successor is elected.

Section 8. Removal. A director may be removed from office only by a majority vote of the unit owners.

Section 9. Compensation. Directors shall not receive compensation for their services except as provided by resolution of a majority of the members of the corporation. Directors shall be reimbursed for any out of pocket expenses incurred which are reasonable and necessary in performing their duties on behalf of the corporation.

ARTICLE V

Officers

Section 1. Designation and Qualification. The officers of the corporation shall consist of a President, a Treasurer, a Secretary and such other officers as the Executive Board may elect. The President and Treasurer shall be members, or spouses of members, or in the case of a unit owner which is a corporation, partnership, trust or estate, a designated agent thereof. The Secretary need not be a member, but shall be a resident of Maine.

Section 2. Election and Term. All officers shall be elected by the Executive Board at its first meeting following the annual meeting of the members and shall hold office until the first meeting of the Executive Board following the next annual meeting of members and until their successors are elected.

Section 3. President. The President shall be a Director and shall be the chief executive officer of the corporation. The President shall have general supervision and control of the business of the corporation subject to the direction of the Executive Board and shall also have such other powers and duties as the Executive Board may decide. The President shall preside at all meetings of the members and at all meetings of the Executive Board. If the President is absent from any meeting of the members or Executive Board, the Treasurer shall preside at such meeting. The President shall prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

Section 4. Treasurer. The Treasurer shall have, subject to the direction of the members or Executive Board, general charge of the financial affairs of the corporation and shall keep full and accurate records thereof, which shall always be open to the inspection of any member or holder of a first mortgage on a unit. He shall render to the President and directors, at the regular meetings of the Executive Board, or whenever they may require it, a statement of the accounts of his transactions as Treasurer and of the financial condition of the corporation.

Section 5. Secretary. The Secretary shall record the proceedings of all meetings of the members and of the Executive Board in books kept for that purpose. Record books of members'

meetings shall be open at all reasonable times to the inspection of any member or holder of a first mortgage on a unit. The Secretary shall also keep the membership transfer books of the corporation. He shall notify the members and the directors of all meetings in accordance with the Bylaws. If the Secretary is absent from any meeting of the members or the Executive Board, a Temporary Secretary shall be chosen to exercise the duties of the Secretary at such meeting.

Section 6. Vacancies. A vacancy in any office may be filled by the Executive Board by the election of a successor to hold office for the unexpired term of the officer whose place is vacant and until his successor is chosen and qualified.

Section 7. Removal. All officers may be removed from their respective offices by the Executive Board.

Section 8. Resignation. Any officer may at any time resign his office by a resignation in writing delivered to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt and acceptance thereof shall not be necessary to make it effective unless it so states.

Section 9. Compensation. The officers shall receive no compensation for their services unless expressly provided for in a resolution adopted by the majority of the members of the corporation. The officers shall be reimbursed for out-of-pocket expenses incurred which are reasonable and necessary in performing their duties on behalf of the corporation.

ARTICLE VI

Assessments

Section I. Budget. The Executive Board shall cause to be prepared an estimated annual budget for each fiscal year of the corporation. Such budget shall take into account the estimated common expenses and cash requirements for the year, including insurance, salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, snow removal, trash pickup and other common expenses (as distinguished from individual mortgage payments, real estate taxes and individual telephone,

electricity and other individual utility expenses billed or charged to the separate members on an individual or separate basis rather than a common basis). The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas and limited common areas. The reserve fund shall be included in the budget and maintained out of regular assessments for common expenses. To the extent that the assessments and other cash income collected during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account in setting the budget and determining assessments for the current year so as to credit any surplus or refund any deficit.

Section 2. Payment. The estimated annual budget for each fiscal year shall be approved by the Executive Board, and copies thereof shall be furnished to each member and eligible mortgage holder within thirty (30) days of adoption, and in any event not later than 90 days after the beginning of such year. The Board shall set a date for a meeting of the members to consider ratification of the budget not less than six (6) nor more than thirty (30) days after mailing of the budget. Notice of said meeting shall accompany the budget. Unless at that meeting a majority of all unit owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the members shall be continued until such time as the members ratify a subsequent budget proposed by the Executive Board. On or before the first day of the next quarter and of each succeeding month or quarter of the year covered by the annual budget, each member shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget, all as determined by the Executive Board. Such proportionate share for each member shall be in accordance with his respective ownership interest in the common areas and facilities. No member shall be relieved of his obligation to pay his assessments for common expenses by abandoning or not using his unit or the common areas and facilities.

Section 3. Statements. Within ninety (90) days after the end of each year covered by an annual budget, or as soon there- after as shall be practicable, the Treasurer shall cause to be furnished to each member a statement for such year so ended, showing the receipts and expenditures and such other information as he may deem desirable.

Section 4. Separate Accounts. The Treasurer shall cause to be kept a separate account for each member showing the respective assessments charged to and paid by such member, and the status of his account from time to time.

Section 5. Additional Assessments. In the event that during the course of any year, it shall appear to the Treasurer that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Executive Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, and shall cause the same to be presented to the members for ratification in the same manner as the budget. Upon ratification of the supplemental budget, a supplemental assessment shall be made to each member for his proportionate share of such supplemental budget.

Section 6. Common Expenses. It shall be the duty of every member to pay his proportionate share of the common expenses, in the same ratio as his percentage of ownership in the common areas and facilities. If any member shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with interest at the rate established by the Association, costs and reasonable attorney's fees shall constitute a debt secured by a lien on such unit. The corporation shall have the authority and responsibility to exercise and enforce any and all rights and remedies as provided for in Maine Revised Statutes, Title 33, Chapter 31, the Declaration and these Bylaws, or otherwise available at law or in equity for the collection of all unpaid assessments.

Section 7. Budget Expenses. The President and/or Treasurer, subject to Board direction, shall have the authority to enter into contracts on behalf of the corporation for work and expenses provided in the budget and to make payment therefor from the funds of the corporation.

Section 8. **Expenses Assessed Subsequent to Conveyance of Unit.** A member may not exempt himself from liability for his shares of common expenses subsequently to be assessed by a conveyance of his unit to the corporation, except by approval of all of the other members and their first mortgagees.

Section 9. **Availability of Documents.** The Corporation is required to make available to unit owners, lenders and the holders, insurers and guarantors of the first mortgage on any unit current copies of the Declaration, Bylaws and any other rules and regulations governing the condominiums and other books, records and financial statements of the Association. In addition thereto, the Association shall also make available to prospective purchasers current copies of the Declaration, Bylaws, other rules governing the condominiums, and the most recent annual audited financial statement, if such is prepared. The Corporation may impose a reasonable charge for copies.

ARTICLE VII

Amendments

Section 1. **Amendment of By-Laws.** These Bylaws may be amended or modified from time to time by action or approval of members representing seventy-five (75) percent of the votes allocated to members, except that no amendment may violate the provisions of Maine Revised Statutes, Title 33, Chapter 31.

Section 2. **Amendment of Declaration.** The Declaration may be amended in accordance with the terms thereof. The President and/or Treasurer of the corporation shall execute a certificate setting forth the text of the amendment, which certificate shall be attested by the Secretary and recorded in the York County Registry of Deeds. Following the recordation of four certificates of amendment, the next amendment shall be evidenced by recordation of a complete revised Declaration executed in the same manner as a certificate of amendment.

Doc# 2004032928
Book 14111 Page 800

37 P80 — 1 Kasprzak Builders
Po Box 26
N. Waterboro Me 04061

Received York SS
06/04/2004 3:11PM
REGISTER OF DEEDS

Debra L. Anderson