

**AMENDED AND RESTATED DECLARATION OF SALTAIRE CONDOMINIUM**

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**SCHEDULE 1**  
**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 6.4.** 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 8.2.** 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 "**Saltire 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 at least 67% of the votes in the Association were cast in support of approving this Amended and Restated Declaration of Condominium.

IN WITNESS HEREOF, the undersigned William H. Keyworth, the duly authorized president of **Saltaire Condominium Association**, has caused this Amended and Restated Declaration of Condominium to be executed under seal this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

SIGNED, SEALED AND DELIVERED

In the presence of:

**Saltaire Condominium Association**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Name: William H. Keyworth  
Its: President

STATE OF UTAH

COUNTY: \_\_\_\_\_, ss \_\_\_\_\_, 2021

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

Before me,

\_\_\_\_\_  
Notary Public  
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**  
**BYLAWS**  
**(Amended and Restated)**  
of  
**SALTAIRE CONDOMINIUM ASSOCIATION**  
YORK, MAINE

**WHEREAS, Saltaire Condominium Association** (the “**Association**”), a Maine nonprofit corporation, with a place of business in York, Maine, being the unit owners’ association for a certain condominium known as **Saltaire Condominium**, has previously adopted certain Bylaws of the Association, dated (the “**Original Bylaws**”) as referenced 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**”).

**WHEREAS,** the Association has adopted a certain Amended and Restated Declaration of Condominium, of near or even date herewith, to be recorded in the York County Registry of Deeds (the “**Declaration**”), which Declaration shall amend and restate the terms of the Original Declaration and all exhibits and plans referenced therein in their entirety.

**NOW THEREFORE,** in accordance with Article VIII the Original Bylaws, the Association hereby amends and restates the Original Bylaws in their entirety as follows:

**ARTICLE 1**  
**INTRODUCTORY PROVISIONS**

**Section 1.1. Applicability.** These Bylaws (“**Bylaws**”) shall relate solely to the property called **Saltaire Condominium**, located at 333 Long Sands Road, York, Maine (the “**Property**”), more fully described in the Declaration.

**Section 1.2. Definitions.** The capitalized terms used herein without definition shall have the same definitions as such terms have in the Declaration and the Maine Condominium Act, 33 M.R.S.A. §§1601-101 et seq. (the “**Condominium Act**” or “**Act**”). Unless otherwise provided, in the event of inconsistencies in definitions among the Declaration and the Condominium Act, the Declaration shall control.

**Section 1.3. Compliance.** Pursuant to the provisions of the Condominium Act, every Owner and all persons entitled to occupy a Unit shall comply with these Bylaws.

**Section 1.4. Name and Office.** The name of the Condominium is the “**Saltaire Condominium**” (the “**Condominium**”). The address of the Condominium is 333 Long Sands Road, York, Maine. The name of the Condominium association is “**Saltaire Condominium Association**” (the “**Association**”) and its address is 333 Long Sands Road, York, Maine. The office of the Condominium and the Association and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

**Section 1.5. Incorporation of Statutory Law.** Except as expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of any applicable statute of the State of Maine.

**ARTICLE 2**  
**THE ASSOCIATION**

**Section 2.1. Membership.** The Association is a Maine non-stock, nonprofit corporation, all the members of which are the owners of Units in the Property. A person shall automatically become a member of the Association at the time he or she records the legal title instrument to his or her Unit in the York County Registry of Deeds, and such owner shall continue to be a member so long as he or she continues to hold title to such Unit. An Owner shall not be permitted to resign from membership in the Association prior to the time when he or she transfers title to his or her Unit to another. No membership may be transferred in any way except as appurtenant to the transfer of title to the Unit to which that membership pertains. Transfer of membership shall be automatic upon recordation of transfer of title, but the Association may treat the prior Owner as the member for all purposes until satisfactory evidence of the recording of the instrument transferring title shall be presented to the Secretary of the Executive Board. The date of recordation of an instrument of conveyance in the York County Registry of Deeds shall be determinative of all disputes concerning the date of transfer of title to any Unit or Units. A mortgage conveyance of any Unit, however, shall not operate to transfer membership until the mortgage is foreclosed or the Unit is transferred or deeded in lieu of foreclosure.

**Section 2.2. Meetings.** Meetings of the Association shall be conducted in accordance with the following:

(a) **Annual Meetings.**

(1) Owners shall hold Annual Meetings for the purposes stated in Section 2.2. (a) (2) hereof (the “**Annual Meeting**”). The **Annual Meeting** of the Owners shall be held on the Second Saturday in June each year, unless otherwise determined by the Association, and shall take place at the Property or at such locations as may be determined by the Executive Board.

(2) The purpose of the Annual Meeting of the Association shall be to elect the members of the Executive Board unless such action is being taken pursuant to the provisions of Section 2.2 (b) hereof or Section 3.5 hereof, and to conduct such other business as may be required or permitted by law, the Declaration or these Bylaws to be done by a vote of Owners. The Treasurer of the Executive Board shall present at each Annual Meeting a financial report.

(b) **Special Meetings.** The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon petition signed and presented to the Secretary by Owners entitled to cast at least twenty-five percent (25%) of the votes in the Association. The notice of any special meeting shall state the time, the place and purpose thereof. Such meetings shall be held within forty-five (45) days after receipt by the President of said resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a capital expenditure pursuant to Section 5.8 hereof, such meeting shall be held within fifteen (15) days after receipt by the President of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

(c) **Notice.** Notices to Owners of meetings of the Association and meetings of the Executive Board that require Owner notification pursuant to the express terms of these Bylaws (subject to the notice terms of Section 3.3. (e) hereof which shall otherwise control) shall be delivered either: (1) by hand; (2) by prepaid U.S. mail to the mailing address designated in writing by the Owner to the Managing Agent or, in the absence of a Managing Agent, the Executive Board; or (3) by verifiable electronic mail to an address designated in writing for such purpose by the Owner to the Managing Agent or, in the absence of a Managing Agent, the Executive Board. If a notice sent to Owners pursuant to the foregoing sentence includes an item on the proposed agenda that would require the approval of Eligible Mortgage Holders

pursuant to Section 15.2 of the Declaration, a copy of such notice will also be sent to the Eligible Mortgage Holders. All such notices shall be delivered to all Owners (and Eligible Mortgage Holders, if applicable) not less than ten (10) nor more than sixty (60) days in advance of the date of the meeting to which the notice relates and shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws. The Secretary of the Executive Board shall cause all such notices to be delivered as aforesaid. Notice sent by mail shall be deemed to have been delivered on the second day after the date of mailing, in the case of notices by mail or electronic mail, or the date of deposit in the Owner's (or if applicable, in the Eligible Mortgage Holder's) mailbox in the case of hand delivery. No subject may be dealt with at any Annual Meeting or special meeting of the Association, unless the notice for such meeting stated that such subject would be discussed at such meeting.

(d) **Quorum.** Except as set forth below, the presence in person or by proxy of Owners to which at least **twenty percent (20%)** of the total votes in the Association are allocated at the commencement of a meeting shall constitute a quorum at that meeting of the Association. If a quorum is not present, Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight (48) hours after the time for which the original meeting was called. If a meeting is adjourned, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if Owners to which at least twenty percent (20%) of the total votes in the Association are allocated are present in person or by proxy at the beginning of the meeting.

(e) **Voting.**

(i) Each Unit shall have one vote in accordance with **Exhibit B** attached to the Declaration, and each Owner shall be entitled to cast such vote as set forth in the Declaration. There is no restriction on the number of Units that an owner may possess and therefore an owner of multiple Units will be entitled to cast multiple votes. When the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one person owning such Unit is present, then such vote shall be cast only in accordance with the majority in interest of the Owners pursuant to Section 1603-110 of the Condominium Act. There shall be deemed to be majority agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. Subject to the requirement of the Condominium Act, wherever the approval or disapproval of an Owner is required by the Condominium Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Association.

(ii) Except with respect to the election of members of the Executive Board and except where a greater number is required by the Condominium Act, the Declaration or by these Bylaws, the approval of the Owners to which more than fifty percent (50%) of the aggregate votes in the Condominium are allocated voting in person or by proxy at one time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the Association. In all elections for Executive Board members, each Owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Owner. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected. There shall be no cumulative or class voting or splitting of votes.

(f) **Proxies.** A vote may be cast in person or by proxy. If a Unit is owned by more than one person, each Owner of the Unit may vote through a duly executed proxy. Such proxy may be granted by

any Owner only in favor of another Owner or the holder of a mortgage on a Unit. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only by actual receipt by the person presiding over the meeting of written notice of revocation from the grantor of the proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

(g) Actions of Association without a Meeting. Any action required or permitted to be taken by a vote of the Association may be taken without a meeting if all Owners shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the proceedings of the Association.

(h) Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted at the meeting as well as keep a record of all transactions occurring at the meeting. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration or these Bylaws, provided, however, that the Association may waive the application of Robert's Rules of Order at any particular meeting upon the vote of a majority of the members present. All votes shall be tallied by tellers appointed by the President.

**Section 2.3. Copies of Association Documents.** The Association shall have current copies of the Declaration, these Bylaws, the Rules and Regulations and any other rules concerning the Property as well as its own books, records and financial statements available for inspection by Owners. These documents shall be available during normal business hours.

### **ARTICLE 3** **EXECUTIVE BOARD**

**Section 3.1. Composition.** The affairs of the Association shall be governed by the Executive Board. The Executive Board shall consist of either five or seven Owners, all of whom shall be natural individuals, that shall serve as 'regular members,' meaning that they shall have all the privileges of board membership including voting, and not more than five Owners, all of whom shall be natural individuals, that shall serve as 'ex-officio members,' meaning that they shall have all of the privileges of board membership except for the right to vote. The number of regular board members shall be established by, and may be increased or decreased by, a majority vote of Owners present at the annual meeting of the Association, and in accordance with the Articles of Incorporation of the Association, as the same may be amended. The appointment of "ex-officio members," which may number five or less, shall be determined by a majority vote of the Executive Board.

**Section 3.2. Election and Term of Office.**

(a) At the Annual Meeting of the Association, the election of regular members of the Executive Board whose terms have expired shall be held. The term of office of any Executive Board member elected or appointed (except as may be set forth in Section 3.5. hereof) shall be fixed at **one (1)** year. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself.

(b) Persons qualified to be members of the Executive Board may be self-nominated or nominated by another Owner for election from the floor at a meeting at which the election is held for each vacancy on the Executive Board.

**Section 3.3. Meetings.** Meetings of the Executive Board shall be conducted in accordance with the following:

(a) Time and Location. The Executive Board shall hold an annual meeting within ten (10) days following the Annual Meeting of the Association for the purpose of electing officers, as more fully set forth in Article 4 hereof, and for any other purpose which may be required or permitted by law, the Declaration or these Bylaws to be done by a vote of the Executive Board. The Executive Board shall hold meetings at the call of the President or upon request to the President by at least a majority of the members of the Executive Board; provided however that:

(1) In any event, the Executive Board shall meet at least one (1) time each fiscal year (in addition to the annual meeting of the Executive Board), unless all members of the Executive Board shall waive such requirement;

(2) There shall be a meeting of the Executive Board on or before August 15th of each fiscal year for the purpose of adopting the budget of the Association for the next following fiscal year of the Association; and

(3) The President shall call any Executive Board meeting requested by a majority of the members of the Executive Board as provided in Section 3.3(b) below.

The President shall designate the time and location of Executive Board meetings. No business shall be transacted at Executive Board meetings other than as specified in the notice thereof.

(b) Notice. Not less than forty-eight (48) hours prior to the time of any Executive Board meeting, a written notice stating the date, time and place of such meeting shall be delivered, in the same manner provided in Section 2.2(c) for Association meeting notices, to each Executive Board member at the mail address given to the Executive Board by such Executive Board member for such purpose. Any Executive Board member may waive notice of a meeting or consent to any action of the Executive Board without a meeting. An Executive Board member's attendance at a meeting shall constitute his waiver of notice of such meeting.

(c) Quorum of the Executive Board. At all meetings of the Executive Board a majority of the members shall constitute a quorum for the transaction of business, and the votes of a **majority** of the members present at a meeting at which a quorum is present shall constitute a decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

(d) Voting. Each Executive Board member shall be entitled to cast one vote. A vote of the majority of the members of the Executive Board present at any meeting at which a quorum is present shall bind the Executive Board for all purposes unless otherwise provided in the Declaration or these Bylaws.

(e) **Organization, Notice, Attendance of Owners.** Executive Board meetings may be held under such reasonable rules consistent with these Bylaws as the Executive Board may determine. The Executive Board is hereby entitled to promulgate such rules. Owners shall have the right to attend but not participate in meetings of the Executive Board in accordance with Section 1603-108 of the Condominium Act. In accordance with said Section 1603-108 of the Condominium Act, the Executive Board shall give timely notice reasonably calculated to inform Unit Owners of the date, time and place of and topics proposed to be discussed at meetings of the Executive Board. The notice may be given by a posting in a prominent place in the Common Elements or elsewhere, by e-mail or by other means, but actual notice need not be delivered to each Unit Owner. Failure of a Unit Owner to receive notice does not invalidate any action taken by the Executive Board at the meeting. Unit Owners have the right to attend meetings of the Executive Board, subject to reasonable rules established by the Executive Board. The Executive Board may restrict or prohibit attendance by Unit Owners and others during executive sessions. An executive session may be held only to: (a) Consult with the Association's attorney concerning legal matters; (b) Discuss existing or potential litigation or mediation, arbitration or administrative proceedings; (c) Discuss labor or personnel matters; (d) Discuss contracts, leases and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the association at a disadvantage; or (e) Prevent public knowledge of the matter to be discussed if the Executive Board determines that public knowledge would violate the privacy of any person. A final vote or action may not be taken during an executive session.

(f) **Conduct of Meetings.** The President shall preside over all meetings of the Executive Board and the Secretary shall keep a Minute Book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meeting of the Executive Board if and to the extent such Rules are not in conflict with the Declaration or these Bylaws, provided, however, that the Executive Board may waive the application of Robert's Rules of Order at any particular meeting upon the vote of a majority of the members present.

(g) **Action without a meeting.** Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board.

**Section 3.4. Resignation and Removal.** At any regular or special meeting of the Association duly called, any one or more of the members of the Executive Board may be removed with or without cause by Owners entitled to cast a majority of all votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by an Owner shall be given at least ten (10) days' notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit.

**Section 3.5. Vacancies.** Any vacancy or vacancies on the Executive Board, whether caused by resignation, removal, death, adjudication of, incompetency, or an increase in size of the Executive Board, shall be filled by the Executive Board with an interim appointee who shall serve until the next Annual Meeting of the Association at which time such vacancy may be filled by the vote of the Owners to which more than fifty percent (50%) of the votes in the Association are allocated voting in person or by proxy at any one time at a duly conveyed meeting at which a quorum is present (i.e., majority of quorum). If the vacancy results from removal by the Association, the election of a new member or members may be held at the same meeting where such removal takes place and notice of a petition for removal shall be

considered notice of an election to fill each vacancy so caused. The vote of Owners to which more than fifty percent (50%) of the votes present at such meeting in person or by proxy (i.e., majority of quorum) shall cause the postponement of the election to a later date, but if such vacancy is not filled within sixty (60) days after it occurs, the Executive Board shall promptly thereafter elect a replacement.

**Section 3.6. Compensation.** No member of the Executive Board shall receive compensation for performing his duties as a member of the Executive Board unless such compensation is expressly authorized or approved by a vote of Owners to which more than fifty percent (50%) of the votes in the Association are allocated, at any Annual or special meeting of the Association. Executive Board Members shall be entitled to reimbursement for all reasonable expenses they incur in carrying out their duties.

**Section 3.7. 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 3.8. Inclusion of Interested Executive Board Members in a Quorum.** Any Executive Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.7 hereof.

**Section 3.9. Powers of the Executive Board.**

(a) Enumeration. The Executive Board shall have all of the powers and duties granted by the Condominium Act and the laws governing nonprofit corporations or both.

(b) Limitation. Nothing in this Section or elsewhere in these Bylaws shall be considered to grant to the Executive Board or to the officers of the Association any powers or duties which, by law, are possessed by Owners. Unless otherwise provided herein or in the Condominium Act or in the Declaration, the Executive Board shall comply with the instructions of Owners to which more than two-thirds (2/3) of the votes in the Association are allocated present in person or by proxy, as expressed in the resolution duly adopted at any Annual or special meeting of the Owners.

(c) Delegation of Powers; Managing Agent. The Executive Board may employ for the Condominium a Managing Agent at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to all of the duties listed in the Declaration and these Bylaws; provided, however, where a

Managing Agent does not have the power to act under the Declaration or these Bylaws, the Managing Agent may act as an advisor or in an advisory capacity to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Condominium Act, the Declaration and these Bylaws other than the following powers: (i) to adopt an annual budget and any amendment thereto or to assess Common Expenses; (ii) to designate repeal or amend rules and regulations; (iii) to designate signatories on Association bank accounts; (iv) to borrow money on behalf of the Association; (v) to acquire mortgages on Units; and (vi) to assign Common Elements as Limited Common Elements. Any contract with the Managing Agent must provide that it 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.

#### **ARTICLE 4** **OFFICERS**

**Section 4.1. Election.** Subject to Article 12 of the Declaration, at the first meeting of the Executive Board, and at every Annual Meeting of the Executive Board thereafter the Executive Board members, if a quorum is present, shall elect Executive Board officers of the Association for the following year, such officers to serve for a one year term and until their respective successors are elected. The officers to be elected are: President, Vice President, Secretary, Treasurer and such other officers as the Executive Board shall determine. Each officer may serve an unlimited number of terms so long as such member or officer continues to be reelected to the Executive Board. Any member may hold two offices simultaneously, except that the President shall not hold any other office.

**Section 4.2. Duties.** The duties of the officers shall be as follows:

(a) **President.** The President shall be the chief executive officer of the Association and the chairperson of the Executive Board. The President shall be responsible for implementing the decisions of the Executive Board and in that capacity shall direct, supervise, coordinate and have general control over the affairs of the Association and the Executive Board, subject to the limitations of the laws of the State of Maine, the Condominium Documents and the actions of the Executive Board. The President shall have the power to sign checks and other documents on behalf of the Association and the Executive Board, or both, with or without the signatures of any other officers as may be determined by the Executive Board. If the President is absent from such meetings the senior officer of the Association present at such meeting shall preside, and in the absence of any officer, the body holding the meeting shall elect a person to preside. If the Executive Board so provides, the President also shall have any or all of the powers and duties ordinarily attributable to the chief executive officer of a corporation domiciled in Maine.

(b) **Vice President.** The Vice President shall take the place of the President and shall have the power to perform his or her duties whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

(c) **Secretary.** Unless otherwise determined by the Executive Board, the Secretary shall keep or cause to be kept all records (or copies thereof if the original documents are not available to the Association) of the Association and the Executive Board shall have the authority to affix the seal of the Association to any documents requiring such seal. The Secretary shall give or cause to be given all notices as required by law, the Declaration or these Bylaws, shall take and keep or cause to be taken and kept minutes of all meetings of the Association, the Executive Board and all committees, and shall take and keep or cause to be taken and kept at the Association's office a record of the names and addresses of all Owners as well as copies of the Declaration, the Plats and Plans, these Bylaws and the Rules and

Regulations, all of which shall be available at the office of the Association for inspection by Owners or prospective Owners during normal business hours and for distribution to them at such reasonable charges (if any) as may be set from time to time by the Executive Board. The Secretary shall keep or cause to be kept the register of Eligible Mortgage Holders. The Secretary shall also perform all duties and have such other powers as are ordinarily attributable to the Secretary of a corporation domiciled in Maine.

(d) **Treasurer.** Unless otherwise determined by the Executive Board, the Treasurer shall have the charge and custody of, and be responsible for, all funds and securities of the Association, shall deposit or cause to be deposited all such funds in depositories as the Executive Board may direct, shall keep or cause to be kept correct and complete accounts and records of all financial transactions of the Association and the Executive Board and shall submit or cause to be submitted to the Executive Board and the Association such reports thereof as the Condominium Act, the Declaration, the Executive Board, or these Bylaws may from time to time require. Financial records shall be kept at the Association's office and shall be available there for inspection by Owners or prospective Owners during normal business hours. The Treasurer shall, upon request, provide any person who shall have entered into a written agreement to purchase a Unit with a written statement of the information required to be provided by the Association pursuant to Sections 1603-116 (h) and 1604-108 (b) of the Condominium Act. The Treasurer shall also perform such duties and have such powers as are ordinarily attributable to the Treasurer of a corporation domiciled in Maine. The Executive Board may grant to the Treasurer the power to sign checks on behalf of the Association, with or without the signatures of any other officers, subject to any terms or limitations as may be determined by the Executive Board in its discretion.

**Section 4.3. Compensation.** The officers of the Executive Board shall serve without compensation for their services in such capacity unless such compensation is expressly authorized or approved by a vote of Owners to which more than fifty percent (50%) of the votes in the Association are allocated to any Annual or special meeting of the Association. Officers of the Executive Board shall be entitled to reimbursement for all reasonable expenses they incur in carrying out their duties.

**Section 4.4. Resignation and Removal.** Any officer may resign at any time by written notice to the Executive Board, such resignation to become effective at the next Executive Board meeting. Any officer who ceases to be a member of the Executive Board for any reason also shall be deemed to have resigned or been removed, ipso facto, from any Executive Board office he may have held. Any officer may be removed from his office at any time by a majority vote of the Executive Board whenever in the judgment of the Executive Board members the interests of the Association will be best served thereby, or by the vote of the Association with or without cause, in the same manner as set forth for the removal of Executive Board members in Section 3.4. hereof.

**Section 4.5. Vacancies.** Vacancies caused by resignation or removal of officers or the creation of new officers may be filled by a majority vote of the Executive Board members, if the vacancy resulted from action of the Executive Board. If, however, the vacancy resulted from action by the Association, such vacancy shall be filled in the same manner as set forth in Section 3.5. hereof for filling Executive Board vacancies.

## **ARTICLE 5**

### **COMMON EXPENSES; BUDGETS**

**Section 5.1. Fiscal Year.** The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board.

**Section 5.2. Preparation and Approval of Budget.**

(a) Adoption. On or before the 15<sup>th</sup> day of August of each year, the Executive Board shall adopt an annual budget for the Association for the next successive year, and within thirty (30) days after such adoption, but not less than fourteen (14) nor more than thirty (30) days before the meeting of the association for the ratification and approval of the budget, the Executive Board shall provide a summary of the budget to all the Unit Owners containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements, in accordance with Article 14 of the Declaration, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, the Declaration, these Bylaws or a resolution of the Association and which will be required during the ensuing fiscal year for management and administrative expenses; the cost of such utilities as may be furnished by the Association; the amount of such reserves as shall be reasonably established by the Executive Board including operating contingency reserves for expenses both unanticipated and extraordinary and reserves for periodic maintenance, repair and replacement of the Common Elements, and such other expenses of the Association as may be approved by the Executive Board including operating deficiencies, if any, for prior periods.

(b) Available for Inspection. Within five (5) days following the adoption of the budget by the Executive Board, the Executive Board shall make available for inspection at the Association office the budget and a summary of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Owner's assessments for Common Expenses of the Association.

(c) Ratification of Budget. The Executive Board shall set and notice a date for a meeting of the Owners to consider ratification of such budget not less than fourteen (14) days nor more than thirty (30) days after mailing of such budget and summary. The meeting set by the Board for such ratification may coincide with the annual meeting as described in Section 2.2 (a). Unless at that meeting a majority of all the Owners of all Units reject such budget, such budget is ratified, whether or not a quorum is present. In the event such proposed budget is rejected, the budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board.

(d) Reasonable Efforts. The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

### **Section 5.3. Assessment and Payment of Common Expenses.**

(a) Common Expenses. The Executive Board shall calculate the Assessments for Common Expenses against each Unit by multiplying the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question by the respective Unit percentage interest for each Unit of the Condominium, except that the House Unit, which pays water and electric charges utilized by that Unit directly to the York Water District and the power company, and receives an equitable (reduced) adjustment to its Assessment. See SaltAire Declaration, Exhibit B. Such assessments shall be due and payable in accordance with the Rules and Regulations of the Condominium and, in any event, prior to an Owner's occupancy of his or her Unit and shall be a lien against each Owner's Unit as provided in the Condominium Act or in the Declaration. Such assessments may be billed by the Association to the Unit Owners on a monthly, quarterly, or other periodic basis, as determined by the Executive Board. Assessments not paid on the date when due shall be subject to late interest at a rate of up to eighteen percent (18%) per annum as determined by the Executive Board. [

(b) **Reserves.** Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against reserves for working capital, operations, contingencies, and replacements. If the reserves are deemed to be inadequate for any reason, including non-payment of any Owner's assessments, the Executive Board may at any time levy further assessments for Common Expenses which shall be assessed against the Owners or in accordance with their Percentage Interests and shall be payable as a special assessment, in such manner as the Executive Board may determine.

**Section 5.4. Further Assessments.** The Executive Board shall serve notice on all Owners of any further assessments pursuant to Sections 5.3(a), or 5.3(c) or otherwise as permitted or required by the Condominium Act, the Declaration and these Bylaws by a statement in writing giving the amount and reasons therefor, and such further assessments, unless otherwise specified in the notice, shall become effective ten (10) days after the delivery of such notice of further assessments. All Owners so assessed shall be obligated to pay the amount of such further assessments. Such assessments shall be a lien as of the effective date set forth in the preceding Sections 5.3(a) and 5.3(c).

**Section 5.5. [OMITTED]**

**Section 5.6. Effect of Failure to Prepare or Adopt Budget.** The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Owner shall continue to pay each Assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

**Section 5.7. Accounts.** All sums collected by the Executive Board with respect to assessments against the Owners or from any other source may be commingled into a single fund, except that the portion of the assessment allocated to property taxes, for both real and personal property, shall be deposited and maintained in an escrow account pursuant to 33 M.R.S.A. §593(5). All books and records of the Association shall be kept in accordance with good and accepted accounting practices.

**Section 5.8. Limitations on Expenditures and Borrowing.** Anything herein to the contrary notwithstanding, the Association, by a vote of more than two-thirds (2/3) of all votes in the Association present, may reject any capital expenditure or borrowing approved by the Executive Board, within thirty (30) days after approval by the Executive Board.

**Section 5.9. Statement of Common Expenses.** The Executive Board shall promptly provide any Owner, contract purchaser or proposed Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses, if any, due from such Owner. The Executive Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation, to the extent permitted by the Condominium Act.

## **ARTICLE 6**

### **REPAIR OR RECONSTRUCTION**

**Section 6.1. Restoration of Property Out of Common Expense Fund.** Damage to or destruction of the Common Elements shall be promptly repaired and restored by the Association in accordance with the provisions of Article 7 of the Declaration, Sections 1603-113 (e) and (h) of the Condominium Act, as the same may be amended from time to time. 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. Owners may apply the proceeds from their individual property insurance policies, if any, to the share of such Common Expenses 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. 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 7**

### **AMENDMENTS TO BYLAWS; NOTICE RIGHTS OF MORTGAGE HOLDERS, INSURERS, GUARANTORS**

**Section 7.1. General Requirements; Consent of Holders of Mortgages; Curative Amendments to Bylaws.** The Bylaws may be amended by the vote of the Owners entitled to cast a majority of the votes in the Association, cast in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws, PROVIDED HOWEVER, that no amendment to the Bylaws shall be valid until a certificate of the amendment is signed by the Secretary and President of the Association and recorded at York County Registry of Deeds; and PROVIDED FURTHER, that no amendment seeking (i) to abandon, 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 holding mortgages and all holders of Land Installment Contracts encumbering the Units. Notwithstanding the foregoing, amendments of a material adverse nature to Eligible Mortgage Holders must be approved by Owners entitled to cast at least sixty-seven percent (67%) of the total allocated votes in the Association and by Eligible Mortgage Holders representing at least fifty-one percent (51%) of the votes of Units subject to mortgages held by Eligible Mortgage Holders. A change to any of the following would be considered material:

- i. reallocation of interests in the Common or Limited Common Elements, or rights to their use;
- ii. boundaries of any Unit;
- iii. restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
- iv. any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs.

The approval of an Eligible Mortgage Holder may be assumed when that Eligible Mortgage Holder has failed to submit a response to any written proposal for an amendment within sixty (60) days after the proposal is delivered by certified or registered mail with return receipt requested.

**Section 7.2. Amendments to the Declaration.** The Declaration may be amended pursuant to the provisions of the Condominium Act and of 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.

### **Section 7.3. Notice Rights of Mortgage Holders, Insurers, Guarantors.**

(a) **Notice.** The Association shall send timely prior written notice by prepaid United States mail to holders, insurers, and guarantors of the mortgage on any Unit of the following matters:

(i) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the mortgage;

(ii) any sixty (60) day delinquency in the payment of assessments or other charges owed by the Owner of any Unit securing the mortgage;

(iii) a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and

(iv) any proposed action that requires the consent of fifty one percent (51%) of the Eligible Mortgage Holders.

(b) **Request for Notice Required.** To receive the written notice provided in this Section 7.3, the mortgage holder, insurer, or guarantor shall send a written request for this information to the Association, stating both its name and address and the Unit number or address of the Unit on which it holds, insures, or guarantees the mortgage.

## **ARTICLE 8**

### **GENERAL PROVISIONS**

**Section 8.1. Severability.** The provisions of these Bylaws shall be deemed independent and severable and the invalidity, partial invalidity or unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision or portion thereof unless the deletion of such invalid or unenforceable provision shall destroy the uniform plan for development and operation of the Property which the Declaration and these Bylaws are intended to create.

**Section 8.2. Conflicts.** The Acts and the Declaration shall control in the event of any conflict between the provisions thereof and the provisions of these Bylaws. The Act, the Declaration and these Bylaws shall control in the case of any conflict between the provisions thereof and the provisions of the Rules and Regulations.

**Section 8.3. Notices.** Except as otherwise expressly provided herein or as allowed by the Act for notifications by electronic mail, all notices or other communications required or permitted under these Bylaws shall be in writing and shall be deemed to have been given when personally delivered or on the second business day after the day on which mailed by regular U.S. mail, postage prepaid (or otherwise as the Condominium Act may permit), (a) if to an Owner at the single address which the Owner shall designate in writing and file with the Managing Agent, or Secretary if no Managing Agent, or, if no such address is designated, at the address of the Unit of such Owner, or (b) if to the Association, the Executive Board or to the Managing Agent, at the principal office of the Association and to the Managing Agent or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section. If a Unit is owned by more than one person, each such person who so designates a single address in writing to the Managing Agent, or Secretary if no Managing Agent, shall be entitled to receive all notices hereunder.

**Section 8.4. Headings.** The headings preceding the various Sections of these Bylaws and any 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 provision thereof.

**Section 8.5. Gender.** The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

**ARTICLE 9**  
**CORPORATE SEAL**

**Section 9.1. Seal.** The form of the seal of the Association shall contain the name of the Association and the State of Maine.