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FAIRWAY POND CONDOMINIUMS

A CONDOMINIUM

DOCUMENTS AND INFORMATION

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DECLARATION OF CONDOMINIUM
FAIRWAY POND CONDOMINIUMS

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DECLARATION OF CONDOMINIUM
FAIRWAY POND CONDOMINIUMS
OLD ORCHARD BEACH, MAINE

THIS DECLARATION OF CONDOMINIUM (the "Declaration") is made this 31st day of May, 2002, by K LAND PARTNERS, 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 (the "Act"), as the owner in fee simple of the Real Estate hereinafter described.

ARTICLE I
CREATION OF CONDOMINIUM; DEFINED TERMS

Section 1.1. Property. The Declarant, the owner in fee simple of the Real Estate described in Exhibit A annexed hereto and made a part hereof, (the "Real Estate") situated in the Town of Old Orchard Beach, County of York and State of Maine hereby submits the Real Estate, together with and subject to all easements, rights, privileges and appurtenances thereunto belonging, specifically including, but not limited to, the Declaration of Covenants, Conditions and Restrictions for Dunegrass Community Association, Inc. dated as of January 16, 1989, and the by-laws, rules and regulations of the Dunegrass Community Association, both as amended from time to time, and the Buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of the Act, and creates with respect to the Property a condominium as defined in Section 1601-103(7) of the Act (the "Condominium"). The name of the Condominium is FAIRWAY POND CONDOMINIUMS. The name of the Association is FAIRWAY POND CONDOMINIUM ASSOCIATION. The Condominium is located in the Town of Old Orchard Beach, County of York, and State of Maine and the address of the Condominium is 51 Wild Dunes Way, Old Orchard Beach, Maine.

Section 1.2. Defined Terms. Capitalized terms are defined herein or in the Plats and Plans; otherwise they shall have the same meanings as specified in the Act. The following terms which are not otherwise defined in this Declaration shall have the following specific meanings in this Declaration, the Bylaws, and the Plats and Plans:

(a) "Association" means the association of the Unit Owners of the Condominium known as "Fairway Pond Condominium Association", organized pursuant to Section 1603-101 of the Act as a nonprofit corporation under the Maine Nonprofit Corporation Act.

(b) "Building" means any building erected on the Property containing or constituting, 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 term "Building" shall mean and include the singular or plural.

(c) "Bylaws" means the regulations providing for the governance of the Association as are adopted pursuant to Section 1603-106 of the Act and this Declaration for the regulation and

management of the Property, including such amendments thereof as may be adopted from time to time.

(d) "Common Elements" or, singularly, "Common Element", shall mean all portions of the Condominium other than the Units, and except as otherwise expressly stated herein, shall include Limited Common Elements.

(e) "Common Element Interest" means the percentage of undivided interest in the Common Elements appurtenant to each Unit.

(f) "Common Expenses" mean and include, but are not limited to, (a) the cost of maintenance, management, operation, repair, renovation, restoration and replacement of the Common Elements and such Limited Common Elements and such parts of the Units as to which pursuant to this Declaration it is the responsibility of the Association to maintain, repair and replace, (b) the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Executive Board pursuant to the provisions of this Declaration and the fees and disbursements of the Insurance Trustee, if any, (c) such amounts as the Executive Board may deem necessary to provide for general operating reserve funds, reserve funds for replacements and contingencies, and such other reserve funds as may be required by the Bylaws or as the Executive Board may periodically establish, (d) sums that the Executive Board may deem necessary to compensate for any deficits in receipts over expenses for the previous fiscal year, and (e) the charges and fees for energy, electricity, heat, water, and sewer services furnished to the Condominium to the extent not separately metered to individual Units and charged to individual Unit Owners; and (f) such other costs and expenses that may be declared by the Act, this Declaration, the Bylaws, or resolution or agreement by the Executive Board, Unit Owners, or any two or more of the foregoing, to be Common Expenses of the administration, operation, maintenance and repair of the Condominium and Property and the rendering to Unit Owners of all related services.

(g) "Common Expenses Liability" means the allocation to each Unit of the respective liability for Common Expenses based on the percentage of the Common Element Interest appurtenant to the respective Unit.

(h) "Condominium" means the Condominium described in Section 1.1. above.

(i) "Condominium Documents" mean the Declaration, the Plats and Plans, the Bylaws and the Rules and Regulations and all amendments thereto.

(j) "DCA" refers to the Dunegrass Community Association, Inc., a non-profit, non-stock, corporation organized under the laws of the State of Maine, of which the Association is a member.

(k) "DCCR" means the Declaration of Covenants, Conditions and Restrictions for the Dunegrass Community Association, Inc., dated as of January 16, 1989, recorded in the York

Registry of Deeds in Book 5083, Page 43, which covenants, conditions and restrictions apply to all property in the Dunegrass development.

(l) "Declarant" means K Land Partners, LLC.

(m) "Declarant Control Period" means the entire time period which extends from the date of the recording of this Declaration until the earlier of seven (7) years following the conveyance of the first Unit to a Purchaser, other than the Declarant, or sixty (60) days after the conveyance of 75% of the Units to Unit Owners other than the Declarant, whichever shall first occur.

(n) "Declaration" means this document, as the same may be amended from time to time.

(o) "Eligible Insurer" means an insurer or governmental guarantor of a Mortgage held by an Eligible Mortgage Holder which has delivered written notice to the Association by prepaid United States Mail, return receipt requested, or by delivery in hand securing a receipt therefor, stating the name and address of such insurer or guarantor and containing the same information and statements with respect to such insurer or guarantor that are required pursuant to the following subsection with respect to such Eligible Mortgage Holder.

(p) "Eligible Mortgage Holder" means the holder of a recorded first Mortgage on a Unit which has delivered written notice to the Association by prepaid United States Mail, return receipt requested, or by delivery in hand securing a receipt therefor, which notice shall state the name and address of the mortgagee's, the Unit Owner's name and address and the identifying number of the unit, and stating that the mortgage is a recorded first mortgage.

(q) "Executive Board" means the Executive Board of the Association.

(r) "Insurance Trust Agreement" means that agreement, if any, between the Association and the insurance Trustee, providing for the management and disbursement of insurance proceeds in accordance with the provisions hereof and of the Act.

(s) "Insurance Trustee" means that certain entity responsible for the management and disbursement of insurance proceeds pursuant to the Insurance Trust Agreement, if any.

(t) "Limited Common Elements" or, singularly, "Limited Common Element" means those parts of the Property described in the Act, the Plats and Plans, or herein as being Limited Common Elements.

(u) "Limited Common Expenses" mean (a) the Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element which shall be assessed against the Units to which that Limited Common Element is assigned in proportion to the relative Common Expense Liabilities of such Units as between themselves, as the Executive Board may periodically determine, and (b) the Common Expenses for services benefiting fewer than all the Units, which are assessed exclusively against the Units benefited in accordance with the use of such services as permitted by Section 1603-115(c) of the Act.

(v) "Monthly Assessment" means the Unit Owner's share of the anticipated Common Expenses and Limited Common Expenses, allocated by Unit, for each month of the Association's fiscal year as reflected in the budget adopted by the Executive Board for such year.

(w) "Mortgage" means a recorded mortgage or deed of trust encumbering a Unit in the Condominium held by a Mortgagee or an Eligible Mortgage Holder. "Mortgagee" means the holder of a Mortgage.

(x) "Percentage Interest" means the undivided interest in the Common Elements appurtenant to a Unit as set forth in Exhibit B attached, as the same may be amended.

(y) "Property" means the Property described in Section 1.1 above.

(z) "Plats and Plans" means the Plats and Plans recorded herewith in the York Registry of Deeds in Condo File 54, Pages 1 through 7, as amended from time to time, and reduced photocopies of which are annexed as Exhibit C.

(aa) "Recorded" means that an instrument has been recorded in the York County Registry of Deeds.

(bb) "Rules and Regulations" shall mean such rules and regulations as are promulgated by the Declarant or the Executive Board with respect to the use of the Property.

(cc) "Special Assessment" shall mean a Unit Owner's share of any assessment made by the Executive Board in addition to the Monthly Assessment.

(dd) "Special Declarant Rights" have the meaning provided in Section 1601-103(25) of the Act and include the rights which the Declarant has reserved to itself in Section 6 and elsewhere herein.

(ee) "Unit" means a part of the Property designated for any type of separate ownership or occupancy, which has a direct exit to a public street or way, or to a Common Element or Common Elements leading to a public street or way. The "Size" of each Unit is the number of square feet depicted on the Plans or described in Exhibit B.

Section 1.3. Interpretation. In the event of any conflict or discrepancy between this Declaration, the Bylaws, and the Plats and Plans, the provisions of this Declaration shall govern the Bylaws and the Plats and Plans. Further, the provisions of the Act shall apply to and govern the operation and governance of the Condominium, except that contrary provisions contained herein, not otherwise prohibited by the Act, shall control.

ARTICLE II
UNITS, UNIT BOUNDARIES, AND MAINTENANCE

Section 2.1. Number of Units/Phasing The Declarant has created pursuant to this Declaration eight (8) Units identified in Exhibit C as Buildings E and F, and one (1) garage building containing thirteen (13) garage spaces as Assignable Limited Area. Declarant reserves the right, but not the obligation, until seven (7) years from the date of the recording of this Declaration to create up to twenty-four (24) additional Units (for a total of thirty-two (32) Units), Limited Common Elements appurtenant to such Units, and three (3) additional garage buildings containing nineteen (19) garage spaces as Assignable Limited Areas, on the land described in the attached Exhibit A, all pursuant to Section 1602-110 of the Condominium Act. Said conversion creating additional Units, Assignable Limited Areas, and Limited Common Elements may be composed of up to six (6) additional Buildings and three (3) garage buildings, added at the same time or in separate phases. The location of the Buildings, garages and Limited Common Elements for said Building Phase(s) are shown on the Plats and Plans as Buildings A, B, C, D, G and H, and Assignable Limited Areas 1 through 17. If they are built, said additional Buildings, Units, garages and Limited Common Elements shall be built in substantially the same locations as shown on the Plat, but the configurations of each Building may consist of any of the following variations: (a) four (4) townhouses as shown in Exhibit C-C1; (b) four (4) flats as shown in Exhibit C-C2; (c) two (2) townhouses on the left and two (2) flats on the right as shown in Exhibit C-C3; and two (2) flats on the left and two (2) townhouses on the right as shown in Exhibit C-C4. NOTWITHSTANDING THE FOREGOING, THE DECLARANT EXPRESSLY RESERVES THE RIGHT NOT TO ADD THE UNITS AND GARAGE SPACES, OR TO MAKE VARIATIONS IN SUCH BUILDINGS, UNITS, ASSIGNABLE LIMITED AREAS, LIMITED COMMON ELEMENTS, AND THEIR LOCATIONS, in its discretion. Upon the addition of such Building Phase(s), 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, garage spaces, and Limited Common Elements shall be consistent with the initial Units and garages in terms of the quality of construction, general architectural style and principal materials, provided that the Declarant may substitute construction materials and techniques of equal or better quality. All restrictions in or created by authority of this Declaration affecting the use, quality or alienation of Units shall apply to such Building Phase(s) including, without limitation, the restriction to residential use. Declarant need not add said Building(s) or any said Limited Common Elements to the Condominium and, hence, said Buildings, Units, garage spaces, 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 rights 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 recalculated by a formula based on each Unit having a Percentage Interest expressed as a fraction whose numerator is one (1) and whose denominator is the total number of Units

declared, including those added by amendment. Each Unit shall have one (1) vote per Unit in the Association to permit equality among Units. 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 shall include a Plat and Plans (or suitable affidavit) 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.

Section 2.2. Unit Boundaries. The identifying number and boundary lines of each Unit are described in the Plats and Plans, and the Unit boundaries are formed by the following planes:

(a) Horizontal Boundaries: The upper and lower boundaries of each Unit shall be the following boundaries extended to an intersection with the vertical boundaries:

(1) Upper Boundary: The horizontal plane of the Unit-side horizontal surface of the joists or roof rafters, as the case may be, which separate such Unit from an adjoining Unit or Common Element.

(2) Lower Boundary: The horizontal plane of the Unit-side surface of the concrete floors of the foundation.

(b) Vertical Boundaries: The vertical boundaries of each Unit shall be the vertical planes at the Unit-side surface of such exterior walls as are adjacent to such Unit at the back surface of the gypsum-board, sheetrock, or other wall materials forming its vertical walls, extended to the intersections with each other and with the upper and lower Unit boundaries or the unit-side surface of the interior walls of a Building which separate such Unit from an adjoining Unit or Common Element, the Unit to include the thickness of the finish drywall material.

(c) The Unit shall also include the Unit-side surface of the sash of windows which are set in the exterior walls or roofs of such Unit, the exterior surface of the panes of such windows and the Unit-side surface of window sills, moldings, trim, jambs and mullions for such windows, to include the thickness of the finish material.

(d) The interior surface of doors, and their sills and hardware, and the Unit-side surface of the door frames in which such doors are set, including the thickness of the finish material, shall be a part of the Unit.

(e) Each Unit consists of all portions of the Building within such boundary lines, except the air space displaced by structural members and load bearing partitions not including the thickness of the finish material such as plaster or drywall, within or passing through such Unit which are deemed to be Common Elements and other Common Elements within such Unit including, without limitation, chimneys, flues, ducts, wires, conduits and pipe runs which serve more than one Unit. By way of illustration and not limitation, there is included within a Unit: (1) the air space enclosed by such boundary lines; (2) all non-load partitions which are wholly contained within such boundary lines including, but not limited to, all doors, door frames, hardware, electrical outlets and wiring, telephone outlets and conduits and other equipment and

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

Section 2.3. Relocation of Unit Boundaries. Relocation of boundaries between Units will be permitted subject to compliance with the provisions therefor in Section 1602-112 of the Act, subject to compliance with any conditions, restrictions or requirements imposed by land use regulations and laws and subject to the unanimous consent of all Unit Owners. The cost for preparation and recordation of any documents required for the relocation of boundaries between Units shall be chargeable to the Units involved as a Special Assessment.

Section 2.4. Alteration of Partitions. Subject to applicable provisions of this Declaration and the Bylaws and of laws, ordinances, and land-use regulations, a Unit Owner may, after acquiring a vertically adjoining Unit, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if such acts do not impair the structural integrity or mechanical systems of the Building in which such Units are located or lessen the support of any portion of the Property. Removal of partitions or creation of apertures under this section is not an alteration of boundaries.

Section 2.5. Alterations by Unit Owner. Subject to any applicable provisions of the Bylaws or Rules or Regulations of the Association, a Unit Owner may make nonstructural improvements and alterations to the interior of his Unit but no Unit Owner may make any improvements or alterations or do any work whatsoever which would impair the structural integrity or mechanical systems of Buildings, 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 the Limited Common Elements) or paint or otherwise change the exterior appearance of his Unit (including, but not limited to, the exterior surfaces or doors) or any other portion of the Condominium without the prior written approval of the Executive Board of the Association or any committee appointed by the Board pursuant to the Bylaws.

Section 2.6. Maintenance Responsibilities. Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of Section 1603-107 of the Act, except as expressly set forth to the contrary herein.

ARTICLE III
COMMON ELEMENTS, LIMITED COMMON ELEMENTS, AND APPLICABLE PROVISIONS

Section 3.1. Description of Common Elements. The Common Elements are shown on the Plats and Plans and shall include those portions of the Building defined as such in Section 1602-102(l) and (2) of the Act.

Section 3.2. Description of Limited Common Elements. Limited Common Elements shall mean those portions of the Common Elements of the Building or Property defined as such pursuant to Sections 1602-102(2) and (4) of the Act or as identified and designated as Limited Common Elements on the Plats and Plans, or by this Article. Those portions of the Limited Common Elements serving only the Unit adjacent to such Limited Common Element are Limited Common Elements allocated only to the Unit which they serve.

Section 3.3. Specified Limited Common Elements. The following portions of the Buildings or the Property are hereby designated as Limited Common Elements: shutters, awnings, window boxes, doorsteps, stoops, decks, porches and patios, if any, which are not part of the Unit but which are adjacent to and serve only such Unit.

Section 3.4. Limited Common Elements to be Allocated by Declarant. Portions of the Common Elements may be marked on the Plats and Plans as "Common Elements Which May Be Allocated As Limited Common Elements." These portions of the Common Elements include storage areas in Common Elements and parking spaces in the garages shown on the Plats and Plans, and are each generically referred to as an "Assignable Limited Area" pursuant to Section 1602-105(a)(7) of the Act. The Declarant reserves the exclusive right to assign each Assignable Limited Area as a Limited Common Element for the exclusive use of the respective Unit Owners to whose Units such Assignable Limited Areas shall be assigned and become appurtenant. The Declarant may, without consent or action by the Unit Owners or any Mortgagee, allocate each such Assignable Limited Area as a Limited Common Element pursuant to the provisions of Section 1602-108 of the Act by causing appropriate amendments to this Declaration or to the Plats and Plans to be executed and recorded. After all Units have been sold by Declarant, the Association shall have the right to assign any unallocated Assignable Limited Areas pursuant to the provisions of Section 16.02-108 of the Act.

Section 3.5. Reserved Common Elements. "Reserved Common Elements" are those parts of the Common Elements which the Executive Board may designate from time to time for use by

less than all Unit owners or by non-Unit Owners for specified periods of time. The Executive Board of the Association shall have the power in its discretion from time to time to grant revocable licenses designated Reserved Common Elements and to establish a reasonable charge for the use and maintenance thereof. Such designation by the Board shall not be construed as a sale or disposition of the Common Elements.

Section 3.6. Alteration of Common Elements by the Declarant. The Declarant reserves the right to modify, alter, remove or improve portions of the Common Elements, including, without limitation, any equipment, fixtures and appurtenances, when in the Declarant's judgment it is necessary or desirable to do so, until the date by which all members of the Executive Board must resign pursuant to Section 6.2 hereof. Such rights do not include rights to add or remove real estate not deemed to be fixtures.

Section 3.7. 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 or mortgage or other encumbrance of any Unit shall extend to and include the Common Element Interest, whether or not expressly referred to in the instrument effecting such transfer. The Common Elements shall remain undivided and no action for partition or division of any part thereof shall be permitted, unless otherwise provided by law and permitted by this Declaration.

Section 3.8. Use of Common Elements. Except as their use may otherwise be limited by this Declaration or the Bylaws or otherwise by the Executive Board pursuant to its powers, each Unit Owner, tenant and occupant of a Unit, and the family members and guests of such Unit Owner, tenant and occupant, may use the Common Elements in common with all other Unit Owners and tenants or occupants of other Units, and their respective family members and guests, in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights or the other Unit Owners, upon the following terms:

(a) Any Unit Owner in default in the payment of any amount due to the Association or in violation of any provision of this Declaration, the Bylaws, or the rules and regulations of the Association, which violation continues for 30 days after written notice thereof by the Association to the Unit Owner may be prohibited by the Executive Board 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 Executive Board.

(b) Parking of motor vehicles by Unit Owners, and their immediate families, tenants, guests, visitors, and invitees shall be only in spaces in the Common Elements designated as spaces for parking. The spaces in the Common Elements designated as spaces for parking shall be used by the Unit Owners on such basis as the Executive Board may determine. No unattended vehicle shall at any time be left in such a manner as to impede the passage of traffic or to impair access to parking areas.

(c) Unit Owners shall not erect fences, signs, canopies, clotheslines or other structures, plant or remove trees or shrubs, or materially alter the grading or landscaping, or do any other thing which affects the appearance from the exterior of the Buildings or

grounds, including Limited Common Elements, except as provided in this Declaration or in accordance with the written permission of the Executive Board or a Committee established by the Board.

(d) Except for such signs as may be posted by the Declarant for promotional or marketing purposes, no signs of any character shall be erected, posted or displayed upon, in, from or about any Unit or Common Element without the prior written approval of the Executive Board, except as otherwise expressly provided herein. Provided, however, that a Mortgagee in possession of a Unit as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure, may display or post one sign in the interior of such Unit, which sign shall not exceed two feet in either height or width.

(e) No Unit Owner shall obstruct any of the Common Elements nor shall any Unit Owner place or cause or permit anything to be placed on or in any of the Common Elements (except those areas designated for such storage by the Condominium Documents or the Executive Board) without the approval of the Board or a Committee designated by the Executive Board.

(f) Parking spaces, including parking spaces in the garages, are Common Elements and may be assigned to Units as Reserved Common Elements by appropriate resolution of the Executive Board (unless such spaces have already been assigned as Limited Common Elements or Assignable Limited Areas by the Declarant). The Executive Board, the Association, any Unit Owner and the Declarant shall not be considered a bailee, however, of any personal property stored on the Common Elements (including property located in garages and vehicles parked on the Common Elements), whether or not exclusive possession of the particular area is given to a Unit Owner for parking purposes, and shall not 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.

ARTICLE IV
EASEMENTS

Section 4.1. Easements. In addition to, or including, the easements provided for by the Act, and in addition to the easements to which the property is or may be subject as identified in the description of the Property in Exhibit A, the easements described in this Article are hereby created.

Section 4.2. Utilities, Pipes and Conduits. Each Unit 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 Elements serving his Unit and located in any of the other Units. Each Unit shall be subject to an easement in favor of all 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 and its Executive Board shall have the right to grant to third parties additional permits, licenses and easements over and through the Common Elements

for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Condominium.

Section 4.3. Ingress, Egress and Regress. Each Unit Owner shall have an easement, subject to any rules and regulations established by the Executive Board, in common with all other Unit Owners to use the Common Elements as a means of ingress, egress and regress to and from the Property and the adjoining public streets. The Executive Board shall not and cannot establish any rules and regulations depriving any Unit Owner of reasonable ingress, egress and regress to and from his Unit, the Property and Common Elements, and the adjoining public streets.

Section 4.4. Condominium Association and Executive Board Access. Declarant reserves in favor of itself, the Association and its Executive Board, officers, agents and employees, and the managing agent and every other person authorized by the Executive Board the irrevocable right and easement to have access to each Unit as provided in Section 1603-107(a) of the Act as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Elements and Limited Common Elements therein or accessible therefrom or the making of any addition or improvements thereto; or to make repairs to any Unit, the Common Elements or the Limited Common Elements if such rlepairs are reasonably necessary for public safety or to prevent damage to any other Unit or Units, 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. Until the expiration of the warranty period, if applicable, such entry shall be permitted to perform warranty-related work whether or not the Owner of the Unit consents or is present at the time.

Section 4.5. Declarant's Easement for Marketing. The Declarant reserves the right with respect to its marketing of Units to use the Common Elements and Limited Common Elements for the ingress and egress of itself, its officers, employees, agents, contractors and subcontractors and for prospective purchasers of Units, including the right of such prospective purchasers to park in parking spaces. The Declarant also reserves the right to use any Units owned or leased by the Declarant as models, management offices, sales offices for this project or customer service offices for this project. The Declarant reserves the right to relocate same from time to time within the Property; upon relocation, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Property such advertising signs as comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of the Declarant. Prior to the assignment of Assignable Limited Areas as Limited Common Elements the Declarant shall have the right to restrict the use of certain Common Element parking spaces to sales purposes and to use such spaces for sales purposes. The Declarant shall have the right to erect on the Common Elements temporary offices for models, sales management, customer service and similar purposes, which may be relocated or removed, all at the sole discretion of Declarant which may be of such types and sizes as Declarant may deem appropriate. The easements reserved by Declarant herein shall continue until the Declarant has conveyed all Units in the Condominium to Purchasers. These Sections shall not be amended without the written consent of the Declarant.

Section 4.6. Declarant's Easements for Construction. The Declarant reserves the Special Declarant Right, and easement, right and privilege without let or hindrance with respect to the construction of the Units, Common Elements, Limited Common Elements and other improvements of the Condominium, to go upon any and all of the Property for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units or Common Elements. This easement shall include without limitation the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and to engage in construction and marketing activities of any nature whatsoever, including the movement and Storage of building materials and equipment. This easement expressly includes the right to cut and remove any trees, bushes, or shrubbery, to grade and remove the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the affected property as close to its original condition as practicable. The Declarant reserves the rights to sell the removed timber and soil and retain the proceeds thereof. Furthermore, the Declarant reserves an easement in the Units and Common Elements pursuant to Section 1602-116 of the Act for the purpose of discharging Declarant's obligation exercising the Development Rights and other Special Declarant Rights, if any, reserved pursuant to this Declaration or on the Plats.

Section 4.7. Declarant's Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Common Elements not located within a Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The reservation of this right does not and shall not result in the imposition of an obligation.

Section 4.8. Encroachments. Each Unit easement to the extent necessary for structural and subjacent support over every other Unit and over the Common Elements, and each Unit and the Common Elements shall be 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 encroaches 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 or Buildings in which they are located or otherwise than as a result of the purposeful 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, a valid easement appurtenant to the encroaching Units, Common Elements or Limited Common Elements for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist. In the event that any Building or Buildings shall be partially destroyed as a result of fire or other casualty or as a result of a taking by the power of, or in the nature of, eminent domain or by an action or deed in lieu of condemnation, and then is rebuilt, encroachments of a portion or portions of the Common Elements or Limited Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements or Limited Common Elements, due to such rebuilding, shall be permitted, and valid easements appurtenant to the encroaching Units, Common Elements or Limited Common Elements for such encroachments and the maintenance thereof shall exist so long as that Building as so rebuilt shall stand.

Section 4.9. Declarant's Right to Connect With Utilities. The Declarant further reserves an easement to connect with and make use of utility lines, wires, pipes and conduits located on the Property for construction purposes on the Property, provided that Declarant shall be responsible for the cost of service so used, and to use the Common Elements for ingress and egress and construction activities and for the storage of construction materials and equipment used in the completion of the Units and Common Elements.

Section 4.10. Declarant's Right to Grant Easements. The Declarant shall have the right, until the Declarant has conveyed all Units in the Condominium to Purchasers which Declarant may have reserved the Development Rights to create, to grant and reserve easements and rights-of-way through, under, over and across the Property for construction purposes, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority, to install, lay, maintain, repair, relocate and replace pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), heating systems, ventilation systems, electric wire conduits and equipment and ducts and vents over, under, through or along and on the Units and Common Elements.

Section 4.11. Common Elements Easement in Favor of Unit Owners. The Common Elements (including, but not limited to, the Limited Common Elements) shall be and are hereby made subject to the following easements in favor of the Units benefited:

(a) For the installation, repair, maintenance, use removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, 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.

(b) 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 such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the building or impair or structurally weaken the building.

(c) For driving and removing nails, screws, bolts and other attachment devices into the Unit-side surface of the studs which support the dry wall or plaster perimeter walls bounding the Unit, the bottom surface of roof rafters above the Unit and the top surface of the cement floors below the 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 or acoustical character of the Building or impair or structurally weaken the building.

Section 4.12. Development and Special Declarant Rights. Pursuant to Section 1602-105 (a)(8) of the Act, the Declarant hereby reserves the Development Rights to add Buildings A, B, C, D, G and H, or any of them, together with the Limited Common Elements associated therewith, and also three (3) garage buildings as Assignable Limited Areas, to the Condominium, all as set forth in Section 2.1 of this Declaration.

The exercise of these Development Rights must be exercised within seven (7) years from the date of recording of this Declaration, and shall be done and accomplished in accordance with Section 1602-110 of the Act. The Declarant may exercise the Development Rights reserved hereunder at any time or times prior to seven (7) years from the date of recording of this Declaration by causing the Association to record at the Declarant's expense an amendment(s) to the Declaration in accordance with Section 1602-117 of the Act, and amended Plats and Plans in accordance with Section 1602-109 of the Act, (or, if appropriate, an affidavit that the Plats and Plans previously recorded conform to the requirements of the Condominium Act) whereupon the addition(s) shall be deemed part of the Condominium. Such amendment shall include a reallocation of the Percentage Interests in accordance with Section 5.1 hereof, and the Common Elements upon which the Buildings, garages, or Limited Common Elements are located shall be Assignable Limited Areas, Units, and the Limited Common Elements associated therewith, subject to the Percentage Interests set forth in such amended allocation. Upon addition of the Units subject to Development Rights, the Executive Board shall cause to be prepared a revised estimated budget in accordance with the Bylaws, and make revised Common Charges based thereon.

ARTICLE V
ASSESSMENTS FOR COMMON EXPENSES AND LIABILITY OF UNIT OWNERS

Section 5.1. Allocation and Payment of Assessments of Common Expenses. The total amount of Common Expenses shall be assessed against the Units as follows:

(a) The Common Expenses that are not assessed as Limited Common Expenses shall be assessed against all the Units in the same proportion as the Percentage Interest of the Unit Owner as set forth in Exhibit B.

(b) (1) If a Limited Common Expense benefits more than a single Unit, that Limited Common Expense shall be assessed solely against all the Units benefited in proportion to the relative Common Expense Liabilities of such Units as between themselves, as the Executive Board may periodically determine, (2) if a Limited Common Expense only benefits a single Unit, that Limited Common Expense shall be assessed solely against the Unit benefited, as the Executive Board shall determine, (3)

the costs of insurance shall be assessed against Units in proportion to risk, as the Executive Board may periodically determine, however, (4) if a Limited Common Expense is associated with the maintenance, repair or replacement of a Limited Common Element, that Limited Common Expense shall be assessed solely against all the Units to which that Limited Common Element is allocated in proportion to the relative Common Expense Liabilities of such Units as between themselves, as the Executive Board shall determine.

(c) Telephone, water, sewer, cable television and electrical services shall be supplied by the agency or company serving the area directly to each Unit or Limited Common area allocated to such Unit, through a separate meter, and each Unit Owner shall be required to pay the bills for such services consumed or used in his or her Unit. Except as otherwise provided in this subsection, any electricity or other services serving the Common Elements shall be separately metered, and the Executive Board shall pay all bills for electricity consumed in the Common Elements as a Common Expense assessable to all the Owners of Units.

(d) The Declarant shall not be liable for any assessments for any Units until after the Association makes its first Common Expense assessment.

Section 5.2. Payment of and Lien for Assessments.

(a) Each Unit Owner shall pay to the Association or its authorized representative (1) on the first day of each month, or on such other date that the Association may determine in writing, one-twelfth (1/12th) of the Common Expenses including Limited Common Expenses, and revised Common Expenses including revised Limited Common Expenses, assessed on an annual basis against his Unit in the proportions required in Section 5.1, and (2) all special assessments, any other sum duly levied against the Unit pursuant to this Declaration, the Bylaws or the Act, including Limited Common Expenses assessed against Unit Owners for maintenance, repair or replacement of a Limited Common Element pursuant to Section 5.6, all interest thereon and charges for late payment thereof and legal fees and other costs of collection thereof, and fines, penalties and fees as provided by this Declaration, the Bylaws or the Act, on the first day of the next month which begins more than ten (10) days after delivery to the Unit Owner of notice of such special assessment or levy or such other date that the Association may determine in writing. If for any reason the Association shall revise the annual budget of the Association whereby the Common Expenses or any component thereof may be increased, then commencing on the first day of the first month subsequent to the adoption of such revised budget 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 in the proportions required in Section 5.1.

(b) The total annual assessment levied against each Unit for Common Expenses including Limited Common Expenses, revised Common Expenses including revised Limited Common Expenses, or any special assessment, and any other sums duly levied

against the Unit pursuant to this Declaration, the Bylaws, or the Act, including Limited Common Expenses assessed against Units for maintenance, repair or replacement of a Limited Common Element pursuant to Section 5.6, all interest thereon and charges for late payment thereof, legal fees and other costs of collection thereof, and fines, penalties and fees as provided in this Declaration or the Bylaws shall constitute the personal liability of the Owner of the Unit so assessed and also shall, until fully paid, constitute a lien against the Unit in favor of the Association as provided in Section 1603-116 of the Act. Such lien shall, with respect to annual assessments and revised annual assessments, be effective on the first day of each fiscal year of the Association as to the full amount of the annual assessment or revised annual assessment, and, as to special assessments and other sums duly levied including Limited Common Expenses assessed against a Unit Owner for maintenance, repair or replacement of a Limited Common Element pursuant to Section 5.6, interest, charges for late payment, legal fees, costs of collection, fines, penalties and fees as described herein, on the first day of the next month which begins more than ten (10) days after delivery to the Unit Owner of notice of such special assessment or levy. In any case where an assessment against a Unit Owner is payable in installments, upon a default by such Unit Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated at the option of the Executive Board, and the entire balance of the assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Unit Owner by the Executive Board or its representative. Such lien is prior to all other liens and encumbrances on a Unit except (1) liens and encumbrances recorded before the recordation of this Declaration, (2) a first Mortgage recorded before or after the date on which the assessment sought to be enforced becomes delinquent, and (3) 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., 4651 and 18-A M.R.S.A. 2-201, et seq., as they or their equivalents may be amended or modified from time to time.

(c) The lien for assessments described in Subsection 5.2(b) may be enforced and foreclosed by the Association in like manner as a mortgage on real estate as provided in Section 1603-116(a) of the 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, 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. During the pendency of any such suit, the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any Court having jurisdiction over such sale.

Section 5.3. Liability of Purchaser of Unit for Unpaid Assessments. Upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or an interest therein, the grantee thereof shall be liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of consummation of the sale, conveyance or transfer.

Section 5.4. Working Capital Fund. The Declarant shall establish a working capital fund equal to a minimum of two (2) months estimated Common Expenses liability for each Unit. Each Unit's share of the working capital fund shall be collected from the Unit purchaser upon the initial transfer of title from the Declarant to the purchaser and shall be transferred to the Association for deposit into the working capital fund. The amount paid by the Unit purchaser shall not be considered as advance payment of the normal Common Expense liability and no Unit Owner shall be entitled to a refund of these monies by the Association upon the subsequent conveyance of his Unit or otherwise. Within sixty (60) days after the first transfer of a Unit from the Declarant to a purchaser, the Declarant shall pay each unsold Unit's share of the working capital fund to the Association.

Section 5.5. Surplus. The Budget of the Association shall set forth Common Expenses. Any amounts accumulated from assessments for Common Expenses in excess of the amount required for actual Common Expenses and reserve for future Common Expenses, unless otherwise directed by the Executive Board, in its sole discretion, shall be credited to each Unit Owner, such credit to be applied to the next Monthly Assessments of Common Expenses due from said Unit Owners under the current fiscal year's budget, and thereafter, until exhausted or retained by the Association for reserves.

Section 5.6. Limited Common Elements, Maintenance. The Association shall maintain, repair and replace all Limited Common Elements required by this Declaration and shall assess as a Limited Common Expense the Common Expenses associated with the maintenance, repair or replacement of each Limited Common Element (except for Common Expenses associated with structural repairs or replacements) against the Units to which the Limited Common Element are assigned or appurtenant to in proportion to the relative Common Expense Liabilities of such Units as between themselves, provided that the Association shall also have the right to assess an individual for Limited Common Expenses associated with said purposes applicable to such Unit if the Limited Common Expense shall be incurred due to the negligence, neglect or misconduct of the Owner of such Unit or if the item giving rise to the expense shall be for the benefit of that Unit only. However, the Unit Owners of any Units to which a Limited Common Element deck is appurtenant shall perform the normal maintenance for such Limited Common Element, including keeping it in a clean and sanitary condition, free and clear of ice, snow and any accumulation of water, but if that Limited Common Element, or any other Limited Common Element in a Building, is allocated to more than one Unit the Association shall be responsible and shall assess the costs thereof as a Limited Common Expense to the Units benefited. Any Unit Owner permitted by the Executive Board to use a Reserved Common Element or a specific portion of the Common Elements for storage is responsible for the maintenance and care of such portion and shall use the same in a safe and sanitary manner. The Unit Owner shall maintain windows allocated to his Unit as a Limited Common Element including washing and necessary replacements with substitutions of similar color, size, quality and style. The Association shall be responsible for all structural repairs and replacements of all Limited Common Elements other than windows and the costs thereof shall be assessed to all Unit Owners as a Common

Expense, unless such repair or replacement 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 Limited Common Expense.

Section 5.7. Maintenance of Common Elements. The Association shall be responsible for the maintenance, repair and replacement (unless in the opinion of the Executive Board such expense was necessitated by the negligence, misuse or neglect of a Unit Owner) of all of the Common Elements (except those areas of the Limited Common Elements provided above) whether located inside or outside of the Units, the cost of which shall be charged to the Unit Owners as a Common Expense except as otherwise provided above with regard to Limited Common Elements. To the extent required for the functioning of or connection of utilities to the Property and Units, the maintenance, repair and replacement of Common Elements located within a Unit, or for which the Unit Owner is otherwise responsible, shall be furnished by the Association as part of the Common Expenses or, if fewer than all of the Units are benefited, the Limited Common Expenses.

Section 5.8. Maintenance of Unit. Each Unit owner shall keep and maintain 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 nonstructural, ordinary or extraordinary, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. No Unit Owner shall sweep or throw, or permit to be swept or thrown, from his Unit any dirt, debris or other substance. In addition, 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 Section. 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 Executive Board or its designee any defect or need for repairs for which the Association is responsible.

Section 5.9. 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 any member of such Unit owner's family, or such Unit Owner's guests, or his invitees, employees, agents, lessees, or their pets. The Association shall have the right to repair any damage so caused, to cure or correct the cause thereof, and to maintain or replace such damaged Unit or Common Element or portion thereof to the extent the Association deems necessary and appropriate. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation against such Unit Owner.

ARTICLE VI
ASSOCIATION OF UNIT OWNERS; VOTING; DECLARANT CONTROL; NOTICES

Section 6.1. The Association, Powers. The membership of the Association at all times shall consist exclusively of all Unit Owners, or, following any termination of the Condominium as provided in Section 1602-118 of the Act, of all former Unit Owners entitled to distributions of proceeds under said Section 1602-118, or their heirs, successors or assigns, but shall not include persons having an interest in a Unit solely as security for an obligation. Each Unit Owner shall automatically become a member of the Association as long as he continues as a Unit Owner and upon the termination of the interest of the Unit Owner in the Condominium his membership and any interest in the common funds of the Association shall thereupon automatically terminate and transfer and inure to the next Unit Owner or Owners succeeding him in interest. The Association shall have all the powers granted pursuant to Section 1603-102 of the Act, including the powers to assign its right to future income and to lease as lessee any real or personal property, accept assignments of leases of real or personal property, cause improvements to be made as a part of such leased property, regulate the use, maintenance and repair of such leased property, and impose and receive any payments, fees or charges for the use, rental or operation of such leased property, and to intervene on behalf of one or more Unit Owners in disputes regarding warranty claims affecting the Common Elements.

Section 6.2. Executive Board Powers; Declarant Control Period. Except as otherwise provided in Section 1603-103(b) of the Act, the Executive Board may act on behalf of the Association, shall have all of the powers necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Act or this Declaration or the Bylaws to be exercised and done by the Association. The affairs of the Association shall be governed by an Executive Board composed of no less than three (3) and no more than five (5) natural persons. Until the Transition Election provided for below, the Executive Board shall be composed of three (3) natural persons. 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 Executive Board and officers of the Association, without the necessity of obtaining resignations. The appointees of the Declarant need not be Unit Owners. After the Transition Election, the members of the Executive Board shall be Unit Owners or spouses of Unit Owners, or in the case of a Unit Owner which is a corporation, partnership, trust or estate, a designated agent thereof. The transition from Declarant-appointed members of the Executive Board to Unit Owners other than the Declarant shall occur as follows:

(a) No later than the earlier of (a) sixty (60) days after the conveyance of 75% of the Units to Purchasers or (b) seven (7) years following conveyance of the first Unit to a Purchaser, or at such earlier date as the Declarant in its sole discretion shall specify, the Transition Meeting of the Association and Transition Election shall be held at which all of the members of the Executive Board and officers of the Association appointed by the

Declarant shall resign, and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Executive Board to act in the place and stead of those resigning.

(b) The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the Declarant Control Period, but in that event it may require, for the duration of the Declarant Control Period, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before such actions can become effective.

Section 6.3. Voting. The vote in the Association to which each Unit Owner is entitled shall be as set forth on Exhibit B, each Unit Owner being entitled to one vote. The Votes in the Association allocated to a Unit can only be cast as a Unit and cannot be split. If a Unit is owned of record by one person, that Unit Owner's right to vote shall be established by the record title to the Unit. If ownership of a Unit is in more than one person, the person who shall be entitled to cast the Vote allocated to that Unit shall be the person named in a certificate executed by all of the Owners of such Unit and filed with the Secretary of the Association. If ownership of a Unit is in a corporation, partnership, trust or estate, the officer or employee of that corporation, partner of that partnership, trustee of that trust, or agent of that estate, entitled to cast for the corporation, partnership, trust or estate the Votes for the corporation, partnership, trust or estate, the Votes allocated to such Unit shall be designated in a certificate for that purpose executed by the president or a vice president of that corporation, and attested to by the secretary or clerk of that corporation, executed by all the partners of that partnership, or executed by all the beneficiaries of that trust, or executed by either all the devisees of that estate or by order of the probate court and filed with the Secretary of the Association. Such certificates of multiple owners, corporations, partnerships, trusts or estates shall be valid until revoked by a subsequent certification similarly executed and filed with the Secretary of the Association. Wherever the vote, approval or disapproval of a Unit Owner is required by this Declaration or the Act, such vote, approval or disapproval shall be made only by the person who would be entitled pursuant to such certificate to cast at any meeting of the Association the Vote allocated to such Unit. If the person named or designated in said certificate for a particular Unit shall be absent from a meeting of the Association, no person may cast the Vote allocated to that Unit at the meeting although the presence at the meeting of a non-named or non-designated co-Owner or member, officer or employee of such Owner shall be counted in determining whether a quorum is present. If a multiple Owner of a Unit (that is not a partnership, trust, estate or corporation) has failed to file said certificate with the Secretary of the Association and only one of the multiple Owners is present at a meeting of the Association, he shall be entitled to cast at the meeting all the Votes allocated to that Unit without establishing the concurrence of the absent Owners just as though that person were the sole Owner of the Unit. If a multiple Owner of a Unit (that is not a partnership, trust, estate or corporation) has failed to file said certificate with the Secretary and if more than one Owner of that Unit is present at the meeting, the Votes allocated to that Unit may be cast only in accordance with the agreement of a majority of

the multiple Owners present at the meeting. Such majority agreement shall be conclusively presumed if any one of those multiple Owners shall cast the Vote allocated to the Unit without protest being promptly made to the person presiding over the meeting by any other Owners of that Unit. Any provision of this Paragraph to the contrary notwithstanding, in the event of any proposed actions to terminate the Condominium pursuant to Section 1602-118 of the Act; change the Allocated Interests appurtenant to any Unit, change the boundaries of a Unit, or subdivide a Unit except for such changes and subdivisions created by the Declarant as a consequence of the exercise of any Development Rights reserved by the Declarant in this Declaration; merge or consolidate the Condominium with another condominium; convey or subject to a security interest any portion of the Common Elements; or use any proceeds of property insurance required to be maintained by the Association pursuant to this Declaration for purposes other than repair and restoration of the damaged Property in accordance with this Declaration, the Plats and Plans, the Bylaws, the original elevation thereof and original building plans and specifications therefor, then an Eligible Mortgage Holder shall have the right, but not the obligation in place of the Owner of the Unit subject to the Mortgage held by such Eligible Mortgage Holder to cast the Votes allocated to that Unit or to give or Withhold any consent required of such Unit Owner for such action by delivering written notice to the Association with a copy to the Unit Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by prepaid United States mail, return receipt requested, or by delivery in hand; failure of the Eligible Mortgage Holder to so exercise such rights shall constitute a waiver thereof and shall not preclude the Unit Owner from exercising such right. In no event shall more Votes be cast with respect to any Unit than are allocated to that Unit pursuant to this Declaration.

Section 6.4. Notices 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 deemed to have been duly given if delivered personally securing receipt therefor or sent by United States mail, postage prepaid, if such notification is of a default or lien, sent by registered 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.

Section 6.5. Notices 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 have been duly given to the Association if delivered personally, securing a receipt therefor, or sent by United States mail, postage prepaid, return receipt requested, addressed to the Association at the principal office of the managing agent, or if there shall be no managing agent, then to the Secretary of the Association at the address of the Unit of which the Secretary is the record Unit Owner.

Section 6.6. Notices to Eligible Mortgage Holder, etc. All notices, demands, statements or other communications affecting the condominium given by the Association to any Eligible Mortgage Holder and Eligible Insurer shall be in writing and shall be deemed to have been duly given by the Association if delivered personally, securing a receipt therefor, or sent by United States mail, postage prepaid, addressed to the Eligible Mortgage Holder at the address identified pursuant to Article I by virtue of which it became an Eligible Mortgage Holder, and to the Eligible Insurer at the address identified pursuant to Article I by virtue of which it became an Eligible Insurer.

ARTICLE VII
RESTRICTIONS ON USE, SALE AND LEASE OF UNITS

Section 7.1. Use of Units. The following restrictions and limitations shall apply to the use and occupancy of the Condominium:

(a) No Unit shall be used for other than residential purposes by the Unit Owner and the tenants and guests of the Unit Owner or the Unit Owner's family. No business uses shall be permitted by the terms of this Declaration or the Bylaws provided 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 pursuant to the terms hereof for purposes including promotional, marketing or display purposes, from using any appropriate portion of the Common Elements for exercising these reserved rights, settlement of sales of Units and for customer service purposes, or from leasing Units owned by Declarant as provided in this Declaration.

(b) No Unit 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 or nuisance on the Property.

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

(d) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property or any part thereof applicable for residential use without the prior written consent of the Executive Board. 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 strip or waste will be committed on the Common Elements.

(e) The Unit owner shall not remove the 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. No Unit Owner shall remove the acoustical, sound-deadening or fire resistant materials from the Common Elements surrounding his Unit without the prior written consent of the Executive Board or a committee appointed by the Executive Board.

(f) 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 rules and regulations established by the Executive Board. No articles of personal property belonging to any Unit Owner shall be stored in any portion of the Common Elements except in a storage area specifically designated by the Executive Board or the managing agent, if any. Provided, however, that a grille and reasonable porch or patio furniture may be kept on the deck adjacent to each Unit.

(g) The maintenance, keeping, boarding and/or raising of animals, laboratory animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Elements, except that the keeping of small, orderly domestic pets such as dogs, cats or caged birds, aquarium fish and other limited species of animals which do not normally leave the Unit and which do not make noise may be permitted by the Executive Board in accordance with and subject to any rules and regulations adopted by the Executive Board, provided, however, that such pets are not kept or maintained for commercial purposes or for breeding.

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

(i) Except for such signs as may be posted by the Declarant for promotional or marketing purposes, no signs of any character shall be erected, posted or displayed upon, in, from, or about any Unit or Common Element without the prior written approval of the Executive Board. The provisions of this Section shall not apply to a mortgagee in possession of a Unit as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

Section 7.2. Restrictions on Leasing. No Units may be rented for transient or hotel purposes, or in any event for a period of less than thirty (30) days, and no portion of any Unit (other than the entire Unit) shall be leased for any period. Any such rental shall be accomplished by a written form of rental agreement or lease approved by the Association (a) requiring the lessee to comply with the Condominium Documents and Rules and Regulations of the Association; (b) providing that failure to comply therewith constitutes a default under the rental agreement or lease; and (c) providing that the Executive Board has the power to terminate the rental agreement or lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder in the event of a default in the observance of the terms of the lease or rental

agreement.. Each Unit Owner of a Unit shall, promptly following the execution of any lease or rental agreement for a Unit, forward a conformed copy thereof to the Executive Board. This Section shall not be construed to impair a Mortgagee's right to foreclose, accept a deed in lieu of foreclosure, or sell or lease a Unit so acquired by the Mortgagee or the Association's right to grant easements, licenses, leases and concessions of, through, or over the Common Elements.

Section 7.3. Resale of Units. The following provisions apply to the voluntary sales of Units:

(a) No Unit Owner, including the Declarant, shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance in fee of such Unit by the Owner. In a voluntary transfer of a Unit, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments and special assessments for Common Expenses made by the Executive Board against the latter up to the time of the recordation of grantor's transfer, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any person who shall have entered into an agreement to purchase a Unit from a Unit Owner, other than the Declarant, shall be entitled to a certificate from the Executive Board as provided by Section 1604-108(b) of the Act, prepared at the expense of the person so requesting the same, and the grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any assessments or unpaid special assessments made by the Executive Board against the grantor for Common Expenses in excess of those disclosed on such certificate.

(b) A voluntary transfer for the purpose hereof shall be considered any sale, lease, gift, testate or intestate distribution, or the transfer of ownership of a corporation owning a Unit.

(c) All Unit Owners other than the Declarant must comply with Section 1604-108 of the Act. Except as provided in the Act and this Section, there are no other restrictions governing the voluntary transfer of a Unit.

ARTICLE VIII
RIGHTS OF MORTGAGEES, INSURERS AND GUARANTORS

Section 8.1. Disclosure of Mortgagee. Each Unit Owner shall have the right to mortgage or encumber his own Unit, together with its appurtenant Allocated Interests, but a Unit Owner who mortgages his Unit shall notify the Executive Board in writing of the name and address of his Mortgagee(s).

Section 8.2. Mortgage Foreclosure. Any Mortgagee of a Unit that obtains title to the Unit pursuant to the remedies provided in the Mortgage, or through a completed foreclosure of the Mortgage, or through deed (or assignment) in lieu of foreclosure, shall, except as otherwise provided by the Act, take the Unit with the Allocated Interests appurtenant thereto free of such claims for unpaid assessments for Common Expenses, interest and costs levied against such Unit

which accrue 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 (or assignment) in lieu of foreclosure. Provided, however, that such Mortgagee may be liable as a Unit owner for the payment of such unpaid assessments or charges that are assessed against the Mortgagee as a result of all Unit Owners being reassessed for the aggregate amount of such deficiency.

Section 8.3. Rights of Eligible Mortgage Holder, Insurer, or Guarantor. Eligible Mortgage Holders, Eligible Insurers and guarantors of mortgages shall, in addition to those rights provided in the Act, have the rights hereinafter set forth.

(a) The Association shall send written notice by prepaid United States mail to each Eligible Mortgage Holder, Eligible Insurer, or guarantor of a mortgage of the following proposed actions either within a reasonable period prior to the taking of any of such proposed actions or at the time that notice thereof is given to Unit Owners unless another time is specified herein: (1) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first Mortgage held, insured or guaranteed by such Eligible Mortgage Holder, Eligible Insurer, or guarantor of a mortgage, as applicable ("material" means five percent (5%) or more); (2) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (3) The proposed use of any proceeds of Property insurance required to be obtained and maintained by the Association pursuant to this Declaration for purposes other than repair, replacement and restoration of the Property substantially in accordance with this Declaration, the Bylaws, the Plats and Plans, and the original elevation thereof and original building plans and specifications; (4) The adoption by the Executive Board of any proposed budget, the date of the meeting of Unit Owners scheduled to consider ratification of such proposed budget, and a summary of the proposed budget; (5) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as specified herein; (6) The termination of the Condominium; (7) A change in the Allocated Interests appurtenant to any Unit, a change in the boundaries of a Unit, or the subdivision of a Unit; (8) The conveyance or subjection to a security interest of any portion of the Common Elements; (9) provided, however, (a) that the Association shall also send written notice of any delinquency in the payment of assessments for Common Expenses or any other charges owed by an Owner of a Unit, or any other default in the performance or payment by a Unit Owner of any obligation under this Declaration, the Bylaws or any Rules and Regulations of the Association to the Eligible Mortgage Holder, Eligible Insurer of the Mortgage or guarantor to which such Owner's Unit is subject, which notice must be given as soon as reasonably possible but in no event later than sixty (60) days after the occurrence of such delinquency or default and (b) the Association shall also send written notice to each Eligible Mortgage Holder of any consideration of any proposed action concerning any delinquency in the payment of assessments for Common Expenses or any other charges owed by an Owner of a Unit, or concerning any other default in the performance or payment by a Unit Owner of any

obligation under this Declaration, the Bylaws or any Rules and Regulations of the Association.

(b) The prior written approval of at least eighty percent (80%) of the Unit Owners and sixty-seven (67%) percent of the Eligible Mortgage Holders shall be required to (1) terminate or abandon the Condominium for reasons other than substantial destruction or condemnation of the Condominium and (2) abandon, partition, subdivide, encumber, sell or transfer any of the Common Elements (except for granting easements for utilities or other public purposes consistent with the intended use of the Common Elements) by act or omission.

(c) The prior written approval of at least fifty-one (51%) percent of the Eligible Mortgage Holders and eighty percent (80%) of the Unit Owners shall be required for the termination or abandonment of the Condominium as a result of condemnation or substantial loss to the Units, Common Elements, or both.

(d) The prior written approval of at least sixty-seven (67%) percent of the Eligible Mortgage Holders shall be required to use property insurance and eminent domain proceeds resulting from losses to any Condominium Property (whether to Units or to Common Elements) for other than the repair, replacement, or restoration of the Property substantially in accordance with this Declaration, the Bylaws, the Plats and Plans, and the original elevation thereof and the original building plans and specifications.

(e) An Eligible Mortgage Holder who receives a written request to approve additions or amendments to the Condominium Documents who does not deliver to the requesting party a negative response within thirty (30) days after the giving of notice shall be deemed to have approved such request in writing.

(f) In the event of any default by a Unit Owner in payment of assessments or performance of obligations pursuant to the Condominium Documents as more fully described herein, the Eligible Mortgage Holder of the Mortgage on such Owner's Unit shall have the right but not the obligation to cure such default. In addition to, but not by way of limitation of, all rights granted to Eligible Mortgage Holders pursuant to Section 6.3 of this Declaration to cast the votes allocated to a Unit in lieu of the Unit Owner, an Eligible Mortgage Holder, or its representative, shall have the right to attend meetings of the Association and Executive Board for the purposes of discussing the termination of the Condominium, a change in the Allocated Interest of a Unit, a change in the boundaries of a Unit or a subdivision of a Unit, the merger or consolidation of the Condominium with another condominium, the conveyance or subjection to a security interest of any portion of the Common Elements, the proposed use of any proceeds of hazard insurance for purposes other than the repair or restoration of the damaged Property, or the adoption of any proposed budget by the Executive Board.

Section 8.4. 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 pursuant to its Mortgage in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units, Common Elements, or both.

ARTICLE IX
INSURANCE

Section 9.1. Policies. Commencing no later than the time of the first conveyance of a Unit other than as security for an obligation to a person other than the Declarant, the Executive Board on behalf of the Association shall obtain, or cause to be obtained, and shall maintain as a Common Expense, the policies of insurance described in this Article to the extent such policies shall be reasonably available from reputable insurance companies. To the extent that said insurance described in this Article is not reasonably available as described in the preceding sentence, the Executive Board on behalf of the Association shall give written notice of that fact to the Unit Owners and the Eligible Mortgage Holders of Mortgages of their Units by hand delivery securing a receipt therefor, or by prepaid United States mail, return receipt requested. To the extent that any of the insurance described in this Article shall become in the future no longer available, the Association shall obtain in substitution therefor such comparable insurance as shall then be available. The Executive Board of the Association 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 the purpose of purchasing and maintaining the insurance described in this Article, the collection and appropriate disposition of the proceeds thereof with any Insurance Trustee pursuant to the Insurance Trust Agreement as trustee for all Unit Owners and their Mortgagees as their respective interests may appear to hold any insurance proceeds in trust for disbursement as provided in Section 9.3 and Subsection 9.2(d), the Bylaws and Section 1603-113(e) of the Act, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purposes.

Section 9.2. Property Insurance. The Executive Board shall obtain and maintain as a Common Expense a blanket-type or master standard form of "all-risk" fire insurance policy with extended coverage, vandalism, malicious mischief, windstorm, sprinkler leakage (if applicable), debris removal, cost of demolition and water damage endorsements issued by an insurance company authorized to do business in the State of Maine insuring as a single entity the entire Property (exclusive of land, foundations, excavations, and other similar items customarily excluded from property insurance policies), including the Units (and the bathroom and kitchen fixtures, air conditioning and heating equipment, initially installed therein by the Declarant and the replacements thereto installed by the Declarant but not including furniture, wall coverings, furnishings or other personal property supplied or installed by Unit owners), Limited Common Elements and other Common Elements together with all fixtures, supplies and common

personal property belonging to the Association and covering the interest of and naming as insured, the Association, the Executive Board and all Unit Owners and their Mortgagees and their Mortgagees' successors and assigns, as their insurable interests may appear. To the extent reasonably available and required by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration, Federal Housing Administration, or Maine State Housing Authority, such policy shall cover the fixtures, equipment and other personal property of a Unit Owner located inside a Unit financed by a mortgage purchased by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration, Federal Housing Administration, or Maine State Housing Authority; and if such required insurance is so provided, the Association shall require such Unit Owner to pay the additional cost incurred by the Association in so insuring such Unit Owner's fixtures, equipment or other personal property. Such blanket or master policy shall be in an amount equal to no less than one hundred percent (100%) of the then actual cash value of the Property (exclusive of the land, excavations, foundations and other similar items customarily excluded from such coverage), without deduction for depreciation (such amount to be re-determined annually by the Executive Board with the assistance of the insurance company affording such coverage) and shall contain a standard Maine Mortgage Clause in favor or each Mortgagee of a Unit whether or not named therein with provisions that the proceeds of loss, if any, shall first be payable to each Mortgagee, its successors and assigns, as its insurable interest may appear, subject, however, to the loss payment and adjustment provisions in favor of the Insurance Trustee or Association contained in Section 9.3 of this Section, the Bylaws and Section 1603-113(e) of the Act. This blanket or master hazard insurance policy may, at the option of the Executive Board, contain a "deductible" provision in an amount to be annually determined by the Executive Board but not to exceed the lesser of One Thousand Dollars ($1,000.00) or one percent (1%) of the face amount of the policy. Such policy shall also contain the following provisions:

(a) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if it shall be determined pursuant to Section 1603-113(h) of the Act not to do so; and

(b) The following endorsements (or their equivalent): (1) "no control" (to the effect 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); (2) "Construction Code Endorsement", "increased cost of construction", "contingent liability from operation of building laws or codes" and condominium replacement costs"; (3) "agreed amount" or elimination of co-insurance clause; (4) "inflation guard" endorsement; and (5) "steam boiler coverage endorsement" providing coverage of at least the lesser of (i) Two Hundred Thousand Dollars ($200,000.00) or (ii) the insurable value of the Buildings(s) housing the boiler or machinery for each accident if a steam boiler shall be operated in connection with the Property; and

(c) That any "no other insurance" clause expressly exclude individual Unit Owners' policies from its operation so that the physical damage policy purchased by the Executive Board 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 Executive Board hereunder provide for or be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees; and

(d) The recognition of any Insurance Trust Agreement whereby the Executive Board may designate in writing an Insurance Trustee to hold any insurance proceeds in trust for disbursement as provided in Section 9.3, the Bylaws and Section 1603-113(e) of the Act.

Section 9.3. Adjustment and Payment of Insurance Loss; Trustee. Any loss covered by the insurance policy described in Section 9.2 shall be adjusted with the Association by its Executive Board, but the insurance proceeds for said loss shall be payable to the Insurance Trustee designated for that purpose as provided in subsection 9.2(d), or otherwise to the Association, and not to any Mortgagee. The Insurance Trustee or the Association shall bold any insurance proceeds in trust for Unit Owners, Mortgagees and other lien holders as their interest may appear. Subject to the provisions of this Section, the Bylaws and Section 1603-113(e) of the Act, the proceeds shall be disbursed first for the repair or restoration of the damage to the Property, and Unit Owners, Mortgagees and other lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged Common Elements and Units have been repaired or restored, the decision has been made not to repair or restore the damage as provided in Section 1603-113(h) of the Act, or the Condominium is terminated.

Section 9.4. Liability Insurance. The Executive Board 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 Executive Board member, the managing agent, each Unit Owner and the Declarant against any liability to the public or other Unit Owners, their tenants, invitees, agents and employees, covering all occurrences commonly insured against for death, bodily injury or property damage, relating in any way to the use and/or ownership of the Common Elements, public ways and any other areas under the supervision of the Association or any part thereof. Such insurance shall be issued on a comprehensive liability basis and shall contain (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; and (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. The Executive Board 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.

Section 9.5. Other Insurance. The Executive Board shall obtain and maintain as a Common Expense:

(a) Adequate fidelity coverage to protect against dishonest acts on the part of officers, members of the Executive Board, trustees and employees of the Association and all others who handle, or are responsible for handling, funds of the Association, including the managing agent. Such fidelity bonds shall: (1) name the Association as an obligee; (2) be written in an amount not less than the greater of (i) one-quarter the total annual assessments for Common Expenses plus the Association's reserve funds for the year or (ii) the maximum funds in the custody of such persons handling the funds of the Association; and (3) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

(b) To the extent available, "directors' and officers'" liability insurance to satisfy indemnification obligations of the Association provided in Section 13.2.

(c) If required by any governmental or quasi governmental agency, including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency;

(d) Workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and

(e) Such other insurance as the Executive Board may determine or as may be requested from time to time by a majority in voting interest of the Unit Owners.

Section 9.6. Proof of Insurance and Notice of Cancellation. All insurers that shall issue an insurance policy or policies under this Article shall issue certificates or memoranda of 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 or 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. All policies under Sections 9.2 and 9.4 shall, in addition, contain the following provisions:

(a) The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Executive Board, 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.

(b) The Declarant, so long as Declarant shall own any Unit, shall be protected by all such policies as a Unit Owner.

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

(d) The insurer waives its right to subrogation under the policy against any Unit Owner of the Condominium or members of his household.

(e) 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.

(f) If, at the time of a loss under the 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.

(g) The insurer must hold (1) a rating of Class VI or better by Best's Insurance Reports, or (2) an equivalent or comparable rating by an equivalent rating bureau should Best's Insurance Reports cease to be issued or (3) an equivalent or comparable rating from Lloyd's of London.

Section 9.7. Separate Insurance. Each Unit owner shall have the right, at his own expense, to obtain insurance for his own 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 exercise his right to acquire or maintain such insurance coverage so as to decrease the amount which the Executive Board, on behalf of all Unit Owners, may realize under any insurance policy maintained by the Board or to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by a Unit Owner. All such policies shall contain waivers of subrogation. 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 his expense and personal property belonging to such Owner, shall file a copy of such individual policy or policies with the Executive Board within thirty (30) days after the purchase of such insurance. Such Unit Owner shall also promptly notify the Executive Board in writing in the event such policy is cancelled. Each Unit Owner shall notify the Executive Board 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 Executive Board. 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 Executive Board, unless otherwise consented to by unanimous vote of the Executive Board.

ARTICLE X
AMENDMENTS

Section 10.1. Amendment Under the Act. Except in the case of amendments to this Declaration that may be executed and recorded by the Declarant pursuant to the provisions of this Declaration granting the Declarant the right to unilaterally amend the same, and except in cases of amendments to this Declaration that may be unilaterally executed and recorded by the Association as described in Section 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, of the Act, and except in cases of amendments to this Declaration that may be agreed upon by certain Unit Owners, as described in Section 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 Act, and subject to the other provisions of this Declaration and of the Act, this Declaration, the Plats and the Plans may be amended as hereinafter set forth.

Section 10.2. Amendment Before Any Conveyance. Prior to the conveyance of any Unit by the Declarant to a Unit Owner other than as security for an obligation, the Declarant shall have the right to amend and re-amend this Declaration in any manner that the Declarant may deem appropriate.

Section 10.3. Amendment After First Conveyance. After the first conveyance of a Unit by a Declarant as contemplated in the preceding Section, the terms of the following subsections shall apply to the amendment of this Declaration:

(a) Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Executive Board or Association in which a proposed amendment is considered, and shall be served upon all Unit owners and upon all Eligible Insurers and Eligible Mortgage Holders.

(b) Resolution. An amendment may be proposed by either the Executive Board or by Unit Owners holding in the aggregate no less than twenty (20%) percent of the votes in the Association. No resolution of the Executive Board adopting a proposed amendment, or the proposed amendment itself, shall be effective unless it has been adopted at a meeting of the Association duly called and held in accordance with the Bylaws by the affirmative vote of at least sixty-seven (67%) percent in voting interest of the Unit Owners and then executed and recorded as provided in Subsection 10.3(e).

(c) Agreement. In the alternative, an amendment may be made by an agreement signed by the record Owners of Units to which are allocated 100% of the Votes in the Association in the manner required for the execution of a deed and acknowledged by at least one of them, and such amendment shall be effective when certified and recorded as provided in Subsection 10.3(e).

(d) Proviso. Provided, however, that except as otherwise permitted by the Act and provided in this Declaration, no amendment may increase the number of Units or change the boundaries of any Unit, the Allocated Interests allocated to a Unit, or the uses to which any Unit is restricted without the unanimous consent of the Unit Owners and the consent of Eligible Mortgage Holders of Mortgages on Units to which at least two-thirds of the votes in the Association are allocated. 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, or its successors or assigns, shall join in the execution of such amendment.

(e) Execution and Recording. A copy of each amendment shall be attached to or included with a certificate, certifying that the amendment was duly adopted, which certificate shall be executed and acknowledged by such officer or officers of the Association and/or member or members of the Executive Board designated for that purpose by the Bylaws. The amendment shall be effective when such certificate and copy of the amendment are recorded.

(f) Notice and Challenge. No action to challenge the validity of an amendment to this Declaration adopted by the Association pursuant to this Article may be brought more than one year after such amendment is recorded. After each amendment to this Declaration adopted pursuant to this Article has been recorded, notice thereof shall be sent to all Unit Owners and to all Eligible Mortgage Holders at the address last furnished to the Executive Board, but failure to send such notices shall not affect the validity of such amendment.

ARTICLE XI
TERMINATION OF CONDOMINIUM

Section 11.1. Termination. The Condominium shall not be terminated except as provided in Section 1602-118 of the Act, by agreement of Unit Owners of Units to which at least eighty (80%) percent of the Votes in the Association are allocated and of Eligible Mortgage Holders holding of record Mortgages on Units to which are allocated those percentages of the votes in the Association as more particularly provided in Subsections 8.3(b)-(d). Termination provided for in Section 1602-118 of the Act shall not bar the subsequent recreation of the Condominium or another condominium with respect to the Property.

ARTICLE XII
APPLICABILITY; COMPLIANCE; EMINENT DOMAIN

Section 12.1. Applicability. All present and future Owners and tenants, their guests, licensees, servants, agents, employees and any other person or persons that shall be permitted to use a Unit or the Common Elements shall be subject to this Declaration, the Bylaws and to such Rules and Regulations as may be issued by the Executive Board from time to time to govern the conduct of its members and the use and occupancy of the Property. Ownership, rental or occupancy of any of the Units in the Condominium (other than possession by a Mortgagee prior

to either the completion of foreclosure or the acceptance of a deed to the Unit subject to the Mortgage held by such Mortgagee) or the acceptance of a deed or conveyance (other than as security) or the entering into of a lease or occupancy of any Unit shall signify that the provisions of this Declaration and the Bylaws, the Rules and Regulations of the Condominium and the decisions of the Executive Board are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

Section 12.2. Compliance. Unit Owners shall comply with the provisions of the Declaration and, upon the failure to so comply, shall be subject to enforcement procedures as outlined herein.

(a) Each Unit Owner shall be governed by and shall comply strictly with the terms, covenants, conditions and restriction of this Declaration, Bylaws, and the Rules and Regulations adopted pursuant thereto, and the same as they may be amended from time to time.

(b) The Executive Board and committees appointed by the Executive Board in accordance with the Bylaws shall have the power to adopt, amend and enforce compliance with, such reasonable Rules and Regulations and the Common Elements consistent with the provisions of this Declaration and the 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 Executive Board shall deem appropriate.

(c) Failure by a Unit Owner to comply with the terms of this Declaration, the Bylaws and the Rules and Regulations adopted pursuant thereto, as the same may be amended from time to time, shall entitle the Executive Board or a committee appointed by the Executive Board to (1) sue for the recovery of damages, or (2) sue for injunctive relief, or (3) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass, provided, however, that the Executive Board or such committee must institute appropriate judicial proceedings before they may alter or demolish any items of construction, or (4) any two or more of the foregoing. Such relief shall not be exclusive of other remedies provided by law. In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Condominium Documents and Rules and Regulations adopted pursuant thereto, as the same may be amended from time to time, the Executive Board or such committee, if the prevailing party, shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

(d) The failure of the Executive Board, or any committee appointed by the Executive Board, to enforce any covenant, restriction or other provision of the Act, the Condominium Documents or the Rules and Regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

Section 12.3. Eminent Domain. If all or part of the Common Elements shall be taken or condemned by any authority having the power of eminent domain, the Association shall notify the Owners and Eligible Mortgage Holders of the Units affected and shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority, and the award shall be paid to the Association for the use and benefit of the Unit Owners and their Mortgagees as their interest may appear. The Association shall divide any portion of the award not used for any restoration or repair among the Unit owners and their Mortgagees, as their interest may appear, in proportion to their Allocated Interests in the Common Elements prior to such taking or condemnation, but the portion of the award attributable to the acquisition of any Limited Common Element shall be equally divided among the Owners of the Units to which such Limited Common Element was allocated at the time of such taking or condemnation and their Mortgagees, as their ;interests may appear. Each Unit Owner appoints the Association as attorney-in-fact for the purposes described in this Section. Notwithstanding anything to the contrary in this Section, lien holders on any Unit, Common Element or Limited Common Elements, shall have a lien on any such awards in order of priority of their respective liens.

ARTICLE XIII
LIMITATION OF LIABILITY

Section 13.1. Limited Liability of the Executive Board. The Executive Board, and its members in their capacity as members, officers and employees:

(a) shall not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Property, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board;

(b) shall not be liable to the Unit Owners as a result of the performance of the Executive Board members' duties for any mistake of judgment, negligence or otherwise, except for the Executive Board members' own willful misconduct or gross negligence;

(c) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board or the Association in the performance of the Executive Board members' duties;

(d) shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements or Limited Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

(e) shall have no personal liability in tort to a Unit owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

(f) shall have no personal liability arising out of the use, misuse or condition of the Buildings, or which might in any other way be assessed against or imputed to the Executive Board's members as a result of or by virtue of their performance of their duties, except for the Executive Board member's own willful misconduct or gross negligence.

Section 13.2. Indemnification. Each member of the Executive Board, in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being of having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer had no reasonable cause to believe his conduct was unlawful. The indemnification by the Unit Owners set forth in this Section shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

Section 13.3. Defense of Claims. Complaints brought against the Association, the Executive Board or the officers, Employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board 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 XIV
MISCELLANEOUS

Section 14.1. No Obligation to Complete. Nothing contained in this Declaration or the Plats and Plans do, or shall be deemed to, impose upon the Declarant, or any successor Declarant, any liability or obligation to build, construct or provide any Buildings, amenities or other improvements to the Property except to the extent required by the Act.

Section 14.2. Captions. The headings in this Declaration are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. Any tables of contents or indices are attached to this Declaration for purposes of reference and convenience only and shall neither limit nor otherwise affect the meaning hereof nor be deemed as part of this Declaration. References in this Declaration to Articles, Sections, Subsections 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 and are an integral part of this Declaration. Any Exhibits are attached to this Declaration for purposes of identification only and shall not for any purposes or reasons be deemed as part of this Declaration.

Section 14.3. 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 gender.

Section 14.4. Severability. The invalidity of any provisions 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.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed on the 31stday of May, 2002

Witness:

K LAND PARTNERS, LLC

by: _____
Timothy J. Swenson
Its Sole Manager

STATE OF MAINE
YORK, ss.

May 31 , 2002

Personally appeared Timothy J. Swenson in his capacity as a Manager of K Land Partners, LLC, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of K Land Partners, LLC.

Maine ~~Notary Public~~ Attorney at Law

Print Name: James J. Shirley

FAIRWAY POND CONDOMINIUMS

EXHIBIT A - LEGAL DESCRIPTION

A certain lot or parcel of land with any improvements thereon located on the northerly side of Wild Dunes Way, so-called, a private way situated in the Town of Old Orchard Beach, in the County of York and State of Maine, bounded and described as follows:

Beginning at an iron pipe in the ground on the northerly side of said Wild Dunes Way, which pipe is at the southeasterly corner of the parcel herein described and the southwesterly corner of land now or formerly of Barbara A. Boutet, Inc.; thence running North 28° 58' 21" East by said land now or formerly of Barbara A. Boutet, Inc., a distance of 378.22 feet to an iron pipe and land now or formerly of Sealand Development Company, Inc.; thence North 70° 47' 47" West, by said land now or formerly of Sealand Development Company, Inc., a distance of 340.00 feet to an iron pipe; thence South 89° 33' 57" West, still by said Sealand Development Company land, a distance of 265.00 feet to an iron pipe on the northeasterly side of said Wild Dunes Way; thence South 12°35'58" East along the northeasterly side of said Wild Dunes Way a distance of 45.06 feet to a point of curvature; thence continuing along the northeasterly side of said Wild Dunes Way along a curve to the left having a radius of 525.00 feet and an arc distance of 588.85 feet to an iron pipe set in the ground at the point and place of beginning.

Excepting from the above parcel a portion thereof described as follows: Beginning at a point on the northeasterly side of said Wild Dunes Way, which point is an arc distance of 313.15 feet along a curve to the right having a radius of 525.00 feet from the iron pipe set in the ground at the said southwesterly corner of land now or formerly of Barbara A. Boutet, Inc. above-described; thence North 47°24'45" East a distance of 25.42 feet to a point; thence turning and running North 40°30'04" West a distance of 36.40 feet to a point; thence turning and running South 51°35'06" West a distance of 25.48 feet to the northeasterly side of said Wild Dunes Way; thence along the northeasterly side of said Wild Dunes Way along a curve to the left having a radius of 525.00 feet and an arc distance of 38.26 feet to point and place of beginning.

Being a portion of the same premises conveyed by Birch Ridge Land Partners LLC to K Land Partners LLC by warranty deed dated February 12, 2001, recorded in the York Registry of Deeds in Book 11076, Page 154.

The above described premises is being conveyed subject to or with the benefit of the following:

1. Rights pertaining to underground maintenance of sewer, water and gas lines contained in an instrument from Stephen Kurutz and Ronald A. Boutet to the Inhabitants of Old Orchard Beach dated October 26, 1987 and recorded at Book 4511, Page 28.

2. Rights for a sewer easement from the Inhabitants of Old Orchard Beach to Stephen Kurutz and Ronald A. Boutet dated October 26, 1987 and recorded in said Registry of Deeds at Book 4511, Page 29.

3. Terms, conditions and restrictions set forth in the Declaration of Covenants, Conditions and Restrictions for Dunegrass Community Association, Inc., dated January 16, 1989, executed by Sealand Development Company, Inc. and recorded in the York Registry of Deeds in Book 5083, Page 43.

4. A perpetual right and easement in common with others for purposes of ingress, egress and access, including, without limitation, pedestrians and any and all motor vehicles, over and across Long Cove Drive, Oakmont Drive and Wild Dunes Way, now existing or hereafter constructed on or about the premises as further depicted on plan entitled "Dunegrass Site Plan, Old Orchard Beach, Maine prepared for Sealand Development Corp.", dated October 27, 1987, as amended, recorded in the York Registry of Deeds in Plan Book 170, Page 28-30, or as they may be relocated hereafter; subject, however, to the rights of others to use the said roads, ways and easement areas and Open Space as shown on the Condominium Plans, including without limitation, the following easements which may affect the said streets and ways, but which also affect other premises not a part of the Condominium:

a. Rights and easements granted to Central Maine Power Company by instrument dated October 11, 1988 and recorded in the York Registry of Deeds in Book 4871, Page 142.

b. Rights contained in a confirmatory easement deed from Ronald A. Boutet and Stephen F. Kurutz to Sealand Development Company, Inc. and Central Maine Power Company, dated August 29, 1988 and recorded in said Registry in Book 4963, Page 157.

c. Rights contained in a deed from Sealand Development Company, Inc. to Central Maine Power Company, Inc., dated December 19, 1988 and recorded in Book 4973, Page 225 of said Registry.

d. Rights contained in an easement granted by Sealand Development Company, Inc. to New England Telephone & Telegraph Company, dated January 16, 1989 (for Wild Dunes Way) and recorded in said Registry in Book 4999, Page 158.

e. Rights and easements granted to Central Maine Power Company and New England Telephone and Telegraph Company by instrument dated March 17, 1995 and recorded in Book 7399, Page 236 in said Registry.

f. Rights and easements granted to Central Maine Power Company and New England Telephone and Telegraph Company by instrument dated November 27, 1995 and recorded in said Registry of Deeds in Book 7677, Page 106.

5. All matters depicted on Plan showing standard boundary survey made for Sealand Development Company, Old Orchard Beach dated February 16, 1987, as revised most recently on March 30, 1988, prepared by Dow & Coulombe, Inc., Land Surveyors and Planners, and recorded in said Registry of Deeds at Plan Book 166, Page 50, as revised at Plan Book 167, Page 41.

6. Those matters set forth on the "Dunegrass Site Plan" approved by the Town of Old Orchard Beach Planning Board on July 14, 1988 and recorded in said Registry of Deeds in Plan Book 170, Pages 28, 29 and 30, provided, however, that the foregoing reference to said Site Plan and the similar reference thereto set forth in the Declaration and in the Declaration of Covenants, Conditions and Restrictions for Dunegrass Community Association, Inc. (the "DCCR") shall not be deemed to establish any right to use the common facilities, golf course, recreational improvements, roads and ways as shown thereon except as expressly set forth in the Declaration or in the DCCR. Subject to the terms of the DCCR and the terms of the foregoing approvals received from the Town of Old Orchard Beach and the Maine Department of Environmental Protection, the DECLARANT EXPRESSLY RESERVES THE RIGHT IN ITS DISCRETION TO VARY SUCH ROADS, BUILDINGS, UNITS, HOUSING TYPES, FAIRWAYS, GOLF COURSE IMPROVEMENTS, COMMON AREAS AND THEIR LOCATIONS which do not constitute a part of the Fairway Pond Condominiums premises. All such future roads, units, housing types, buildings, improvements, fairways, golf course improvements and common areas need not be consistent with the Fairway Pond Condominiums property in terms of the quality of construction, general architectural style and principal materials, and the Declarant may substitute construction materials and techniques of different or unequal quality.

7. Terms, conditions and restrictions set forth in a Site Location Order issued by the Maine Department of Environmental Protection, dated July 5, 1988, and recorded in the York Registry of Deeds in Book 5083, Page 219 as amended by orders dated May 9, 1989, December 28, 1995, February 2, 1996 and January 24, 1996 and recorded in said Registry of Deeds in Book 5075, Page 332, Book 7692, Page 72, Book 7720, Pages 59 and 70.

8. Terms, conditions and restrictions set forth in a Declaration of Conditions by and between Sealand Development Company and Town of Old Orchard Beach, Maine, dated July 14, 1988 and recorded in the York Registry of Deeds in Book 5083, Page 216.

9. Conditions on the Condominium Plan including without limitation, the condition that an easement for ingress and egress over Wild Dunes Way is appurtenant to the Condominium, and that the golf course/open space area shown on the Plan is **not** part of this Condominium.

10. The perpetual right and easement reserved by the Declarant, the Association, the DCA and their respective successors and assigns to use any "Utility Easements", the "Driveway and Utility Easements", the "Drainage and Utility Easement", the "Utility and Drainage Easements" and the "Cart Path Easements", all as shown on the Condominium Plan.

11. Terms and conditions of a contract for electric service with Central Maine Power Company, dated April 20, 1995 and recorded in said Registry in Book 7573, Page 37.

12. Rights and easements granted to the Town of Old Orchard Beach by Ronald A. Boutet et al by instrument dated October 26, 1987 and recorded in said Registry of Deeds in Book 4511, Page 28.

13. Rights and easements granted to Central Maine Power and New England Telephone by instrument dated December 15, 1988 and recorded in said Registry of Deeds in Book 5008, Page 220.

14. Restrictions, covenants, conditions, rights and easements granted to Department Environmental Protection in instrument dated May 9, 1989 and recorded in Book 5075, Page 332 and instrument recorded in said Registry of Deeds in Book 5083, Page 219.

15. Possible interest of the Old Orchard Junction Railroad, its successors and assigns, and any persons claiming by, through or under them.

16. Rights and easements granted to Central Maine Power Company by instrument dated May 11, 1997 and recorded in the York Registry of Deeds in Book 8256, Page 65 and re-recorded in Book 8724, Page 149.

17. Covenants, conditions, restrictions, reservations, easements liens for assessments, options, powers of attorney, and limitation on title, created by the Unit Ownership Act of the State of Maine, Chapter 10 of Title 33 of the Maine Revised Statutes of 1964, as amended and the Maine Condominium Act, Chapter 31 of Title 33 of the Maine Revised Statutes of 1964, as amended, or set forth in the Declaration of Condominium for the Fairway Pond Condominiums, dated May 31, 2002, to be recorded in the York Registry of Deeds.

18. Notes and other matters set forth on the various plats and plans of the Fairway Pond Condominiums, Old Orchard Beach, Maine, to be recorded in the York Registry of Deeds.

19. A perpetual right and easement in common with others over and across Long Cove Drive, Oakmont Drive, and Wild Dunes Way, now existing or hereafter constructed on or about the premises as depicted on the plan entitled "Dunegrass Site Plan, Old Orchard Beach, Maine, prepared for Sealand Development Corp.", dated October 27, 1987, as amended, recorded in the York Registry of Deeds in Plan Book 170, Pages 28-30, or as they may be relocated hereafter, for installation, replacement, repair and maintenance of cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage and all utilities including, but not limited to, water, sewer, telephone, gas and electrical systems and related improvements. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings or the soil or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance.

C1

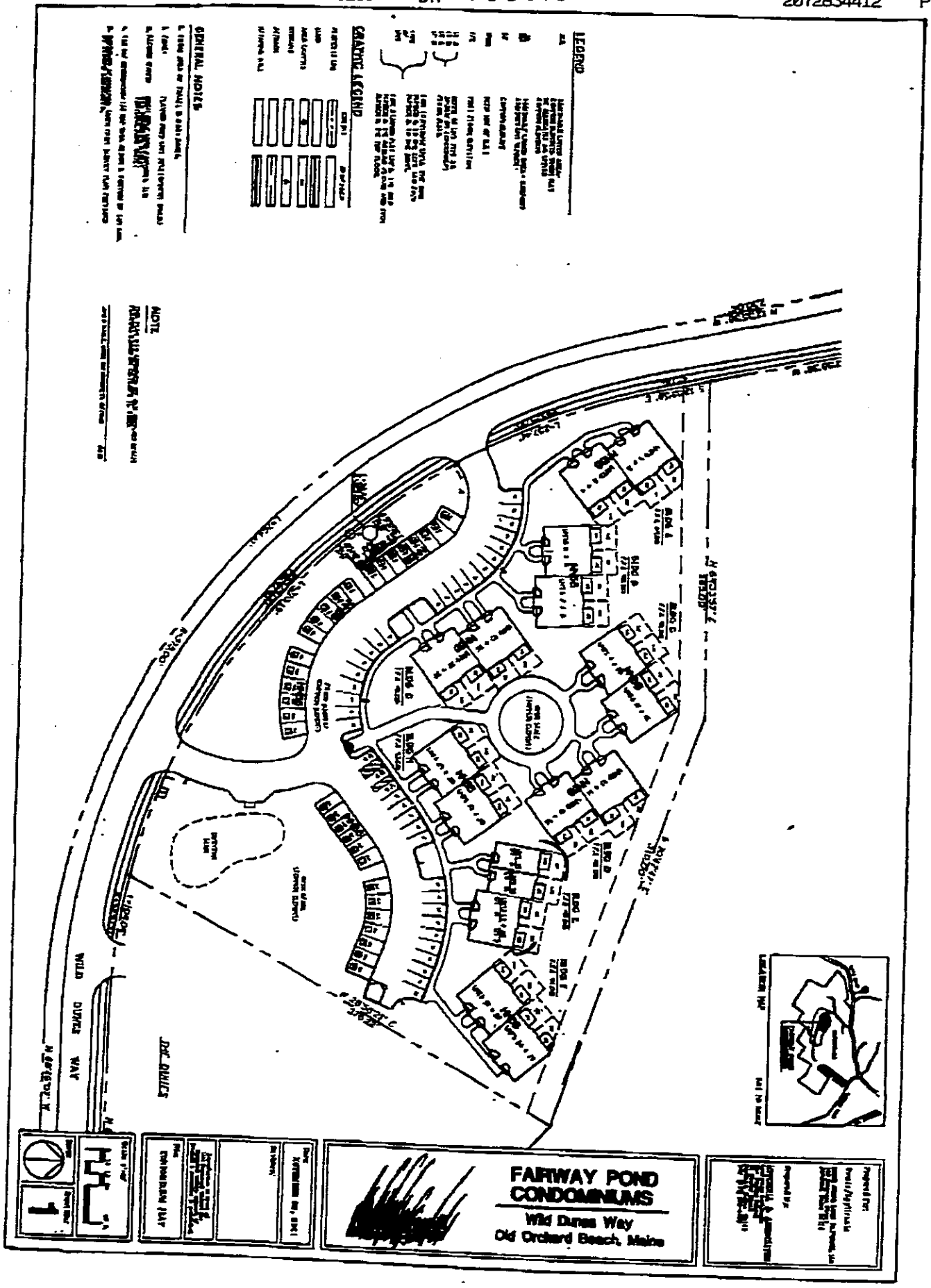

LEGEND
GRAPHIC LEGEND
GENERAL NOTES
NOTE
WILD DUNES WAY
FAIRWAY POND CONDOMINIUMS
Wild Dunes Way
Old Orchard Beach, Maine

EXHIBIT B

FAIRWAY POND CONDOMINIUMS

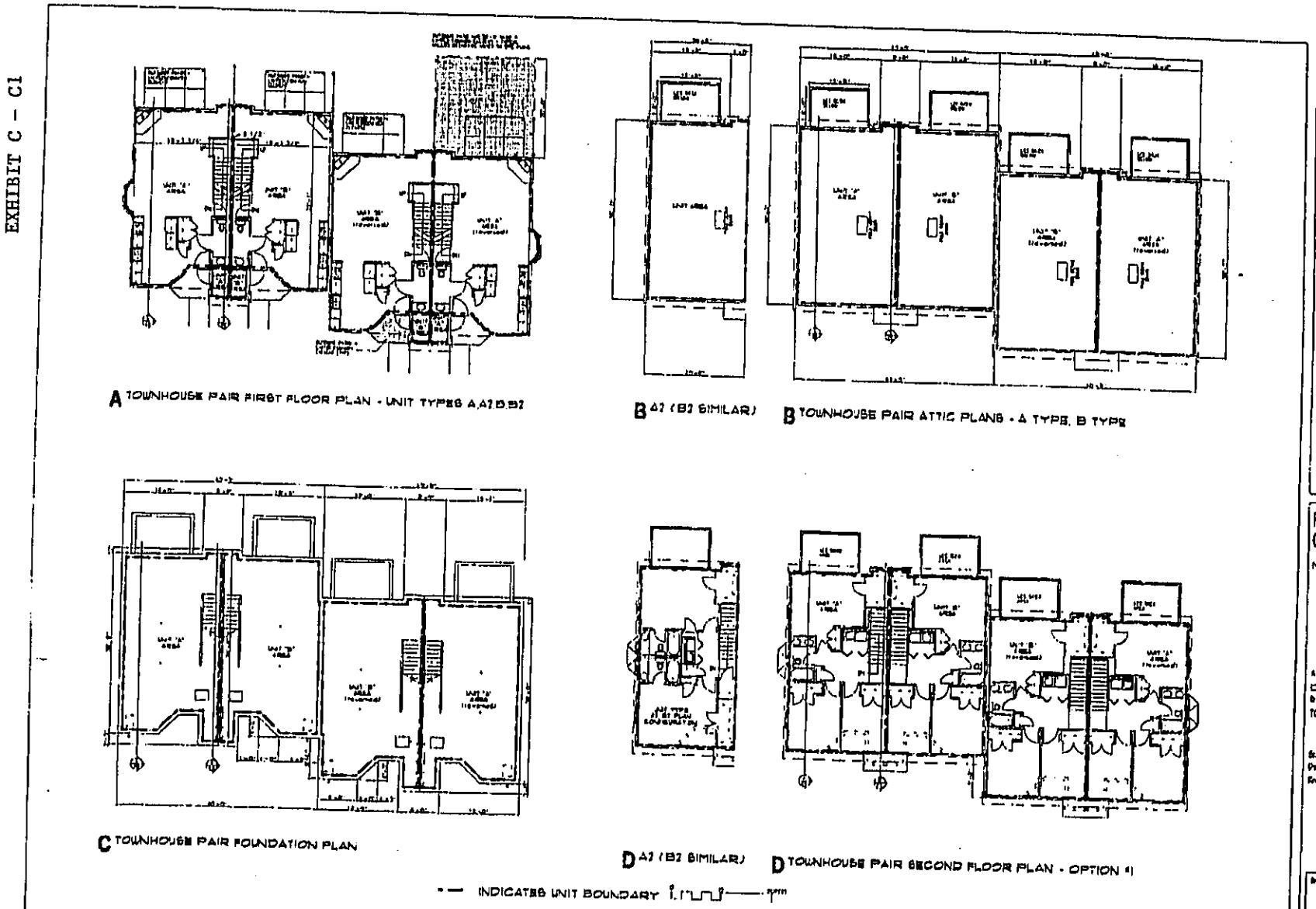
PERCENTAGE INTEREST

		Size (Apx.)	Common Element Interest	Vote
Building E	Unit 17	2676 sq. ft.	1/8th	1
	Unit 18	2676	1/8th	1
	Unit 19	1862	1/8th	1
	Unit 20	3506	1/8th	1
Building F	Unit 21	2676	1/8th	1
	Unit 22	2676	1/8th	1
	Unit 23	2676	1/8th	1
	Unit 24	2676	1/8th	1

Note: If the Declarant exercises its Development Rights to add Buildings and Units, the Common Element Interest of each Unit will change based on the number of Units added. If one Building is added, the Common Element Interest of each Unit will change from 1/8th to 1/12th. If two Buildings are added, the Common Element Interest of each Unit will be 1/16th. With a total of five Buildings, the Percentage Interest of each Unit in the Common Elements will be 1/20th, with six Buildings it will be 1/24th, with seven Buildings 1/28th, and with a full build out of all eight Buildings, the Common element Interest of each Unit will be 1/32nd. In any instance, each Unit will be entitled to one vote in the Association.

* Units 17, 18, 21, 22, 23 and 24 are townhouse units which include, in the area calculation, the unfinished attic space. Likewise, the area calculation for Unit 20, which is the second floors of a stacked flat pair of Units, includes the attic space above the Unit.

EXHIBIT C - C1



CWS
Carlie Walker Stewart Architects

K-2 PARTNERS
PORTLAND, MAINE

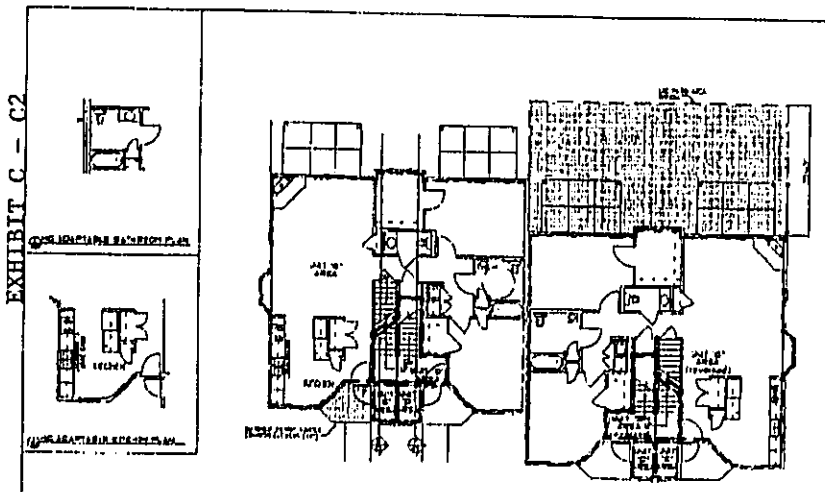
Fairway Pond Condominiums
Mid Orchard Beach, ME

Drawing Title
TOWNHOUSE PAIR CONDOMINIUM PLAN

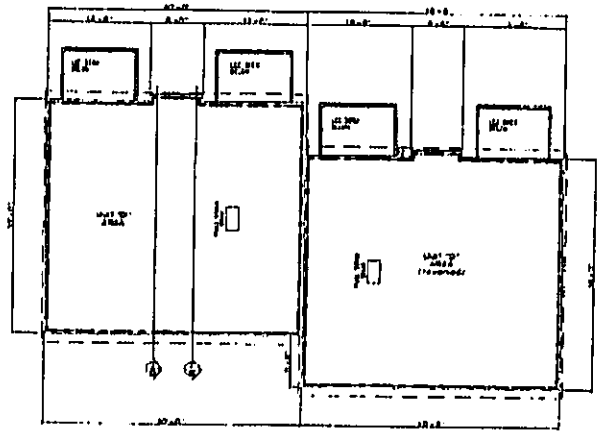
Drawing Number
C1

BK 11683 PG 343

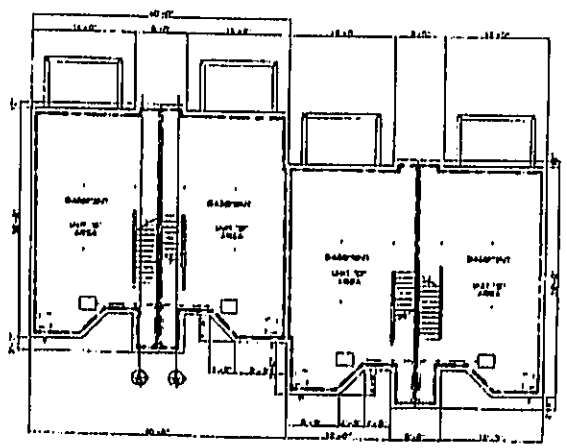
EXHIBIT C – C2



A COMBINED FLATS FIRST FLOOR PLAN
- UNIT TYPES C AND D



B COMBINED FLATS ATTIC FLOOR PLAN
- UNIT TYPES C AND D



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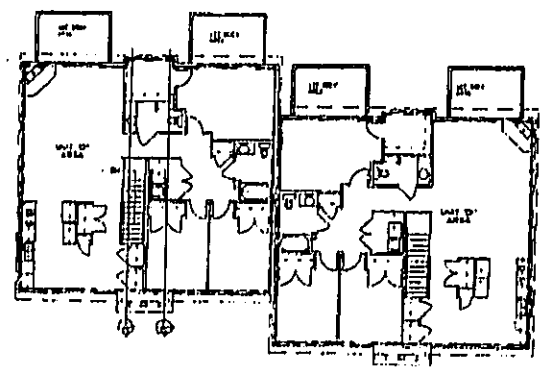
- UNIT TYPES C AND D



D COMBINED FLATS SECOND FLOOR PLAN
- UNIT TYPES C AND D

— INDICATES UNIT BOUNDARY

CWS
Carter Walker Stewart
Architects

K-2
PARTNERS
PORTLAND, MAINE

Fairway Pond
Condominiums
Old Orchard Beach, ME

Drawing Title
STACKED FLAT
PAIR CONDO.
PLAN

Drawing number
C2

BK11683PG344

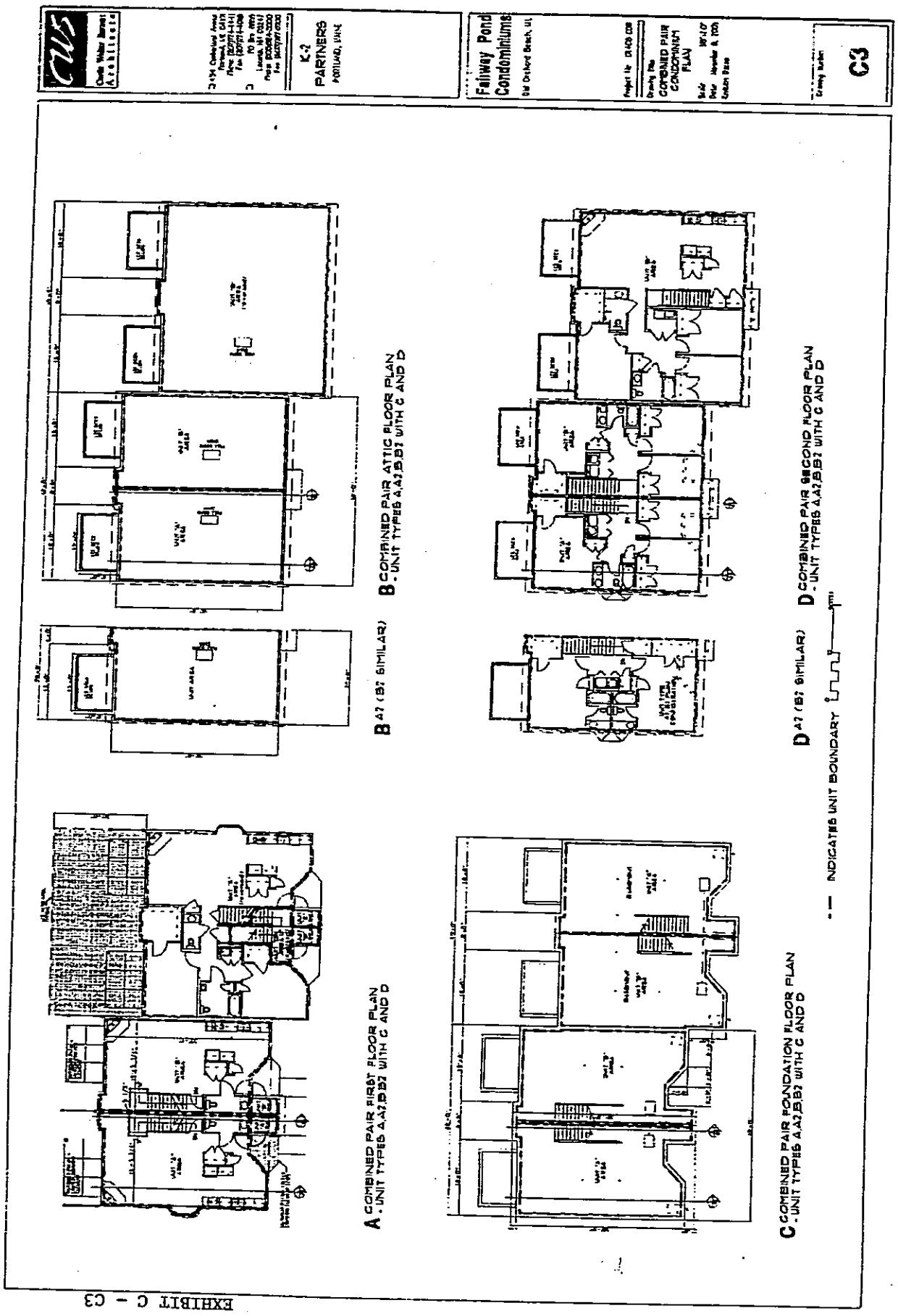
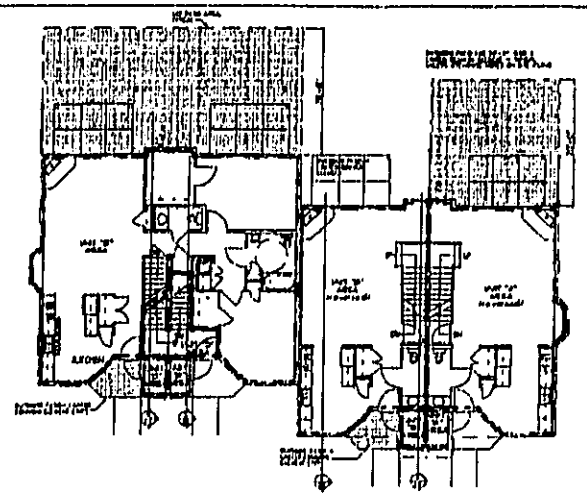

K-2
PARTNERS
PORTLAND, MAINE
Fairway Pond Condominiums
COMBINED PAIR CONDOMINIUM PLAN
C3
A COMBINED PAIR FIRST FLOOR PLAN - UNIT TYPES A,A2,B,B2 WITH C AND D
B A2 (B2 SIMILAR)
B COMBINED PAIR ATTIC FLOOR PLAN - UNIT TYPES A,A2,B,B2 WITH C AND D
C COMBINED PAIR FOUNDATION FLOOR PLAN - UNIT TYPES A,A2,B,B2 WITH C AND D
D A2 (B2 SIMILAR)
D COMBINED PAIR SECOND FLOOR PLAN - UNIT TYPES A,A2,B,B2 WITH C AND D
INDICATES UNIT BOUNDARY

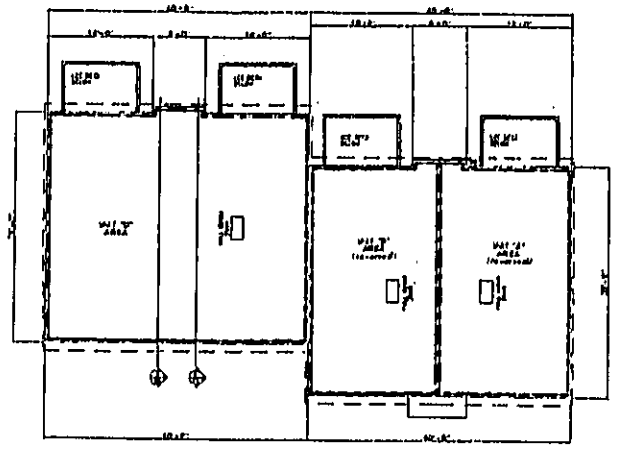
EXHIBIT C - C3

EXHIBIT C - C4

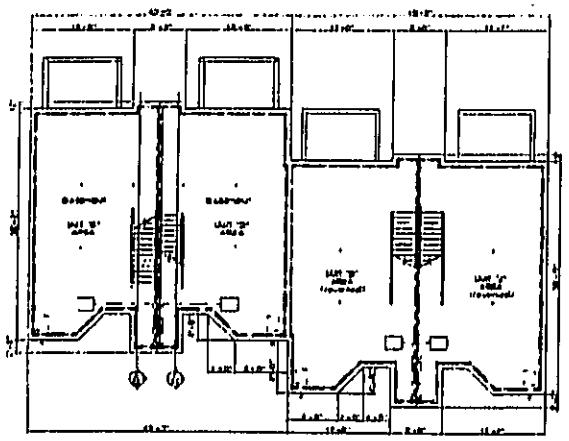
BK11683PG346



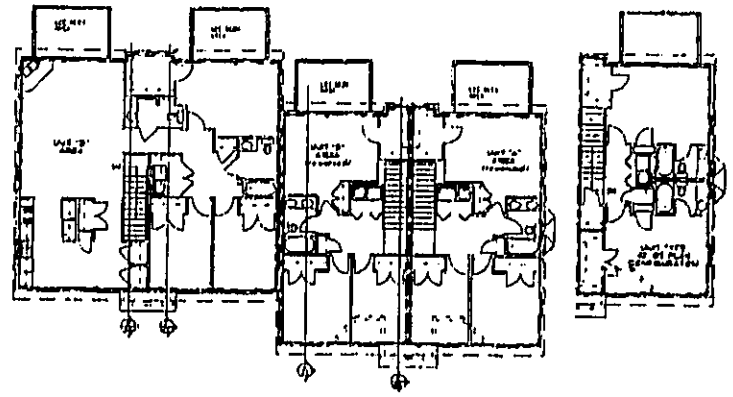
A COMBINED PAIR FIRST FLOOR PLAN
- UNIT TYPES C AND D WITH A,A2,B,B2



B COMBINED PAIR ATTIC FLOOR PLAN
- UNIT TYPES C AND D WITH A,A2,B,B2



C COMBINED PAIR BASEMENT FLOOR PLAN
- UNIT TYPES C AND D WITH A,A2,B,B2



D COMBINED PAIR SECOND FLOOR PLAN
- UNIT TYPES C AND D WITH A,A2,B,B2

— — INDICATES UNIT BOUNDARY

CWS
Corde Walker Stewart Architects

K-2 PARTNERS
PORTLAND, MAINE

Fairway Pond Condominiums
Old Orchard Beach, ME

Project No. 01408.008

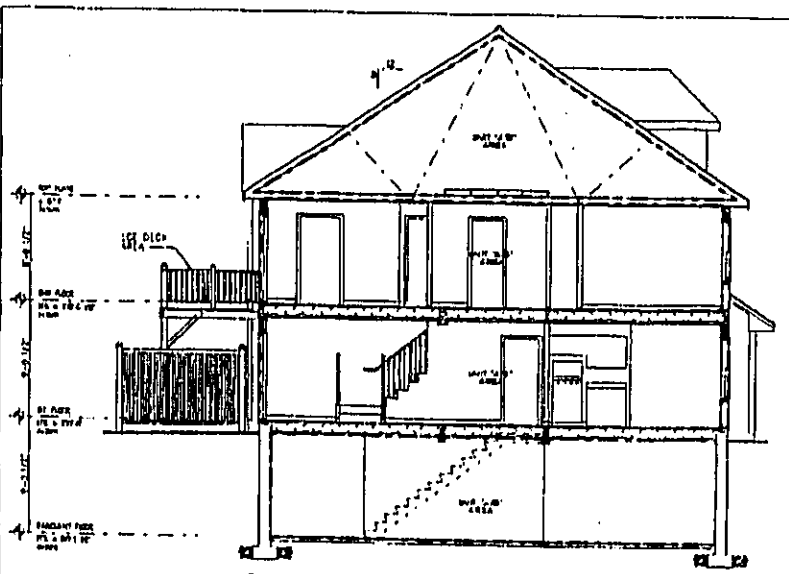
Drawing Title
COMBINED PAIR CONDOMINIUM PLAN 2

Scale 1/8"=1'-0"
Date: November 8, 2001
Revision Dates

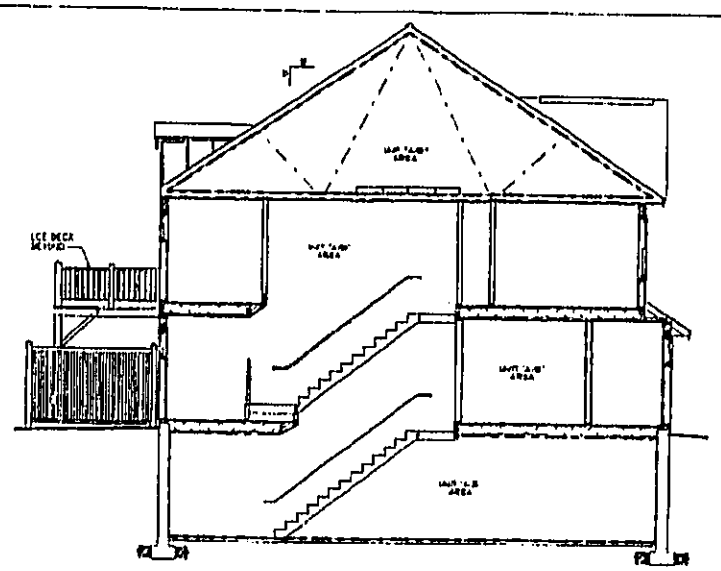
Drawing Number
C4

BK11683PG347

EXHIBIT C - C5



A TOWNHOUSE SECTION (APPLIES TO A,A2,B,B2 UNIT TYPES)



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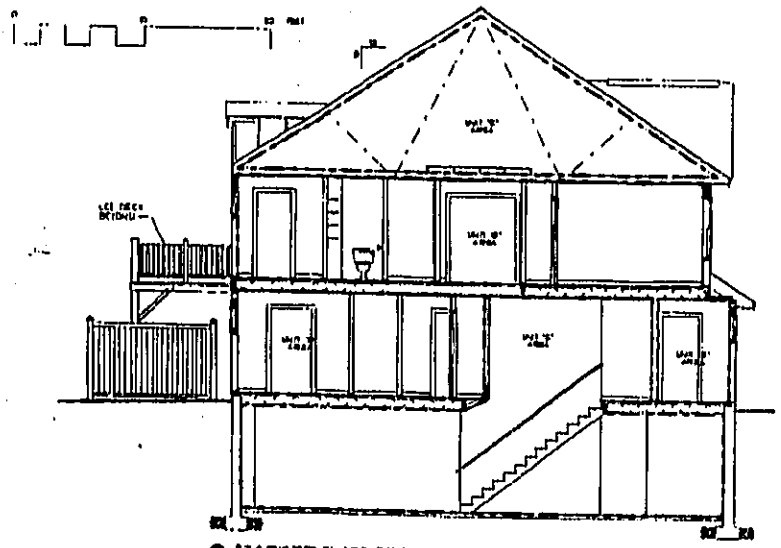
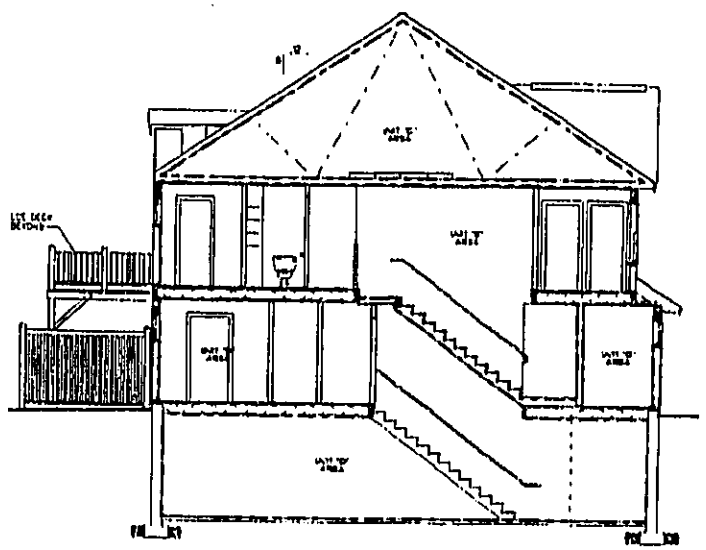


C STACKED FLATS SECTION (APPLIES TO C AND D UNIT TYPES)



D STACKED FLATS SECTION (APPLIES TO C AND D UNIT TYPES)

Cutts Walker Stevens
Architects

454 Cumberland Avenue
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PARTNERS
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Fairway Pond Condominiums

Old Orchard Beach, ME

Project No. 01508.000

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BYLAWS OF

FAIRWAY POND CONDOMINIUM ASSOCIATION

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BYLAWS OF

FAIRWAY POND CONDOMINIUM ASSOCIATION

ARTICLE 1. INTRODUCTORY PROVISIONS

Section 1.1. Creation. These Bylaws (the "Bylaws") have been adopted pursuant to and as required by Section 1603-106 of the Maine Condominium Act (the "Act") in connection with the establishment of a nonprofit unit owners association (the "Association") for the property called Fairway Pond Condominiums, a Condominium, located at Wild Dunes Way in Old Orchard Beach, York County, Maine (the "Property"), described in a Declaration of Condominium for Fairway Pond Condominiums, a Condominium, dated May 31, 2002, (the "Declaration") recorded in the York Registry of Deeds, as the same may be amended from time to time. Except as otherwise required by the Act or by the Maine Nonprofit Corporation Act (the "Nonprofit Act"), the Association shall be governed by these Bylaws unless they are inconsistent with the Declaration, in which case the Declaration shall control.

Section 1.2. Definitions. The capitalized terms herein without definition shall, except as otherwise specifically required by the Act, have the same definitions contained in the Declaration.

Section 1.3. Name and Office. The name of the Association shall be Fairway Pond Condominium Association and the principal office of the Association shall be located at the Property or at such other place as may, from time to time, be designated by the Executive Board.

Section 1.4. Applicability of Bylaws. The provisions of these Bylaws are applicable to 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 use the Condominium or any of its facilities, as are the Rules and Regulations, all as adopted, amended or altered from time to time by the Executive Board.

ARTICLE II. THE ASSOCIATION

Section 2.1. Membership. The Association shall consist of all Unit Owners acting in accordance with these Bylaws, the Declaration and the Act. The membership shall include the Declarant so long as it is the owner of a Unit, as well as all Unit Owners, or, following termination under Section 1602-118, all former Unit Owners entitled to distributions of proceeds, or their heirs, successors or 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. the transfer of an interest 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 evidencing membership in the Association.

Section 2.2. Powers and Duties. In addition to the powers and duties set forth in the Act, the Nonprofit Act, the Declaration, and otherwise set forth in these Bylaws, the Association shall have the following purposes, powers and duties:

(a) Adopt and amend Bylaws and Rules and Regulations, provided that the initial Executive Board shall have the power to adopt these Bylaws;

(b) Adopt and amend budgets for revenues, expenditures and reserves, and to collect assessments for Common Expenses and other authorized charges from Unit Owners;

(c) Hire and terminate managers and other employees, agents, and independent contractors;

(d) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium;

(e) Make contracts and incur liabilities properly relating to the Association;

(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 in accordance with the terms and limitations herein set forth;

(h) Acquire, hold, encumber and convey in its own name any right, title, or interest to real or personal property, but a conveyance for security may be done only in accordance with the Act and the terms of the Declaration;

(i) Grant easements, leases and licenses or concessions through or over the Common Elements;

(j) Impose and receive payments, fees, or charges for the use, rental, or operation of the Common Elements other than Limited Common Elements and for services provided to Unit Owners;

(k) Impose charges and interest for late payment of assessments and other authorized 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, resale certificates furnished in accordance with the Act, or statements of unpaid assessments;

(m) Provide for the indemnification of its officers and the Executive Board and maintain directors' and officers' liability insurance;

(n) Assign its right to future income;

(o) Exercise any other powers conferred by the Declaration or Bylaws;

(p) Exercise all other powers that may be exercised under the Nonprofit Act as the same may be amended from time to time; and

(q) Exercise such other powers as may be necessary and proper for the operation of the Association.

All of the foregoing shall be exercised by the Executive Board on behalf of the Association, subject to the terms of these Bylaws, the Declaration and the Act.

Section 2.3. Meetings. Meetings of members shall be held at the offices of the Association or at such other place properly designated in the notice of meeting.

(a) Annual Meeting. Meetings of the members shall be held annually on the third Saturday of March, or in the event that day is a legal holiday, then on the first day thereafter which is not a holiday. The purposes of such meeting shall be to elect the members of the Executive Board and to transact such other business as may properly come before the meeting.

(b) Special Meetings. Special meetings of the members may be held at any time upon the call of the Secretary at the direction of the Executive Board or upon the petition of twenty-five percent (25%) or more in interest of the votes of the Association, which call shall state the purpose of the meeting. Upon receipt of such call, the Secretary shall promptly send out notices of the meeting in accordance with the provisions of this Section.

(c) 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 any proposed Declaration or Bylaw amendment, any budget changes and any proposal to remove an officer or Director, shall be sent by the Secretary at least ten (10) days, but not more than forty-five (45) days, before the date set for the meeting. Provided, however, that if the purpose of the meeting shall include the rejection or acceptance of a capital expenditure, such meeting shall be held within fifteen days (15) after the call therefor. Further, no business not stated in the notice may be conducted at a special meeting without tie consent of at least sixty (60%) percent of the members present either in person or by proxy. Such notice shall be given in accordance

with Article VI of the Declaration and given to each Unit Owner listed with the records of the Association, and to each Eligible Mortgage Holder if and as required by the Declaration, as follows:

(1) By hand delivering it to him, or

(2) By mailing it, postage prepaid, addressed to the Unit Owner (or Eligible Mortgage Holder) at the address of the Unit or any other address designated in writing by that Unit Owner (or Eligible Mortgage Holder) with the records of the Association.

If notice is given pursuant to the provisions of this Section, the failure of any person entitled thereto to receive actual notice of the meeting shall not invalidate the meeting.

(d) No later than the earlier of sixty (60) days immediately following the conveyance of seventy-five (75%) percent of the Units to Purchasers, or five (5) years following the conveyance of the first Unit to a Purchaser, a special meeting of the Association shall be held at which all of the members of the Executive Board shall resign, and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Executive Board to act in the place of those resigning. The successor member receiving the highest number of votes shall serve until the third Annual Meeting of the Association following the date of such election and the successor member receiving the second highest number of votes shall serve until the second Annual Meeting of the Association following the date of such election, and the successor member receiving the next highest number of votes shall serve until the first Annual Meeting following the date of such election. Thereafter each member of the Executive Board shall be elected for a term of one year.

(e) Waiver of Notice. The presence of all the Unit Owners in person or by proxy at any meeting shall conclusively establish the meeting's validity, unless any Unit Owner 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.

(f) 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 twenty-five percent (25%) of the total interest therein shall constitute a quorum for the transaction of all business. If at any meeting a quorum shall not be in attendance, those members present may adjourn the meeting to a time not less than forty-eight (48) hours from the time of which the original meeting was called.

(g) Order of Business. The order of business at all meetings of the Association shall be generally as follows, if applicable:

(1) Roll call.
(2) Proof of notice of meeting or waiver of notice.
(3) Reading of minutes of preceding meeting.

(4) Reports of Executive Board or Officers.
(5) Reports of committees, if any.
(6) Election of the Executive Board, if required.
(7) Unfinished business.
(8) New business.
(9) Adjournment.

At all meetings of the members or of the Board of Directors, Roberts' Rules of order, as then amended, shall be followed, except in the event of conflict with these Bylaws or the Declaration, in which instance, the Bylaws or Declaration, as the case may be, shall prevail.

Section 2.4. Voting.

(a) The vote in the Association to which each Unit Owner is entitled shall be as set forth on Exhibit B, each Unit Owner being entitled to one vote. The votes in the Association allocated to a Unit can only be cast as a unit and cannot be split. If a Unit is owned of record by one person, that Unit Owner's right to vote shall be established by the record title to the Unit. If ownership of a Unit is in more than one person, the person who shall be entitled to cast the votes allocated to that Unit shall be the person named in a certificate executed by all of the owners of such Unit and filed with the Secretary of the Association. If ownership of a Unit is in a corporation, partnership, trust or estate, the officer or employee of that corporation, partner of that partnership, trustee of that trust, or agent of that estate, entitled to cast for the corporation, partnership, trust or estate the votes for the corporation, partnership, trust or estate the votes allocated to such Unit shall be designated in a certificate for that purpose executed by the president or a vice president of that corporation, and attested to by the secretary or clerk of that corporation, executed by all the partners of that partnership, or executed by all the beneficiaries of that trust, or executed by either all the devisees of that estate or by order of the probate court and filed with the Secretary of the Association. Such certificates of multiple owners, corporations, partnerships, trusts or estates shall be valid until revoked by a subsequent certification similarly executed and filed with the Secretary of the Association. Wherever the vote, approval or disapproval of a Unit Owner is required by this Declaration or the Act, such vote, approval or disapproval shall be made only by the person who would be entitled pursuant to such certificate to cast at any meeting of the Association the vote allocated to such Unit. If the person named or designated in said certificate for a particular Unit shall be absent from a meeting of the Association, no person may cast the vote allocated to that Unit at the meeting although the presence of the meeting of a non-named or non-designated co-Owner or member, officer or employee of such Owner shall be counted in determining whether a quorum is present. If a multiple Owner of a Unit (that is not a partnership, trust, estate or corporation) has failed to file said certificate with the Secretary of the Association and only one of the multiple Owners is present at a meeting of the Association, he shall be entitled to cast at the meeting all the votes allocated to that Unit without establishing the concurrence of the absent Owners just as though that person were the sole owner of the Unit. If a multiple Owner of a Unit (that is not a partnership, trust, estate or corporation) has failed to file said certificate with the Secretary and if more than one Owner of that Unit is present at the meeting, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority of the multiple Owners present at the

meeting. Such majority agreement shall be conclusively presumed if any one of those multiple Owners shall cast the vote allocated to the Unit without protest being promptly made to the person presiding over the meeting by any other Owners of that Unit. Any provision of this Paragraph to the contrary notwithstanding, in the event of any proposed actions to terminate the Condominium pursuant to Section 1602-118 of the Act; change the allocated interests appurtenant to any Unit, change the boundaries of a Unit, or subdivide a Unit except for such changes and subdivisions created by the Declarant as a consequence of the exercise of any Development Rights reserved by the Declarant in this Declaration; merge or consolidate the Condominium with another condominium; convey or subject to a security interest any portion of the Common Elements; or use any proceeds of property insurance required to be maintained by the Association pursuant to this Declaration for purposes other than repair and restoration of the damaged Property in accordance with this Declaration, the Plats and Plans, the Bylaws, the original elevation thereof and original building plans and specifications therefor, then an Eligible Mortgage Holder shall have the right, but not the obligation in place of the Owner of the Unit subject to the Mortgage held by such Eligible Mortgage Holder, to cast the votes allocated to that Unit or to give or withhold any consent required of such Unit Owner for such action by delivering written notice to the Association with a copy to the Unit Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by prepaid United States mail, return receipt requested, or by delivery in hand; failure of the Eligible Mortgage Holder to so exercise such rights shall constitute a waiver thereof and shall not preclude the Unit Owner from exercising such right. In no event shall more Votes be cast with respect to any Unit than are allocated to that Unit pursuant to this Declaration.

(b) Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. 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 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 void if it is not dated or purports to be revocable without notice. A proxy shall automatically terminate eleven (11) months after its date, unless it specifies a shorter term. Proxies shall be duly executed and filed with the Secretary before the appointed time of the meeting.

(c) 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.

(d) 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 the Executive Board 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.

(e) Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Association may be taken without a meeting if written consents, setting forth the action so taken, are signed by all the Unit Owners or, if required by the Declaration, Eligible Mortgage Holders, entitled to vote on such action and are filed with the Secretary and made a part of the corporate records. Such written consents shall have the same effect as a unanimous vote of the Unit Owners

ARTICLE III. EXECUTIVE BOARD

Section 3.1. Number and Qualifications. The affairs of the Association shall be governed by an Executive Board sometimes referred to herein as a "Board of Directors" or the "Board", and the members of which are sometimes referred to as "Directors", initially composed of three (3) Directors, each with a term of two years until the Declarant's right to appoint, remove, and replace the Directors expires or is waived.

Thereafter, the Executive Board shall be composed of at least three (3) but no more than five (5) natural persons. Each such Director shall be the Owner or the spouse of an Owner of a Unit, or if a Unit Owner is a corporation, partnership, trust or estate, then an officer, employee, partner, trustee, personal representative or beneficiary of such Unit Owner, until the Declarant's right to appoint expires or is waived, a Director may be replaced or removed by Declarant without necessity of obtaining resignations. The appointees of Declarant need not be Unit Owners except that after the conveyance of at least one Unit by the Declarant, and prior to the transition election, at least one (1) member of the Board, other than the Declarant, shall be a Unit Owner. For a Director who no longer qualifies, the Director's term of office shall cease upon written notice to such Director from the Secretary of the Association.

Section 3.2. Election and Term of Office. After the expiration or waiver of the Declarant's right to appoint, remove and replace the Directors, the initial Executive Board shall be formed and composed as provided in Section 2.2(c) of these Bylaws. At the expiration of the initial term of office of each Director so elected, his successor shall be elected to serve a term of one (1) year; provided, however, that a Director shall hold office until his successor has been elected. Any Director may serve an unlimited number of terms and may succeed himself.

Section 3.3. Powers and Duties. The Executive Board 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 Act or the Nonprofit Act, as they may be amended from time to time, except those matters which by law, by the Declaration, or by these Bylaws are specifically reserved to the Unit Owners.

Section 3.4. Appointment and Vacancies. Except for Directors elected by the members, vacancies in the Board caused by any reason other than the expiration of a Director's term or the removal of a Director by a vote of the members, shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the

Association. A vacancy caused by the expiration of a Director's term or the removal of a Director by a vote of the members shall be filled by vote of the Unit Owners. A Director elected to fill a vacancy shall be elected for the non-expired term of his predecessor in office.

Section 3.5. 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 a majority of the Unit Owners entitled to cast all votes and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given at least ten (10) days notice and an opportunity to be heard at the meeting, but the Unit Owner's decision shall be final. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his (or his spouse's) Unit.

Section 3.6. 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 more than fifty (50%) percent of the Members at any Annual of Special Meeting of the Association.

Section 3.7. Annual Meeting. The annual meeting of the Executive Board shall be held immediately following the annual meeting of the Association and at the same place; no further notice shall be necessary in order legally to constitute such meeting.

Section 3.8. Regular Meetings. Regular meetings of the Executive Board (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 shall be given to each member and, if so required, Eligible Mortgage Holder, by the Secretary in the manner provided for service of notice upon Unit Owners and Eligible Mortgage Holders, at least ten (10) days prior to the day named for such meeting.

Section 3.9. Special Meetings. Special meetings of the Executive Board may be called by the President on three (3) days notice to each Director and, if so required, Eligible Mortgage Holder, given personally or by mail 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 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 3.10. Waiver of Notice. Before or after any meeting of the Executive Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of legal 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 3.11. Quorum of Executive Board. At all meetings of the Executive Board, the presence of a majority of the 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. If, at any meeting of the Executive Board, 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 3.12. Action Without Meeting. 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.

Section 3.13. Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm or association in which one or more of the Executive Board members are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) The fact that an Executive Board member is also such a Director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or

(b) The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

Section 3.14 Employment of Managing Agent. The Executive Board is authorized to, but need not, employ a managing agent to perform such duties, authorized by the Executive Board, as are permitted under the Act, the Declaration and these Bylaws. All of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws may be delegated to the managing agent with the exception of the following: (a) to assign Common Elements as Limited Common Elements or designate Reserved Common Elements; (b) to adopt, amend or repeal Rules and Regulations; (c) to adopt the annual budget and any amendment thereto or to assess Common Expenses; (d) to borrow money on behalf of the Association or to designate signatories on Association bank accounts; and (e) to acquire and mortgage Units. With respect to the foregoing, the managing agent may nonetheless serve in an advisory capacity to the Executive Board. Any employment contract with the managing agent shall be at a compensation established by the Executive Board, which compensation shall be chargeable as a Common Expense. The term of such contract shall not exceed one year but may be renewed from year to year, provided, however, that the original contract, and any renewal thereof, must be cancellable by either party, without cause and without penalty or fee, on no more than ninety (90) days written notice and with cause on no more than thirty (30) days written notice.

ARTICLE IV. OFFICERS

Section 4.1. Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, elected by the Executive Board, 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 4.2. Election of Officers. The principal officers of the Association shall be elected annually by the Executive Board at the annual meeting and shall hold office at the pleasure of the Board.

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

Section 4.4. 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 on the Executive Board. He shall have all of the general powers and duties which are usually vested in the office of President of a nonprofit corporation, including but not limited to the power to appoint committees from among the Owners or their spouses from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall cease holding office at such time as he ceases to be a member of the Executive Board.

Section 4.5. Treasurer. The Treasurer shall be responsible for keeping financial records and accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible, subject to the direction of the Executive Board, for the preparation and dissemination to the Unit Owners 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 4.6. Secretary. The Secretary shall keep and certify the minutes of all meetings of the Executive Board 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. The Secretary shall, within ten (10) days after receipt of request, provide or caused to be provided to any person entitled thereto, at the expense of such person, a written statement or certification of the information required to be provided by the Association pursuant to Sections 1603-116(h) and 1604-108(b) of the Act and the terms of these Bylaws.

Section 4.7. Clerk. The Clerk shall be the Registered Agent of the Association under the Nonprofit Act and need not be a Unit Owner.

Section 4.8. Compensation. The officers shall serve without compensation unless such compensation is authorized by more than fifty (50%) percent of the votes of all Unit Owners at any annual or special meeting.

ARTICLE V. OPERATIONS AND ADMINISTRATION OF PROPERTY

Section 5.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise established by the Executive Board; provided, however, that the first fiscal year shall begin upon recordation of the Declaration and end on December 31 of the same year.

Section 5.2. Preparation and Approval of Budget.

(a) On or before sixty (60) days prior to the beginning of the fiscal year, the Executive Board shall adopt an annual budget 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 Unit Owner and Eligible Mortgage Holder, and shall set a date for a meeting of the Association to ratify the budget not less than fourteen (14) nor more than thirty (30) days after the notice is sent. Unless at the meeting a majority in voting interest of all Unit Owners reject the budget, the budget shall be deemed to be adopted whether or not a quorum is present.

(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:

(1) Management and administration expenses;

(2) The cost of operation, repairs, maintenance, replacement, and improvements to Common Elements, Limited Common Elements, and facilities benefiting the Condominium;

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

(4) The amount of such working capital and reserves, as shall be established by the Board, including general operating reserves, reserves for contingencies, and reserves for maintenance and replacements; and

(5) Such other expenses of the Association as may be approved by the Executive Board including operating deficiencies, if any, for prior periods.

(c) Until an annual budget is adopted, the Unit Owners 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 Unit Owners showing the amount of assessments due, but each Unit Owner shall pay his assessment promptly when due regardless of whether such a statement is sent.

(d) Each Unit Owner shall pay his share of assessments without setoff or deduction in an amount equal to the total Association budget, net of other income and authorized charges provided for herein, multiplied by his respective fractional ownership in the Common Elements. Each Unit Owner 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 Unit Owner may pay his share of the Common Expenses 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 prior to the due date of the next installment, the entire remaining balance thereof shall immediately become due and payable in full.

(e) If any Unit Owner shall fail or refuse to pay to the Association when due his share of the assessments or any other charges, fees and penalties, and such default shall continue for a period in excess of thirty (30) days, 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 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 Unit owner. Recording of the Declaration constitutes record notice and perfection of the lien for assessments, 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, but such recorded notice is not necessary to establish or perfect the lien.

(f) The Executive Board shall take prompt action to collect any assessment for Common Expenses or other charges due from any Unit owner which remains unpaid for more than thirty (30) days from the due date. The lien for assessments described herein may be enforced and foreclosed by the Association in like manner as a mortgage of real estate as provided in the Act, or by any other means provided by law or in equity. A suit to recover a money judgment for unpaid assessments, interest 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. During the pendency of any such suit, the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any Court having jurisdiction over such sale. In the event of foreclosure, the Executive Board, 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.

Section 5.3. 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 the Unit Owners 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 5.4. No Exemption or Waiver. No Unit Owner may exempt himself from common expense liability with respect to the payment of assessments for common expenses by waiver of the enjoyment of the right to use any of the common elements or by abandonment of his Unit or otherwise. The obligation to pay assessments for common expenses is absolute and unconditional and shall not be subject to setoff or counterclaim.

Section 5.5. 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 Unit Owners, at least thirty (30) 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 require immediate assessment of the Unit Owners, make special assessments, not to exceed an amount equal to one current monthly assessment for each Unit, unless approved by the Unit Owners, which shall be due and payable when delivered to the Unit owners.

Section 5.6. Capital Improvements. The approval of a majority of the Unit Owners shall be required to make a capital improvement to the common elements in an amount in excess of fifteen (15%) percent of the aggregate assessments against all the Unit Owners over the prior fiscal year, exclusive of charges and fees, and in such event, the cost thereof shall be assessed to all Unit Owners as an assessment for common expenses.

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

Section 5.8. Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the buildings and common elements of the Condominium, the Executive Board may from time to time adopt, modify, and revoke, in whole or in part, such reasonable rules and regulations (the "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 shall be binding upon all Unit Owners and all persons present in the Condominium. Such Rules and Regulations may be amended by and be modified or rejected, in whole or part, at any time by a vote of three-fourths (3/4) in interest of the Unit Owners present in person or by proxy at any meeting duly called for the purpose, which vote shall be binding upon the Executive Board. Until modified, amended or repealed, as herein provided, the Rules and Regulations annexed hereto shall govern the Condominium.

Section 5.9. Right of Entry. The Association, Executive Board, its officers, agents and employees shall have the right of entry provided in Section 4.4 of the Declaration.

Section 5.10. Title. Every Unit Owner shall promptly cause to be recorded in the York County Registry of Deeds the deed, lease, 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 5.11. Information to be Available. The Association shall make available to Unit Owners, Eligible Mortgage Holders, insurers and guarantors for inspection, these Bylaws, the Rules and Regulations, and other books, records and financial statements of the Association. The Association shall also make available to such persons or entities, at the cost of the person or entity requesting same, current copies of the Declaration, these Bylaws, and the Rules and Regulations.

Section 5.12. Insurance, Repair and Reconstruction.

(a) Insurance. Commencing no later than the time of the first conveyance of a Unit other than as security for an obligation to a person other than the Declarant, the Executive Board, on behalf of the Association, shall obtain and maintain as a common expense, the policies of insurance described in Article IX of the Declaration. Such policies shall be purchased and maintained in accordance with the requirements more particularly set forth in Article IX of the Declaration, and the adjustment of losses shall be administered as provided in Section 9.3 thereof.

(b) Restoration. Damage to or destruction of the Building shall be promptly repaired and restored by the Association in accordance with the provisions of Article IX of the Declaration and Sections 1603-113(e) and (h) of the Act. The Executive Board shall be responsible for accomplishing the full repair or reconstruction which shall be paid out of the Common Expense fund. The disbursement of funds for such repair or reconstruction shall, at the option of the Executive Board, be made only as the work progresses upon approval of a qualified architect who shall have furnished a description satisfactory to the Executive Board of the costs involved and the services and materials to be furnished by the contractors, subcontractors and materialmen. Unit Owners may apply the proceeds from their individual property insurance policies, if any, to the share of such Common Expense as may be assessed to them. The Executive Board shall be responsible for restoring the Property only to substantially the same condition as it was immediately prior to the damage, and each Unit Owner shall personally assume the additional expense of any improvements to his Unit which he desires to restore it beyond such condition. If any physical changes are made to any restored Unit or the Common Elements, or any combination of them, which renders inaccurate the Plats and Plans which are then of record, the Executive Board shall record amended Plats and Plans showing such changes.

ARTICLE VI. AMENDMENTS AND CONFLICTING PROVISIONS

Section 6.1. Amendment to Bylaws. Except as otherwise provided in any one or more of these Bylaws, the Declaration, or the Act, these Bylaws may be amended by the vote of the Unit Owners entitled to cast a majority of the votes in the Association, made in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws; provided, however that if such amendment shall make any change which would have a material effect upon any rights, privileges, powers and options of the Declarant, such amendment shall require the joinder of the

Declarant; and further provided that no amendment seeking (i) to abandon, partition, subdivide, encumber, sell or transfer any portion of the Common Elements, or (ii) to abandon or terminate the condominium form of ownership of the Property except as otherwise provided in the Declaration, shall be effective without the prior written approval of all mortgagees encumbering the Units. Notwithstanding the foregoing, amendments of a material nature must be approved by Unit Owners entitled to cast at least sixty-seven (67%) percent of the total allocated votes in the Association and by Eligible Mortgage Holders representing at least fifty-one (51%) percent of the votes of Units subject to mortgages held by Eligible Mortgage Holders. A change to any of the following would be considered material:

(a) voting rights;
(b) assessments, assessment liens, or subordination of assessment liens;
(c) reserves for maintenance, repair and replacement of Common Elements;
(d) responsibility for maintenance and repairs;
(e) reallocation of interests in the Common or Limited Common Elements, or rights to their use;
(f) boundaries of any Unit;
(g) convertibility of Units into Common Elements or vice versa;
(h) expansion or contraction of the Condominium; or the addition, annexation or withdrawal of property to or from the Condominium;
(i) insurance of fidelity bonds;
(j) leasing of Units;
(k) imposition of any restriction on a Unit Owner's right to sell or transfer his or her Unit;
(l) a decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgage Holder;
(m) restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
(n) any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or
(o) any provisions that expressly benefit mortgage holders, insurers or guarantors.

Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to condominium projects, then at any time, and from time to time the Executive Board, acting through the President, may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

Section 6.2. Amendment to Declaration. The Declaration may be amended pursuant to the provisions of the Act and the Declaration. The President is empowered to prepare and execute any amendments to the Declaration on behalf of the Association, and the Secretary or

any Assistant Secretary is empowered to attest, seal with the Association's corporate seal, and record any such amendments on behalf of the Association.

ARTICLE VII. MISCELLANEOUS

Section 7.1. Severability. The invalidity of any provisions of these Bylaws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these Bylaws, and, in such event, all of the other provisions of these Bylaws shall continue in full force and effect as if such invalid provision had never been included herein.

Section 7.2. Conflict. In the event of any conflict between these Bylaws and the provisions of the Declaration, the latter shall apply. Further, the provisions of the Act shall apply to the operation of the Condominium except that contrary provisions contained in the Declaration, not otherwise prohibited by the Act, shall control.

Section 7.3. Gender. The use of the singular number in these Bylaws shall be deemed to include the plural, the plural the singular, and the use of any one gender shall be deemed applicable to all gender.

Section 7.4. Captions. The headings preceding the various sections of these Bylaws and the Table of Contents are intended solely for the convenience of readers of the Bylaws and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions thereof.

Section 7.5. Notices. All notices, demands, bills, statements or other communications affecting the Condominium shall be given to Unit Owners by the Association, in writing, and shall be deemed to have been duly given if delivered personally securing a receipt therefor or sent by United States Mail, postage prepaid, if such notification is of a default or lien, sent by registered 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, at the address of the Unit of such Unit Owner who is the record owner thereof. Similarly, 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 have been duly given to the Association if delivered personally securing a receipt therefor, or sent by United States Mail, postage prepaid, return receipt requested, addressed to the Association at the principal office of the managing agent or, if there is no managing agent, to the Secretary. All notices, demands, statements or other communications affecting the Condominium given by the Association to any Eligible Mortgage Holder and Eligible Insurer shall be in writing and shall be deemed to have been duly given by the Association if delivered personally securing a receipt therefor, or sent by United States Mail, postage prepaid, addressed to the Eligible Mortgage Holder at the address identified pursuant to Article I of the Declaration by virtue of which it became an Eligible Mortgage Holder, and to the Eligible Insurer at the address identified pursuant to Article I of the Declaration by virtue of which it became an Eligible Insurer.

ARTICLE VIII. CORPORATE SEAL

Section 8.1. Seal. The Association shall have a seal in circular form having within its circumference the words:

FAIRWAY POND CONDOMINIUM ASSOCIATION
2001
MAINE

RULES AND REGULATIONS
OF
FAIRWAY POND CONDOMINIUM ASSOCIATION

I. INTRODUCTION AND PURPOSE

1. Fairway Pond Condominium Association (hereinafter the "Association") has adopted the following Rules and Regulations (hereinafter the "Regulations"). These Regulations may be amended from time to time by vote of the Executive Board or Unit Owners as provided in the Bylaws or Declaration.

2. The Unit Owners shall comply with all of the Regulations hereinafter set forth governing the buildings, public areas, terraces, decks, drives, recreational areas, grounds, parking areas and any other appurtenances of the Condominium.

3. The Association reserves the right to alter, amend, modify, repeal or revoke these Regulations, and any consent or approval given hereunder, at any time, by vote of the Association or the Executive Board.

4. Wherever in these Regulations reference is made to Unit Owners, such term shall apply to the owner of any unit, and to any of his employees, agents, family members, visitors, guests, invitees or licensees, or any tenant of such Unit Owner.

5. Wherever in these Regulations reference is made to the Executive Board, such term shall include, where the context so permits, the designee of the Executive Board.

II. USE OF UNITS AND COMMON AREAS

1. No part of the Condominium shall be used for any purpose except housing and the common purposes for which the Condominium was designed. Each unit shall be used as a residence for a single family, its servants and guests.

2. There shall be no obstruction of the Common Elements. Nothing shall be stored on the Common Elements without the prior consent of the Executive Board, except as expressly provided herein or in the Association Bylaws.

3. Nothing shall be done or kept in any of the Common Elements which will increase the rate of insurance for the buildings or contents thereof applicable for residential use without the prior written consent of the Executive Board. No Unit Owner shall permit anything to be done or kept in his unit or on the Common Elements which will result in the cancellation of insurance on the buildings or contents thereof or which would be in violation of any public law, ordinance or regulation. No strip or waste shall be committed on the Common Elements.

4. All garbage and trash must be placed or deposited in the proper receptacles designated for refuse collection.

5. Except in any recreational areas designated as such by the Executive Board, no playing or lounging shall be permitted, nor shall baby carriages, bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property be left unattended in parking areas, sidewalks, or lawns or elsewhere on the Common Elements.

6. Each Unit Owner shall keep his unit in a good state of preservation, repair and cleanliness and shall not dispose of dirt or other substances by sweeping, shaking or throwing from the doors or windows of his unit.

7. Nothing shall be done in any unit or on the Common Elements which may impair the structural integrity of the buildings or which may structurally change the buildings, nor shall anything be altered or constructed on or removed from the Common Elements, except upon the prior written consent of the Executive Board.

8. No noxious, offensive, or unlawful activity shall be carried on in any unit or on the Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises in the buildings or do or permit anything which will interfere with the rights, comforts or convenience of other Unit Owners. All Unit Owners shall keep the volume of any radio, television or musical instrument in their units sufficiently reduced at all times so as not to disturb other Unit Owners. Despite such reduced volume, no Unit Owner shall operate or permit to be operated any such sound producing devices in a unit between eleven o'clock in the evening and eight o'clock in the morning if such operation shall disturb or annoy other occupants of the buildings.

9. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit or otherwise, shall be conducted, maintained or permitted on any part of the Condominium nor shall any "For Sale", "For Rent", or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Condominium or in any unit, without the prior written consent of the Executive Board, nor shall any unit be used or rented for transient, hotel or motel purposes. The right is reserved by the Declarant and the Executive Board to place "For Sale", "For Rent", or "For Lease" signs on any unsold or unoccupied units, and the right is hereby given to any Mortgagee who may become the owner of any unit to place one reasonably appropriate sign on or in any unit owned by such Mortgagee.

10. No Unit Owner shall cause or permit anything to be hung, displayed or exposed on the exterior of a unit or Common Elements appurtenant thereto, whether through or upon windows, doors or masonry of such unit. The prohibition herein is intended to include without limitation laundry, clothing, signs, awnings, canopies, radio or television antennas, dishes, or any other similar items. Provided, however, that reasonable air conditioning units or apparatus may be installed in windows on the side or rear of the unit but not on the front of such unit. No clothes line, clothes rack, or any other device may be used to hang any items on any window nor may such devices be used anywhere on the Common Elements except in such areas as may be specifically designated for such use by the Executive Board. Terraces or decks shall not be used as storage areas. No terrace or deck shall be enclosed or covered by a Unit Owner without the prior consent in writing of the Executive Board. Gas or kerosene heaters, whether vented or unvented, are not permitted without the prior consent in writing of the Executive Board.

11. Each Unit Owner shall be responsible for the maintenance and repair of his unit as well as the utilities and sewer servicing such unit. Any damage occasioned by the Unit Owner's misuse thereof shall promptly be repaired by the Unit Owner, and, if he shall fail to undertake such repair, the Association may repair the damage and assess such cost to the Unit Owner.

III. PARKING

1. Unless otherwise authorized by the Association, the parking areas may not be used for any purpose other than parking automobiles, vans, or pickup trucks designed and intended for personal use. No buses, trucks, other than pickup trucks as above set forth, trailers, boats, recreational or commercial vehicles shall be parked in the parking areas or in driveways except in such areas, if any, specifically designated for such parking by the Executive Board. All vehicles must have current license plates and be in operating condition. No vehicles shall be parked on the Condominium with conspicuous "For Sale" signs attached. Further, all Unit Owners shall use and occupy those parking areas and spaces designed or set aside for their respective units.

2. All Unit Owners shall observe and abide by all parking and traffic regulations as posted by the Association or by municipal authorities. Vehicles parked in violation of any such regulations may be towed away at the Unit Owner's sole risk and expense.

3. Parking vehicles so as to block sidewalks or driveways shall not be permitted. If any vehicle owned or operated by a Unit Owner, any member of his family, tenants, guests, invitees or licensees, shall be illegally parked at the Condominium, the Association shall be held harmless by such Unit Owner for any and all damages or losses that may result therefrom, and any and all rights in connection therewith that the owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The Unit Owner shall indemnify the Association against any liability which may be imposed on the Association as a result of such illegal parking and the consequences thereof.

IV. RECREATIONAL FACILITIES

1. All persons using any of the recreational facilities provided for, by, or through the Association do so at their own risk and sole responsibility. The Association does not assume responsibility for any occurrence, accident, or injury in connection with such use. No Unit Owner shall make any claim against the Association, its servants, agents, employees, lessors, licensees, or any other person, firm or entity, for or on account of any loss or damage to life, limb, or property sustained as a result of or in connection with any such use of any such recreational facilities. Each Unit Owner shall hold the Association, its servants, agents, employees, lessors, licensees, or any other person, firm or entity, harmless from any and all liabilities and any action by any tenants, guests, invitees or licensees of such Unit Owner, growing out of the use of the recreational facilities, except where such loss, injury, or damage is caused by the direct negligence of the Association or its agents, servants or employees, or the direct negligence of such lessor, licensee, other person, firm or entity, in the operation, care or maintenance of such facilities.

2. Any damage to the buildings, recreational facilities, or other Common Elements or equipment caused by a Unit Owner, his guests, tenants, invitees or licensees, shall be repaired promptly at the expense of the Unit Owner.

V. ACCESS TO UNITS

1. The Association shall have the right to emergency access to units in the Condominium, and each Unit Owner shall provide to the Association a working copy of any key(s) required to gain entry to any unit. These key(s) shall be coded in such a way as to prevent identification by unauthorized persons and kept by the Association in a secure location for use only if entry to such unit is necessitated by the fact or threat of fire, flood, or any other condition which may adversely affect the Common Elements or other units. In no event shall such key(s) be used to facilitate entry to a Unit for purposes other than those indicated above. No Unit Owner shall alter any lock or install additional locks on any doors of his unit without the prior written consent of the Executive Board.

2. The agents of the Executive Board, and any contractor or workman authorized by the Executive Board, may enter any room or unit in the buildings with the permission or consent of the Unit Owner at any reasonable hour of the day (except in case of emergency in which case entry may be immediate and without such permission) for the purpose of inspecting, maintaining or repairing the unit, including without limitation inspecting such unit for the presence of any vermin, insects or other pests and for the purpose of taking measures as may be necessary to control or exterminate any such vermin, insects or other pests.

VI. PETS

1. No animals or reptiles of any kind shall be bred, raised, or kept in any unit or on the Common Elements, except that small well-behaved dogs, cats or other household pets, not to exceed one per unit, may be kept in the units.

2. A pet may be maintained in a unit so long as it is not a nuisance. Actions which will constitute a nuisance include, but are not limited to, unreasonable crying, barking, scratching, and the like.

3. All pets must be registered and inoculated as required by law.

4. Each owner is fully responsible for personal injuries and/or property damage caused by his pet.

5. Except in designated areas, if any, pets must be leashed and leashes may not exceed six feet in length.

5. Owners of pets walked upon the Common Elements must promptly clean up and properly dispose of their pets' droppings.

VII. MISCELLANEOUS

1. In addition to all other rights which the Executive Board has for nonpayment of assessments, the Executive Board of the Association shall have the right to bar the use by a Unit Owner of any of the recreational facilities for failure to make payment of any assessments or fees due as provided for in the Bylaws of the Condominium.

2. All personal property placed in any portion of the buildings or any place appurtenant thereto, shall be at the sole risk of the Unit Owner; and the Association shall in no event be liable for the loss, destruction, theft or damage to such property.

3. Complaints regarding the management of the Condominium or regarding actions of other Unit Owners shall be made in writing to the Executive Board.

BK 11683 PG 372

FAIRWAY POND CONDOMINIUMS

PROJECTED BUDGET

(Based on 4 Units)

	Annual Cost
Operating Expenses	
Management	$ 840.00
Accounting/Legal	300.00
Common Utilities	275.00
Water/Sewer	220.00
Insurance	1,000.00
Landscaping	620.00
Trash Removal	650.00
Snow Removal	825.00
Maintenance/Repairs	800.00
Dunegrass Community Association	630.00
	$ 5,230.00
Reserve/Replacement	
Paving (20 years)	$ 875.00
Roofs (30 years)	210.00
Paint/Stain (10 years)	75.00
	$ 1,160.00
Total Annual Operating and Reserve Expense	$ 6,480.00
Total Monthly Operating and Reserve Expense	$ 540.00
Estimated Monthly Common Charge per Unit	$ 135.00

RECEIVED YORK S.S.
2002 JUN -5 PM 12: 23
ATTEST: Lois M. Muse
REGISTER OF DEEDS

Roberts & Shirley
PO Box 307
Springfield, Mo 64083