

AMENDED AND RESTATED DECLARATION OF CONDOMINIUM

Saltaire Condominium York, Maine

WHEREAS, the **Saltaire Condominium Association**, a Maine non-profit corporation with a place of business in York, Maine (the "**Association**"), is the unit owners' association of the **Saltaire Condominium**, a condominium located in York, Maine (the "**Condominium**"), which Condominium is organized under the Maine Condominium Act, 33 M.R.S.A. § 1601-101 *et seq.* (the "**Act**") as more particularly described in the Declaration of Condominium, Saltaire Condominium, dated June 4, 1985, and recorded in the York County Registry of Deeds in Book 3538, Page 20, as amended by a certain amendment entitled Amendments to Declaration of Saltaire Condominium, dated December 28, 1985 and recorded in the York County Registry of Deeds in Book 3742, Page 59 as the same may be amended (the "**Original Declaration**").

NOW THEREFORE, in accordance with Article 17 the Original Declaration, and in accordance with Section 1602-117 of the Condominium Act, the Association hereby amends and restates the Original Declaration, together with all exhibits thereto and all Plats and Plans referenced therein, in their entirety, excepting, however, those terms and provisions that are expressly preserved, continued, or otherwise referenced herein, as follows:

ARTICLE 1 SUBMISSION

Section 1.1. Submission of Property. **Saltaire Condominium Association** (herein the "**Declarant**" or "**Association**" as the context requires), hereby submits the land defined as the "Real Estate" and described in Section 1.1 of the Original Declaration and further described in the **Exhibit A** attached hereto, located within the Town of York, York County, Maine (the "**Land**"), together with all improvements, easements, rights and appurtenances thereunto belonging (the "**Property**") to the provisions of Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, as amended, known as the Maine Condominium Act ("**Condominium Act**" or "**Act**") and hereby creates with respect to the Property a condominium, to be known as "**Saltaire Condominium**" (the "**Condominium**"). The Property is also shown on the Plats and Plans described in Section 2.2(t) of the Original Declaration entitled "SALT AIRE CONDOMINIUMS IN YORK, MAINE" dated May 1985, prepared by A.W.I. Engineering, Co. and recorded in the York County Registry of Deeds in Condominium File 139, Page 1, as the same may be amended (the "**Plat**" or "**Plats and Plans**").

Section 1.2. Name and Address of Condominium. The name of the Condominium shall be "**Saltaire Condominium**." The address of the Condominium is 333 Long Sands Road, York, Maine. The name of the unit owners' association is the "**Saltaire Condominium Association**" (the "**Association**") and its address is 333 Long Sands Road, York, Maine 03909.

Section 1.3. Description of Condominium Development. The Condominium consists of the Land described in the above referenced **Exhibit A** and the condominium buildings consisting of **Sixty-seven (67)** residential Units (the "**Units**") as identified on the Plats and Plans.

ARTICLE 2
DEFINITIONS

Section 2.1. Terms Defined in the Act. Capitalized terms are defined herein or in the Plats and Plans, otherwise they shall have the meanings specified or used in the Condominium Act. In the case of conflict between the meanings specified or used in the Act, those meanings specified or used in the Condominium Act shall control.

Section 2.2. Terms Specifically Defined in this Declaration. In addition to the terms hereinabove defined, the following terms shall have the following meanings in this Declaration, the Bylaws, and Plats and Plans:

(a) "Assessment" means the Owner's share of the anticipated Common Expenses, allocated by Percentage Interest, for the Association's fiscal year as reflected in the budget adopted by the Executive Board for such year.

(b) "Assigned Common Element" means a Limited Common Element, such as a yard area, that may be assigned to a specific Unit Owner by the Executive Board.

(c) "Association" means the unit owners' association of the Condominium, which is known as "**Saltaire Condominium Association**".

(d) "Buildings" (or in the singular, a "Building") means any residential, commercial, service or recreational structure or other improvement now or hereafter constructed on the Property.

(e) "Bylaws" means the document having that name and providing for the governance of the Association, pursuant to Section 1603-106 of the Condominium Act, as such document may be amended from time to time. The Bylaws, as amended and restated, are attached hereto as Exhibit D and any future amendments or modifications of the Bylaws shall not be effective until a certificate of the amendment has signed by the Secretary and President of the Association and recorded in the Registry of Deeds.

(f) "Common Elements" (or in the singular, a "Common Element") means those parts of the Property other than the Units as described either in the Condominium Act as being Common Elements or described herein as being Common Elements.

(g) "Common Expenses" means expenditures made by or financial liabilities of the Association together with any allocations to reserves.

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

(i) "Condominium Documents" means the Declaration, the Plats and Plans, the Bylaws, and the Rules and Regulations adopted by the Board of Directors, and any amendments to the foregoing adopted from time to time.

(j) "Declarant" for purposes of this Declaration means the Association.

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

(l) "Eligible Mortgage Holder" means the holder of a recorded first mortgage on a Unit, or the holder of a recorded or unrecorded Land Installment Contract, 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 mortgagee's name and address, the Unit Owner's name and

address, and the identifying number of the Unit, and shall state that the mortgage is a recorded first mortgage. Such notice shall be deemed to have been given reasonably prior to the proposed actions described in Section 15.2 if sent at the time notice thereof is given to the Unit Owners.

(m) "Executive Board" means the Executive Board of the Association. The terms "Executive Board" and "Board of Directors" shall be interchangeable.

(n) "Insurance Trust Agreement" means that certain agreement, if any, between the Association and the Insurance Trustee providing for the management and disbursement of insurance proceeds in accordance with Section 16.3 hereof.

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

(p) "Land Installment Contract" means a contract under which an Owner agrees to sell or otherwise convey a Unit or other real property interest in a Unit or any portion thereof to a buyer and that buyer agrees to pay the purchase price in subsequent payments and the Owner retains title to the Unit as security for the buyer's obligation under the Contract. The Owner may assign its rights under the Contract to any third party.

(q) "Limited Common Elements" (or in the singular, a "Limited Common Element") means those parts of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units, as described either in the Condominium Act as being Limited Common Elements or described herein or in the Condominium Documents as being Limited Common Elements. In the event of any discrepancy between the Condominium Act and Condominium Documents, the terms of the Condominium Documents shall control with respect to Limited Common Elements.

(r) "Limited Common Expenses" mean: (a) the Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element which may be assessed in accordance with Section 14.2, or as otherwise provided, against the Unit(s) to which that Limited Common Element is assigned, as more particularly set forth in Section 14.2; and (b) the Common Expenses for services benefiting fewer than all the Units, which may be assessed exclusively against the Units benefited in accordance with the use of such services as permitted by to Section 1603-115(c) of the Condominium Act and as more particularly set forth in Section 14.2.

(s) "Manager" or "Managing Agent" means the agent of the management company appointed by the Association to manage the Condominium.

(t) "Mortgagee" means the holder of any recorded mortgage encumbering one or more of the Units or the holder of a recorded or unrecorded Land Installment Contract.

(u) "Owner" means the record owner or owners of a Unit but does not include a person or entity having an interest in a Unit solely as security for an obligation.

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

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

(x) "Plats and Plans" means the Plats and Plans as defined in Section 1.1 above, which are recorded in the York County Registry of Deeds, and as such may be amended from time to time. At the time of recording this document, the only Plat or Plan depicting the Condominium is the Plat recorded at

the York County Registry of Deeds in Condominium File 139, Page 1. The terms "Plat(s)" and "Plan(s)" shall be interchangeable.

(y) "Record" means to record in the York County Registry of Deeds.

(z) "Rules and Regulations" means such rules and regulations as are promulgated by the Executive Board from time to time with respect to the use of all or any portion of the Property.

(aa) "Special Assessment" means an Owner's share of any assessment made by the Executive Board in addition to the Assessment.

(bb) "Unit" means a physical portion of the Condominium created by this Declaration or any amendment thereto and designated for separate ownership or occupancy, the boundaries of which are described in Article 3. "House Unit" shall mean the large Unit which is unnumbered on the Plan. "Cottage Units" shall mean the Units numbered 1, 1A, 2 through 12 and 14 through 22 on the Plan. "Trailer Units" shall mean the Units numbered 1T, 2T, 4T, 5T, and 7T through 46T on the Plan.

Section 2.3. Provisions of the Condominium Act. The provisions of the Condominium Act shall apply to and govern the operation and governance of the Condominium, except to the extent that contrary provisions, not prohibited by the Act, are contained in one or more of the Condominium Documents.

ARTICLE 3 **UNIT BOUNDARIES**

Section 3.1. Units. This Declaration creates sixty-seven (67) residential condominium units on the Land as identified on the Plan and on the schedule attached hereto as **Exhibit B** (the "**Schedule of Units**"). The maximum number of units is sixty-seven (67) Units. The Schedule of Units lists of all Units, their identifying numbers, common element interest, common expense liability and percentage vote appurtenant to each Unit.

Section 3.2. Unit Boundaries. The boundary lines of each Unit are as shown on the Plats and Plans and shall conform with unit boundaries as described in the Act to the extent not described herein. The Units shall not include any Common Elements or Limited Common Elements.

The boundary lines of each Unit are as shown on the Plats and Plans and are formed by the following planes:

1. Cottage and House Unit Boundaries: As to Units which are cottages and those portions of other Units which are not trailers, the vertical plane made up by the exterior surfaces of the exterior siding of the Unit. The Unit shall also include doors, chimneys, walls, windows, screens, shutters, frames, water heaters, external electrical boxes, doorsteps, posts, masonry, foundations, roof overhang and thresholds of any Unit to the extent that they do not fall within the boundaries of the Unit. Each Unit consists of all portions of the structure within the aforesaid boundary lines, and all additions that do not extend beyond the vertical boundary lines shown on the plan and including by illustration and not limitation, electrical wiring, pipes, conduits, flues, ducts and portions of water, sewer and similar utility lines serving only that Unit and located within the boundary lines above described, as well as foundations, joists, studs, beams and rafters of each building.

2. Trailer Unit Boundaries: As to those portions of Units which are trailers, all areas on the Unit side of the vertical plane of the Unit, as shown on the Plats and Plans. The Unit shall also consist of all parts of any trailer which extend beyond the vertical planes, described in the

preceding sentence.

3. Each Unit's identifying number is shown on the Plats and Plans and on Exhibit B.

(a) The horizontal boundaries of each Unit shall be, at the lower level, the surface of the earth, and at the upper level, thirteen feet above the surface of the earth.

(b) The vertical (perimeter) boundaries of each Unit shall be as set forth in the Original Declaration referenced above; provided, however, that to the extent that such boundaries do not conflict with the definitions of Unit boundaries under the Act, the boundaries as described in the Act shall apply.

Section 3.3. Relocation of Unit Boundaries. Relocation of Unit boundaries is prohibited, however, with respect to the replacement of trailers, the Executive Board shall have the power to grant revocable licenses authorizing the Unit owner to use portions of the Common Element to accommodate bump-outs, subject to any conditions the Executive Board may impose, such as the relocation of the trailer in a manner that minimizes the encroachment of the replacement trailer on the Common Element. Such licenses shall be recorded at the York County Registry of Deeds at the expense of the Unit Owner by the Executive Board.

ARTICLE 4

DESCRIPTION AND ALLOCATION OF COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND LIMITED COMMON PROPERTY

Section 4.1. Description of Common Elements. Common Elements shall consist of all of the Property except the individual Units. Provided, however, that to the extent that the foregoing description of the Common Elements does not conflict with the definition of Common Elements under the Act, the terms of the Act shall apply to define the Common Elements. Each Owner shall have the right to use the Common Elements in common with all other Owners, as may be required for the purposes of ingress and egress and for the use, occupancy, and enjoyment of the respective Owners and guests, tenants, and other authorized occupants, licensees, and visitors of the Owners. The use of the Common Elements and the rights of the Owners with respect thereto shall be subject to and governed by the provisions of the Act and this Declaration, the Bylaws, and Rules and Regulations of the Association.

Section 4.2. Description of Limited Common Elements. Limited Common Elements shall mean those portions of the Property defined as such pursuant to the Condominium Act or as identified and designated as Limited Common Elements on the Plats and Plans, or by Sections 4.3 and 4.5 hereof. Those portions of the Limited Common Elements serving only the Unit above, below, or adjacent to such Limited Common Element, as the case may be, are Limited Common Elements allocated only to the Unit that they serve.

Section 4.3. Specified Limited Common Elements. Certain specified Limited Common Elements are allocated to particular Units as may be designated on the Plats and Plans.

Section 4.4. Parking Spaces. Each Unit shall have two (2) parking spaces as designated by the Executive Board, and all other parking spaces are designated as Common Elements which shall be available to all Unit Owners and their guests, tenants, and invitees on a first-come, first-serve basis, subject, however, to any reasonable parking rules and regulations that the Executive Board may adopt. The Executive Board may designate and amend a parking plan for the Units from time to time as deemed necessary by the Executive Board.

Section 4.5. Locations of Common and Limited Common Elements. The location of the Common Element is shown on the Plat. Most trailer enclosures are shown on the Plat as rectangular spaces immediately adjacent to the Unit, some are not, but all such trailer enclosures approved by the Executive

Board are deemed Limited Common Elements. The area within the dotted lines as shown on the Plat and located between the House Unit and Long Sands Road, is a Limited Common Element for parking for the benefit of the House Unit. The area designated as "Porch" on the House Unit and Unit 1 are Limited Common Elements.

Section 4.6. Assigned Common Elements. The Executive Board shall have the power in its discretion from time to time to grant revocable licenses in designated Common Elements to the Association or to any Owners and to establish a reasonable charge to such Owners for the use and maintenance thereof. Such designation by the Executive Board shall not be construed as a sale or disposition of the Common Elements.

ARTICLE 5

MAINTENANCE RESPONSIBILITIES

Section 5.1. 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 shall be maintained and repaired by the Owners and the Common Elements shall be maintained and repaired by the Association in accordance with the provisions of Section 1603-107 of the Act, except as expressly set forth to the contrary herein.

Section 5.2. Maintenance of Limited Common Elements. The maintenance, repair and replacement of Limited Common Elements created, if any, shall be the responsibility of and at the expense of the Unit Owner. In the event that any Owner shall perform any maintenance, repair, or replacement of any Limited Common Elements in accordance with the terms herein, such maintenance, repair, and replacement shall be done only in accordance with such materials, specifications or other construction requirements as established by the Executive Board.

Section 5.3. Maintenance of Common Elements. The Association, or the Managing Agent of the Association in accordance with Article 7, shall be responsible for the maintenance, repair and replacement of all of the Common Elements, the cost of which shall be charged to the unit Owners as a Common Expense except as otherwise provided herein with regard to Limited Common Elements, and provided, however, if in the opinion of the Executive Board such expense was necessitated or caused by the act, omission, or negligence of a unit Owner, the responsible Owner shall be liable for such costs and expenses (including any applicable deductible expense incurred by the Association) which may be assessed to such Owner as determined by the executive Board. The maintenance, repair and replacement of Common Elements located within a Unit, for which the unit Owner is not responsible, to the extent required for the functioning of or for connecting utilities to the Property and Units, shall be furnished by the Association as part of the Common Expenses.

Section 5.4. Maintenance of Unit. Each unit Owner shall keep and maintain his or her Unit including the building, equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, whether such maintenance and repair shall be structural or non-structural, 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 or her 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 neglect to make any of the maintenance or repairs required by this Article. Each unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other unit Owners. Each unit Owner shall promptly report to the Executive Board or the managing agent any defect or need for repairs for which the Association is responsible. No unit Owner shall change the exterior color of his or her Unit nor alter the exterior materials or structure without the written

approval of the Board of Directors. No work shall be undertaken without all necessary State and local permits and approvals, and copies of all such permits and approvals shall be given to the Association.

Section 5.5. Liability of Owner. Each unit Owner shall be liable for, and the Association shall have a lien against his Unit for, the expense of maintenance, repair, or replacement of any portion of another Unit or the Common Elements, including Limited Common Elements, of another Unit caused by 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, employees, agents, lessees, and the Association shall have the right to cure, correct, maintain, repair or replace any damage or disrepair resulting from such act of neglect or carelessness. The Association shall also have the right to perform maintenance required of a unit Owner under Section 5.4, but not performed by the unit Owner and the unit Owner shall be liable for and the Association shall have a lien against the Unit for the expense of such maintenance. 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 6
ALLOCATION OF PERCENTAGE INTERESTS, COMMON EXPENSES
AND VOTING RIGHTS

Section 6.1. Percentage Interests. The Schedule of Units lists of all Units by their identifying number and the Percentage Interest appurtenant to each Unit within each such Unit. The formula by which such Percentage Interest is determined is as set forth in the attached Exhibit B.

Section 6.2. Common Expenses. The liability of each Unit for the Common Expenses of the Condominium shall be the same percentage share as the Percentage Interest described in Section 6.1 above, and as such shall be determined by the same formula by which the Percentage Interest is determined. Provided however, a discount is applied to the House Unit's common expense as set forth in Schedule B.

Section 6.3. Allocation of Owners' Voting Rights. Each Owner of a Unit shall be entitled to vote a percentage interest equal to the Percentage Interest described in Section 6.1 above. If a Unit is owned by more than one person or entity, the voting interest shall not be divided and the vote for the Unit shall be cast by only one of the Owners as determined by a majority of the Owners of such Unit.

Section 6.3. Notice of Meetings. Notices of meetings for the Owners of the Association shall be made in accordance with the Act and may include, as provided in Section 1603-108, notification sent by electronic means to any address of an Owner, including an e-mail address, specifically designated by the Unit Owner for such purpose.

ARTICLE 7
MANAGEMENT

Section 7.1. Managing Agent. The Association shall have the right to employ a professional experienced property management firm to act as Managing Agent to oversee the daily operation of the Condominium in accordance with the provisions of the Act and the Declaration; provided, however, that no agreement for such professional management of the Condominium may exceed a term of three (3) years but may be renewed upon consent of the Association. Such agreement shall be cancelable by either party without cause and without a termination fee upon not less than sixty (60) days nor more than ninety (90) days written notice and shall be cancelable by the Executive Board with cause upon not less than thirty (30) days written notice.

Section 7.2. Maintenance Responsibilities. The Managing Agent, or the Association through the Executive Board in the absence of a Managing Agent, shall be responsible for maintenance, repair and replacement of the Common Elements and Common Property. The cost of the provision of such services shall be a Common Expense, subject to the terms of Section 14.2 and Section 2.2(r).

ARTICLE 8
EASEMENTS

Section 8.1. Additional Easements. In addition to the easements provided for by the Act, the following easements are hereby created:

(a) The Units and Common Elements shall be, and hereby are, made subject to easements in favor of the Association and other Owners, appropriate utility and service companies, cable television 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 by this Section 8.1(a) shall include, without limitation, the right of the Association and any Owner or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, drainage ditches and pump stations, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits, and equipment and ducts and vents over, under, through along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 8.1(a), any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of such Unit or so as not to materially or unreasonably interfere with the use, occupancy, or quiet enjoyment of the Unit by its occupants. With respect to any utility lines or equipment serving only the Condominium and located upon the Common Elements, the Executive Board shall have the right and power to dedicate and convey title to the same to any private or public utility company. The Executive Board shall also have the right and power to convey permits, licenses and easements over the Common Elements for the installation, maintenance, repair and replacement of utility poles, lines, wires and other equipment to any private or public utility company. In addition, the Executive Board shall have the right to grant permits, licenses and easements over the Common Elements for the building and, maintenance of roads, for the protection of the natural, scenic and open space values of the Property, and for other purposes necessary for the proper operation the Condominium.

(b) The Common Elements (other than the Limited Common Elements) shall be, and hereby are made, subject to an easement in favor of the Owners and their invitees, employees, tenants and servants, the Association and the agents and employees of the Association for access, egress and ingress over, through and across each portion thereof, pursuant to such requirements and subject to such charges as the Executive Board may from time to time prescribe; provided that nothing contained herein shall create any access easement in favor of Owners with respect to such portions of the Common Elements

which are not needed in order to gain access to one or more Units and as to which the Executive Board may from time to time determine it to be necessary or desirable to limit or control access by Owners or the occupants of Units, or both, including, by way of illustration and not limitation, machinery and equipment rooms, and any management agent's office.

(c) The Common Elements (including, but not limited to, the Limited Common Elements) shall be and hereby are made subject to an easement in favor of the Association and the agents, employees and independent contractors thereof for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements, and Property (including, but not limited to the Limited Common Elements and Property).

(d) The Common Elements (including, but not limited to, the Limited Common Elements) shall be and hereby are made subject to the following easements in favor of the Units benefited:

(1) 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 part of or exclusively serve a single Unit and which pass across or through a portion of the Common Elements; and

(2) For the maintenance or the encroachment of any equipment, improvements, or fixtures which serve only one Unit but which encroach into any part of any Common Element or Limited Common Element on the date this Declaration is recorded or any amendment hereof is recorded.

(e) To the extent necessary, each Unit shall have an easement for structural support over the Common Elements and the Limited Common Elements.

(f) The Units and the Limited Common Elements are hereby made subject to the following easements:

(1) In favor of the Association and its agents, employees and independent contractors, (i) for inspection of the Units and Limited Common Elements in order to verify the performance by Owners of all items of maintenance and repair for which they are responsible, (ii) for inspection, maintenance, repair and replacement of the Common Elements and Property or the Limited Common Elements and Property situated in or accessible from such Units or Limited Common Elements or both, (iii) for correction of emergency conditions in one or more Units or Limited Common Elements, or both, or casualties to the Common Elements and Property, the Limited Common Elements and Property and/or the Units, and (iv) to do any other work reasonably necessary for the proper maintenance of the Condominium, it being understood and agreed that the Association and its agents, employees and independent contractors shall take reasonable steps to minimize any interference with an Owner's use of his Unit resulting from the Association's exercise of any rights it may have pursuant to this subsection and the following subsection or both;

(2) In favor of the Owner benefited thereby and the Association and its agents, employees and independent contractors, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical, telephone, telegraph or other communication systems and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of one or more Units.

(g) If construction, reconstruction, repair, shifting, settlement or other movement of any portion of the Condominium results either in the Common Elements encroaching on any Unit, or in any

Unit encroaching on the Common Elements or on any other Unit, a valid easement shall exist during the period of the encroachment for the encroachment and for the maintenance thereof.

(h) All easements, rights and restrictions described and mentioned in this Declaration are easements appurtenant, running with the land and the Property, including by way of illustration but not limitation the Units and the Common Elements, and (except as expressly may be otherwise provided herein or in the instrument creating the same) shall continue in full force and effect until the termination of this Declaration.

Section 8.3. Additional Easements, Covenants, Restrictions. The Property is also subject to any easements and restrictions as shown on the Plats and Plans or otherwise referenced in the attached Exhibit A.

ARTICLE 9

RESTRICTIONS ON USE, SALE AND LEASE OF UNITS AND/OR UNITS

Section 9.1. The following restrictions shall apply to the use of the Condominium:

(a) Residential Use Restrictions. The Units and Common Elements are restricted to residential use. The Units may not be used for any other purposes by the Owner or any future Owner. No present or future owner of any Unit shall permit any portion of his Unit to be used or occupied for any purpose other than as a single-family residence, and no Unit shall be used for any transient, hotel, or commercial purposes. Renting a Unit in accordance with Section 9.2 is not considered a commercial purpose.

(b) Obstruction of Common Elements. No Owner may obstruct the Common Elements in any way. No Owner may store anything in or on the Common Elements without the prior written consent of the Executive Board.

(c) Quiet Enjoyment. No Owner may carry on any practice, or permit any practice to be carried on, which unreasonably interferes with the quiet enjoyment of the occupants of any other Unit. The Property is to be maintained in a clean and sanitary condition, and no Owner may place any garbage, trash or rubbish anywhere in the Property other than in his own Unit and in or on such parts of the Common Elements as may be designated for such purpose by the Executive Board.

(d) Fire Hazards. No Unit shall be used, occupied or kept in a manner that in any way increases the fire insurance premiums for the property without the prior written permission of the Executive Board.

(e) Signs. Subject to the terms of Section 1603-106(c) of the Act, no Owner may erect any sign on or in his Unit or any Limited Common Element which is visible from outside his Unit or from the Common Elements, without in each instance having obtained the prior written permission of the Executive Board.

(f) Pets. No pets shall be allowed on any part of the Property or Condominium, including the Units and all Common Elements.

(g) Rules and Regulations. The Executive Board shall promulgate reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property. Copies of the then current Rules and Regulations and any amendments thereto shall be

furnished to all Owners by the Association promptly after the adoption of such Rules and Regulations and any amendments thereto.

(h) Alterations to Units. Except as otherwise provided herein, the exterior of no Unit shall be substantially altered, remodeled or renovated unless such alteration, remodeling, or renovation shall be approved by a majority vote of the Executive Board of the Association. Executive Board approval shall not be required for minor interior alterations or renovations. For purposes of this paragraph, the term "minor alterations or renovations" shall specifically include, without limitation, the following: interior painting, wallpaper installation, carpet installation, refinishing of hardwood flooring, installation of lighting fixtures, and bathroom or kitchen remodeling projects. The Owner of a Unit shall not alter in any way any portion of his Unit which is part of the exterior facades of the Unit, including by way of example but not by way of limitation, the roof, exterior doors, entrance steps, without the prior written consent of the Executive Board.

(i) Labor, Mechanic's Liens. No Owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in subparagraph (h) above. Each Owner shall indemnify and hold the other Owners of his Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this Section 9.1, including but not limited to the costs of removing any unauthorized improvements, any repairing and restoring the Unit to substantially its condition prior to such alteration, remodeling, renovation or repair and the cost of removing, bonding, defending or paying any mechanic's or materialmen's liens.

(j) Occupancy. A Unit shall be occupied only during the period commencing on or about **May 1** and ending on or about **October 15** of each year (the "Season"). Occupancy of any Unit at any other time is expressly prohibited. Access to the Property during off-season times shall be granted only by express permission of the Executive Board or the Managing Agent, except that an Owner may have, upon notifying the Executive Board, access to the Unit during the thirty (30) day period before the Season and thirty (30) day period after the Season for the purpose of repairing and maintaining Units. This Section 9.1(j) shall not apply to the House Unit.

(k) Replacement of Trailers. Any replacements shall be made in accordance with all applicable laws, ordinances, and regulations. Owners of Units with trailers may remove said trailer, provided that it is replaced with another trailer, wheeled Tiny House, or structure defined by the Town of York and as a trailer, as long as the following conditions are met:

The trailer, including bump-outs, fits substantially within the combined bounds of the Unit and the approved Limited Common Elements associated with the Unit, as shown on the Plats and Plans.

The trailer does not have the capacity for sleeping any more persons than the trailer it replaces.

The trailer is of a better quality than the one it replaces and the date of manufacture is less than 10 years.

Approval is obtained in advance from the Executive Board of the Association, on such reasonable conditions as the Executive Board shall determine.

The replacement trailer must be no longer or wider than shown on the Plats and Plans, except when a replacement that has reasonably similar dimensions is not available on the market. In such cases, the Executive Board may approve a reasonable substitute.

When reviewing requests for trailer replacements, the Executive Board will make reasonable

efforts to limit encroachments on the Common Elements and to preserve the privacy and accessibility of neighboring Units.

Section 9.2. Lease of Units. A Unit owner is prohibited from leasing their Unit during the first year of ownership, which period commences on the date of recording of the Unit deed in the York County Registry of Deeds. However, if the new Unit owner is a close relative of the previous Unit owner, the renters of that Unit from the previous season will be allowed to rent the Unit during the first year, provided that proof of the prior rental(s) is submitted to the Executive Board not less than thirty days before the renters are scheduled to take occupancy. Within ten days of receipt of the proof of prior rental(s), the Executive Board may notify the new Unit owner of its decision on the disposition of the rental, and in the absence of thereof, the new Unit owner may proceed with the rental. Thereafter, except as otherwise provided herein, an Owner may lease their Unit during the operating season provided that there is a period of seven nights between the beginning of one rental and the beginning of the next rental (“the seven-night gap”). Notwithstanding the contents of any lease, the rights of any tenant of a Unit shall be subject to, and each such tenant shall be bound by, the covenants and restrictions set forth in the Declaration, Bylaws and Rules and Regulations. Owners of “Cottage Units” as of the date of recording of this Declaration, are not subject to the seven-night gap period and may continue to lease their Unit on a nightly basis, but this use shall terminate upon sale or transfer of ownership of the Cottage Unit, following which, said Cottage Unit shall be subject to the seven-night gap period. The Board of Directors shall have the power to adopt rules and regulations governing all aspects of Unit leasing including the imposition of significant fines for violation of this provision and any rules and regulations adopted by the Board.

Section 9.3. Time Share Ownership Prohibited. No ownership interest in any Unit shall or may be subdivided to permit "time sharing" or any other devices to effect interval ownership. For the purposes of this subsection, such devices shall be deemed to include, without limitation, the use of corporations, partnerships and tenancies in common in which four or more persons not members of a single household have acquired by means other than inheritance, devise or operation of law, a direct or indirect, equitable or legal, right to occupy or arrangement, formal or informal regarding occupancy of the same unit.

ARTICLE 10
[INTENTIONALLY OMITTED]

ARTICLE 11
UNITS SUBJECT TO CONDOMINIUM DOCUMENTS, EMINENT DOMAIN

Section 11.1. Applicability of Condominium Documents. Each present and future Owner, tenant, occupant and Mortgagee of a Unit therein shall be subject to and shall comply with the provisions of the Act, and with the covenants, conditions and restrictions as set forth in the Condominium Documents and the deed to such Unit; provided that nothing contained herein shall impose upon any tenant of a Unit or Mortgagee any obligation which the Act or one or more of such documents, or both, make applicable only to Owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit therein, or the entering into of a lease or the entering into occupancy of any Unit therein shall constitute an agreement that the provisions of the Act and the covenants, conditions and restrictions set forth in the Condominium Documents and the deed to such Unit therein are accepted and ratified by such grantee, Mortgagee or tenant. All of such provisions shall 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, mortgage, contract or lease thereof. The Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with the provisions of the Condominium Documents,

the Act, or with decisions made by the Association or the Executive Board. Aggrieved Owners shall have similar rights of action against the Association.

Section 11.2. Eminent Domain. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, provided, however, that the Association shall officially, represent the Owners in such proceedings. In any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein and any award for such damages shall be payable to the Association for the benefit of the Owners and Mortgagees. Notwithstanding the foregoing, if the Association elects to distribute such award of damages to the Owners, any amount payable to an Owner shall be paid instead to the Owner's Mortgagee upon the written request of such Mortgagee to an officer of the Executive Board.

ARTICLE 12

EXECUTIVE BOARD OF THE ASSOCIATION

Section 12.1. Members. The number of Executive Board members shall be set by the Association Bylaws and Articles of Incorporation. Members of the Executive Board shall be elected in accordance with the Association Bylaws. The Executive Board shall possess all of the duties; and powers granted to the Executive Board by the Act and as more particularly set forth in the Bylaws.

Section 12.2. Disputes Regarding Owners, Condominium, and Condominium Documents. In the event of any dispute or disagreement between any Owners relating to the Property, or any questions of interpretation or application of the provisions of the Condominium Documents, the determination thereof by the Executive Board shall be final and binding on each and all such Owners. Notwithstanding the foregoing, any deadlock among the Owners or Executive Board that relates to the budget or any of the material matters set forth in Article 18 shall be submitted to binding arbitration, or alternatively to mediation if all the parties agree thereto, in accordance with the rules of the American Arbitration Association, which shall take place in York, Maine. The Executive Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief in order to assist it in carrying out its responsibilities under this Section 12.2. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

Section 12.3. Abating and Enjoining Violations by Owners, Fines. The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the Bylaws or the breach of any provision of this Declaration or the Act by any Owner or tenant of such Owner, shall give the Executive Board the right, in addition to any other rights to which it may be entitled, to enjoin, abate or remedy by appropriate legal proceedings, either by law or in equity, the continuance of any such breach. In such proceedings the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees and costs. If any Owner, tenant, or occupant of any Unit violates the covenants, terms, and conditions of the Condominium Documents, the Association may levy reasonable fines for such violations, after giving notice and an opportunity to be heard in accordance with Section 1603-102 (11) of the Act.

ARTICLE 13

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 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 Owners or any mortgagees as a result of the performance of the Executive Board members' duties for any mistakes 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 an Owner, any mortgagee, 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 an Owner, or such Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such 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 an Owner, any mortgagee, 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 members as a result of or by virtue of their performance of their duties, except for the Executive Board members' 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 attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or 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 or any other standard imposed by the Condominium Act; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification by the Owners set forth in this Section 13.2 shall be paid by the Association on behalf of the 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 Owners or otherwise.

Section 13.3. Joint and Several Liability of Owners and Lessees. Each Owner shall be jointly and severally liable with any tenants of the Unit owned by such Owner for all liabilities arising out of the ownership, occupancy, use, misuse, or condition of any Unit or any portion of the Common Elements or Limited Common Elements.

Section 13.4. Defense of Claims. Complaints filed in any State or Federal court brought against the Association, the Executive Board or the officers, employees or agents thereof 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 Owners and the holders of any mortgages and such complaints shall be defended by the Association. The Owners and the holders of mortgages shall have no right to participate other than through the Association in such defense. Complaints of a nature specified in Section 13.3 hereof against one or more but less than all Owners shall be defended by such Owners who are defendants themselves and such Owners shall promptly give written notice of the institution of any such suit to the association and to the holders of any mortgages encumbering such Units.

ARTICLE 14

ASSESSMENTS: LIABILITY OF OWNERS

Section 14.1. Power to Assess. The Association, acting through the Executive Board in accordance with the Bylaws, shall have the power to fix and determine, from time to time, the sums necessary and adequate to provide for the Common Expenses, including, but not limited to such amounts as are necessary for the maintenance, repair and replacement of the Common Elements, such amounts as are necessary for uncollectible Assessments, budget deficits; such expenses as are necessary for the Association's share of any common expenses for any master association which the Association may now or hereafter be a member of; such reserves as are hereinafter described, and such additional reserves as the Executive Board shall deem necessary or prudent, and such other expenses as are specifically provided for in the Condominium Act, this Declaration, or other Condominium Documents. Executive Board shall adopt a budget setting forth the Common Expenses of the Association for each fiscal year, as provided in the Bylaws of the Association, which budget shall be ratified by the Owners in accordance with Section 1603-103 of the Act. Regular assessments may be billed by the Association on a periodic basis, as determined by the Association. The Association shall establish an adequate reserve fund for capital & operational expenses maintenance, repair and replacement of those Common Elements, for which the Association is responsible which are anticipated to require replacement, repair or maintenance on a periodic basis, and to cover any deductible amount for insurance policies maintained by the Association. The reserve fund shall be funded as a part of the Common Expenses.

Section 14.2. Assessments for Limited Common Expenses. The Association, acting through the Executive Board in accordance with the Bylaws and as circumstances may reasonably require, may assess Limited Common Expenses as follows: (i) If a Limited Common Expense only benefits a single Unit, that Limited Common Expense may be assessed solely against the Unit benefited, as the Executive Board may determine; and (ii) If a Limited Common Expense benefits more than a single Unit but fewer than all the Units, that Limited Common Expense may be assessed exclusively against the Units benefited in equal proportion between such Units, or, at the election of the Executive Board, in proportion to the relative Common Expense liabilities of such Units as between themselves, as the Executive Board may periodically determine, as those Common Expense liabilities may be changed as provided in Section 6.2 and the Schedule of Units.

Section 14.3. Special Assessments. If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year for any reason (including by way of illustration and not limitation, any Owner's non-payment of his Assessment or municipal assessments not yet assessed), the Executive Board shall have the power, at any time it deems necessary and proper, to levy one or more Special Assessments against each Owner in accordance with the Act. Special Assessments shall be approved by the Association in accordance with Section 1603-103(g) of the Act and shall be due and payable in the manner and on the date set forth in the notice thereof.

Section 14.4. Payment of Assessments. Each Owner shall pay all Assessments levied by the Association. Liability for such assessments shall be determined in accordance with the Percentage Interests described herein. Penalties and default interest for delinquent assessments may be levied by the Association to the maximum extent allowed by the Condominium Act and by Maine law, including without limitation the application of default interest at a rate of up to eighteen percent (18%) per annum for all unpaid sums existing for 15 days or more. Except as otherwise provided herein, any specific penalties for delinquent assessments shall be set forth in the Rules and Regulations of the Condominium.

Section 14.5. Failure to Fix New Assessments. If the Executive Board shall fail to fix new Assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Owners shall continue to pay the same sums they were paying for such Assessments during the fiscal year just ended and such sum shall be deemed to be the new Assessments for the succeeding fiscal year. If the Executive Board shall change the Assessment at a later date, the difference between the new Assessment, if greater, and the previous year's Assessment up to the effective date of the new Assessment shall be treated as if it were a Special Assessment under Section 14.2 hereof; thereafter each Owner shall pay the new Assessment. In the event the new Assessment is less than the previous year's Assessment, in the sole discretion of the Executive Board, the excess either shall be refunded to the Owners, credited against future Assessments or retained by the Association for reserves.

Section 14.6. Exemption by Waiver. No Owner may exempt himself from liability for the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise.

Section 14.7. Personal Liability of Owners. All sums assessed by the Association as an Assessment, Special Assessment or Assessment for Limited Common Expenses shall constitute the personal liability of the Owner of the Unit so assessed and also, until fully paid, shall constitute a lien against such Unit pursuant to Section 1603-116 of the Condominium Act. The Association shall take action for failure to pay any assessment or other charges pursuant to Section 1603-116 of the Condominium Act, as determined by the Executive Board. The delinquent Owner shall be obligated to pay (a) all expenses of the Executive Board, including reasonable attorneys' fees and costs, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, (b) interest on any delinquent amounts owed, which interest may be assessed by the Executive Board at a rate of up to eighteen percent (18%) per annum, as determined by the Executive Board, and (c) any amounts paid by the Executive Board for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

Section 14.8. Liability of Purchaser of Unit for Unpaid Assessments. Upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or any interest therein, the grantee thereof shall not be personally liable with the grantor thereof for all unpaid Assessments for Common Expenses, special assessments, Limited Common Expenses, which are a charge against the Unit as of the date of consummation of the sale, conveyance or transfer, unless such grantee agrees to assume the obligation therefor. However, a lien against the Unit so purchased for Assessments imposed pursuant to this Declaration or the Act shall not be affected by such sale, conveyance or other transfer.

Section 14.9. Subordination of Certain Charges. Any Assessments or any fees, charges, late charges, fines and interest that may be levied by the Association pursuant to Section 1603-102 of the Condominium Act or otherwise shall be subordinate to any first mortgage lien recorded before the due date of the Assessment or the due date of the first installment payable on the Assessment.

Section 14.10. Surplus. The Budget of the Association shall set forth general Common Expenses. Any amounts accumulated from assessments for Common Expenses in excess of the amount required for

actual Common Expenses and reserves for future Common Expenses, unless otherwise directed by the Executive Board, in its sole discretion, shall be credited to each Owner, such credit to be applied to the next Assessments of Common Expenses due from said Owners under the current fiscal year's budget, and thereafter until exhausted, or retained by the Association for reserves.

Section 14.11. Assignment of Future Income, Loans. The Association, acting through the Executive Board, may assign its right to future income, including the right to receive common expense assessments, as allowed by Section 1603-104(14) of the Act.

Section 14.12. Utilities, Municipal Real Estate Taxes and Homeowners Insurance. Notwithstanding any terms to the contrary hereinabove, the following terms shall apply to certain Expenses for utilities, taxes and homeowner's insurance as described below:

- (a) The House Unit shall pay all water, sewer and electric charges utilized by that Unit.
- (b) Cottage Unit owners and Trailer Unit owners shall pay York Sewer District bills as are assessed against individual Unit owners, and the Association shall pay such fees as are assessed against such Unit Owners as a group.
- (c) Municipal Real Estate Taxes are assessed separately against each Unit by the Town of York and paid directly to the Town by each Unit Owner.
- (d) The Association does not provide homeowners insurance on any Units and strongly recommends that every Unit Owner purchase individual Homeowners Insurance.

ARTICLE 15

RIGHTS OF MORTGAGEES, CONTRACT HOLDERS, INSURERS AND GUARANTORS

Section 15.1. Subject to Declaration. Whether or not it expressly so states, any mortgage which constitutes a lien against a Unit and an obligation secured thereby shall provide generally that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act, the Declaration, the Plats and Plans and any Rules and Regulations.

Section 15.2. Rights of Eligible Mortgage Holders. (a) The Association shall send reasonable prior written notice by prepaid United States mail to Eligible Mortgage Holders of the consideration by the Association of the following proposed actions:

- (1) The termination of the Condominium pursuant to Section 1602-118 of the Condominium Act;
- (2) A change in the allocated interest of a Unit or Unit, a change in the boundaries of a Unit or a subdivision of a Unit;
- (3) The merger or consolidation of the Condominium with another condominium;
- (4) The conveyance or subjection to a security interest of any portion of the Common Elements;
- (5) The proposed use of any proceeds of hazard insurance required to be maintained by the Association under, Section 1603-113(a) of the Condominium Act, or of any condemnation proceeds, for purposes other than the repair or restoration of the damaged property;

(6) The adoption of any proposed budget by the Executive Board and of the date of the scheduled Owners' meeting to consider ratification thereof. A summary of the proposed budget shall accompany this notice;

(7) Any default in the performance or payment by an Owner of any obligations under the Declaration, including, without limitation, default in the payment of Common Expense liabilities;

(b) In the event of any proposed actions described in subsection (a), paragraphs (1), (2), (3), (4), or (5) hereinabove, an Eligible Mortgage Holder shall have the right, but not the obligation, in place of the Owner to cast the votes allocated to that Unit or give or withhold any consent required of the Owner for such action by delivering written notice to the Association with a copy to the 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 Owner from exercising such right. In the event of any default described in subsection (a), paragraph (7), the Eligible, Mortgage Holder shall have the right, but not the obligation, to cure such default.

(c) In addition, an Eligible Mortgage Holder or its representative shall have the right to attend Association and Executive Board meetings for the purposes of discussing the matters described in subsection (a), paragraphs (1) through (6).

Section 15.3. Liability for Use and Charges. Any first Mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six months of the unit's unpaid regularly budgeted dues or charges accrued before acquisition of the title to the unit by the Mortgagee except to the extent otherwise provided for in the Act and except to the extent that such Mortgagee is liable as an Owner for the payment of such unpaid assessment or charge that is assessed against the Mortgagee as a result of all Owners being reassessed for the aggregate amount of such deficiency. If the Association's lien priority includes costs of collecting unpaid dues, the Mortgagee will be liable for any fees or costs related to the collection of the unpaid dues.

Section 15.4. Condemnation Rights. No provision of this Declaration shall give an Owner, or any other party, priority over any rights of the Mortgagee of a Unit pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation award for loss to or a taking of one or more Units and/or Common Elements.

Section 15.5. Books and Records. Any Mortgagee shall have the right exercisable by written notice to the Executive Board, to examine the books and records of the Association and to require that it be provided with a copy of each annual report of the Association and other financial data of the Association reasonably requested by such Mortgagee.

ARTICLE 16 **INSURANCE**

Section 16.1. Types and Amounts. The Association shall maintain as a Common Expense and to the extent reasonably available, the following types and amounts of insurance:

(a) Property insurance insuring against all risks of direct physical loss normally covered by the standard extended coverage endorsement and commonly insured against, including those covered by the standard "all risk" endorsement, or such other fire and casualty insurance as the Executive Board may determine provides equal or greater protection for the Owners and their Mortgagees, if any, in each case complying with the applicable requirements of Section 16.2 hereof. Consistent with Section 1603-

113 of the Condominium Act, the insurance maintained by the Association shall cover the Property, including all Common Elements and the contents of the Association's office and shed, but excluding Limited Common Elements such as enclosures attached to Units. The amount of any such hazard insurance obtained pursuant to this paragraph (a) shall be equal to a minimum of eighty percent (80%) of the current replacement cost of the Condominium at the time the insurance is purchased and at each renewal date without deduction for depreciation, exclusive of land, foundations, excavation and other items normally excluded from coverage. Such hazard insurance policy may, at the option of the Association, contain a "deductible" provision in an amount not to exceed a maximum deductible as may be adopted by the Executive Board. Funds to cover this deductible amount shall be included in the Association's reserve fund. The named insured under the policy shall be "**Saltaire Condominium Association,**" for the use and benefit of the individual owners, or a specified authorized representative of the Association, including but not limited to any Insurance Trustee, and the Association or its representative, as the case may be, shall be designated to represent the Owners in any proceedings, negotiations or settlements under such policy. The "loss payable" clause of such policy shall show the Association or the Insurance Trustee, if any, as a trustee for each Owner and each Mortgagee of a Unit. Such policy shall also contain a standard mortgage clause naming separately the Mortgagees of the Units, their successors and assigns. If the Executive Board fails within sixty (60) days after the date of an insured loss to initiate a claim for damages recoverable under the policy or policies obtained pursuant to this paragraph (a), any Mortgagee may initiate such a claim on behalf of the Association.

(b) Comprehensive Liability Insurance, including medical payments insurance, complying with the requirements of Section 16.2 hereof, insuring the Owners, in their capacity as Owners and Association members and any managing agent retained by the Association, against any liability to the public or to other Owners, their tenants or invitees, relating in any way to the ownership and/or use of the Common Elements, and any other areas under the supervision of the Association and any part thereof. Such insurance policy shall contain a "severability of interest endorsement" or equivalent, coverage which precludes the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner. Such insurance shall include coverage for bodily injury and property damage that results from the operation, maintenance or use of the Common Elements, any liability resulting from lawsuits related to employment contracts in which the Association is a party, water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as are customarily covered in similar projects. The amount of such liability insurance shall be at least \$1,000,000.00 for bodily injury and property damage for any single occurrence. The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Executive Board and may be changed in its discretion provided that such policies shall continue to comply with the requirements of this Section and Section 16.2 hereof. To the extent reasonably available, Mortgagees shall be named, upon their written request, as additional insureds under the Association's liability policy or policies.

(c) Such worker's compensation insurance as applicable laws may require.

(d) Insurance to satisfy the indemnification obligation of the Association and all Owners set out in Section 13.2 hereof if and to the extent available, including but not limited to insurance coverage commonly referred to as "Directors and Officers Insurance."

(e) If at any time it is determined that all or any part of the Association's improvements are within a special flood hazard area, a master or blanket policy of flood insurance covering the Property, including but not limited to, all Common Elements and the contents of the Association's office and shed, but excluding Limited Common Elements such as enclosures attached to Units. The amount of any such flood insurance obtained pursuant to this paragraph (e) shall be equal to the lesser of eighty percent (80%) of the insurable value of the property insured or the maximum coverage available under the appropriate National Flood Insurance Administration program. Such flood insurance policy may, at the

option of the Association, contain a "deductible" provision in an amount as determined by the Executive Board. Funds to cover this amount shall be included in the Association reserve fund.

Section 16.2. Required Provisions. Insurance obtained by the Association shall be in accordance with the following provisions:

(a) All policies shall be written with a company authorized to do business in the State of Maine and, for the hazard insurance policy described in Section 16.1(a) hereof, such company must hold a general policy holder's rating of at least "A" by Best's Insurance Reports, or by an equivalent rating bureau should Best's Insurance Reports cease to be issued.

(b) Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Executive Board or its authorized representative.

(c) Each Unit Owner is encouraged to obtain additional property insurance at the Owner's expense covering the Unit, its contents or personal property, and any appurtenant Limited Common Elements, such as enclosures; provided, however, that: (1) such policies shall not be invalidated by the waivers of subrogation required to be contained in policies required by this Declaration; and (2) no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which the Association may have in force on the Property at any particular time.

(d) Any Owner who obtains individual insurance policies covering any portion of the Property other than personal property belonging to such owner shall be required, upon request of the Executive Board, to file a copy of such individual policy or policies with the Association within thirty (30) days after purchase of such insurance.

(e) With respect to the insurance policies described in subsection (a) and (b) of Section 16.1 issued to the Association, and covering all or any part of the Property, the Association shall cause such policies to provide that: (1) Each Owner is an insured person under such policies with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Association; (2) The insurer waives its right to subrogation under the policy against any Owner or members of his household; (3) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association will void such policies or be a condition to recovery under such policies or prejudice the coverage under such policies in any way; (4) If at the time of a loss under such policies there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance; (5) The liability of the insurer shall not be affected by, and the insurer shall not claim, any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Owner; (6) The insurer shall be relieved from no liability for loss occurring while the hazard to the Property is increased, whether or not within the knowledge or control of the Executive Board, or because of any breach of warranty or condition or any other act or neglect by the Executive Board or any Owner or any other person under either of them; (7) Such policies may not be cancelled nor may coverage thereunder be substantially changed (whether or not requested by the Executive Board) except by the insurer giving at least thirty (30) days prior written notice thereof to the Executive Board, the Insurance Trustee, if any, Owners, and every other party in interest who shall have requested such notice of the insurer; and (8) The insurer will recognize any Insurance Trust Agreement entered into by the Association.

Section 16.3. Insurance Trustee and Power of Attorney. Notwithstanding any of the provisions and requirements of this Article relating to property or liability insurance, the Executive Board may designate as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to

such trustee (hereinafter referred to as the "Insurance Trustee"), who shall have the exclusive authority to negotiate losses under any policy, providing such property or liability insurance.

Section 16.4. Repair of Damage or Destruction to Condominium. The repair or replacement of any damaged or destroyed portion of the Condominium shall be done in accordance with and governed by the provisions of Sections 1603-113(e) and (h) of the Condominium Act.

Section 16.5. Additional Insurance. Nothing in this Declaration shall be construed to limit the authority of the Executive Board to obtain additional insurance that it deems advisable.

**ARTICLE 17
[OMITTED]**

**ARTICLE 18
AMENDMENT OF DECLARATION**

Pursuant to Section 1602-117 of the Condominium Act and except as provided herein for amendments which may be executed by the Association or certain Owners, this Declaration may be amended only by vote or agreement of owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. In addition, approval of amendments of a material nature must be obtained from Eligible Mortgage Holders representing at least 51% of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders. A change to any of the following would be considered as 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 Common Elements into Units;
- (h) expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;
- (i) insurance or fidelity bonds;
- (j) leasing of Units;
- (k) imposition of any restrictions on an 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 holders, insurers or guarantors of mortgages on the Units.

If the amendment is not of such a material nature, such as the correction of a technical error or the clarification of a statement, the approval of an Eligible Mortgage Holder may be assumed when that eligible Mortgage Holder has failed to submit response to any written proposal for an amendment within thirty (30) days after the proposal is made.

ARTICLE 19
TERMINATION

The Condominium may be terminated only by agreement of the Owners of Units to which eighty percent (80%) of the votes in the Association are allocated; provided, however, that if the Condominium is being terminated for reasons other than substantial destruction or condemnation of the Condominium, the termination of the Condominium must also be approved by Eligible Mortgage Holders of Units to which at least sixty-seven percent (67%) of the votes of Units subject to mortgages held by Eligible Mortgage Holders are allocated. Termination of the Condominium will be governed by the provisions of Section 1602-118 of the Condominium Act.

ARTICLE 20
ATTORNEY IN FACT

Each Owner by his acceptance of the deed or other conveyance vesting in him a Unit does hereby constitute and appoint the Managing Agent acting from time to time with full power of substitution, as his true and lawful attorney in his name, place and stead to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Declaration and which the Managing Agent in its discretion may believe are necessary and proper to carry out the agent's responsibilities and duties. Each Owner stipulates and agrees that the Power of Attorney created by this Article 20 is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each Owner in the absence of fraud or clear mistake.

ARTICLE 21
GENERAL PROVISIONS

Section 21.1. Headings. The headings used in this Declaration and the table of contents are inserted solely as a matter of convenience for the readers of this Declaration and shall not be relied upon or used in construing the effect or meaning of any of the provisions of this Declaration.

Section 21.2. Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion hereof unless such deletions shall destroy the uniform plan of development and operation of the Condominium which this Declaration is intended to create.

Section 21.3. Applicable Law. This Declaration shall be governed and construed according to the laws of the State of Maine.

Section 21.4. Interpretation. The provisions of this Declaration shall be liberally construed in order to effect Declarant's desire to create a uniform plan for development and operation of the Condominium.

Section 21.5. Effective Date. This Declaration shall become effective when it and the Plats and Plans have been recorded.

Section 21.6. Notices. Unless otherwise provided by the Condominium Documents, all notices and other communications required or permitted to be given under or in connection with this Declaration shall be in writing and shall be deemed given when delivered in person or on the third business day after the day on which mailed by regular U.S. mail, postage prepaid, addressed to the address maintained in the register of current addresses established by the Association.

Section 21.7. Exhibits. All exhibits attached to this Declaration are hereby made a part of this Declaration.

Section 21.8. Pronouns. Wherever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

Section 21.9. Consent of Owners. To the extent required by Section 1602-117(e) of the Act, the undersigned officer of the Association hereby certifies that 67% of the current Unit Owners of the Condominium have consented to the terms of this Declaration.

IN WITNESS HEREOF, the undersigned _____, the duly authorized _____ of **Saltaire Condominium Association**, has caused this Amended and Restated Declaration of Condominium to be executed under seal this _____ day of _____, 20__.

SIGNED, SEALED AND DELIVERED
In the presence of:

Saltaire Condominium Association

Witness

By: _____
Name: _____
Its: _____

STATE OF MAINE
COUNTY: _____, ss _____, 20__

Then personally appeared the above-named _____, the authorized _____ of **Saltaire Condominium Association**, and acknowledged the foregoing instrument to be his/her free act and deed in said capacity and the free act and deed of said corporation.

Before me, _____
Notary Public/Attorney at Law
Name: _____
Commission Expires: _____

EXHIBIT A

DECLARATION OF CONDOMINIUM

LEGAL DESCRIPTION

A certain tract or parcel of land located on the Southerly side of Long Sands Road, so-called, in York, County of York and State of Maine, and more particularly bounded and described as follows:

BEGINNING at a granite monument located on the Southerly sideline of said Long Sands Road at land now or formerly of R. D. Pasqua; thence turning and running North 50 deg. 12' 57" West a distance of Two Hundred Twenty-Four and Ninety-Four Hundredths (224.94) Feet to a stone wall; thence running along said stone wall the following courses and distances, North 79 deg. 03' 21" West, Twenty-Nine and Seventy-Eight, Hundredths (29.78) Feet, North 79 deg. 40' 24" West, Thirty and Fifty-One Hundredths (30.51) Feet, South 87 deg. 27' 12" West Forty and Ninety-Six Hundredths (40.96) Feet, South 84 deg. 12' 17" West, Twenty-Five and Fifty-Five (25.55) Feet, South 61 deg. 07' 50" West, One Hundred Six and Seventy-Seven Hundredths (106.77) Feet, South 60 deg. 33' 22" West, Sixty-Seven and Seventy-Six Hundredths (67.76) Feet, North 35 deg. 09' 51" West, Nine and Eighty-One Hundredths (9.81) Feet; thence turning and running, partially by a stone wall South 65 deg. 28' 02" West, a distance of Fifty and Seventy Hundredths (50.70) Feet to the middle of a private way known as Tabernacle Road; thence turning and running South 24 deg. 49' 08" East a distance of Seventy-Eight and Fifty-Two Hundredths (78.52) Feet to a point in the center of said Tabernacle Road; thence running about South 66 deg. 30' 37" West a distance of Thirteen (13) Feet to an iron pipe; thence continuing along the same course a distance of One Hundred Fifty-Three and Seventy-Two Hundredths (153.72) Feet to an iron pipe and land now or formerly of C. C. and M. L. Freda; thence turning and running South 32 deg. 46' 51" East by land of said Freda, land of G. Anderson, and land of G. and E. Winslow, a distance of Eighty-Seven and Three Hundredths (87.03) Feet to another iron pin; thence running North 57 deg. 58' 06" East a distance of Thirty (30) Feet to another iron pin; thence turning and running South 32 deg. 00' 28" East by land now or formerly of R. and M. Little, a distance of Seventy-Eight and Five Tenths (78.5) Feet to another iron pin and land now or formerly of D. W. Falvey; thence turning and running North 58 deg. 55' 54" East by and along land of said Falvey a distance of Forty and Forty-Four Hundredths (40.44) Feet to an iron pin; thence running North 52 deg. 38' 59" East by and along land now or formerly of T. F. Guthrie a distance of One Hundred Seventy-Two Hundredths (100.72) Feet to another iron pin; thence continuing along the same course a distance of Twelve and Thirty-Seven (12.37) Feet to a point near the middle of Tabernacle Road; thence following the middle of said Tabernacle Road the following courses and distances, South 61 deg. 43' 33" East, a distance of Seventy-One and Thirty-Eight (71.38) Feet, South 74 deg. 11' 58" East, a distance of Fifty-One and Sixty-Hundredths (51.60) Feet, South 52 deg. 18' 18" East, a distance of Ninety-One and Nine Hundredths (91.09) Feet; thence turning and running North 42 deg. 06' 04" East, through an iron pipe and along land now or formerly of D. Pasqua a distance of Two Hundred Ninety-Six and Twenty-Eight Hundredths (296.28) Feet to the point of beginning.
Containing 3.05 acres, more or less.

The within-described premises is subject to rights of persons to travel Tabernacle Road.

The above described property is subject to the terms and conditions of a certain Consent Final Judgment dated December 6, 2004, recorded in the York County Registry of Deeds in Book 14321, Page 585.

EXHIBIT B

DECLARATION OF CONDOMINIUM

PERCENTAGE INTERESTS IN COMMON ELEMENTS AND PERCENTAGE OF COMMON EXPENSE LIABILITY

<u>TYPE. OE UNIT</u>	<u>UNIT NUMBER</u>	<u>PERCENTAGE OF INTEREST</u>
House Unit		1.4925*
<u>Cottage Units</u>	1	1.4925
	1A	1.4925
	2	1.4925
	3	1.4925
	4	1.4925
	5	1.4925
	6	1.4925
	7	1.4925
	8	1.4925
	9	1.4925
	10	1.4925
	11	1.4925
	12	1.4925
	14	1.4925
	15	1.4925
	16	1.4925
	17	1.4925
	18	1.4925
	19	1.4925
	20	1.4925
	21	1.4925
	22	1.4925
<u>Trailer Units</u>		
	1T	1.4925
	2T	1.4925
	4T	1.4925
	5T	1.4925
	7T	1.4925
	8T	1.4925
	9T	1.4925
	10T	1.4925
	11T	1.4925
	12T	1.4925
	13T	1.4925
	14T	1.4925
	15T	1.4925
	16T	1.4925
	17T	1.4925
	18T	1.4925
	19T	1.4925
	20T	1.4925
	21T	1.4925
	22T	1.4925
	23T	1.4925
	24T	1.4925

EXHIBIT B

Page Two

<u>TYPE OF UNIT</u>	<u>UNIT NUMBER</u>	<u>PERCENTAGE OF INTEREST</u>
<u>Trailer Units</u>	25T	1.4925
	26T	1.4925
	27T	1.4925
	28T	1.4925
	29T	1.4925
	30T	1.4925
	31T	1.4925
	32T	1.4925
	33T	1.4925
	34T	1.4925
	35T	1.4925
	36T	1.4925
	37T	1.4925
	38T	1.4925
	39T	1.4925
	40T	1.4925
	41T	1.4925
	42T	1.4925
	43T	1.4925
	44T	1.4925
	45T	1.4925
	46T	1.4925

A Unit's Percentage of Interest shall be determined by dividing 100 by the number of Units. However, the stated Percentage Interests do not add up to 100 percent - figures are rounded.

* The House Unit's Common Expense Liability is calculated and reduced based on the fact that it does not utilize common water or electricity.

EXHIBIT C

ALLOCATION OF UNIT OWNERS VOTING RIGHTS

UNIT-#	<u>VOTES</u>
House Unit	1
Cottage Unit	
1	1
1A	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
10	1
11	1
12	1
14	1
15	1
16	1
17	1
18	1
19	1
20	1
21	1
22	1
Trailer Units	
1T	1
2T	1
4T	1
5T	1
7T	1
8T	1
9T	1
10T	1
11T	1
12T	1
13T	1
14T	1
15T	1
16T	1
17T	1
18T	1
19T	1
20T	1
21T	1
22T	1
23T	1
24T	1
25T	1
26T	1
27T	1
28T	1
29T	1
30T	1

EXHIBIT C

Page 2

<u>UNIT-#</u>	<u>VOTES</u>
31T	1
32T	1
33T	1
34T	1
35T	1
36T	1
37T	1
38T	1
39T	1
40T	1
41T	1
42T	1
43T	1
44T	1
45T	1
46T	1
Total Number of Votes	67

EXHIBIT D

[reminder to attach restated bylaws]