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DECLARATION OF SHANNON WOODS CONDOMINIUM

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DECLARATION OF SHANNON WOODS CONDOMINIUM

ARTICLE 1
DECLARATION OF CONDOMINIUM PROPERTY

THIS DECLARATION OF SHANNON WOODS CONDOMINIUM ("Declaration") is executed by **ROCKWOOD PROPERTIES, LLC**, a Maine limited liability company (the "Declarant"), pursuant to the Maine Condominium Act, chapter 31 of Title 33 of the Maine Revised Statutes of 1964 as amended ("Condominium Act").

§1.1 Declaration of Property. The Declarant as the owner in fee simple of the land located on Smith Lane, formerly known as Shannon Lane, in the City of Saco, County of York and State of Maine described in **Exhibit A**, the buildings and improvements located thereon and all easements, rights, privileges and appurtenances thereto (referred to herein as "Land Phase 1," and with any other real estate subsequently subjected to this Declaration collectively referred to as the "Property"), HEREBY SUBMITS Land Phase 1 to the Condominium Act in accordance with this Declaration, and establishes a condominium as defined in Section 1601-103(7) of the Condominium Act ("Condominium") known as Shannon Woods Condominium. The name of the Unit Owners association is the Shannon Woods Condominium Association, a Maine nonprofit corporation (the "Association"). Initially, the Condominium consists of the Land Phase 1. No Units are initially being created initially.

As set forth in this Declaration, the Declarant reserves various Development Rights, Special Declarant Rights and easements, including without limitation the right to physically construct and legally create Condominium Units up to a total of 62 Units with associated Limited Common Elements and to add additional parcels of estate known as Land Phases 2 and 3 described in **Exhibit E** to the Condominium.

§1.2 Applicability. This Declaration shall govern the Property. All present and future owners, occupants and tenants, their guests, licensees, servants, agents, and any other person entering on the Property shall be subject to this Declaration, the Bylaws of the Association and to the Rules and Regulations of the Association, all of which shall be deemed to be covenants running with the land, and shall bind any person having at any time any interest in the Property.

§1.3 Defined Terms. Capitalized terms not otherwise defined in this Declaration or on the Plat and Plans shall have the meanings specified in the Condominium Act.

§1.4 Interpretation. In the event of any conflict or discrepancy between this Declaration, the Bylaws, the Rules and Regulations, and the Plat and Plans, the provisions of this Declaration shall govern.

ARTICLE 2
DESCRIPTION OF PROPERTY

§2.1 Description of the Property. A legal description of the Property initially included in the Condominium is set forth in Exhibit A. The location and dimensions of the Property included in the Condominium are depicted on the Condominium Plat entitled

"Condominium Plat of Shannon Woods Condominium" dated December 4, 2003 as amended through August 10, 2004 by Sebago Technics (the "Plat") recorded herewith in said Registry of Deeds, a reduced copy of which is attached hereto as **Exhibit B**.

§2.2 Location and Dimensions of Buildings and Units. The term "Building" means any building erected or to be erected on the Property containing one or more Units, as well as other improvements comprising a part of a building or intended to be used for purposes incidental to the use of a building. The proposed location and dimensions of the Buildings and other improvements which may be erected on the Property, including Common Elements, are shown on the Plat as depicted on Exhibit B. The proposed location and dimensions of each proposed Unit together with its appurtenant Limited Common Elements are depicted on the Floor Plans entitled "Shannon Woods Condominiums" dated July 26, 2004, sheets FP-1 and FP-2, signed and sealed by Stanley Gawron, Architect recorded in said Registry of Deeds herewith (the "Plans"), reduced copies of which are attached hereto as **Exhibit C**. The proposed location and dimensions of each Building and Unit are subject to change by the Declarant until such time as each Unit is legally created, and such improvements NEED NOT BE BUILT or may be built with configurations and locations different than those shown on the Plat and Plans, as further appears in Article 5 below.

§2.3 Recorded Plat and Plans. The original Plat and Plans and any amendments thereto shall be recorded with this Declaration in the York County Registry of Deeds.

§2.4 Condominium Documents. "Condominium Documents" means this Declaration, the Plat, the Plans, the Bylaws of the Association, and the Rules and Regulations adopted by the Board of Directors, and any amendments adopted from time to time to any of the foregoing.

ARTICLE 3
CONDOMINIUM UNITS

§3.1 Creation of Units. Although initially no Units are created under this Declaration, the Declarant has the right to create Units. For each Unit subsequently created pursuant to this Declaration, its Allocated Interests shall be set forth in an amendment to **Exhibit D**, and a description of such Unit including each Unit's identifying number, the locations and dimensions of the vertical boundaries and horizontal boundaries of each Unit, the Common Elements to which the Unit has direct access, and any other information necessary to identify the Unit shall be shown on the Plat and Plans.

§3.2 Description of the Units. "Unit" means a part of the Property designated for separate ownership or occupancy which has a direct exit to Limited Common Elements and Common Elements. For each Unit created from time to time pursuant to this Declaration, the identification number and approximate area are shown on the Plat and Plans of the Property as amended from time to time. Any internal room configuration shown on the Plans is illustrative only, and is not binding on an owner except that the structural support of the Building must be preserved.

Each Unit includes the following items:

(a) All interior partitions (excepting those portions thereof which are load-bearing), interior doors and interior stairways wholly within the Unit;

(b) Finish flooring, floor coverings, carpeting and the like, and finish wall and ceiling coverings (including paint, wallpaper, furring, gypsum board, moldings, and any other materials constituting any part of the finished surfaces thereof);

(c) Windows, doors, and garage doors providing access to the Common Elements including their locks, hardware and garage door tracks but excluding their frames, thresholds and sills;

(d) Plumbing, kitchen and bathroom fixtures, heating and ventilating, air conditioning systems and components thereof if any even if located outside of a Unit's boundaries, water heaters, kitchen appliances, and any fireplace(s) or hearth(s);

(e) Electrical wiring, equipment outlets and lighting devices from the point where the feed wire enters the Unit's circuit breaker distribution box inwards, and portions of water and sewer utility lines, pipes and equipment serving only that Unit and located within its general boundary lines as herein described; and,

(f) The interior of the attics and garage.

A Unit generally does not include: the exterior walls, the roof, rafters, basement and foundation, land; the pipes, wires, conduits, flues, ducts, pipes, or other heating and utility lines running through a Unit which serve more than one Unit or which serve the Common Elements or which serve another Unit.

Each Unit and the Common Elements shall have any easement for lateral and subjacent support from every other Unit and the Common Elements, and shall have the easement for encroachments established under Section 1602-162 of the Condominium Act. In addition, each Unit Owner has an unrestricted, perpetual right of ingress and egress to his or her Unit, which automatically transfers with a transfer of title to the Unit. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an individual interest in the Common Elements will be void unless the Unit to which that interest is allocated is also transferred.

§3.3 Unit Boundaries. The boundaries of each Unit subsequently created under this Declaration shall be shown on the Plat and Plans, and shall consist of:

(a) *Horizontal Boundary*: The upper and lower boundaries of each Unit are generally the following boundaries extended to an intersection with the vertical (perimeter) boundaries:

1. Upper Boundary: The planes at the lower surfaces of the roof or dormer rafter lines which directly support the roof sheathing, including the upper (outside) side of the gypsum board of the ceiling and any other materials constituting any part of the finished surfaces thereof, if any, extending to the intersection with the vertical boundaries.

2. Lower Boundary: The horizontal planes at the intersection of the upper surface with the sub-flooring at the lower surfaces of the carpeting, tiles, vinyl or other floor surfaces and any other materials constituting any part of the finished floor surfaces thereof, if any, extending to the intersection with the vertical boundaries.

(b) *Vertical Boundaries*: The vertical boundaries of each Unit shall be the vertical planes at the stud line at the exterior or rear surfaces of the gypsum-board, sheetrock, or other wall materials forming its exterior or common walls, extended to the intersections with each other and with the horizontal boundaries.

(c) *Interior Finishes.* The Unit shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, wallpaper, finish flooring and any other materials constituting any part of the finished surfaces thereon located within the boundaries of the Unit.

(d) *Interior Space.* All other spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

(e) *Relocation.* Relocation of boundaries between Units is permitted by amendment to the Declaration in compliance with the provisions of the Condominium Act. The subdivision of Units is not permitted.

§3.4 Allocated Interests. The term "Allocated Interests" means the Common Element Interest, the Common Expense Liability and the vote rights in the Association allocated to each Unit pursuant to this Declaration. The term "Common Element Interest" means the percentage of undivided interest in the Common Elements appurtenant to each Unit. The term "Common Expense Liability" means the allocation to each Unit of the respective liability for Common Expenses. Generally the Common Expense Liability allocated to a Unit is a percentage equal to the Common Element Interest appurtenant to such Unit. The Allocated Interests of each Unit shall be set forth in **Exhibit D**.

The percentage of each Unit's Common Element Interest and Common Expense Liability is allocated by a formula represented by a fraction wherein the numerator is 1 and the denominator is the total number of Units which have been created in the Condominium subject to rounding in order to permit ease of administration, provided however that the percentage stated in Exhibit D (as it may be amended) shall prevail in any event. Each Unit shall each have one vote in the Association on a formula of one vote per Unit to permit equality among Units.

§3.5. Alterations by Unit Owner. Subject to this Declaration, the Bylaws and the Rules and Regulations of the Association as amended from time to time, a Unit Owner may make nonstructural improvements and alterations within the interior of the Unit. However, no Unit Owner may make any improvements or alterations or do any work whatsoever which would impair the structural integrity or mechanical systems or the walls separating units or life safety systems of a Building, lessen the support of any portion of the Condominium, or jeopardize the soundness or safety of the Property.

No Unit Owner shall alter any of the Common Elements or paint or otherwise change the appearance of the Common Elements (including without limitation the Limited Common Elements) or paint or otherwise change the exterior appearance of the Unit (including, but not limited to, the exterior surfaces of doors or windows leading to a Common Element or a Limited Common Element) or any other portion of the Condominium, without the prior written approval of the Board of Directors of the Association provided however that sunspace/screened porch improvements and alternations may be in accordance with Sections 3.6 and 4.6 of this Declaration.

3.6 Development Right to Install Optional Sunspace/Screened Improvements. Until all Units which may be created hereunder have been conveyed to third parties or such earlier time as may be elected by the Declarant by written notice duly recorded, the Declarant shall have the right to improve the Limited Common Element deck and patio areas immediately adjoining the Unit as shown on the Plans by with sunspace/screened improvements in the area attached to the outside of a Unit in the area as shown on the Plans as a patio or deck, which may include the removal and alteration of any intervening partition and the creation of apertures therein for passage back and forth between the Unit and the Limited Common Element, and for the installation of doors, windows and frames appurtenant thereto.

No assurances are given with regard to the order of exercise of this development right, and the exercise of this development right for any Unit constituting a part of the Property does not require its exercise elsewhere or for the balance of the Village Class Unit. Upon the improvement of the sunspace, the Allocated Interests will not be reallocated in accordance with Section 3.4 if applicable. The Declarant shall prepare and record an amendment to the Declaration and Plans to conform to the requirements of Section 1602-109 and 110 of the Condominium Act. The exercise of such rights is subject to the following limitations:

i. The improvements shall not impair the structural integrity, mechanical systems or supports of the buildings.

ii. The improvements shall be consistent with the architectural design, construction materials and quality of construction of the existing buildings;

iii. The improvements may be built only in the locations shown on the Plans; and

iv. Only the Declarant may exercise the rights under this Section, which must be exercised no later than seven (7) years from the date of recording of this Declaration.

ARTICLE 4
COMMON ELEMENTS, LIMITED COMMON ELEMENTS

§4.1 Common Elements. The term "Common Elements" means the entire Property other than the Units, and includes:

i. The land, together with the benefit of and subject to all the accompanying rights and easements described in Exhibit A, and all landscaping, vegetation, trees and drives;

ii. The foundations, roof, exterior walls, chimneys, flues and all structural and load bearing portions of the buildings;

iii. All utility lines, pipes, wires, electrical and transmission wires and conduits, any life safety systems, distribution pipes, pumping station, and water and sewer utility lines which serve more than one Unit or which serve one Unit only but are located outside its boundary line (excepting lines and equipment owned by public and municipal utilities); and

iv. All other parts of the property necessary or convenient to its existence, maintenance and safety or normally in common use, except as otherwise expressly provided in this Declaration.

§4.2 Limited Common Elements. The term "Limited Common Elements" means those portions of the Common Elements where the exclusive use is reserved to one or more, but fewer than all, or the Units in accordance with this Declaration. Limited Common Elements, consist of the following:

i. For each Unit, exterior parking areas as shown and assigned as Limited Common Elements on the Plat and/or Plans;

ii. Water, sewer or other utility lines, water heaters, electrical circuit breaker boxes, and other fixtures designed to serve a single Unit but not a defined part of the Unit are Limited Common Elements allocated exclusively to that Unit;

iii. The exterior deck or patio areas, walks, and the porch areas, if any, shown and assigned as Limited Common Elements on the Plans;

iv. Any door steps, stoops, thresholds, doors and windows and their frames and sills and any other fixture designed to serve a single Unit but located outside its boundary servicing a Unit;

v. The basement, land and concrete slab and foundation below a Unit, the exterior bulkhead and stairs leading to the basement below a Unit and the air space above a Unit; and

vi. the portions of the Property shown on the Plat and Plans or as described as Limited Common Elements pursuant to Section 1602-102(2) and (4) of the Condominium Act

The allocation of Limited Common Elements cannot be altered except in compliance with the Condominium Act, and with the written consent of the Owners and Mortgagees of record of the Units affected by the reallocation of Limited Common Elements.

§4.3 Common Elements to Remain Undivided. The Common Element Interest of a Unit shall be inseparable from each Unit, and any conveyance, lease, devise or other disposition and any mortgage or other encumbrance of any Unit shall include the Common Element Interest, whether or not expressly referred to in the instrument making such transfer.

The Common Elements shall remain undivided and no action for partition or division of any party shall be permitted, unless otherwise provided by law and permitted by this Declaration.

§4.4 Connection of Adjoining Units and Limited Common Areas. If the record owners of the subject Unit(s) affirmatively elect, with the written approval of the Board of Directors of the association based on each owner's compliance with the standards set forth hereinafter, all to be evidenced by a recorded instrument duly executed and acknowledged, that portion of the Common Elements located between the boundary lines of adjoining Units or located between a Unit and an adjoining Limited Common Element (with the consent of any other Units sharing the same), may be thereby subjected to an easement in favor of each such Unit respectively running to the midpoint of the space between each Unit or to the Limited Common Element for the removal and alteration of any intervening partition and the creation of apertures therein for passage back and forth between the two Units or to the Limited Common Element, and for the installation of stairs, doors, windows and frames appurtenant thereto. The owners shall be strictly liable for any resulting damage. At all times after such election each Unit Owner: shall preserve and maintain the structural integrity and architectural style, the mechanical and utility systems, and the support of all portions of the Property; and shall strictly comply with all fire, building code and other governmental laws, ordinances and requirements. Any such Unit Owner or his respective heirs, mortgagees or assigns, may at any time revoke such election by instrument duly executed and acknowledged served on the other such owners and duly recorded, and thereafter may seal up passageways and/or remove the stairs, doors and their frames, and/or install a permanent wall, floor ceiling or other partitions, at all times preserving the structural integrity, the mechanical and utility systems and support of all portions of the Property. Nothing contained herein shall be deemed to merge or otherwise affect the separate identity, configuration or the boundaries of said Units.

§4.5 Alteration of Common Elements by the Declarant. The Declarant reserves the right to modify, alter, repair or improve portions of the Common Elements, including without limitation, any equipment, fixtures and appurtenances, and further reserves an easement over the Limited Common Elements in order to discharge its obligations and o exercise any Declarant rights, whether arising hereunder or under the Condominium Act.

§4.6 Easement for Sunspace/Screened Area Improvements. Following the expiration of the Declarant's Development Rights under Section 3.6 above, if the Owner of subject Unit affirmatively elects, with the written approval of the Board of Directors based on each Owner's compliance with the standards set forth hereinafter, all to be evidenced by a recorded instrument duly executed and acknowledged, the Unit Owner may install sunspace/screening improvements attached to the Unit in the Patio/Deck Limited Common Element area as shown on the Plans and exercise an easement in favor of each such Unit respectively running to the Limited Common Element for the removal and alteration of any intervening partition and the creation of apertures therein for passage back and forth between the Unit and the Limited Common Element, and for the installation of doors, windows and frames appurtenant thereto. The Owners shall be strictly liable for any resulting damage. The exercise of such right is subject to the following limitations, compliance with which shall be approved by the Board of Directors in their discretion prior to construction:

i. The improvements shall be of first quality, permanent construction and shall not impair the structural integrity, mechanical systems or support of the buildings;

ii. The improvements shall be compatible with the architectural design and quality of construction of the existing Buildings and other similar improvements previously installed;

iii. The improvements may be built only in the locations shown on the Plans;

iv. The improvements shall strictly comply with all fire, building codes and other governmental requirements;

v. The owner shall pay the Association such administrative and supervision fee as the Board of Directors may determine.

The Association may require a bond or other assurances of compliance with the foregoing standards. At all times after such election each Unit Owner: shall preserve and maintain the structural integrity and architectural style, the mechanical and utility systems, and the support of all portions of the Property; and shall strictly comply with all fire, building code and other governmental laws, ordinances and requirements. Any such Unit Owner or his respective heirs, mortgagees or assigns, may at any time revoke such election by instrument duly executed and acknowledged served on the other such Owners and duly recorded, and thereafter may seal up passageways and/or remove the stairs, doors and their frames, and/or install a permanent wall, floor ceiling or other partitions, at all times preserving the structural integrity of the building. The Unit Owner shall maintain replace and repair the improvements at his sole expense and shall insure the sunspace/screened area at his expense. The Unit Owner may request the Association to perform routine maintenance and/or to obtain hazard insurance on the sunspace under the Association's master insurance policy, all subject to the agreement of the Association in its discretion, which shall become binding only by a written acceptance signed by an authorized officer thereof and for the insurance coverage by a written acknowledgment from the Associations insurance carrier.

ARTICLE 5
DECLARANT'S RIGHTS AND PHASING

§5.1 Development Rights. The Declarant reserves the rights:

(a) Until the construction, marketing and sale of all Units is completed, including any future Units which may be created hereunder, to locate in the Common Elements and Units of 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 public utility lines, wires, pipes, conduits and facilities servicing or burdening the Property including, but not limited to, water, electric, telephone, cable television, fuel, sewer, and surface and subsurface drainage, provided however that no such easement shall be effective until of record, that no such easements may be granted through Units sold by Declarant to third parties and that the Common Elements shall be promptly restored upon installation and repair;

(b) Until the construction, marketing and sale of all Units is completed, including any future Units which may be created hereunder, to 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 services so used;

(c) Until the construction, marketing and sale of all Units is completed, including any future Units which may be created hereunder, to use the Common Elements for ingress and egress, for the construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units or Common Elements including without limitation the movement and temporary storage of construction materials and equipment, the right of vehicular and pedestrian access, the right to park motor vehicles, and for the installation of signs and lighting for sales and promotional purposes;

(d) Until the construction, marketing and sale of all Units is completed, including any future Units which may be created hereunder, to operate and relocate construction, sales, leasing and management offices; permit prospective tenants, purchasers, lenders, appraisers, and others to visit the offices and use the Common Elements and use unsold Units for construction, sales, leasing and display purposes;

(e) Appoint and remove members of the Board of Directors and Officers of the Association in accordance with Section 6.2 of this Declaration;

(f) Until the construction, marketing and sale of all Units is completed (including any future Units which may be created hereunder), to approve of the creation of easements between adjoining Units or between a Unit and an adjoining limited common element in accordance with Section 4.4 of the Declaration in accordance with the standards set forth therein;

(g) Until the expiration of any applicable warranty established by law or agreement, the Declarant, its contractors, agents and employees shall have the right of entry into a Unit to perform warranty-related work, whether for the benefit of than Unit or any other Unit;

(h) Until the construction, marketing and sale of all Units is completed, including any future Units which may be created hereunder, to grant easements for a

(i) Those rights established under Sections 3.6 and 4.5 of the Declaration;

(j) Those rights established under the Condominium Act.

The exercise of Development Rights shall be subject to the following restrictions:

i) No changes shall be made to the site plan/subdivision approval, the delegated Maine Site Location Act approval, and the recorded plan of Shannon Woods approved by the City of Saco's Planning Board on February 17, 2004 duly recorded in said Registry of Deeds in Plan Book 288, Page 47, a reduced copy of which is attached hereto as Exhibit B-1 unless any applicable authorization

is received under the City of Saco's land use ordinances and the Maine Site Location Act, to the extent applicable.

§ 5.2 PHASING. Developer reserves the rights but not the obligation until seven (7) years from the date of the recording of this Declaration:

A. To create on the Property a total of up to sixty-two (62) Units and Limited Common Elements appurtenant to such Units on the land as described in the attached Exhibits A and E pursuant to Section 1602-110 of the Condominium Act. Said conversion creating additional Units and Limited Common Elements may be composed of up to 19 buildings known as Building Phases A through S inclusive. The projected location and approximate dimensions of the resulting Units and Limited Common Elements are shown on the Plat and Plans.

Said additional buildings, Units and Limited Common Elements may not be built with the configurations or in the locations as shown on the Plat, and the DECLARANT EXPRESSLY RESERVES THE RIGHT TO VARY SUCH BUILDINGS, UNITS, LIMITED COMMON ELEMENTS AND THEIR LOCATIONS in its discretion. Upon the addition of such Building Phases, which may occur in such stages and in such order as the Declarant determines, they shall be fully integrated into the Condominium as if this Declaration had been originally executed and recorded containing the additional Building Phase(s) and the Allocated Interests of the Units shall be reallocated in accordance with the formulas set forth in this Declaration and as more particularly set forth in the amendment adding said Building Phase(s). All such future Units and Limited Common Elements *shall be* consistent with the initial Units in terms of the quality of construction, general architectural style and principal materials, provided that the Declarant may substitute construction materials and technique of equal or better quality and may change the Unit and Limited Common Element configuration and size, upon the addition thereof to the Condominium, must be substantially completed. All restrictions in or created by authority of this Declaration affecting the use, quality or alienation of Units *shall apply* to such Building Phases including, without limitation, the restriction to residential use. Declarant need not add said Building Phases or said Limited Common Elements to the Condominium and hence said buildings, Units and Limited Common Elements NEED NOT BE BUILT. All improvements within a future Building Phase must be substantially completed upon the addition to the Condominium. The Declarant must exercise its right hereunder within seven (7) years of the recording of this Declaration.

Upon the addition of such Units to the Condominium, the Allocated Interests of all Units shall be reallocated in accordance with Section 3.4 of this Declaration and Exhibit D shall be amended accordingly.

B. To add additional land to the Condominium, the locations and dimensions of which are shown on the Plat as Land Phases 2 and 3 which land phases are described in Exhibit E attached hereto. While it is anticipated that Declarant will add such Land Phases in the order indicated, Declarant reserves the right to add portions of said land at different times and in separate portions with boundaries other than those set forth in the Plat and Exhibit E and in such order as it deems appropriate, provided, however, that such land when added shall be contiguous to the then existing Condominium Premises and that land other than as depicted on the Plat and described in said Exhibit E shall not be added. The Declarant may reserve

Development Rights at the time of the addition of such Land Phase but may not reserve the right to create more than a total of 62 residential Units in all Land Phases. No more than ____ Units per acre of land may be created. All improvements to future Units and Common Elements including the buildings and drives *shall be* consistent with Land Phase 1 and Building Phase I for quality of construction, and principal materials, provided that the Declarant may substitute construction materials and techniques of equal or better quality and may change the architectural style.

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

§5.3 Assignment. All or any part of the rights, powers or reservations of Declarant contained in this Declaration may be assigned by Declarant to any person or entity which will assume the duties and obligations of Declarant related to the rights, powers or reservations assigned. Upon the recording of an assignment of such rights, powers or reservations pursuant to which the assignee assumes the duties and obligations of Declarant related thereto, the assignee shall become a successor Declarant as to such rights, powers or reservations assigned and shall have the same rights and powers and be subject to the same duties and obligations as are given to and assumed by Declarant herein, and Declarant shall be relieved from all liability with respect to the rights, powers, reservations, duties and obligations hereunder which are assumed by the assignee.

§5.4 Amendment, Waiver, Etc.

ARTICLE V and Sections 4.4 and 4.5 shall not be amended or waived without the consent of the Declarant duly recorded in said Registry of Deeds.

The rights and benefits of ARTICLE V and all other rights of Declarant set forth in this Declaration, the Bylaws or otherwise, as amended from time to time, may be transferred in whole or part by recorded instrument specifically referring to this Section and executed by Declarant and its successor or assignee.

The Declarant shall have the right to waive the Development and Special Declarant Rights reserved hereunder in whole or part by an written instrument provided that such waiver shall only be effective upon recording in said Registry of Deeds and such waiver shall be subject to the limitations of Section 1603-103(d) of the Act regarding Declarant Control of the Association.

ARTICLE 6
CONDOMINIUM ASSOCIATION

§6.1 The Association. The term "Association" means the association of the Unit Owners organized pursuant to Section 1603-101 of the Condominium Act as a nonprofit

corporation under the Maine Non Profit Corporation Act. The membership of the Association at all times shall consist exclusively of all Unit Owners, or in the event of a termination of the Condominium as provided in the Condominium Act, of all former Unit Owners entitled to distributions of proceeds, or their heirs, successors or assigns. Persons having an interest in a Unit solely as security for an obligation shall not be considered members.

Each Unit Owner shall automatically become a member of the Association, which membership shall continue as long as she or he continues as a Unit Owner, and upon the termination of the interest in the Condominium, his or her membership and any interest in the assets of the Association shall be automatically transferred and inure to the next Unit Owner or Owners succeeding him in interest.

The Association shall have all the powers granted pursuant to its Bylaws, the Condominium Act and the Maine Non Profit Corporation Act.

§6.2 Board of Directors Powers; Declarant Control Period. Except as otherwise provided in Section 1603-103(b) of the Condominium Act, the Board of Directors may act on behalf of the Association and shall have all of the powers necessary or appropriate for the administration of Association.

During the Declarant Control Period, the Board of Directors shall be composed of three (3) natural persons. The term "Declarant Control Period" means the period which extends from the date of the recording of this Declaration until the earlier of (a) seven (7) years following the conveyance of the first Unit to a Purchaser or (b) sixty (60) days after the conveyance of Units with at least seventy-five (75) percent of the Allocated Interests other than a conveyance to a successor Declarant. The Declarant shall have the right during the Declarant Control Period to appoint, remove and replace from time to time any and all members of the Board of Directors, and officers of the Association, without the necessity of obtaining resignations. The directors appointed by the Declarant need not be Unit Owners.

Following the expiration of Declarant Control Period, the affairs of the Association shall be governed by a Board of Directors composed of no less than three (3) and no more than seven (7) natural persons, the exact number of which shall be established by the Bylaws of the Association. A majority of the members at the Board of Directors shall be Unit Owners or spouses of Unit Owners or in the case of a Unit Owner which is a corporation, limited liability company, partnership, trust or estate or other legal entity, a designated agent thereof.

The transition from Declarant-appointed members of the Board of Directors to the Unit Owners generally shall occur no later than the earlier of (a) sixty (60) days after the conveyance of Units with 75% of the Allocated Interest to purchasers other than a successor Declarant, or (b) seven (7) years following conveyance of the first Unit to a Purchaser, or (c) at such earlier date as the Declarant in its sole discretion shall specify. Prior to the expiration of the Declarant Control Period, a transition meeting of the Association and a transition election shall be held at which all of the members of the Board of Directors and officers of the Association appointed by the Declarant shall resign, and the Unit Owners, including the Declarant if the Declarant owns any Units, shall thereupon elect a Board of Directors to act in the place and stead of those resigning.

By written notice duly recorded in said Registry of Deeds specifically referring to this Section, the Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors prior to the termination of the Declarant Control Period, but in that event the Declarant may require, for the duration of the Declarant Control Period that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before such action can become effective.

§6.3 Bylaws. The initial bylaws of the Association are attached hereto as **Exhibit F**.

§6.4 Rules and Regulations. The Board of Directors shall have the power from time to time to adopt, amend and enforce Rules and Regulations relative to the operation, use and occupancy of the Units and the Common Elements, consistent with the provisions of this Declaration, Bylaws and the Condominium Act including, but not limited to, the appointment of such committees and the enactment and enforcement of such enforcement procedures and penalties for violations as the Board of Directors shall deem appropriate. Any such Rules and Regulations shall be adopted or amended, by means of appropriate resolutions duly approved by the Board of Directors. Notice of such Rules and Regulations and any amendment thereto shall be sent to each Owner or occupant of a Unit promptly after the adoption thereof, and shall bind all Owners, their heirs and assigns, any all tenants, invitees, guests and other persons entering upon the Property.

ARTICLE 7
COMMON CHARGES AND ASSESSMENTS

§7.1 Common Expenses and Service Charges. The term "Common Expenses" include, but are not limited to, such costs and expenses established by the Condominium Act, by this Declaration, by the Bylaws, or by the Board of Directors in connection with the administration, operation, maintenance and repair of the Condominium and the Property and the rendering to Unit Owners of all related services.

The term "Limited Common Expenses" mean the Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element, which shall be assessed against the Units to which the appurtenant Limited Common Element is assigned in proportion to the relative Common Expense Liabilities of such Units, as the Board of Directors may periodically establish and determine. If all Units have similar Limited Common Elements, then all Units shall pay such expenses in accordance with their Common Expense Liabilities.

The term "Service Charges" shall mean charges for services benefiting fewer than all the Units, which area assessed exclusively against the Unit or Units benefited in accordance with the use of such services as permitted by Section 1603-115(c) of the Condominium Act and the Bylaws.

It is expressly declared that all expenses for the administration, operation, maintenance and repair of the condominium and the Property shall be borne by the Unit Owners, by means of assessments as set forth herein.

§7.2 Allocation and Payment of Assessments of Common Expenses. The total amount of common expenses shall be assessed to the Units as follows.

(a) The Common Expenses that are not otherwise assessed as Limited Common Expenses or Service Charges shall be assessed against all the Units in proportion to the relative Common Expense Liabilities as set forth herein.

(b) If determined by the Board of Directors a Limited Common Expense which benefits more than a single Unit in a manner which is not uniform among all Units, then such Limited Common Expense shall be assessed solely against the benefited Units benefited in proportion to the relative Common Expense liabilities of such Units as between themselves, all as the Board of Directors may periodically determine. If a Limited Common Expense only benefits a single Unit, that Limited Common Expense shall be assessed solely against the Unit benefited, as the Board of Directors shall determine.

(c) Electricity, telephone and cable television services, and, if separately metered, water and sewer, and each Unit Owner shall promptly pay the bills for such services consumed or used in his or her Unit. Any electricity serving the Common Elements, and water and sewer if not separately metered shall be assessed to each Unit as a Common Expense, subject of the right of the Association to submeter and then separately charge for water and sewer services supplied to the Units as Service Charges.

(d) Each Unit is subject to a lien in favor of the Association for the unpaid Common Expenses, Limited Common Expenses, Service Charges and penalties, fines, interest and costs of collection including reasonable attorneys' fees as provided in the Condominium Act, the Declaration and the Bylaws.

(e) In any event no later than 60 days after the first Unit is conveyed, all Units owners including the Declarant shall commence paying monthly common charges to the Association for all Units which have been legally created and submitted to the Condominium.

§7.3 Service Charges. The Association shall have the express power to separately assess a Unit and the owner thereof as a "Service Charge" for services rendered to that Unit. Such Service Charge assessments shall constitute a lien on the Unit with the same status as a lien for Common Expense liability assessments under the Condominium Act, this Declaration and Bylaws, which lien for service charges may be foreclosed in like manner as a mortgage on real estate. The recordation of this Declaration constitutes record notice of the lien. Service Charges shall include without limitation:

(i) If a Unit Owner, members of his family, guests or tenants requests the Association or its agent to perform repair and maintenance work on his Unit or greenhouse, or damages the Common Elements or safety systems or fails to perform maintenance and

repair work required, the expense thereof as determined by the Board of Directors or its designee may be assessed as a Service Charge.

(ii) Fees, if any, which may be established by the Board of Directors for the use and maintenance of water, sewer and/or other utility services and equipment. Likewise, water and sewage services supplied to each Unit may be measured separately by such methods and systems established by the Board of Directors in their discretion. The expense of public utility charges for water and sewer services, and of associated equipment maintenance and repair and reasonable reserve allowances may also be calculated by the Board of Directors in their discretion and assessed monthly as a service charge to each Unit. For budgeting and working capital purposes, the Board of Directors may charge Unit Owners monthly in advance for such expenses based on its reasonable estimate thereof, subject, however, to such periodic reconciliation as the Board in its discretion may deem appropriate based on the measuring system adopted by the Board. At the election of the Board of Directors, the expense of capital improvements, major repairs or renovations to the water and sewer supply systems may be assessed either as a common expense or as a service charge. The expense of water and sewer services for the common areas may be assessed as a common expense or as a service charge at the election of the Board of Directors.

(iii) Insurance premiums permanent improvements to Units installed by Unit Owners and insured by the request of the Unit Owner with the Association's hazard insurance carrier.

§7.4 Payment of and Lien for Assessments, Service Charges, Fines, Etc.

(a) Each Unit Owner shall pay to the Association or its designee the following amounts: (i) on the first day of each month or on such other date that the Board of Directors may determine, one-twelfth ($1/12^{th}$) of the common charges for Common Expenses including Limited Common Expenses, and Service Charges and revised Common Expenses including revised Limited Common Expenses, assessed against his Unit; (ii) all special assessments and any other sums duly levied against the Unit pursuant to this Declaration, the Bylaws, the Rules and Regulations or the Condominium Act which are assessed against Unit Owners; and (iii) fines, penalties and fees as provided by this Declaration, the Bylaws or the Condominium Act, all interest and late charges and legal fees and other costs of collection thereof.

If for any reason the Association shall revise its annual budget and as a result the Common Expenses or Limited Common Expenses are increased, then commencing on the next day assessments are due each Unit Owner shall pay to the Association or its authorized representative such revised annual Common Expenses, including Limited Common Expenses, assessed against his Unit.

(b) The total annual assessment levied against each Unit for Common Expenses, Limited Common Expenses, Service Charges, any special assessment, other sums duly levied against the Unit pursuant to this Declaration, the Bylaws, the Rules and Regulations, or the Act, all interest and late charges, all legal fees and other costs of collection thereof, and all fines, penalties and fees as provided in this Declaration or the Bylaws: (i) shall constitute the personal

liability of the Owner of the Unit so assessed; and (ii) shall, until fully paid, constitute a lien against the Unit in favor of the Association as provided in Section 1603-116 of the Condominium Act.

Such lien is prior to all other liens and encumbrances on a Unit except (a) liens and encumbrances recorded before the recordation of this Declaration, (b) a first priority mortgage recorded before or after the date on which the assessment sought to be enforced becomes delinquent, and (c) statutory liens for real estate taxes and other governmental assessments or charges against the Units; provided, however, that such lien is not subject to the provisions of 14 M.R.S.A. Section 4651 and 18-A M.R.S.A. Section 2-201, et seq., as they or their equivalents may be amended or modified from time to time.

If any assessment is payable in installments, upon a default by such Unit Owner in the timely payment of any two (2) installments in any fiscal year, the maturity of the remaining total of the unpaid installments may be accelerated at the option of the Board of Directors, and the entire balance of the assessment may be declared due and payable in full.

(c) The lien for assessments described in subparagraph (b) may be enforced and foreclosed by the Association in like manner as a mortgage on real estate as provided in the Condominium Act, or by any other means presently or hereafter provided by law or in equity. A suit to recover a money judgment for unpaid assessments, interest, fines, penalties, and costs of collection may be maintained against the Unit Owner personally without foreclosing or waiving the lien securing such assessments, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

(d) Upon a default in the payment of any amount due the Association or a violation of any provision of the Condominium Act, this Declaration, the Bylaws, or the Rules and Regulations of the Association, which violation continues after reasonable notice from the Association to the Unit Owner, then that Unit and its occupants may be excluded 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.

§7.5 Liability. Multiple owners of a Unit shall each be jointly and severally liable for all Common Expenses, Limited Common Expenses, special assessments, Service Charges, interest, fees, penalties and costs of collection. A grantee shall not be prevented from exercising any right to recover from the grantor such amounts paid for those assessments, common charges, etc. arising prior to the conveyance. A grantee or proposed purchaser for a Unit under a purchase and sale contract may obtain a statement from the Association setting forth the amount of unpaid common charges, assessments and service charges, late fees, interest and costs of collection against the Unit and such other items required by the Condominium Act, upon payment of such fee as may be established from time to time by the Board of Directors,. The grantee shall not be liable for, and the Unit conveyed shall not be subject to a lien for any unpaid amounts due from the grantor before the statement date in excess of the amount set forth in the statement except interest, late fees and costs of collection accruing thereafter.

§7.6 Budget. The proposed budget adopted by the Association's Board of Directors shall be adopted unless rejected by a two-thirds (2/3) vote of all Unit Owners.

§7.7 Working Capital Fund. The Declarant shall establish a segregated working capital fund for the Association equal to a minimum of two (2) months estimated Common Expense and Limited Common Expense assessments for each Unit.

Each Unit's share of such working capital fund shall be collected from and paid by each Unit purchaser at the initial transfer of title by the Declarant to the purchaser and shall be paid to the Association. Such fund shall be held in a segregated account, owned by and in the name of the Association, established at a Maine financial institution insured by the Federal Deposit Insurance Corporation or other equivalent federally sponsored insurance. No purchaser shall be entitled to a refund of such monies from the Association upon any subsequent transfer of a Unit.

ARTICLE 8
MAINTENANCE AND USE

§8.1 General Maintenance Responsibilities. The Units and Common Elements shall be maintained and repaired by each Unit Owner and the Association in accordance with the provisions of Section 1602-107(a) of the Condominium Act.

§8.2 Maintenance of Common Elements. Generally the Association shall be responsible for the maintenance, repair and replacement of the Common Elements including but not limited to snowplowing, street lighting and trash pickup (unless provided by the municipality), all as determined by the Board of Directors, but the Unit Owner shall maintain and repair the appurtenant basement Limited Common Elements. If such repair or replacement of the Common Elements shall be necessitated by the negligence, neglect or misconduct of fewer than all of the Unit Owners, in which case such cost shall be assessed to the Unit Owners responsible as a Service Charge.

§8.3 Maintenance of Limited Common Elements. Generally the Association shall maintain, repair and replace the Limited Common Elements, all as determined by the Board of Directors, except that each Unit Owner shall maintain and repair the interior basement Limited Common Element and the interior and exterior surfaces of door and window glass, and shall remove snow and ice from the steps and deck Limited Common Elements appurtenant to the Unit. The Association may elect to wash exterior windows and remove such ice and snow and assess the Unit therefore as a Service Charge or as a part of the Common Charges. The Association may assess Limited Common Expenses applicable to particular Unit(s) to such Unit(s) if the item giving rise to the expense shall be for the benefit of such Unit(s) only. If such repair or replacement of the Limited Common Elements shall be necessitated by the negligence, neglect or misconduct of fewer than all of the Unit Owners, such cost shall be assessed to the Unit Owners responsible as a Service Charge.

§8.4 Maintenance of Unit- Basement /Repair Responsibility. Each Unit Owner shall keep and maintain her or his Unit and its equipment, appliances and appurtenances in good

order, condition and repair and in a clean and sanitary condition, whether such maintenance and repair shall be structural or non-structural. Each Unit Owner shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of such Unit and the interior basement Limited Common Elements. The Unit Owner shall maintain the interior surface of windows in the Unit, including periodic washing. No Unit Owner shall deposit any trash, dirt, debris or other substance from the Unit onto the Common Elements or Limited Common Elements, except in designated trash disposal areas. The Board of Directors may adopt Rules and Regulations requiring the Unit Owners to periodically replace water heaters and washing machine hoses.

Each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from his failure or negligence to make any of the repairs required by this Article. Each Unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors or the managing agent any defect or need for repairs for which the Association is responsible. To the extent that any damage to a Unit is covered by the Association's insurance, the Unit Owner shall be responsible for (i) payment of the first $250 of the insurance deductible, if any (or such other amount established by the Rules and Regulations) and for (ii) uninsured damage to any Common Element for which the Unit Owner is otherwise responsible due to the fault or negligence of the Owner.

§8.5 Liability of Owner. Each Unit Owner shall be liable, and the Association shall have a lien against his Unit for, all costs of maintaining, repairing or replacing any portion of another Unit or of the Common Elements including Limited Common Elements such as windows, to the extent that such costs are caused by or attributable to such Unit Owner's act, neglect or carelessness or by that of such Unit Owner's guests, employees, agents, lessees, invitees, or their pets. The Association shall have the right to repair any damage so caused, to cure or correct the cause of the damage and to maintain or replace such damaged Unit or Common Element to the extent the Association deems necessary and appropriate. Such liability shall include any increase in insurance rates occasioned by uses, misuse, occupancy, or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed to modify any waiver by insurance companies of rights or subrogation against such Unit Owner.

§8.6 Use and Occupancy Restrictions on Units. Each Unit shall be occupied and used subject to the following restrictions:

(a) *Single Family Residential Use.* No Unit shall be used or occupied for any purpose other than for single family residential purposes, provided, however, that an occupant of a Unit may conduct business activities within the confines of such Unit so long as no signs are displayed, the Unit is not used for meeting with customers or third parties, and there is no noticeable increase in deliveries. Provided however that nothing in this Declaration or the Bylaws shall be construed to prohibit the Declarant from exercising any easements and Special Declarant Rights reserved by the Declarant, including without limitation promotional, marketing or display purposes, sales of Units and for customer service purposes, or from leasing Units owned by Declarant as provided in this Declaration.

(b) *Insurance.* No activities shall be carried on or materials used or kept in any Unit or any in the Common Elements will increase the rate of insurance for the Property, or any part thereof, without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the property, or any part thereof, or which would be in violation of any law, regulation or administrative ruling. No waste may be committed on or to the Common Elements.

(c) *Nuisance/Hazard.* No Unit shall be used so as to create a nuisance or an unreasonable interference with the peaceful possession or proper use of any other Unit or the Common Elements.

No owner or occupant of any Unit shall carry on, or permit to be carried on, any practice which unreasonably interferes with the quiet enjoyment and proper use of another Unit or the Common Elements by the Owner or occupant of any other Unit, or which creates or results in a hazard on the Property.

(d) *Pets and Animals.* Except for household pets permitted below, the maintenance, keeping, boarding and/or raising of animals, including without limitation laboratory animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited within any Unit or upon the Common Elements. A Unit Owner may keep within such Unit up to one dog (two dogs if both dogs are under 25 pounds in weight), two cats and a reasonable number of other ordinary household pets in a Unit subject to the Rules and Regulations as established from time to time by the Board of Directors. In any event all pets and animals shall be restrained so as not to become noisome, bothersome or offensive to other persons, as determined by the Board of Directors. No dogs, cats or other pets shall be permitted outside of a Unit except on a leash attended by a responsible person. Pet owners shall promptly clean up the droppings left by their pets.

The Association shall have the power to further regulate the keeping of pets and animals under the Bylaws or Rules and Regulations of the Association as promulgated or amended from time to time, to require an application fee and to assess an evaluation fee, and to assess fines and penalties on offending owners.

Upon notice and opportunity to be heard, the Board of Directors may expel any offending pets and animals from the Property.

(f) *Fire Safety and Noise Control.* The Unit Owner shall not impair nor remove the any acoustical, sound-deadening, or fire-resistant material from the walls, floors or ceilings of his Unit without replacing the same with acoustical, sound-deadening, or fire resistant materials of equal or greater sound-deadening or fire-resistant ratings or qualities. Additional major appliances may not be installed in a Unit without the prior written consent of the Board of Directors.

(g) *Trash.* Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed in Rules and Regulations established

by the Board of Directors. No articles of personal property belonging to any Unit Owner shall be stored in any portion of the Common Elements.

(h) *Electrical.* No Unit Owner shall overload the electrical wiring in the Building. No Unit Owner shall operate any machinery, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Board of Directors, as appropriate, an unreasonable disturbance or make any alterations, repairs or modifications to or connection with the electrical or plumbing systems without the prior written consent of the Board of Directors, as appropriate.

Additional major appliances may not be installed in a Unit without the prior written consent of the Board of Directors.

(i) *Governmental Requirements.* All Unit Owners, their families, guests and invitees shall comply with and conform to all applicable laws and regulations of the State of Maine, and all ordinances, rules and regulations of the City of Saco. The violating Unit Owner shall hold the Association and other Unit Owners harmless from all fines, penalties, costs and prosecutions for the violation thereof or noncompliance therewith.

§8.7 Use of Common Elements. Subject to this Declaration, the Bylaws or by the Rules and Regulations adopted from time to time by Board of Directors pursuant to its powers, each Unit Owner, occupant, tenant, guest, visitor and invitee may use the Common Element in common with all other Unit Owners and their occupants, tenants, guests, visitors and invitees, in accordance with the single family residential purposes for which they are intended, without hindering or encroaching upon the lawful rights of the other Unit Owners, upon the following terms:

(a) *Motor Vehicles and Parking.* Only passenger vehicles and trucks with a gross vehicle weight of less than 8,000 pounds may be kept or stored on the Property, and such vehicles must be in operable condition and fully licensed for operation on public highways. No motorized vehicles shall be used on the Property, except within the parking areas and on the streets as shown on the Condominium Plat.

No inoperable vehicles, boats, recreational vehicles, snowmobiles, terrain vehicles or other vehicles or recreational equipment or similar items may be kept or parked on the Property except within a fully enclosed garage forming a part of the Unit. No snowmobiles, all terrain vehicles or similar items may be operated on the Property.

Motor vehicles may be parked only in the driveway adjacent to each Unit designated as a Limited Common Elements and in those portions of the Common Elements designated from time to time by the Board of Directors for parking. No parking shall be permitted in the areas posted against parking by the Board of Directors. Other than the driveway Limited Common Element appurtenant to each Unit or as the Board of Directors may permit from time to time, any Common Elements designated as spaces for parking shall be used by the Unit Owners on "first come, first served" basis. No unattended vehicle shall be left in such a manner as to impede the passage of traffic or to impair access to driveway or parking areas.

The Board of Directors may adopt such Rules and Regulations as it deems necessary or appropriate to further regulate parking.

(b) *Exterior Alterations.* Except with the written consent of the Board of Directors or as otherwise expressly provided in this Declaration, no person shall (i) construct or maintain any antennas, dishes, wires, cables, fences, decks, steps, signs, canopies, clotheslines or other structures, nor (ii) plant, trim, cut or remove vegetation, trees or shrubs, nor (iii) materially alter the grading or landscaping, nor (iv) do any other thing which affects the appearance from the exterior of the Common Elements or Limited Common Elements.

The Board of Directors may its discretion designate areas in which Unit Owners may plant flowers and annuals based on plans specifically approved by the Board and subject to the obligation of the Unit Owner to maintain such items in good condition and repair, failing which they may be removed by the Association at the Unit Owner's expense.

(c) *Signs.* No signs of any character shall be erected, posted or displayed from any Unit, Common Element or Limited Common Element without the prior written approval of the Board of Directors, except for such signs as may be posted by the Declarant for the promotional or marketing purposes as permitted herein or as permitted by the Condominium Documents. The Board of Directors shall have sole authority to erect the exterior sign or signs authorized by the City of Saco. The Board of Directors may also erect or authorize directional and identifying sign(s) listing the name and location of each occupant of the Units.

(d) *Obstruction/Storage.* No Unit Owner shall obstruct any of the Common Elements nor shall any Unit Owner place or store anything on any of the Common Elements except those areas designated for parking by the Condominium Documents or as permitted by the Board of Directors.

(e) *Responsibility.* Neither the Board of Directors, the Association, any Unit Owner, nor the Declarant shall be considered a bailee of any personal property stored on the Common Elements (including vehicles parked on the Common Elements), whether or not exclusive possession of the particular area is given to a Unit Owner for storage or parking purposes. None of them shall be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

(f) *Buffer Areas.* The 75 foot wide stream buffer and the undisturbed wooded treatment wetlands depicted on the Plat shall be left undisturbed, except for foundation drains, storm water outfalls and as otherwise permitted by the City of Saco.

§8.8 Leasing. The Bylaws may restrict and regulate leasing of Units.

The Declarant shall have the right to operate any Units (even if not then created as Units) owned by the Declarant as a rental property, and may establish and maintain all offices, signs and other accouterments normally used in the operation of rental properties in the Declarant's discretion. Such rental operations shall be for the benefit of the Declarant; neither

the Association nor any Unit Owner shall have any interest or right in the profits and losses from such operations.

ARTICLE 9
EASEMENTS

§9.1 Utilities, Pipes and Conduits. Each Owner shall have an easement, in common with all other Unit Owners, to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Easements serving his Unit and located in any of the other Units. Each Unit shall be subject to an easement in favor of other Unit Owners to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Association shall have the right to grant to third parties additional permits, licenses and easements over and through the Common Elements for utilities, ways, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Condominium.

§9.2 Access. Subject to the terms of this Declaration, the Bylaws and the Rules and Regulations, each Unit Owner shall have an easement in common with all other Unit Owners to use the Common Elements as a means of access to and from his Unit.

§9.3 Association and Board of Directors Access. The Association and its officers and directors and such persons as may be authorized by the Board of Directors shall have the right of access to each Unit, as provided in Section 1603-107(a) of the Condominium Act for the inspection, maintenance, repair or replacement of the Common Elements and Limited Common Elements located in the Unit or accessible from the Unit or for making any addition or improvements thereto; or to make repairs to any Unit, the Common Elements or the Limited Common Elements if such repairs are reasonably necessary for public safety or to prevent damage to any other Unit, the Common Elements or the Limited Common Elements; or to abate any violation of law, orders, rules or regulations of the Association or of any governmental authorities having jurisdiction thereof. In case of an emergency, such right of entry shall be immediate whether or not the Unit Owner is present at the time. Upon request of the Association, each Unit Owner shall provide the Association with a copy of each key to the Unit.

§9.4 Encroachments. Each Unit and the Common Elements are subject to an easement for structural and lateral support in favor of every other Unit. If any portion of the Common Elements or Limited Common Elements hereafter encroach upon any Unit, or if any Unit hereafter encroaches upon any other Unit or upon any portion of the Common Elements or Limited Common Elements, as a result of settling or shifting of any Building in which they are located, other than as a result of the willful or negligent act or omission of the owner of the encroaching Unit or of the Association in the case of encroachments by the Common Elements or Limited Common Elements, then a valid easement for the encroachment and for the maintenance of the same shall exist.

In the event that a Building is partially destroyed an a result of fire or other casualty or as a result of a taking by eminent domain or by deed in lieu of condemnation and is

subsequently rebuilt, encroachments due to such rebuilding shall be permitted, and valid easements appurtenant thereto shall exist.

§9.5 Ancillary Easements through Common Elements. The Common Elements (including, but not limited to, the Limited Common Elements) adjacent to a Unit are subject to the following easements in favor of the adjacent Unit:

(i) For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, cable television, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or serve any Unit and which pass across or through a portion of the Common Elements.

(ii) For the installation, repair, maintenance, use removal and/or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of a Common Elements adjacent to such Unit; provided that the installation, repair maintenance, use, removal or replacement of any part of the Common Elements, adversely affect either the thermal, fire safety or acoustical character of the Building or impair or structurally weaken the building.

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

ARTICLE 10
RIGHTS OF MORTGAGE LENDERS ON UNITS

§10.1 Right to Mortgage. Each Unit Owner shall have the right to mortgage or encumber his own respective Unit together with its appurtenant Allocated Interests. Except as provided by Section 1603-112 of the Condominium Act, a Unit Owner may not mortgage or encumber the Common Elements in any manner except as a component of the Allocated Interests appurtenant to his Unit.

§10.2 Identification of Mortgagee. A Unit Owner who mortgages his Unit shall notify the Board of Directors in writing of the name and address of his Mortgagee(s).

§10.3 Mortgage Foreclosure and Dispositions. Any holder of a first mortgage covering a Unit which obtains title to the Unit pursuant to a foreclosure or other exercise of the remedies provided in the Mortgage or through deed in lieu of foreclosure after written notice of default which deed identifies the circumstances classifying it as such a deed shall take title to

the Unit with its appurtenant Allocated Interests free of any claims for unpaid assessments for Common Expenses, Service Charges, late fees, interest and costs levied against such Unit which accrued prior to the acquisition of title to such Unit by the Mortgagee, other than the proportionate share of the Common Expenses which become due and payable from and after the date on which the Mortgagee shall acquire title to the Unit through a completed foreclosure or deed in lieu of foreclosure.

In the event the Association adopts any right of first refusal or purchase option arising in the event of the sale or transfer of a Unit, it shall not impair the right of an institutional mortgage lender to foreclose its mortgage, to accept a deed in lieu of foreclosure after written notice of default which deed identifies the circumstances classifying it as such a deed, or to dispose or lease a Unit so acquired.

§10.4 Eligible Mortgage Holder. "Eligible Mortgage Holder" means the holder of record of a recorded first Mortgage encumbering a Unit (a "Mortgage") which has delivered written notice to the Association, by prepaid United States Mail, return receipt requested, or by delivery in hand securing a receipt therefore, stating: (a) the name and address of the holder of the Mortgage, (2) the name and address of the owner of the Unit encumbered by such Mortgage, (3) the identifying number of such Unit, and (4) containing a statement that such Mortgage is a recorded first mortgage. The Secretary or manager of the Association shall maintain such information.

Eligible Mortgage Holders shall have all rights specified in the Condominium Act. Furthermore after the filing of the request by an Eligible Mortgage Holder, the Board shall cause notice to be sent to the Eligible Mortgage Holders (and any insurers or guarantors of such mortgages identified in the request) of any one or more of the following events affecting the mortgaged Unit(s), if so requested.

i. Default in the payment of Common Charges, Assessments, Service Charges, or other amounts due the Association which continues for Sixty (60) days or as required by the Condominium Act;

ii. Default or violation of the Condominium Documents, or any proceedings by the Association relating thereto;

iii. The expiration, cancellation or material modification of insurance required to be maintained under the Declaration or Bylaws of the Association;

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

v. Termination of the Condominium pursuant to Section 1602-118 of the Condominium Act;

vi. Change in the Allocated Interests of a Unit, voting rights, a change in Unit boundaries or the subdivision of a Unit;

vii. The merger or consolidation of the Condominium with another condominium;

viii. The conveyance or subjection to a security interest of any portion of the Common Elements; and

ix. The lapse, cancellation or material modification of any insurance policy maintained by the Association or any use of any hazard insurance proceeds other than for repair or restoration of the Property.

x. Such other events specified in the Condominium Act.

If in said request to the Association forwarded by an Eligible Mortgage Holder the mortgage is identified as being subject to the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans' Administration, the Federal Housing Administration or other recognized institutional mortgage programs, then the Association shall maintain such hazard and other insurance policies and coverage required under said mortgage programs and identified in said notice from the institutional mortgage holder, to the extent such insurance is available to the Association.

§10.5 Mortgagee Approval Rights. For a material amendment to the Declaration or any of the actions specified below but subject in any event to the provisions of the Condominium Act, approval must 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:

i. Voting rights in the Association;

ii. Change in percentage liability for common expenses, assessment liens for common expenses, priority of assessment liens, or the subordination of assessment liens, or increases in the assessments of more than 25% over the prior year;

iii. Reduction in reserves for maintenance, repair and replacement of Common Elements;

iv. Responsibility for maintenance and repairs;

v. Reallocation of pro rata interests in the Common Elements or Limited Common Element or rights to their use;

vi. Alteration of the definitions of the boundaries of any Unit, including the partition or subdivision of a Unit;

vii. Convertibility of Units into Common Elements or vice versa;

viii. Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;

ix. Hazard insurance or fidelity bond requirements;

x. Imposition of any restrictions on the leasing of Units;

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

xii. A decision by the Association to establish self-management after more than 50 Units have been created when professional management had been required previously by an Eligible Mortgage Holder or by the Condominium Declaration or the Bylaws;

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

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

xv. Any provisions of this Article and any other provision of this Declaration expressly benefits mortgage holders, insurers or guarantors; or

xvi. Any provisions of this Article.

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 Sixty-Seven percent (67%) of the votes of Units subject to mortgages held by Eligible Holders must agree.

Approval shall be presumed when an Eligible Mortgage Holder is sent a written request for approval of a proposed amendment by registered or certified mail, return receipt requested, and then fails to submit a response within 30 calendar days after the notice is received.

§10.6 Mortgagee Priority. No provision of the Condominium Documents shall be deemed or construed to give a Unit Owner, or any other person, priority over the rights of any Eligible Mortgage Holder under its mortgage in the case of a distribution of insurance proceeds or condemnation awards for losses to or taking of Units, Common Elements, or both.

§10.7 Records. An Eligible Mortgage Holder may examine the books, records and accounts of the Association at reasonable times. The Association shall maintain current copies of the this Declaration, the Association's articles of incorporation, Bylaws, and other Rules and Regulations concerning the Condominium as well as its own books, records, and financial statements available for inspection by Unit Owners or by any Eligible Mortgage Holder, insurers, and guarantors of first mortgages that are secured by Units available during normal business hours. Upon written request, any Eligible Mortgage Holder may obtain an audited statement of the Association's fiscal affairs prepared by an independent certified public accountant once the Condominium has been established for a full fiscal year, which

preparation shall be prepared at the Eligible Mortgage Holder's expense so long as the Condominium has fewer than 50 Units.

ARTICLE 11
INSURANCE

§11.1 General. No later than the date of the first conveyance of a Unit to a person other than the Declarant, the Association, shall obtain and maintain as a Common Expense, the policies of insurance described below to the extent such policies shall be reasonably available. If such insurance is not maintained, then the Association shall give written notice thereof to the Unit Owners and the Eligible Mortgage Holders. To the extent that such insurance subsequently becomes unavailable, the Association shall obtain as a substitution the most comparable insurance available. The Board of Directors is hereby irrevocably appointed as attorney-in-fact for each Unit Owner and for each Mortgagee and Eligible Mortgage Holder and for each owner of any other interest in the Property, for purchasing and maintaining the insurance, for the collection and disposition of any insurance, including distribution pursuant to Section 1603-113(c) of the Condominium Act, for the negotiation of losses and execution of releases of liability, and for the execution of all documents, and performance of all other acts necessary to accomplish these purposes.

§11.2 Property and Casualty Insurance for Units and Common Elements. The Association shall obtain and maintain in effect an "all-risk" fire and casualty insurance policy covering the Property with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition and water damage endorsements, issued by an insurance company authorized to do business in the State of Maine (which company shall also meet the ratings requirements of the Federal National Mortgage Association), insuring as a single entity the entire Property including the Common Elements, the Limited Common Elements Units, and the fixtures, supplies and common personal property belonging to the Association , *excepting* the land, foundations, excavations, and other similar items customarily excluded from property insurance policies and also *excepting* furniture, furnishings or other personal property supplied or installed by Unit Owners. The policy shall cover the interests of and name as insureds the Association, the Board of Directors, and all Unit Owners and their Mortgagees as their insurable interests may appear.

Such blanket or master insurance policy shall be in an amount equal to one hundred percent (100%) of the then current full replacement cost of the insured Property (exclusives of the land, excavations, foundations and other similar items customarily excluded from such coverage), without deduction for depreciation, together with coverage for the payment of common expenses with respect to damaged Units during the period of reconstruction. Such insurance policy may, at the option of the Board of Directors, contain such deductible as the Board of Directors shall reasonably deem appropriate but not to exceed the lesser of $10,000 or one (1) percent of the policy's face amount. Unless otherwise established by the Board of Directors from time to time, a Unit Owner shall pay the expense of repair of damage to his Unit in the initial deductible amount of $250 (as such amount as may be revised by the Rules and Regulations adopted by the Board of Directors from time to time) not covered by the insurance;

the Association shall not be responsible for the repair of damage to the Unit in the amount of such amount. Such casualty insurance policy shall also include the following provisions:

(i) The following endorsements or their equivalent: (a) "no control", meaning that coverage shall not be prejudiced by any act or neglect of any occupant or Unit Owner or their agents, when such act or neglect is not within the control of the insured, or the Unit Owners collectively, nor by any failure of the insured, or the Unit Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the Unit Owners collectively, have no control; (b) "Construction Code Endorsement" or "increased cost of construction," (c) "agreed amount" or elimination of co-insurance clause; and (d) "inflation guard", when it can be obtained.

(ii) That any "no other insurance" clause must expressly exclude individual Unit Owners' policies from its operation, so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Unit Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees;

(iii) The recognition of any Insurance Trust Agreement whereby the Board of Directors may designate in writing an Insurance Trustee to hold any insurance proceeds in trust for disbursement, as provided in Section 11.3 below; and

(iv) A standard "mortgagee clause" which shall: (a) provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Unit, in their respective order and preference, whether or not named therein; (b) provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Association or owners or any persons under any of them; and (c) waive any provision invalidating such mortgagee clauses by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, and requirement that the mortgagee pay any premium thereon, and any contribution clause.

§11.3 Casualty Losses, Adjustment and Payment; Insurance Trustee. Any loss covered by the insurance policy described in Section 11.2 above shall be adjusted with the Association acting through its Board of Directors, but the insurance proceeds shall be payable to the Insurance Trustee designated for that purpose, if any, as provided in the Condominium Act and otherwise to the Association, and not to any Mortgagee.

The Insurance Trustee or the Association as applicable shall hold any insurance proceeds in trust for Unit Owners, Mortgagees and other lien holders as their interests may appear. The Board of Directors shall cause the Insurance Trustee or the Association to obtain a surety bond in 100% of the amount of the insurance proceeds for the faithful performance of the duties as insurance trustee before it shall be entitled to receive such proceeds. Subject to the provisions of this Article, the Bylaws and Section 1603-113(e) of the Condominium Act,

the proceeds shall be disbursed first for the repair or restoration of the damage to the Property. Unit Owners, Mortgagees and other lien holders are not entitled to receive payment of any portion of the proceeds, unless either (i) there is a surplus of proceeds after the damaged Common Elements and Units have been repaired or restored, or (ii) the decision has been made not to repair or restore the damage as provided in Section 1603-113(h) of the Condominium Act, or (iii) the Condominium is terminated in whole or part.

§11.4 Liability Insurance. The Board of Directors shall obtain and maintain, as a Common Expense, comprehensive general public liability insurance (including medical payments insurance) and property damage insurance in such limits as the Board may from time to time determine, insuring each Board of Directors member, the managing agent, each Unit Owner and the Declarant against any liability to the public or to the Unit Owners (and their invitees, agents and employees) covering all occurrences commonly insured against for death, bodily injury or property damage, arising out of the maintenance, ownership or use of the Common Elements, and for any legal liability resulting from suits or actions related to employment contracts to which the Association is a party. Such insurance shall be issued on a comprehensive liability basis and shall contain: (a) a cross liability endorsement, under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (b) hired and non-owned vehicle coverage; (c) a "severability of interest" endorsement, which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Association or of another Unit Owner; and (d) a broad form liability extension endorsement including "personal injury", contractual liability, and other coverage commonly included in such broad form endorsement. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars ($1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence.

§11.5 Additional Required Provisions. All insurance policies required to be carried by the Association under the foregoing Section 11.2 and 11.4 shall in addition contain the following provisions or features:

i. The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the managing agent or the Unit Owners, and their respective agents, employees, guests and, in the case of the Unit Owners, the members of their households;

ii. The Declarant, so long as the Declarant shall own any Unit, shall be protected by all such policies as a Unit Owner.

iii. Each Unit Owner is an insured person under the policy with respect to liability arising out of the ownership of an undivided interest in the Common Elements or membership in the Association;

iv. The insurer waives its right to subrogation under the policy against any Unit Owner or members of his household;

v. No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

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

§11.6 Other Insurance. The Board of Directors shall obtain and maintain as a Common Expense:

(i) To the extent reasonably available, "directors and officers'" liability insurance, to satisfy the indemnification obligations of the Association;

(ii) Workers' compensation insurance, if and to the extent necessary to meet the requirements of law;

(iii) Flood insurance if any or all of the Property is located in a special flood hazard area equal to the greater of 100% of the insurable value of the Property or the maximum coverage available under the appropriate national Flood Insurance Administration program. A blanket or master policy shall be obtained which includes a maximum deductible of the lesser of $5,000 or one percent (1.00%) of the policy face amount; and

(iv) Such other insurance as the Board of Directors may determine, as may be requested by a majority of the Unit Owners, or as may be required by Federal National Mortgage Association Guidelines (including, without limitation, fidelity bond coverage).

§11.7 Memoranda and Cancellation. All insurers that shall issue an insurance policy or policies under this Article shall issue certificates or memoranda or insurance to the Association, and, upon request, to any Unit Owner or Mortgagee.

All such insurers issuing the policy may not cancel (including cancellation for non-payment of premium), substantially modify, or refuse to renew such policy or policies until twenty (20) days after notice of the proposed cancellation of non-renewal has been mailed to the Association, the managing agent, each Unit Owner and each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

§11.8 Separate Insurance. Each Unit Owner shall have the right, at his own expense, to obtain insurance for his Unit and for his own benefit and to obtain insurance coverage upon his personal property and for his personal liability as well as upon any improvements made by him to his Unit under coverage normally called "improvements and betterments coverage"; provided, however, that no Unit Owner shall be entitled to exercises his right to acquire or maintain such insurance coverage which would decrease the amount which the Association on behalf of all Unit Owners may realize under any insurance policy maintained by the Association, or to cause any insurance coverage maintained by the Association to be brought into contribution with insurance coverage obtained by a Unit Owner. All such Unit Owner's policies shall contain waivers of subrogation.

At the request of the Association any Unit Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such Owner at this expense, and personal property belonging to such Owner, shall file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. Such Unit Owner shall also promptly notify the Board of Directors in writing in the event such policy is canceled. Each Unit Owner shall notify the Board of Directors in writing of all structural improvements made by the Unit Owner to his Unit; provided, however, that this sentence shall not be construed as an authorization to Unit Owners to make structural improvements to Units otherwise than in accordance with this Declaration, the Bylaws and Rules and Regulations promulgated by the Board of Directors. Any premium increase caused by such improvements may be assessed to the Owner of the improved Unit. No Unit Owner shall be entitled to receive insurance proceeds for the repair, restoration or rebuilding of any such improvements not so reported to the Board of Directors, unless otherwise consented to by vote of the Board of Directors.

Notwithstanding any other provision of this Declaration, during the period a building or other associated improvements are under construction prior to the creation of Units therein, the Declarant shall be responsible for procuring casualty insurance on the building and the proceeds of such insurance shall be the exclusive property of the Declarant and its mortgagee.

ARTICLE 12
DAMAGE OR DESTRUCTION.

§12.1 Repair. Any portion of the Property damaged or destroyed shall be repaired or replaced promptly by the Association unless:

i. The Condominium is terminated;

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 area which would not be rebuilt and including the consent of the Eligible Mortgage Holders as required herein.

The cost of repair or replacement in excess of insurance proceeds and reserves or not covered by any deductible shall be a common expense, provided that Unit Owners shall be responsible for up to $250 of the insurance deductible for damage to their Units or such other portion of the deductible established by the Rules and Regulations established from time to time by the Board of Directors.

§12.2 Application of Insurance Proceeds. If the entire Property is not completely repaired or replaced:

i. the insurance proceeds attributable to the damaged Units and Common Elements 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 in Limited Common Element, 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 Condominium 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 13 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 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.

Notwithstanding any other provision of this Declaration, during the period a building is under construction prior to its creation as a Unit and the time the Unit commences paying common charges, the Declarant shall be responsible for procuring casualty insurance on the building and the proceeds of such insurance shall be the exclusive property of the Declarant and its mortgagee.

ARTICLE 13
TERMINATION OF CONDOMINIUM

§13.1 Termination. In accordance with Condominium Act, the Condominium may be terminated in whole or part with the agreement of the Owners of Units to which at least eighty (80) percent of the Votes in the Association are allocated, and that percentage of Eligible Mortgage Holders required herein and the Condominium Act. Termination shall not bar the subsequent resubmission of the Property to the Condominium Act.

§13.2 Effect of Termination. Upon removal of the Property from the Condominium Act, the Unit Owners shall hold the Property and any proceeds thereof as tenants in common in accordance with the Condominium Act and subject to the Condominium Act with any mortgages or liens affecting a Unit to attach in order of priority against the resulting interest.

ARTICLE 14.
EMINENT DOMAIN.

§14.1 Acquisition of Unit(s). 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 are acquired. Upon acquisition of the Unit, Unit's allocated 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.

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 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 allocated interest divested from the partially acquired Unit shall automatically be reallocated to that Unit and the remaining Units in proportion to their respective allocated interests of those Units with the partially acquired Unit participating in the reallocation of the basis of its reduced allocated interests provided however, that each Unit shall continue to have one vote to permit equality among Units.

§14.2 Acquisition of Common Elements. 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 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 Condominium Act, unless the Association rebuilds or acquires comparable elements. 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.

§14.3 Rights of the Association and Mortgage Holders. In the event of a proposed acquisition by eminent domain, the Association shall have the right but not the obligation to act and to intervene on behalf of Unit Owners. Nothing contained in this Declaration, the Bylaws or any rule or regulation adopted by the Association, however, shall entitle any Unit Owner or other person to priority over a first mortgagee of a Unit pursuant to its mortgage instrument in the right to receive eminent domain awards for the taking of Units and/or Common Elements.

ARTICLE 15
AMENDMENTS

§15.1 General. Certain amendments to this Declaration may be made unilaterally by the Declarant in accordance with this Declaration and the Condominium Act. In addition, certain amendments may be unilaterally executed and recorded by the Association as described in Condominium Act Sections 1601-107, Eminent Domain, 1602-108(c), Allocation of Limited Common Elements, 1602-112(a), Relocation of Boundaries Between Adjoining Units, 1602-113, Subdivision of Units and 1602-117(a), Amendment of Declaration, and certain amendments to this Declaration may be made by certain Unit Owners, as described in Sections 1602-108(b), Reallocation of Limited Common Elements, 1602-112(a), Relocation of Boundaries Between Adjoining Units, 1602-113(b), Subdivision of Units, or 1602-118(b) of the Condominium Act.

Otherwise subject to the other provisions of this Declaration and of the Condominium Act, the Declaration and the accompanying Plats and the Plans may be amended as follows:

(a) *Before Any Conveyance.* Prior to the conveyance of any Unit by the Declarant to a third party purchaser (other than as security for an obligation), the Declarant shall have the right to unilaterally amend and reamend this Declaration in any manner that the Declarant may deem appropriate.

(b) *After First Conveyance.* After the first conveyance of Unit by a Declarant to a third party purchaser, the terms of the following procedures shall apply to an amendment of this Declaration:

(i) *Development and Special Declarant Rights.* Notwithstanding any other provision of this Declaration, the Declarant acting unilaterally may record amendments to this Declaration which result from the exercise of Development and Special Declarant Rights pursuant to this Declaration and/or the Act.

(ii) *Proposal and Notice.* An amendment to the Declaration may be proposed by either the Board of Directors or by Unit Owners holding at least twenty (20) percent of the votes in the Association. Notice of the subject matter of a proposed amendment, including the proposed text thereof, shall be included in the notice of any meeting in which a proposed amendment is to be considered, and such notice shall be given to all Unit Owners and all eligible Mortgage Holders.

(ii) *Approval.* The amendment shall be adopted if it receives the affirmative vote or written consent of Sixty-Seven percent (67%) or more of the total percentage in interest of all votes in the Association in all cases and such Eligible Mortgage Holders as may be required herein. Unit Owners and mortgagees may express their approval in writing or by proxy. Provided however that no amendment may change the uses to which a Unit may be put without the unanimous consent of the owners of Units affected. Except as specifically provided to the contrary in this Declaration or the Act, no amendment may alter the boundaries of a Unit or the

Allocated Interests allocated to a Unit without the unanimous consent of all affected owners.

(iii) *By Written Agreement.* In the alternative, an amendment may be made by an agreement signed by the record Owners of Units to which are allocated own hundred percent (100%) of the Units in the manner required for the execution of a deed and acknowledged by at least one of them, with any required approval by Eligible Mortgage Holders, and such amendment shall be effective when certified and recorded as provided below.

§15.2 Proviso; Consent of Declarant. No amendment of this Declaration shall make any change which would in any way affect any of the rights, privileges, powers and options of the Declarant, its successors or assigns, unless the Declarant shall approve such amendment.

§15.3 Notice, Execution and Recording. After each amendment to this Declaration adopted by the Association pursuant to this Article has been recorded, notice thereof shall be sent to all Unit Owners and to all Eligible Mortgage Holders, but failure to send such notices shall not affect the validity of such amendment. A certificate of each such amendment shall be executed and acknowledged by such officer(s) or director(s) of the Association designated for that purpose by the Bylaws. The amendment shall be effective when such certificate and copy of the Amendment are recorded.

§15.4 Notice and Challenge. No action to challenge the validity of an amendment to this Declaration adopted by the Association may be brought more than one (1) year after such amendment is recorded.

ARTICLE 16
GENERAL PROVISIONS

§16.1 Enforcement. The failure to comply with the terms of this Declaration, the Bylaws and the Rules and Regulations adopted pursuant thereto shall entitle the Association to (a) take court action, including without limitation suit for injunctive relief, and/or (b) take such further action as permitted under the Bylaws, and/or (c) enter the Unit or Common Elements in which such violation or breach exists and summarily to abate and cure the violation at the expense of the defaulting Unit Owner, and the Board of Directors shall not be deemed guilty in any manner of trespass when enforcing these terms. The exercise of any one remedy precludes the exercise of other remedies provided by law, the Condominium Act, this Declaration or in the Bylaws. In any such enforcement action or preceding the Association shall be entitled to recover the costs of the proceeding, including reasonable attorney's fees and costs, with interest.

The failure of the Board of Directors to enforce any covenant, restriction or other provision of the Condominium Act, the Bylaws or the Rules and Regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

§16.2 Units Not Yet Separately Assessed. In the event that for any year real estate taxes are not separately taxed and assessed to each separate 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 Common Expense Liabilities.

§16.3 Conflict. If any provision of this Declaration, the Bylaws or the Rules and Regulations conflicts with any applicable laws, including, but not limited to, the Condominium Act, then the laws shall be deemed controlling; but the validity of the remainder of this Declaration, the Bylaws and Rules and Regulations, and the application of any such provision, section, clause, phrase, or word in other circumstances shall not be affected thereby.

§16.4 Severability. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

§16.5 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

§16.6 Captions. The headings in this Declaration are for purposes of reference only, and shall not limit or otherwise affect the meaning hereof. The table of contents is attached to this Declaration for purposes of reference and convenience only, and shall neither limit nor otherwise affect the meaning of this Declaration. References in this Declaration to Articles, and Schedules without references to the document in which they are contained are references to this Declaration. Schedules are attached to and incorporated by reference into this Declaration.

§16.7 Gender, Number, Etc. 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.

§16.8 Power to Interpret. Any dispute or disagreement with any person other than the Declarant with respect to interpretation or application of this Declaration or the Bylaws or the Rules and Regulations shall be determined by the Board of Directors, which determination shall be final and binding on all parties.

§16.9 Disputes with Declarant and Arbitration. In any dispute between one or more Unit Owners and the Declarant regarding the Common Elements, the Board of Directors shall act for the Unit Owners, and any agreement with respect thereto by the Board of Directors shall be conclusive and binding upon the Unit Owners.

All claims, disputes and other matters in question between the Declarant, on the one hand, and the Association or any Unit Owner(s), on the other hand, arising out of or relating to a Unit, the Common Elements, the Limited Common Elements, this Declaration, the Bylaws, the Rules and Regulations, or the deed to any Unit or the breach thereof, or the course of dealing between any Unit Owner, the Association and the Declarant, 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 in writing. 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 applicable law in any court have jurisdiction thereof.

ARTICLE 17
NOTICES

§17.1 Notices.

(a) *To Unit Owners.* All notices, demands, bills and statements or other communications affecting the Condominium shall be given to Unit Owners by the Association in writing and shall be delivered in hand, delivered to the Unit, or sent by United States mail, postage prepaid. If such notification is of a default or lien, then it shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the Unit Owner at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association, or if no such address is so designated, the address of the Unit of such Unit Owner who is the record owner thereof.

(b) *Notice to the Association.* All notices, demands, statements or other communications affecting the condominium given by the Unit Owners to the Association shall be in writing, and shall be deemed to delivered personally, securing a written receipt therefore, or sent by United States mail, postage prepaid, return receipt requested, addressed to the Association at the principal office of the managing agent, if any, and to the secretary of the Association at the Secretary's address.

(c) *Notice To Eligible Mortgage Holder.* All notices, demands, statements or other communications affecting the Condominium given by the Association to any Eligible Mortgage Holder shall be in writing and shall be if delivered personally, securing a written receipt, or sent by United States mail, postage prepaid, addressed to the Eligible Mortgage Holder at the address identified pursuant to the notice given to the Association when it became an Eligible Mortgage Holder.

WITNESS its hand and seal as of June 10, 2004.

ROCKWOOD PROPERTIES, LLC

Witness

By: Elliott Chamberlain
Elliott Chamberlain, its Member

STATE OF MAINE
Cumberland, ss June 10, 2004

Personally appeared the above-named Elliott Chamberlain in his said capacity and acknowledged the foregoing Declaration to be his free act and deed, and the free act and deed of said limited liability company, before me,

~~Attorney at~~ Law/Notary Public
Name: Lawrence R. Clough

Exhibit A	Legal Description of Land
Exhibit B	Condominium Plat
Exhibit C	Condominium Floor Plans
Exhibit D	Allocated Interests
Exhibit E	Legal Description of Land Phases 2 and 3
Exhibit F	Condominium Association Bylaws

DECLAR SHANNON WOODS
6/10/2004 8:28:00 AM

Exhibit A
Legal Description of Land Phase 1

A certain lot or parcel of land located easterly of Route One, but not adjacent thereto, in the City of Saco, County of York and State of Maine as shown on the Condo Plat of Shannon Woods, for Rockwood Properties, LLC by Sebago Technics, Inc. dated December 4, 2003 as revised through August 10, 2004, reference to Project Number 01334, being more particularly bounded and described as follows;

Commencing at a monument to be set at the most southwesterly end of the existing Smith Lane, a public street formerly Shannon Lane and the northeasterly sideline of land now or formerly of Academy Place (now or formerly of the Pendergast Family Partnership) as shown on the Plat;

Thence running South 38° 32' 25" East by and along land of said Academy Place, a distance of 288.00 feet to a 5/8" iron to be set at the Point of Beginning;

Thence running continuing South 38° 32' 25" East by and along the proposed Smith Lane extension, a distance of 70.17 feet to a point of curvature at a monument to be set;

Thence running by and along a curve to the right with a radius of 125.00 feet, a length of 223.72 feet, having a chord of South 12° 43' 58" West 195.03 feet to a point of tangency at a monument to be set;

Thence running South 64° 00' 20" West by and along said proposed Smith Lane extension, a distance of 156.29 feet to a point of curvature at a monument to be set;

Thence running by and along a curve to the left with a radius of 175.00 feet, a length of 47.87 feet, having a chord of South 56° 10' 08" West 47.72 feet to a point of tangency at a monument to be set;

Thence running South 48° 19' 56" West by and along said proposed Smith Lane extension, a distance of 373.81 feet to a point of curvature at a monument to be set;

Thence running by and along a curve to the right with a radius of 125.00 feet, a length of 183.79 feet, having a chord of North 89° 32' 47" West 167.68 feet to a point of tangency at a monument to be set;

Thence running North 47° 25' 30" West by and along land of the Church of Jesus Christ of Later Day Saints, a distance of 55.99 feet at a rebar to be set;

Thence running North 02° 21' 21" West by and along land of the said Church and land now or formerly of Lorne and Donna Coffin, a distance of 160.63 feet at a rebar to be set;

Thence running North 38° 08' 50" West by and along land of said Coffins, a distance of 97.48 feet;

Thence running North 51° 51' 10" East a distance of 21.50 feet at a rebar to be set;

Thence running North 38° 08' 50" West a distance of 8.23 feet at a rebar to be set;

Thence running North 51° 02' 55" East a distance of 163.84 feet to southwesterly sideline of Academy Place at a rebar to be set;

Thence running South 38° 08' 00" East by and along Academy Place, a distance of 275.01 feet at an iron;

Thence running North 51° 56' 10" East by and along the southeasterly sideline of Academy Place, a distance of 252.03 feet at a rebar to be set;

Thence running North 37° 43' 50" West by and along Academy Place, a distance of 55.13 feet at a rebar to be set;

Thence running North 51° 33' 00" East by and along Academy Place, a distance of 332.75 feet to the Point of Beginning.

Meaning and intending to describe Land Phase 1 containing approximately 174,096 square feet. Reference is made to the approved Subdivision Plan of Shannon Woods by Sebago Technics, Inc. dated March 19, 2002 and last revised on February 11, 2004 and recorded in the York County Registry of Deeds in Plan Book 288, Page 47 (the "Approved Plan") and to the matters set forth or referred to therein, a reduced copy of which is attached hereto as Exhibit B-1.

Together a perpetual easement in common with the Declarant and others for all purposes, including without limitation, ingress and egress on foot and by motor vehicle and for utility purposes, and the installation, maintenance, repair and replacement of utility lines, poles, conduits, facilities and equipment, pavement, culverts, drainage ditches and swales together with the right to alter, excavate and pave the surface of the earth and to flow water for the foregoing purposes over, along, under and across a 50 foot wide strip of land depicted as the "Smith Lane Access and Utility Easement Area" as shown on the Plat, but excepting and reserving the fee title to said 50 foot wide strip which is subject to the right of the Declarant to convey said property to the City of Saco as a public street. No rights are conveyed in and to the private ways in Land Phases 2 and 3 until such land phases are added to the Condominium.

Subject to the flowage rights of others in the unnamed stream as shown on the Plat and to the rights to flow surface water and other rights to the extent they may affect the Property as set forth in the following instruments:

Deed from Academy Place, Inc. to the City of Saco dated August 24, 1992 and recorded in the York County Registry of Deeds in Book 6280, Page 230, but hereby conveying any rights to relocate any drainage ways;

Deed from Jean Wallace Pagano Revocable Trust. to the City of Saco dated August 24, 1992 and recorded in the York County Registry of Deeds in Book 6280, Page 232, but hereby conveying any rights to relocate any drainage ways; and

Easement Deed from Rockwood Properties, LLC to the City of Saco dated February 27, 2004 and recorded in said Registry of Deeds in Book 14005, Page 253.

Subject to sewer, utility easements and other rights as set forth in the following instruments:

Joseph H. Poitras et ux to the Saco Sanitary District dated August 19, 1957 and recorded in Book 1360, Page 289; and

Condemnation Order against Jean Wallace Pagano Revocable Trust issued by the City of Saco dated May 26, 1994 and recorded in Book 7060, Page 180, as confirmed by Utility Easement dated July 12, 1994 and recorded in Book 7116, Page 305.

Easements granted or to be granted by the Declarant granted to Central Maine Power Company and Verizon New England, Inc. and others over Smith Lane, the Private Ways as shown on the Plat and other portions of the Property other than the Units, per the Declarants and Development Rights reserved in the Declaration.

Subject to a 75 foot wide undisturbed stream buffer area, an undisturbed wooded buffer and other matters shown or referenced on the Approved Plan and the notes thereto (Land Phases 2 and 3).

Restrictions and other matters to the extent in force and applicable as set forth in the following:

Deed from the Trustees of Thornton Academy to Joseph Hector Poitras et ux dated July --, 1946 and recorded in said Registry of Deeds in Book 1081, Page 116; and

Undeveloped streets as shown on the recorded plan of Shannon Acres recorded in said Registry of Deeds in Plan Book 14, Page 33, which were vacated by order of the Saco City Council dated February 17, 2004 as recorded on March 4, 2004 and released by certain abutting lot owners by instruments recorded in Plan Book 14005, Page 246 and in Book 13943, Page 219.

Together with the benefit of and subject to:

Agreement for the Exchange of Easements, Transfer of Property and Construction Cost Sharing entered into between the Corporation of the Presiding Bishop of the Church of Later Day Saints and Rockwood Properties, LLC dated February 6, 2004 and recorded in said Registry of Deeds in Book 13943, Page 219; and

Those matters set forth in or referred to in the Approved Plan.

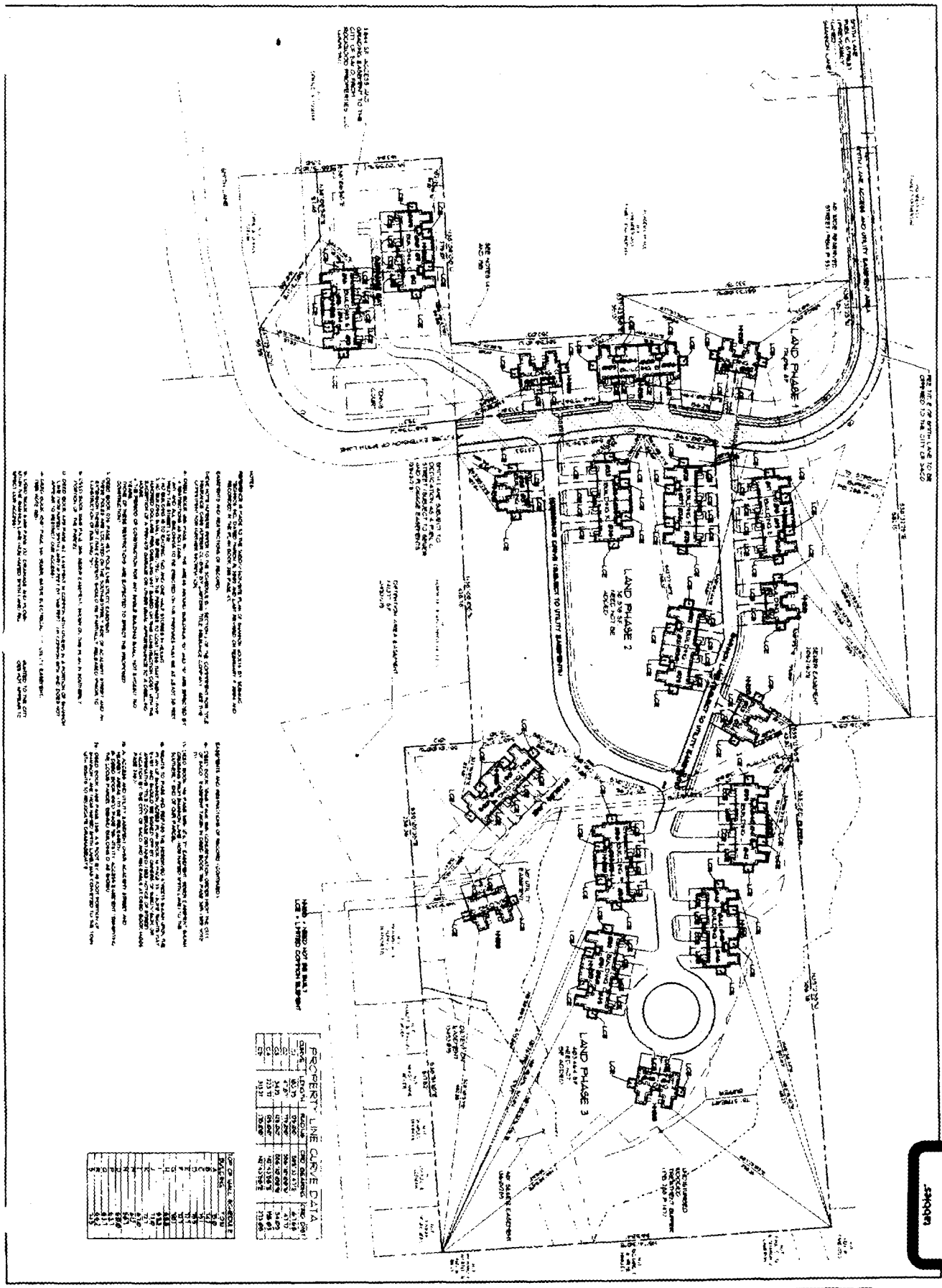
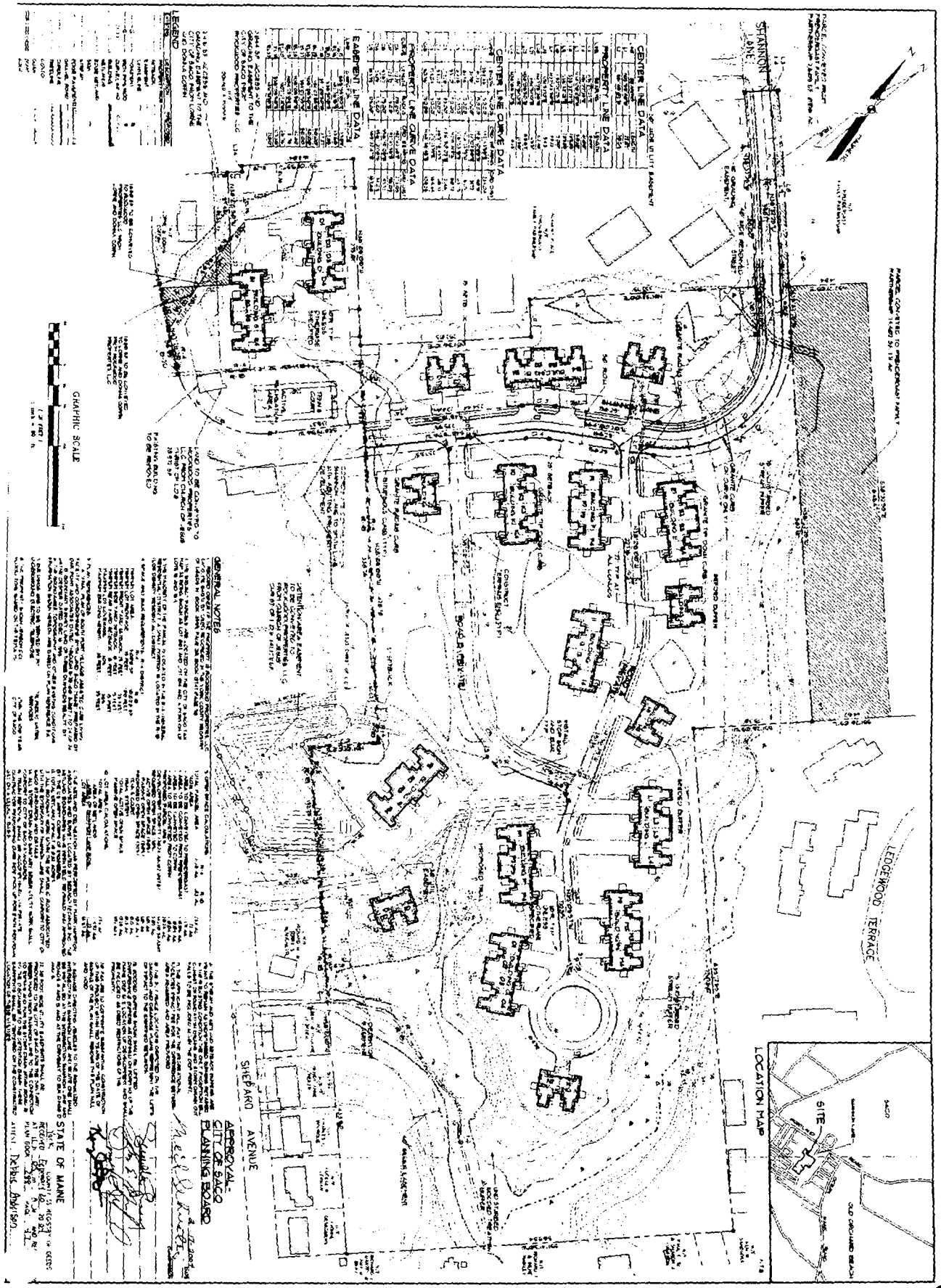


EXHIBIT
tabbies
B



SUBDIVISION/ SITE PLAN
OF
SHANNON WOODS
SHANNON LANE
SACO, MAINE
FOR RECORD OWNER
ROCKWOOD PROPERTIES, LLC
5522 PORTLAND ROAD
SACO, MAINE 04072

SHEET 2 OF 11

Sebago Technics
Engineering Science You Can Build On
One Chabot Street
westbrook, me 04092-1339
tel (207) 854-0277

PROJECT NO	FIELD BOOK	DESIGN	C-ADD	DRAWN
01334		SMF	SMF	PLS

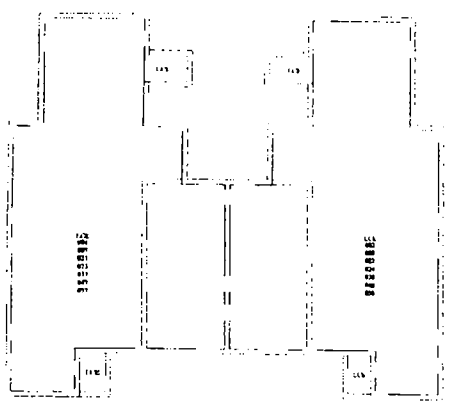
REV	BY	DATE	STATUS
A1	SMF	2-11-04	SUBMIT FINAL PLANS TO CITY FOR APPROVAL
A	SMF	10-23-03	REVISED PER CONDITIONS OF APPROVAL
	SMF	10-14-03	ADDED EASEMENT DIMENSION AND INFORMATION
	SMF	9-3-03	REVISED PER ENGINEERING REVIEW COMMENTS
	SMF	8-5-03	FINAL SUBDIVISION/ SITE PLAN SUBMISSION TO CITY
	SMF	7-30-03	FINAL SUBDIVISION/ SITE PLAN SUBMISSION TO CITY
	SMF	7-28-03	REVISE AND RESUBMIT TO D.E.P.

THIS PLAN SHALL NOT BE MODIFIED WITHOUT WRITTEN PERMISSION FROM SEBAGO TECHNICS, INC. ANY ALTERATIONS TO THIS PLAN SHALL BE AT THE USER'S SOLE RISK AND WITHOUT LIABILITY TO SEBAGO TECHNICS, INC.

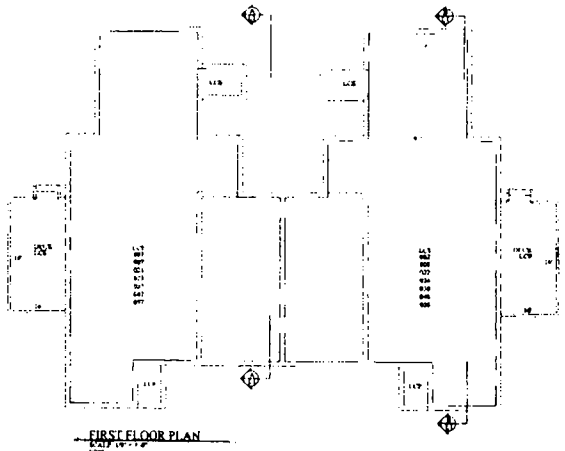
EXHIBIT
C

Doc# 2004050840
Book 14192 Page 552

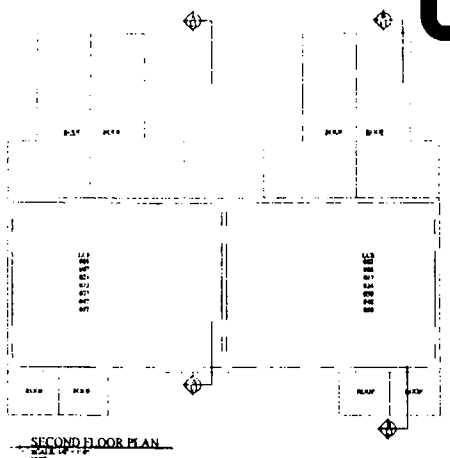
EXHIBIT C



FOUNDATION PLAN

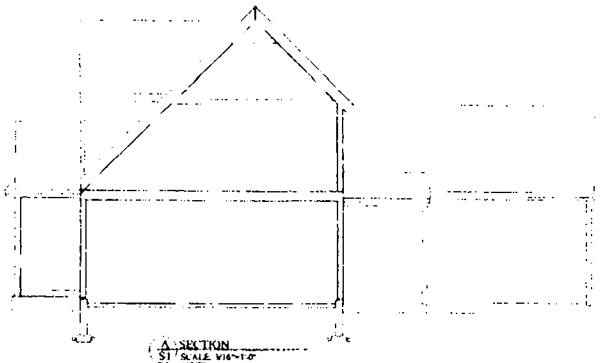


FIRST FLOOR PLAN

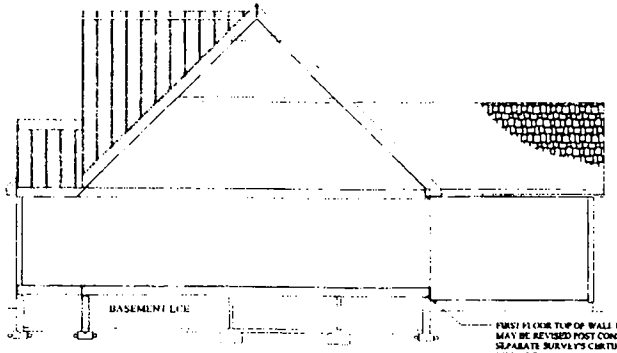


SECOND FLOOR PLAN

UNITS	TOP OF WALL
001,002	75.0
007,008	75.1
021,022	70.1
023,024	68.8
037,038	73.0
047,048	58.7
057,058	63.7



A SECTION
S1 SCALE: 1/16"=1'-0"
NOTE
BASEMENT HEIGHTS VARIES
BASE ON EXISTING GRADES
AND SITE CONDITIONS



FIRST FLOOR TOP OF WALL NATIONAL DATUM
MAY BE REVISED POST CONSTRUCTION BASED ON
SEPARATE SURVEY'S CERTIFICATE TO BE
RECORDED

LRC	6/17/04
LRC	4/13/04

Shirley W. Cameron July 2004

SHANNON WOODS CONDOMINIUMS
FLOOR PLANS FOR ALL 2 UNIT BUILDINGS
SACO, MAINE

Builders Name and Address
ROCKWOOD PROPERTIES LLC
1022 PORTLAND ROAD
SACO ME
PHONE 282-3577

Date	6/17/04
Scale	1/4"=1'-0"
Sheet	FP2

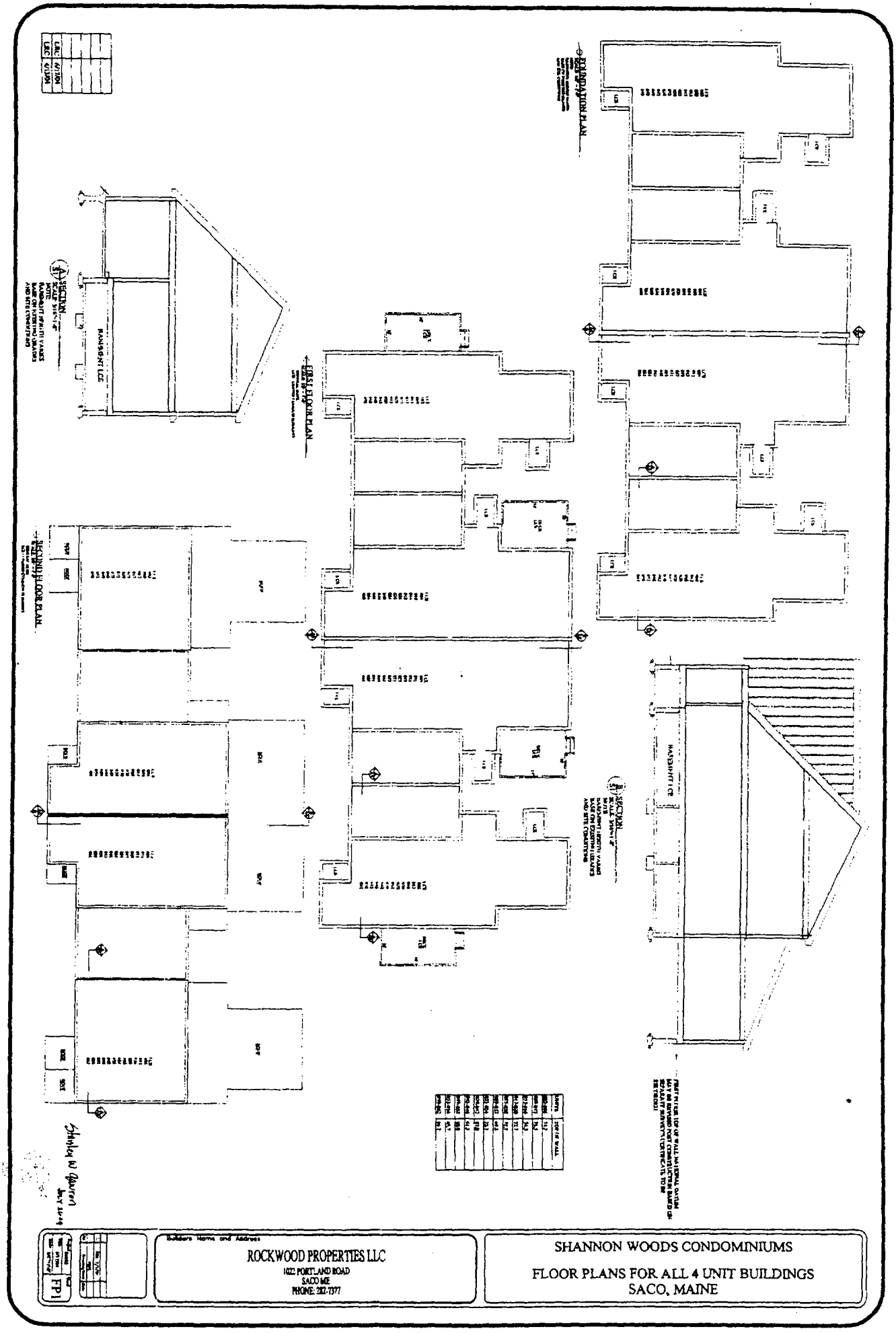

FOUNDATION PLAN
FIRST FLOOR PLAN
SECOND FLOOR PLAN
SECTION
SECTION
Builders Name and Address
ROCKWOOD PROPERTIES LLC
1022 PORTLAND ROAD
SACO ME
PHONE: 282-7377
SHANNON WOODS CONDOMINIUMS
FLOOR PLANS FOR ALL 4 UNIT BUILDINGS
SACO, MAINE

Exhibit D Allocated Interests

Unit #	# Votes	% Interest in Common Elements	% Common Expense Liability

Note: No units are initially being created. As Units are constructed, they will be added to the Condominium and the foregoing Schedule B will be revised accordingly.

5/27/2004 10:52:00 AM

Exhibit E – Legal Description of Future Land Phases

Land Phase 2

A certain lot or parcel of land situated easterly of Route One but not adjacent to in the City of Saco, County of York and State of Maine, being "Land Phase 2" as shown on the Condominium Plat of Shannon Woods made for Rockwood Properties, LLC by Sebago Technics, Inc. dated December 4, 2003 as revised and recorded herewith in the York County Registry of Deeds (the "Plat"), being more particularly bounded and described as follows;

Beginning at a rebar to be set at the most southerly corner of land conveyed by Three Diamonds Realty, Inc. to Prendergast Family Partnership LP by deed dated October 13, 2003 and recorded in the York County Registry of Deeds in Book 13594, Page 290, and on the northwesterly sideline of Ledgewood Terrace Condominiums as shown on the Plat;

Thence running South 51° 26' 05" West by and along said Ledgewood Terrace Condominiums, a distance of 175.38 feet to a rebar to be set;

Thence running South 39° 12' 55" East continuing along said Ledgewood Terrance Condominiums, a distance of 43.82 feet;

Thence running South 33° 51' 19" West by and along proposed Land Phase 3, a distance of 130.68 feet;

Thence running South 46° 19' 21" West continuing along proposed Land Phase 3, a distance of 77.26 feet;

Thence running South 70° 21' 22" West continuing along proposed Land Phase 3, a distance of 96.24 feet;

Thence running North 80° 16' 21" West continuing along proposed Land Phase 3, a distance of 43.09 feet;

Thence running South 82° 5' 57" West continuing along proposed Land Phase 3, a distance of 80.06 feet;

Thence running South 45° 11' 31" West continuing along proposed Land Phase 3, a distance of 75.70 feet to land now or formerly of the Church of Jesus Christ of Later Day Saints to a rebar to be set;

Thence running North 38° 08' 00" West by and along said Church, a distance of 428.78 feet to the side of the proposed location of the extension of Smith Lane to a rebar to be set;

Thence running North 48° 19' 56" East by and along said Smith Lane extension, a distance of 237.53 feet to a point of curvature at a monument to be set;

Thence running by and along a curve to the right with a radius of 125.00 feet, a length of 34.19 feet, having a chord of North 56° 10' 08" East 34.09 feet to a point of tangency at a monument to be set;

Thence running North 64° 00' 20" East by and along said Smith Lane extension, a distance of 156.29 feet to a point of curvature at a monument to be set;

Thence running by and along a curve to the left with a radius of 175.00 feet, a length of 313.21 feet, having a chord of North 12° 43' 58" East 273.05 a distance of feet to a monument to be set at said Prendergast Family Partnership land;

Thence running South 38° 32' 25" East by and along land of said Prendergast Family Partnership land, a distance of 582.13 feet to the Point of Beginning.

Containing approximately 301,578 square feet. Reference is made to the approved Subdivision Plan of Shannon Woods by Sebago Technics, Inc. dated March 19, 2002 and last revised on February 11, 2004 and recorded in the York County Registry of Deeds in Plan Book 288, Page 47 (the "Approved Plan"), subject to the matters set forth or referred to therein.

Together a perpetual easement in common with the Declarant and others for all purposes, including without limitation, ingress and egress on foot and by motor vehicle and for utility purposes, and the installation, maintenance, repair and replacement of utility lines, poles, conduits, facilities and equipment, pavement, culverts, drainage ditches and swales together with the right to alter, excavate and pave the surface of the earth and to flow water for the foregoing purposes over, along, under and across a 50 foot wide strip of land depicted as the "Smith Lane Access and Utility Easement Area" as shown on the Plat, but excepting and reserving the fee title to said 50 foot wide strip, subject to the right of the Declarant to convey said property to the City of Saco as a public street. No rights are conveyed in and to the private ways in Phase 3 until such phase is added to the Condominium.

Subject to the following easements and exceptions:

1) Subject to the rights to flow surface water and other rights to the extent they may affect the Property as set forth in the following instruments and subject to the flowage rights of others in the unnamed stream as shown on the Plat:

   Deed from Academy Place, Inc. to the City of Saco dated August 24, 1992 and recorded in the York County Registry of Deeds in Book 6280, Page 230, but hereby conveying any rights to relocate any drainage ways;

   Deed from Jean Wallace Pagano Revocable Trust. to the City of Saco dated August 24, 1992 and recorded in the York County Registry of Deeds in Book 6280, Page 232, , but hereby conveying any rights to relocate any drainage ways; and

   Easement Deed from Rockwood Properties, LLC to the City of Saco dated February 27, 2004 and recorded in said Registry of Deeds in Book 14005, Page 253.

2) Subject to sewer, utility easements and other rights as set forth in the following instruments:

Joseph H. Poitras et ux to the Saco Sanitary District dated August 19, 1957 and recorded in Book 1360, Page 289; and

Condemnation Order against Jean Wallace Pagano Revocable Trust issued by the City of Saco dated May 26, 1994 and recorded in Book 7060, Page 180, as confirmed by Utility Easement dated July 12, 1994 and recorded in Book 7116, Page 305.

Easements to be granted by the Declarant granted to Central Maine Power Company and Verizon New England, Inc. and others over Smith Lane extension, the Private Ways as shown on the Plat and other portions of the Property other than the Units, per the Declarants and Development Rights reserved in the Declaration.

3) Subject to a 75 foot wide undisturbed stream buffer area, an undisturbed wooded buffer and other matters shown or referenced on the Approved Plan and the notes thereto.

4) Together with the benefit of and subject to:

Agreement for the Exchange of Easements, Transfer of Property and Construction Cost Sharing entered into between the Corporation of the Presiding Bishop of the Church of Later Day Saints and Rockwood Properties, LLC dated February 6, 2004 and recorded in said Registry of Deeds in Book 13943, Page 219;

Those matters set forth in or referred to in the Approved Plan.

5) Excepting and reserving a perpetual easement in favor of the Declarant, its successors and assigns for the benefit of Land Phase 3 in common with others for access by motor vehicle and foot over the Private Ways as shown on the Plat together with the right to pave, improve, maintain and repair the same, and to connect to install, maintain, repair and replace underground utility lines, pipes, conduits, pumps and facilities, provided that the owner of Land Phase 3 shall promptly restore any damage, and that Land Phase 3 shall contribute to the expenses of maintenance and repair of road and utility facilities in common use in proportion to the number of completed dwelling units entitled to the use thereof.

Land Phase 3

A certain lot or parcel of land situated easterly of Route One but not adjacent to in the City of Saco, County of York and State of Maine, being "Land Phase 3" as shown on the Condo Plat of Shannon Woods made for Rockwood Properties, LLC by Sebago Technics, Inc. dated December 4, 2003 as revised and recorded herewith in the York County Registry of Deeds (the "Plat"), being more particularly bounded and described as follows;

Beginning at a point located as follows: beginning at a rebar to be set at the most southerly corner of land conveyed by Three Diamonds Realty, Inc. to Prendergast Family

Partnership LP by deed dated October 13, 2003 and recorded in the York County Registry of Deeds in Book 13594, Page 290 and on the northwesterly sideline of Ledgewood Terrace Condominiums as shown on the Plat; thence running South 51° 26' 05" West by and along said Ledgewood Terrace Condominiums, a distance of 175.38 feet; and thence running South 39° 12' 55" East continuing along said Ledgewood Terrance Condominiums a distance of 43.82 feet to the Point of Beginning;

Thence running South 33° 51' 19" West by and along Land Phase 2, a distance of 130.68 feet;

Thence running South 46° 19' 21" West continuing along Land Phase 2, a distance of 77.26 feet;

Thence running South 70° 21' 22" West continuing along Land Phase 2, a distance of 96.24 feet;

Thence running North 80° 16' 21" West continuing along Land Phase 2, a distance of 43.09 feet;

Thence running South 82°-45'-57" West continuing along Land Phase 2, a distance of 80.06 feet;

Thence running South 45° 11' 31" West continuing along Land Phase 2, a distance of 75.70 feet to land now or formerly of the Church of Jesus Christ of Later Day Saints at a rebar to be set;

Thence running South 51° 01' 00" West by and along land of said Church, a distance of 101.21 feet to an iron;

Thence running South 39° 02' 35" East by and along land of said Church and land now or formerly of Richard M. and Terry S. Blanchette, a distance of 236.36 feet;

Thence running South 38° 51' 10" East by and along land of said Blanchette and lands now or formerly of Albert and Pauline Fortier, Wendy Anne Weiler, Charles I. Bourque, Lucille B. Lerman and Yvonne Desrosiers, a distance of 517.52 feet at a rebar to be set;

Thence running North 51° 41' 30" East by and along land of said Richard E. Martel and Amy M. Bray, Richard T. and Irene Hinkley, Paul E. Sr. and Sharon J. Cameron and Ken W. Sandvoss, a distance of 569.54 feet at a rebar to be set;

Thence running North 39° 12' 55" West by and along Ledgewood Terrace Condominiums, a distance of 706.78 feet to the Point of Beginning.

Meaning and intending to convey a parcel of land containing approximately 403,464 square feet. Reference is made to the approved Subdivision Plan of Shannon Woods by Sebago Technics, Inc. dated March 19, 2002 and last revised on February 11, 2004 and recorded in the York County Registry of Deeds in Plan Book 288, Page 47 (the "Approved Plan"), subject to the matters set forth or referred to therein.

Together a perpetual easement in common with the Declarant and others for all purposes, including without limitation, ingress and egress on foot and by motor vehicle and for utility purposes, and the installation, maintenance, repair and replacement of utility lines, poles, conduits, facilities and equipment, pavement, culverts, drainage ditches and swales together with the right to alter, excavate and pave the surface of the earth and to flow water for the foregoing purposes over, along, under and across a 50 foot wide strip of land depicted as the "Smith Lane Access and Utility Easement Area" as shown on the Plat, but excepting and reserving the fee title to said 50 foot wide strip, subject to the right of the Declarant to convey said property to the City of Saco as a public street. No rights are conveyed in and to the private ways in Land Phase 3 until such phase is added to the Condominium.

Subject to the following easements and exceptions:

1) Subject to the rights to flow surface water and other rights to the extent they may affect the Property as set forth in the following instruments and subject to the flowage rights of others in the unnamed stream as shown on the Plat:

   Deed from Academy Place, Inc. to the City of Saco dated August 24, 1992 and recorded in the York County Registry of Deeds in Book 6280, Page 230, but hereby conveying any rights to relocate any drainage ways;

   Deed from Jean Wallace Pagano Revocable Trust. to the City of Saco dated August 24, 1992 and recorded in the York County Registry of Deeds in Book 6280, Page 232, , but hereby conveying any rights to relocate any drainage ways; and

   Easement Deed from Rockwood Properties, LLC to the City of Saco dated February 27, 2004 and recorded in said Registry of Deeds in Book 14005, Page 253.

2) Subject to sewer, utility easements and other rights as set forth in the following instruments:

   Joseph H. Poitras et ux to the Saco Sanitary District dated August 19, 1957 and recorded in Book 1360, Page 289; and

   Condemnation Order against Jean Wallace Pagano Revocable Trust issued by the City of Saco dated May 26, 1994 and recorded in Book 7060, Page 180, as confirmed by Utility Easement dated July 12, 1994 and recorded in Book 7116, Page 305.

   Easements to be granted by the Declarant granted to Central Maine Power Company and Verizon New England, Inc. and others over Smith Lane, the Private Ways as shown on the Plat and other portions of the Property other than the Units, per the Declarant and Development Rights reserved in the Declaration.

3) Subject to a 75 foot wide undisturbed stream buffer area, an undisturbed wooded buffer and other matters shown or referenced on the Approved Plan and the notes thereto.

4) Together with the benefit of and subject to:

Agreement for the Exchange of Easements, Transfer of Property and Construction Cost Sharing entered into between the Corporation of the Presiding Bishop of the Church of Later Day Saints and Rockwood Properties, LLC dated February 6, 2004 and recorded in said Registry of Deeds in Book 13943, Page 219;

Those matters set forth in or referred to in the Approved Plan.

DECLAR SHANNON WOODS
8/16/2004 11:35:00 AM

BYLAWS OF SHANNON WOODS CONDOMINIUM ASSOCIATION

ARTICLE I.
CREATION AND APPLICATION

Section 1.01 Creation. This corporation is organized under the Maine Nonprofit Corporation Act in connection with the submission of Property known as the Shannon Woods Condominium (the "Condominium") located in the City of Saco, Maine to the Maine Condominium Act pursuant to the Shannon Woods Condominium Declaration (the "Declaration") as recorded in the York County Registry of Deeds. The name of the corporation is the Shannon Woods Condominium Association (the "Association").

The term "Property" as used herein shall include the land, the building and all other improvements thereon (including the Units, the Common Elements and all easements, rights and appurtenances belong thereto) and all other property, personal or mixed, intended for use in connection therewith now or hereafter submitted to or governed by the Declaration.

Capitalized terms not otherwise defined in these Bylaws shall have the meanings as specified in the Condominium Act or the Declaration.

Section 1.02 Application. All present and future Unit Owners, mortgagees, lessees, licensees and occupants of the Units, their employees, agents and customers, and any other persons who may enter upon the Property in any manner are subject to these Bylaws and to the Rules and Regulations, all as adopted, amended or altered from time to time by the Board of Directors of the Association (the "Board of Directors").

Section 1.03 Office. The principal office of the Association shall be located at the Condominium.

Section 1.04 Interpretation. In the event of any conflict or discrepancy between this Declaration, the Bylaws, the Rules and Regulations, and the Plat and Plans, the provisions of the Declaration shall govern.

ARTICLE II.
PURPOSES AND POWERS OF THE ASSOCIATION

Section 2.1 Purposes. The purposes of the Association are to establish an association of Unit owners pursuant to the Maine Condominium Act for the government, operation and maintenance of the Condominium established under the Declaration; and

Section 2.2 Powers. In addition to all the powers, authority and responsibilities granted to or imposed upon this Association by the laws of the State of Maine, specifically including those set forth or referred to in the Maine Condominium Act or the Maine Non-Profit Corporation Act all of which the Association shall have to the extent permitted by law and by the Declaration, the Association shall have the specific powers to:

EXHIBIT
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A. Adopt and amend Bylaws and Rules and Regulations;

B. Adopt and amend budgets for revenues, expenditures and reserves, and to collect assessments for common expenses and Service Charges from Unit owners;

C. Hire and terminate managers and other employees, agents, and independent contractors;

D. Institute, defend, or intervene in litigation, arbitration, or administrative proceedings in its own name on behalf of itself or Two (2) or more Unit owners on matters affecting the Condominium, and the Association shall be deemed to be the attorney-in-fact of each Unit owner for such purposes;

E. Make contracts and incur liabilities;

F. 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. Cause additional improvements to be made as a part of the Common Elements, subject to the restrictions set forth herein;

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

I. Grant easements, leases, concessions, and licenses for public utilities servicing or benefiting the Property through or over the Common Elements;

J. Impose and receive payments, fees, or charges for the use, rental, or operation of facilities located on the Common Elements;

K. Impose charges and interest for late payment of assessments and Service Charges and, after notice and an opportunity to be heard, impose reasonable penalties for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;

L. Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid common charges and assessments or resale certificates furnished in accordance with the Maine Condominium Act;

M. Provide for the indemnification of its officers and directors and maintain directors' and officers' liability insurance;

N. Exercise any other powers conferred by Declaration or Bylaws;

O. Exercise all other powers that may be exercised pursuant to the Maine Nonprofit Corporation Act.

The Board of Directors of the Association shall manage the Condominium and exercise such powers on behalf of the Association, subject to the terms of these Bylaws, the Declaration and the Maine Condominium Act.

Section 2.3 Non-Profit Status. The Association is not organized for profit and no property or profit thereof shall inure to the benefit of any person except in furtherance of the nonprofit-making purposes of the Association or in the course of acquiring, constructing or providing management, maintenance and care of the Condominium Property, or by virtue of a rebate of excess membership dues, fees, assessments, or common charges.

ARTICLE III.
ASSOCIATION OF OWNERS.

Section 3.1 Membership. The members shall consist exclusively of all owners of Units in the Condominium now or hereafter created in accordance with the Declaration or, following termination of the Condominium, of all former Unit owners entitled to the distribution proceeds or their heirs, successors and assigns. Membership is transferable only as provided in the Declaration or these Bylaws. The membership of a Unit owner shall terminate upon the conveyance, transfer or other disposition of his interest in the Unit accomplished in accordance with the Declaration, whereupon his membership and any interest in the assets of the Association shall automatically transfer to and be vested in the successor in ownership. Membership is otherwise non-transferable. A mortgage of a Unit or the grant of a security interest therein as security for an obligation shall not operate to transfer membership until a foreclosure of the mortgage or security agreement. The Association may but is not required to issue certificates of membership.

Section 3.2 Annual Meeting. Meetings of the members shall be held annually each successive year on the last day of September, or in the event that day is a legal holiday, then on the first day thereafter which is not a holiday, provided that the Board of Directors shall have the authority to alter the annual meeting date in its discretion if it determines that another meeting date is more convenient. The annual meeting and any special meetings shall be held at the Condominium's principal office or such other place as may be designated in the Notice of Meeting.

Section 3.3 Special Meetings. Special meetings of the members may be held at any time upon the call of the Board of Directors, or upon the call of Forty percent (40%) or more in interest of the owners, which call shall state the purpose of the meeting. Upon receipt of such call, the Secretary shall promptly send out notices of the meeting to all members of the Association.

Section 3.4 Notice of Meetings. A written notice of each meeting of the Association, stating whether it is an annual meeting or special meeting, the authority for the call of the

meeting, the place and time of the meeting, and the items on the agenda (including the general nature of the proposed declaration or bylaw amendment, any budget charges and any proposal to remove an officer or director) shall be sent by the President or Secretary or Assistant Secretary, if any, at least Ten (10) days, but not more than Sixty (60) days, before the date set for the meeting. Such notice shall be given to each member listed with the records of the Association as set forth below and to each Eligible Mortgage Holders if and as required by the Declaration:

A. By hand delivering it to him, or

B. By mailing it, postage prepaid, addressed to the member at the address of the Unit or any other address designated in writing by that member with the records of the Association.

The notice of any meeting shall state the time and place of the meeting, and the items on the agenda, including the general nature of any proposed Declaration or Bylaw amendments, any budget changes and any proposal to remove an officer or director. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall not invalidate the meeting.

Section 3.5 Waiver of Notice. The presence of all the members in person or by proxy, at any meeting shall conclusively establish the meeting's validity, unless any member shall object at the meeting to the noncompliance with this Article. Any meeting so held without objection shall be valid for all purposes, and at any annual meeting any general business may be transacted and any action may be taken.

Section 3.6 Order of Business. The order of business at all meetings of the members shall be generally as follows, if applicable:

A. Roll call.

B. Proof of notice of meeting or waiver of notice.

C. Reading of minutes of preceding meeting.

D. Reports of Officers.

E. Report of Board of Directors.

F. Report of committees.

G. Election of the Board of Directors.

H. Unfinished business.

I. New business.

J. Adjournment.

Section 3.7 Parliamentary Procedure. At all meetings of the members or of the Board of Directors, Robert's Rules of Order as then amended shall be followed, except in the event of conflict these Bylaws or Declaration as the case may be shall prevail.

Section 3.8 Quorum. The presence at the beginning of any meeting of the Association, in person or by proxy of Unit owners whose aggregate voting interest constitutes more than fifty-one percent (51%) of the total interest therein shall constitute a quorum for the transaction of all business.

Section 3.9 Voting.

A. Any person, partnership, limited liability company, corporation, trust, or other legal entity or a combination thereof, owning any Unit (other than an interest held as security for an obligation) duly recorded in his or its name, which ownership shall be determined from the records of said Registry of Deeds, shall be a member of the Association, and either, in person or by proxy, shall be entitled to vote for each Unit so owned at all meetings of the Association.

B. Multiple owners of a Unit shall be deemed one owner. If only one of the multiple owners of a Unit is present in person or by proxy at a meeting of the Association, he is entitled to cast all the votes allocated to that Unit. If more than one of the multiple owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is presumed to be a majority agreement if any one of the multiple owners present casts the votes allocated to that Unit unless any of the other owners of the Unit promptly protests to the person presiding over the meeting.

C. Votes allocated to a Unit may be cast pursuant to a written proxy duly executed by a Unit owner and filed with the Secretary. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed written proxy. A Unit owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is not valid if it is not dated or purports to be revocable without notice as determined by the Secretary of the Association. A proxy shall automatically terminate eleven (11) months after its date, unless it specifies a shorter term.

D. An executor, administrator, personal representative, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any Unit owned or held by him in such a capacity, whether or not the same shall have been transferred of record by a duly recorded conveyance. If the Unit has not been so transferred, he shall satisfy the secretary that he so holds the Unit.

E. The Declarant may exercise the voting rights pertaining to any Unit to which it retains title. No vote pertaining to a Unit owned by the Association may be cast, and the voting interest of such a Unit shall not be deemed to be outstanding in determining the presence of a quorum or the percentage of approval needed to act.

F. Each Unit shall have the percentage vote in the Association as specified in the Declaration. Any specified percentage vote refers to the aggregate percentage of such votes.

G. At any meeting at which a quorum is present, the affirmative vote of a majority of the voting interest of those present shall determine any question except the election of Directors, unless a greater percentage vote is required by law, by the Declaration or by these Bylaws. In the election of Directors, those receiving the greatest number of votes, though less than a majority, shall be elected. To the extent required by the Act, for the purposes of amending the Declaration or these Bylaws, the percentage in interest shall be measured against the total voting interest regardless of whether or not such Unit owners are present.

Section 3.10 Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by 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. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 3.11 Unanimous Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of the members (to the extent not otherwise precluded by law) may be taken without a meeting if written consents, setting forth the action so taken, are signed by all the members entitled to vote on such action and are filed with the Secretary of the Association as part of the corporate records. Such written consents shall have the same effect as a unanimous vote of the members.

ARTICLE IV.
BOARD OF DIRECTORS.

Section 4.1 Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors initially composed of three (3) directors initially appointed by the Declarant. Upon the expiration of the Declarant Control Period as defined in the Declaration, the members shall elect seven (7) directors, of which three (3) shall initially have a term of one (1) year and four (4) for a term of two (2) years; a majority of such directors shall be an occupant of a Unit, or the owner or the spouse of an owner of a Unit, or if a Unit owner is a corporation, limited liability company, partnership, trust or estate, then an officer, director, member, manager, partner, trustee, beneficiary or appointed personal representative thereof. After the expiration of said initial terms, the terms of the directors shall then be two (2) years each. The number of directors may be changed between 5 and 11 by amendment to the Bylaws.

Section 4.2 Term of Office. At the expiration of the initial term of office of each director, his successor shall be elected to serve a term of Two (2) year; provided, however, that a director shall hold office until his successor has been elected.

Section 4.3 Powers and Duties. The Board of Directors shall generally act on behalf of the Association, shall have all powers and duties necessary or appropriate for the administration of the affairs of the Association, and shall have all powers referred to in the

Declaration, the Bylaws or otherwise provided under the Maine Condominium Act or the Maine Nonprofit Corporation Act, as either may be amended from time to time, except those matters which by law, by the Declaration or by these Bylaws specifically reserved to the members.

Section 4.4 Other Duties. In addition to other duties imposed by these Bylaws or by duly adopted resolutions of the members of the Association, the Board of Directors shall be responsible for the following:

A. Election of the officers of the Association;

B. Management and administration of the Condominium, the Association's property and the Common Elements, including the maintenance, repair and replacement thereof;

C. Determination and collection of assessments for Common Expenses, and Service Charges from the owners and the regulation of its fiscal affairs;

D. Establishment of reserves for the maintenance, repair and replacement of Common Elements and for contingencies.

E. Appointment and dismissal of the personnel and agents for the maintenance and operation of the Condominium, including without limitation the Common Elements, and to fix the terms of their engagement and their compensation and authority; and

F. Designation of executive and other committees.

Section 4.5 Manager or Management Agent, Employees, Generally. The Board of Directors may employ on behalf of the Association a management agent or manager at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Sections 4.4 and 6.2 of these Bylaws. All management contracts entered into during the Declarant Control Period shall permit termination without a penalty on thirty days notice at any time with or without cause after the expiration of such period. .

Section 4.6 Appointment and Vacancies. Until the expiration of the Declarant Control Period, the Declarant shall appoint replacement directors in the event of vacancies in the Board of Directors. Thereafter, a vacancy caused by the expiration of a Director's term, the removal of a Director by a vote of the members, or by the expiration of the Declarant Control Period shall be filled by vote of the members. Otherwise, vacancies in the Board of Directors prior to the expiration of the term of a director shall be filled by vote of the other directors, even though a quorum is lacking. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4.7 Removal of Directors. At any regular meeting or special meeting duly called, any one or more of the Directors may be removed with or without cause by the majority vote of the members, with or without cause. Any director whose removal has been

proposed shall be given an opportunity to be heard at the meeting, but the members' decision shall be final.

Section 4.8 Compensation. No compensation shall be paid to Directors for their services as Directors or in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the members before or after the services are undertaken.

Section 4.9 Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association and at the same place; no further notice shall be necessary in order legally to constitute such meeting.

Section 4.10 Regular Meetings. Regular meetings of the Board of Directors (other than the annual meeting) may be held at such time and place as shall be determined, from time to time, by the Board. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by delivery to his Unit, or by telephone, at least Ten (10) days prior to the day named for such meeting.

Section 4.11 Special Meetings. Special meetings of the Board of Directors may be called by the President on Ten (10) days' notice to each Director, given personally or by delivery to his Unit, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of Two (2) or more Directors.

Section 4.12 Waiver of Notice. Before or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.13 Board of Directors' Quorum. At all meetings of the Board of Directors, at the presence of at least three directors at the beginning of a meeting shall constitute a quorum for the transaction of business. The acts of the majority of the Directors present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, a quorum is not present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.14 Unanimous Action. Unless otherwise expressly provided by law, any action which may be taken at a meeting of the Directors may be taken without a meeting if all of the Directors sign written consents, setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of Directors' meetings and shall have the same effect as a unanimous vote.

ARTICLE V.
OFFICERS.

Section 5.1 Designation. 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 Directors. The Directors may in their discretion appoint a Vice President, Assistant Treasurer, and an Assistant Secretary, and such other officers, none of whom need be Directors, as in their judgment may be necessary.

Section 5.2 Election of Officers. The principal officers of the Association shall be elected annually by the Board of Directors at the annual meeting and shall hold office at the pleasure of the Board.

Section 5.3 Removal of Officers. Upon a majority vote of the Board of Directors at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose, any officer may be removed, either with or without cause, and his successor elected. Any officer whose removal has been proposed, shall be given an opportunity to be heard at the meeting, but the Board's decision shall be final.

Section 5.4 President. The President shall be the chief executive officer of the Association and shall be a Director. He shall preside at all meetings of the Association and of the Board of Directors.

Section 5.5 Treasurer. The Treasurer shall be responsible for keeping financial records and accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall also, in the absence of the President, exercise the powers and perform the duties of the President. He shall be responsible, subject to the direction of the Board of Directors, for the preparation and dissemination to the members of all financial reports, budgets and notices required, and for the preparation and signing, if necessary, of all financial reports or tax returns required to be filed by the Association.

Section 5.6 Secretary. The Secretary shall keep and certify the minutes of all meetings of the Board of Directors or of the Association, shall give all notices as provided by these Bylaws, and shall have other powers and duties as may be incidental to the offices of Secretary, given him by these Bylaws or assigned to him from time to time by the Directors. If the Secretary or any assistant secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose. The Secretary shall be responsible for the filing of all reports and documents required to be filed by the Association with any governmental agency.

Section 5.7 Auditor. The Board of Directors, may from time to time at any scheduled meeting appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association and to perform such audits and fiscal duties as may be requested by the Association.

Section 5.8 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.

ARTICLE VI.
FISCAL AFFAIRS AND ADMINISTRATION.

Section 6.1 Accounting. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principles and practices. Within Ninety (90) days after the close of each fiscal year, the Association shall furnish its members with a statement of the income and disbursements for such prior fiscal year and a balance sheet as of the close of that year. All financial records shall be available for examination by Unit owners, mortgagees and their duly authorized agents and accountants at reasonable times.

Section 6.2 Budget and Common Charges.

A. The Board shall cause a proposed annual budget to be prepared based on its estimate of annual income and expenses. Within thirty (30) days of the adoption of the proposed budget, the Board shall send a summary of such budget to each member. The Board shall call a meeting of the members to review the budget; unless at that meeting the budget is reject by Sixty-Seven percent (67%) in interest of all members, the budget shall be deemed to have been ratified. Unless the budget is rejected, the members shall pay the amounts specified in the proposed budget adopted by the Board.

B. The budget shall include the amount required by the Association to meet its expenses for each fiscal year or such other fiscal period as it deems appropriate, including but not limited to the following items:

i. Management and administration expenses;

ii. The cost of operation, repairs, maintenance, replacement, and improvements of the Common Elements and such Limited Common Elements and such parts of the Units which the Association is responsible for the maintenance repair and replacement of;

iii. The cost of such insurance, bonds, services and utilities as may be furnished by the Association, other than such items for which a service charge is assessed;

iv. The establishment and maintenance of adequate working capital and reserves including general operating reserves, reserves for contingencies, for losses not covered due to insurance deductibles, and reserves for periodic maintenance, repair and replacement of the Common Elements and Limited Common Elements the Association is obligated to maintain, all to be held in a segregated fund in a Maine financial institution; and

v. Such other expenses of the Association as may be approved by the Board of Directors including operating deficiencies, if any, for prior periods.

C. Until an annual budget is adopted by the Board, the members shall continue to pay that monthly amount which had been previously established; any delay or failure to estimate, to deliver or to adopt such budget shall not waive or release such obligation. The Association may send periodic statements to members showing the amount of assessments due, but each member shall pay his assessment promptly when due regardless of whether such a statement is sent.

D. Each member shall pay his share of assessments as defined in the Declaration without setoff or deduction in an amount equal to the total Association budget, net of other income and Service Charges as defined herein, multiplied by his respective common expense liability. Each member shall become liable to the Association, and a lien shall arise against his Unit for his entire fractional share of the assessments at the commencement of the pertinent 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 during such period, provided, however, that if any such installment is not paid when due, then if not paid upon Twenty (20) days written notice of default, the entire remaining balance thereof shall immediately become due and payable in full.

E. If any member shall fail or refuse to pay to the Association when due his share of the assessments or any other Service Charges, user fees and penalties, thereafter the amount thereof shall bear interest at the rate of Eighteen percent (18%) per annum or such other rate as may be set by vote of the Board prior to the date on which the payment came due. Such assessments and Service Charges with such late charges as may be determined by the Board of Directors, interest and all costs of collection, including reasonable attorneys' fees, shall constitute a lien on the Unit of such member. Recording of the Declaration constitutes record notice and perfection of the lien for assessments, Service Charges, user fees, including penalties, late charges, interest and costs of collection. The Association may record a notice from time to time stating the amount and nature of the lien signed by an officer or director of the Association or by an agent authorized by the Board of Directors but such recorded notice is not necessary to establish or perfect the lien.

F. If such payments are not received within thirty (30) days after they become due, the Board shall exercise and enforce any and all rights and remedies provided in the Maine Condominium Act, the Declaration or these Bylaws or otherwise available at law or in equity for the collection of all unpaid amounts and, if available, all possessory remedies against the delinquent owner's Unit under the Forcible Entry and Detainer Laws of Maine, as amended from time to time. The delinquent owner shall be required to pay to the Association a reasonable rental for such Unit until sale or foreclosure. In any action to foreclose the lien for common charges, assessments, Service Charges, user fees, late charges, penalties, interest, and costs of collection including reasonable attorneys' fees against any owner of a Unit, the Association may act through its manager or Board of Directors in the same manner as any mortgagee of real property. The manager or Board of Directors acting on behalf of the Unit owners shall have the power to bid and acquire such Unit at a foreclosure sale and to lease,

mortgage, convey, or otherwise deal with the Unit. Suit to recover a money judgment for unpaid common charges, assessments, Service Charges, user fees and penalties due to the Association, with interest and all costs and reasonable attorneys' fees, may be maintained without foreclosing upon or waiving the lien securing the same. The lien is extinguished unless action to enforce the lien is started within Three (3) years after the full amount of the assessment becomes due.

Section 6.3 Service Charges. Service charges (other than common expenses) may be assessed separately to each Unit or group of Units benefited thereby and shall be paid by the Unit owner within Fifteen (15) days of deposit in the U. S. Mail or hand delivery, and shall constitute a lien on the Unit of the same status as a lien for common charges set forth in Section 6.2.

Section 6.4 Revised and Special Assessments. If at any time the Board shall determine the amount of the common charges to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Board may adopt and deliver to the members at least thirty days prior to the date on which it becomes effective, a revised estimated annual budget for the balance of such fiscal year and thereafter monthly common charges shall be determined and paid on the basis of such revision.

The Board may, upon determining that circumstances exist which requires immediate assessment of the members, make special assessments, not to exceed an amount equal to one current monthly assessment for each Unit unless approved by the members, which shall be due and payable when delivered to the members.

Section 6.5 Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Board of Directors.

Section 6.6 Capital Improvements. The approval of a majority in interest of all the members shall be required to make a capital improvement to the Common Elements in an amount in excess of Thirty-five percent (35%) of the aggregate assessments against all the members over the prior fiscal year, exclusive of Service Charges and user fees, and in such event the cost thereof shall be assessed to all Unit owners as an assessment.

Section 6.7 Use of Units. All Units shall be utilized in accordance with the provisions of the Bylaws, Declaration, and Rules and Regulations.

Section 6.8 Enforcement of Declaration and Bylaws. 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, in collecting any delinquent assessments, Service Charges or fees due from such Unit, foreclosing its lien for assessments, collecting any penalties imposed hereunder, or enforcing any provisions of the Declaration, these Bylaws, or the Rules and Regulations against such owner or any occupant of such Unit.

Section 6.9 Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the buildings and Common Elements of the Condominium, the Board of

Directors may from time to time adopt, modify, and revoke, in whole or in part, such further reasonable rules and regulations governing the Condominium as it may deem necessary, including, but not limited to, methods and procedures for enforcing compliance with the Declaration and Bylaws. Such Rules and Regulations upon adoption, and every amendment, modification, and revocation thereof, shall be sent promptly to each Unit and shall be binding upon all members of the Association and all persons present on the Condominium.

Section 6.10 Restrictions. As an amendment to these Bylaws and subject to the Declaration, the members may from time to time adopt, modify and amend such further restrictions on and requirements respecting the use and maintenance of Units and the use of Common Elements designed to prevent unreasonable interference with the use and enjoyment of the Condominium. The following restrictions shall apply initially in addition to those expressed elsewhere in these Bylaws or in the Declaration:

A. Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time in accordance with rules and regulations established by the Board of Directors. No articles of personal property belonging to any Unit owners shall be stored in any portion of the Common Elements.

B. No member shall overload the electrical wiring in the building or operate any machinery, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Board of Directors, any unreasonable disturbance or make any alterations to or connections with the heating, plumbing, or sewage disposal systems without the prior written consent of the Board of Directors.

C. Each Unit shall deposit only ordinary household type waste in the sewerage system.

D. No Unit owner shall play or permit to be played any musical instrument or operate or permit to be operated any stereo system, phonograph, radio, television set, or other electronic device in or outside his Unit between the hours of 10:00 p.m. and 8:00 a.m., if such playing or operation shall disturb or annoy the occupants of any other Unit.

E. No Unit owner shall erect or maintain an outside television or radio antenna or dish in the Common Elements or Limited Common Elements, except with the approval of the Board of Directors.

Section 6.11 Right of Entry. Upon such prior notice as is possible under the circumstances, the manager and any person authorized by the Board of Directors shall have the right to enter any Unit in case of any emergency originating in or threatening such Unit or adjoining Common Elements whether or not the owner or occupant is present at the time, and upon prior notice to enter any Unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the Common Elements thereon or accessible therefrom.

Section 6.12 Title. Every Unit owner shall promptly record in the Registry of Deeds the deed, assignment, or other conveyance to him of his Unit or other evidence of his title

thereto and file such evidence of his title with the Association, and the Secretary shall maintain such information in the records of the Association.

Section 6.13 Insurance and Fidelity Bonds.

A. The Association shall maintain insurance as required by the Declaration and such other insurance as the Board of Directors of the Association may determine is appropriate.

B. The Board of Directors shall require all officers and employees of the Association handling or responsible for corporate funds to furnish adequate fidelity bonds in the amount of the maximum funds that will be in the custody of the Association or any management agent at any time but not less than three (3) months common charges plus the amount of the Association's reserve account balance. The premiums on such bonds shall be paid by the Association. All such policies shall require at least twenty (20) days notice of cancellation.

C. It shall be the responsibility of each Unit owner to procure adequate insurance covering the contents of his Unit and any deductible for damage to the Unit interior, and any appliances, fixtures, betterments or improvements thereto installed by the owner unless that owner has elected to procure insurance under the Association's policy as provided in the Declaration.

ARTICLE VII.
SALE, LEASE, RENTAL OR OTHER TRANSFER OF A UNIT

Section 7.1 Binding Effect. All subsequent sales, leases or other transfers of a Unit by a Unit owner shall be subject in all respects to the Declaration, Bylaws, and Rules and Regulations of the Condominium.

Section 7.2 Leasing Restrictions.

A. No Unit may be leased for transient purposes and no Unit may be leased for a period of less than six (6) months. No portion of any 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 written form of lease which contains the following provisions:

(i) requiring the tenant to comply with the Declaration, these Bylaws, and Rules and Regulations;

(ii) providing that failure to comply constitutes a default under the lease;

(iii) providing that the Board of Directors has the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the Unit owner after Thirty (30) days' prior written notice to the Unit owner, in the event of a default by the lessee in the performance of the lease, and

(iv) in the event that the payment of common charges and/or Service Charges or other amounts due to the Association becomes more than 30 days past due, authorizing the Association to require the Tenant to pay directly to the Association the rent on the Unit in an amount of up to the balance of current and delinquent common charges and other unpaid amounts outstanding, subject to the rights of any recorded first mortgage or Eligible Mortgage Holder which has exercised an assignment of rents. The Association's notice to the Tenant shall be conclusive and binding on the Tenant as to the Tenant's obligation to pay the rent directly to the Association and as to the amount of common charges and other fees due. The Unit owner shall have ten days after such notice is sent to file any objection, which objection must be in writing and signed under oath under the pains and penalties of perjury, must contain a short and plain statement of any alleged errors by the Association, and shall include copies of cancelled checks or other written evidence of objection or miscalculation of the amounts due. The Unit owner must state what amounts, if any, which the owner admits is owed to the Association.

Any lease or tenancy shall be in writing. The foregoing provisions shall be deemed to be automatically incorporated into any lease and into the terms of any tenancy or other agreement for the occupancy of a Unit.

Each Unit owner of a Unit shall, promptly following the execution of any written lease of a Unit, forward a true copy thereof to the Board of Directors.

The foregoing provisions of this paragraph shall not apply to an institutional lender in possession of a Unit as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

B. In the event a guest or tenant of a Unit fails to comply with the provisions of this Declaration, the Bylaws, Rules and Regulations or the lease, then, in addition to all other remedies which it may have, the Association may notify the Owner of such violation(s) and demand that the same be remedied through the Owner's efforts within a reasonable time after such notice in the judgment of the Directors.

If such violation(s) is(are) not remedied within said period, then the Owner shall thereafter, at his own cost and expense, immediately institute and diligently evict his tenant or guest on account of such violation(s). In the event the Owner fails to so act promptly, then the Board shall have the right, but not the duty, to institute and prosecute such election as attorney-in-fact for the Owners and at the Owner's sole cost and expense, including all legal fees incurred. Said costs and expenses shall be due and payable upon demand by the Association and shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Board of Directors in the same manner as the Board is entitled to enforce collection of Service Charges and common charge assessments.

Section 7.3 Liability for Assessments, Etc. In the transfer of a Unit, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments and Service Charges, interest and costs of collection outstanding at the time of the grantor's transfer, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee or proposed purchaser under a purchase and sale contract upon written request and upon payment of such fee as may be set by the Directors may obtain a statement from the Board of Directors setting forth the amount of unpaid, assessments, and Service Charges against the Unit, and the grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any, assessments, and Service Charges arising before the statement date in excess of the amount therein set forth.

Section 7.4 Common Elements. No Unit owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the interests in Common Elements appurtenant thereto, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interest so omitted, even though the latter shall not be expressly mentioned or described therein.

ARTICLE VIII.
EXECUTION OF INSTRUMENTS.

Section 8.1 Instruments Generally. 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 Treasurer, and in addition by any one or more officer(s), agent(s) or employee(s), all as the Board of Directors may designate, unless otherwise unanimously voted by the Board of Directors.

ARTICLE IX.
GENERAL ADMINISTRATION

Section 9.1 Easements, Etc. The Association is authorized and empowered to grant such easements, rights-of-way, leases and licenses for sewer lines and sewage disposal facilities, water lines, electrical cables, telephone cables, television cables and antennas, gas lines, storm drains, underground conduits, fire escapes and alarms and such other purposes related to the provision of public services, and utilities to the Condominium as may be considered desirable, necessary or appropriate by the Board of Directors for the orderly maintenance, improvement and preservation and enjoyment of the Common Elements or for the preservation of the health, safety, convenience and welfare of the owners of the individual Units upon at least Thirty (30) days' notice to the members unless a special meeting of the members is called within such period and the members vote to reject such grant. No such rights may be created through any Unit without the written consent of the owners thereof and that no such easement shall materially impair the use and enjoyment of the Condominium.

Section 9.2 Utility Services. The Association shall not be liable for the failure of electricity, telephone, water supply, sewage disposal systems, or other services to be obtained by the Association or paid for out of the common expense or service charge funds, or for injury or damages to persons or property caused by the elements or by the owner of any Unit or by any other person, or resulting from electricity, water, snow or ice which may leak, fall or flow from or settle on any portion of the Common Elements or limited Common Elements or from any roof, wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the owner of any Unit for loss or damage, by theft, or otherwise, of property which may be stored upon or in any individual Unit or in any of the Common Elements or facilities. No set-off, diminution or abatement of assessments for common expenses or Service Charges, shall be claimed or allowed for the expense, damage or discomfort arising from the making of repairs or improvements to the Common Elements or facilities or to any Unit, or from any action taken by the Association to comply with any law, ordinance, or order of any other governmental authority.

ARTICLE X.
LIABILITY OF DIRECTORS AND OFFICERS.

Section 10.1 Exculpation. 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.

Section 10.2 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, administrative or investigative, by reason of the fact he is or was an officer, director, agent or employee of the Association against all expenses including reasonable counsel fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection therewith, excepting, however, such matters in which such person is finally adjudged by a court of competent jurisdiction to have acted with willful misconduct or gross negligence towards the Association or absent a final adjudication thereof, excepting such matters in which the Board of Directors (excluding any interested Director) determines any such person acted with willful misconduct or gross negligence. This right to indemnification shall be in addition to any other power of the Association to indemnify as permitted by law. The Association may also maintain insurance on behalf of any person who is or was a director, officer, agent or employee of the Association against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the Association would otherwise have the power or duty to indemnify him.

Section 10.3. Claims. Claims against the Association, the Board of Directors or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Board of Directors of the Association, which shall promptly give written notice thereof to the Unit Owners and the Eligible Mortgage Holders and the Mortgagees of Units, and such complaints shall be defended by the

Association. The Unit Owners shall have no right to participate in such defense other than through the Association.

ARTICLE XI.
BY-LAWS.

Section 11.1 Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by vote of Sixty-Seven percent (67%) or more of the members of the Association at a meeting duly called for the purpose, PROVIDED, HOWEVER, that these Bylaws shall always contain those particulars which are required by the Maine Condominium Act, as amended from time to time to the extent applicable by law to this Condominium; and PROVIDED, FURTHER, that no modification of or amendment to the Bylaws shall be valid, until a certificate of the amendment is executed to evidence the propriety of such amendment or modification by the Secretary and President of the Association. Such certificate shall may be recorded in York County Registry of Deeds.

Section 11.2 Conflict. In the event of any conflict between these Bylaws and the provisions of the Declaration or the Maine Condominium Act, the latter shall govern and apply.

Bylaws Shannon Woods 2-17-04
5/26/04 11 45 AM

Received York SS
08/16/2004 3:21PM
REGISTER OF DEEDS
Debra L. Anderson