

BK 4384 PG 082

34802

DECLARATION OF CONDOMINIUM
BEACON COMMON CONDOMINIUM

YORK, MAINE

TABLE OF CONTENTS

	Page
<u>ARTICLE 1</u>	SUBMISSION.....1
Section 1.1	Property.....1
Section 1.2	Address of Condominium.....1
<u>ARTICLE 2</u>	DEFINITIONS.....1
Section 2.1	Terms Defined in the Act.....1
Section 2.2	Terms Specifically Defined in this Declaration.....1
Section 2.3	Provisions of the Act.....3
<u>ARTICLE 3</u>	UNIT BOUNDARIES AND MAINTENANCE.....3
Section 3.1	Unit Boundaries.....3
Section 3.2	Maintenance Responsibilities.....5
<u>ARTICLE 4</u>	DESCRIPTION AND ALLOCATION OF COMMON ELEMENTS.....5
Section 4.1	Description of Common Elements.....5
Section 4.2	Description of Limited Common Elements.....5
Section 4.3	Specified Limited Common Elements.....5
Section 4.4	Location of Common and Limited Common Elements.....6
Section 4.5	Reserved.....6
Section 4.6	Reserved.....6
<u>ARTICLE 5</u>	ALLOCATION OF PERCENTAGE INTERESTS.....6
Section 5.1	Percentage Interests.....6
Section 5.2	Common Expenses.....6
Section 5.3	Allocation of Unit Owner's Voting Rights...6
<u>ARTICLE 6</u>	EASEMENTS.....7
Section 6.1	Additional Easements.....7
<u>ARTICLE 7</u>	RESTRICTIONS ON USE, SALE, AND LEASE OF UNITS.....10
Section 7.1	Use of Units.....10
Section 7.2	Occupancy, Sale and Lease of Units 1-80...11
<u>ARTICLE 8</u>	RIGHTS OF MORTGAGEES.....12
Section 8.1	Subject to Declaration.....12
Section 8.2	Rights to Eligible Mortgage Holders.....12
Section 8.3	Rights of Mortgage Holders, Insurers or Guarantors.....13
Section 8.4	Liability for Use and Charges.....13
Section 8.5	Condemnation Rights.....14
Section 8.6	Books and Records.....14

<u>ARTICLE 9</u>	INSURANCE.....	14
Section 9.1	Types and Amounts.....	14
Section 9.2	Required Provisions.....	15
Section 9.3	Insurance Trustee and Power of Attorney.....	17
Section 9.4	Repair of Damage or Destruction to Condominium.....	18
Section 9.5	Additional Insurance.....	18
Section 9.6	Flood Insurance.....	18
<u>ARTICLE 10</u>	LIMITATION OF LIABILITY.....	18
Section 10.1	Limited Liability of the Executive Board.....	18
Section 10.2	Indemnification.....	19
Section 10.3	Joint and Several Liability of Unit Owners and Lessees.....	19
Section 10.4	Defense of Claims.....	19
<u>ARTICLE 11</u>	UNITS SUBJECT TO CONDOMINIUM DOCUMENTS; EMINENT DOMAIN.....	20
Section 11.1	Applicability of Condominium Documents.....	20
Section 11.2	Eminent Domain.....	20
<u>ARTICLE 12</u>	EXECUTIVE BOARD OF THE ASSOCIATION.....	21
Section 12.1	Members.....	21
Section 12.2	Reserved.....	21
Section 12.3	Abating and Enjoining Violations by Unit Owners.....	21
<u>ARTICLE 13</u>	Reserved.....	22
<u>ARTICLE 14</u>	ASSESSMENTS; LIABILITY OF UNIT OWNERS.....	22
Section 14.1	Power to Assess.....	22
Section 14.2	Special Assessments.....	22
Section 14.3	Payment of Assessments.....	22
Section 14.4	Failure to Fix New Assessments.....	23
Section 14.5	No Exemption by Waiver.....	23
Section 14.6	Personal Liability of Unit Owners.....	23
Section 14.7	Liability of Purchaser of Unit for Unpaid Assessments.....	23
Section 14.8	Subordination of Certain Charges.....	24
Section 14.9	Surplus.....	24
<u>ARTICLE 15</u>	SPECIAL DECLARANT RIGHTS.....	24
Section 15.1	Reservation of Rights.....	24

<u>ARTICLE 16</u>	ASSIGNABILITY OF DECLARANT'S RIGHTS.....	24
<u>ARTICLE 17</u>	AMENDMENT OF DECLARATION.....	24
<u>ARTICLE 18</u>	TERMINATION.....	25
<u>ARTICLE 19</u>	GENERAL PROVISIONS.....	25
Section 19.1	Headings.....	25
Section 19.2	Severability.....	26
Section 19.3	Applicable Law.....	26
Section 19.4	Interpretation.....	26
Section 19.5	Effective Date.....	26
Section 19.6	Notices.....	26
Section 19.7	Exhibits.....	26

DECLARATION OF CONDOMINIUMBEACON COMMON CONDOMINIUMYORK, Maine

THIS DECLARATION is made this 30th day of June, 1987, by OceanVest, Inc., (the "Declarant"), as the owner in fee simple of the Real Estate hereinafter described.

ARTICLE 1
SUBMISSION

Section 1.1. Property. Declarant, the owner in fee simple of the Real Estate described in Exhibit A attached hereto and made a part hereof (the "Real Estate") situated in the Town of York, County of York and State of Maine, hereby submits the Real Estate, together with and subject to all easements, rights and appurtenances thereto belonging and the Buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, as the same may be amended from time to time, known as the Maine Condominium Act (the "Act"). The maximum number of Units shall be Five (5).

Section 1.2. Address of Condominium. The address of the Condominium is:

Beacon Common Condominium
P. O. Box
York, Maine 03909

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 Act.

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) "Association" means the Unit owner's Association of the Condominium, which is known as "Beacon Common Condominium Owners Association".

(b) "Building" means any residential, service or recreational structure of other improvement now or hereafter constructed on the Property.

(c) "Bylaws" means the document having that name and providing for the governance of the Association, pursuant to Section 1603-106 of the Act, as such document may be amended from time to time.

(d) "Common Elements" (or in the singular, a "Common Element") means those parts of the Property either described in the Act as being Common Elements or described herein or in the Plats and Plans as being Common Elements.

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

(f) "Condominium Documents" includes the Declaration, Plats and Plans, Bylaws, and Rules and Regulations.

(g) "Declarant" means the Declarant described in Section 1.1 above.

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

(i) "Development Rights" means those rights which the Declarant has reserved to itself as set forth in Article 15 and elsewhere in this Declaration.

(j) "Eligible Mortgage Holder" means the holder of a recorded first mortgage on a Unit which has delivered written notice to the Association by prepaid United States mail, return receipt requested, or by delivery in hand securing a receipt therefor, which notice shall state the 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.

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

(l) "General Common Expense" means Common Expenses as determined in Section 5.2 hereof.

(m) "Insurance Trust Agreement" means that certain agreement, if any, between the Association and the Insurance Trustee providing for the management and disbursements of insurance proceeds in accordance with Section 9.3 hereof.

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

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

(p) "Periodic Assessment" means the Unit owner's share of the anticipated Common Expenses, allocated by Unit, for each period of the Association's fiscal year as reflected in the budget adopted by the Executive Board for such year.

(q) "Mortgagee" means the holder of any recorded first mortgage encumbering one or more of the Units.

(r) "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.

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

(t) "Plats and Plans" means the Plats and Plans recorded herewith as such may be amended from time to time, reduced photocopies of which are attached hereto as Exhibit C.

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

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

(w) "Special Assessment" means a Unit owner's share of any assessment made by the Executive Board in addition to the Periodic Assessment.

(x) "Special Declarant Rights" means those rights which the Declarant has reserved to itself as set forth in Article 15 and elsewhere in this Declaration.

(y) "Unit" means a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Article 3.

Section 2.3. Provision of the Act. The provisions of the 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 AND MAINTENANCE RESPONSIBILITIES

Section 3.1. Unit Boundaries.

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

1. Units 1, 2, 4 and 5: The Unit-side surface of the walls and partitions of the Building which separates such Unit from adjoining Units or Common Elements, the Unit to include the thickness of the finish material such as plaster or drywall;

The Unit-side surface of the furring around utility shafts, and other Common Elements within or passing through such Unit, the Unit to include the thickness of the finish material such as plaster or drywall; otherwise, the Unit-side surface of ceilings and flooring under and around (i) wood members and (ii) utility lines, ducts and cables, the Unit to include the thickness of finish material such as plaster or drywall;

The planes formed by the Unit-side surface of the roof rafters where roof rafters form all or a portion of the ceiling, the Unit to include the thickness of finish material such as plaster or drywall;

The Unit-side surface of the structural sub-floor of such Unit, the Unit to include the thickness of the finish material such as carpet, ceramic or resilient tile or hardwood;

The Unit-side surface of the sash of windows and skylights, if any, which are set in the exterior walls or ceilings of such Unit, the exterior surface of the panes of such windows and skylights and the Unit-side surface of window sills, moldings, trim, jambs and mullions for such windows and skylights, the Unit to include the thickness of the finish material such as plaster or drywall; and

The exterior surface of doors, and their sills and hardware, and the Unit-side surface of the door frames in which such doors are set, the Unit to include the thickness of the finish material such as plaster or drywall.

2. Unit 3 Only: The exterior surfaces of all roofing, doors, chimneys, walls, windows, screens, sills, shutters, frames, doorsteps, stoops, posts, masonry, foundations, frost walls, cellar walls, thresholds, exterior appurtenances and trim, awnings, window boxes, balconies, porches, and decks of the building containing the unit.

(b) Each Unit consists of all portions of the Building within the aforesaid boundary lines, except the air space displaced by (i) structural members, fire-walls including load bearing partitions within or passing through such Unit which are deemed to be Common Elements: (ii) other Common Elements within such Unit including, without limitation, chutes, flues, ducts, wires, conduits and piperuns which serve more than one Unit. By way of illustration and not limitation, there is included within a Unit: (1) the air space enclosed by such boundary lines, (2) all non-load partitions which are wholly contained within such boundary lines, including but not limited to, all doors, door frames, stairways, hardware, electrical outlets and wiring, telephone outlets and conduits and other equipment and devices in such partitions serving only such Unit, (3) all fixtures located within such boundary lines and serving only such Unit, and their water and waste connections, (4) all items of kitchen equipment located within such boundary lines and serving only such Unit, and such equipment's water, waste, and electrical connections, (5) heat pumps, exhaust fans, and the grills, registers, ventilation ducts, and related fixtures, and screens and storm windows, which serve only such Unit, whether or not any of the foregoing is located in any portion of the Common Elements, (6) lighting devices (including by way of illustration and not limitation, lamps and bulbs which are surface mounted on, recessed in, or suspended from, ceilings, walls and partitions, within or around the perimeter of such Unit) serving only such Unit, whether or not such lighting devices are themselves located entirely within the boundary lines of such Unit, (7) outlets, wires, cables, conduits, circuits and related equipment transmitting electricity for lighting and power or transmitting electrical impulses and signals (including, but not limited to, impulses and signals for

telephone, telegraph, and television transmission, except to the extent otherwise specifically provided herein) which serve only such Unit and which are located entirely within the boundary lines of such Unit, (8) surface mounted and recessed medicine cabinets including, by way of illustration and not limitation, all associated lighting fixtures and accessories, and (9) any appliances and the portions of their water, waste, electrical and exhaust connections located within such boundary lines and serving only such Unit.

(c) Each Unit's identifying number is shown on the Plats and Plans and on Exhibit C.

Section 3.2 Maintenance Responsibilities. Those portions of any chute, flue, duct, wire or conduit carrying utilities or otherwise, which passes through a Unit other than the Unit which they serve shall be maintained by the Unit which they serve.

ARTICLE 4
DESCRIPTION AND ALLOCATION OF COMMON ELEMENTS AND
LIMITED COMMON ELEMENTS

Section 4.1. Description of Common Elements. Common Elements shall mean those portions of the Building defined as such pursuant to Section 1602-102(1) of the Act, except as provided otherwise herein, or as identified and designated as Common Elements in the Plats and Plans.

Section 4.2. Description of Limited Common Elements. Limited Common Elements shall mean those portions of the Building defined as such pursuant to Sections 1602-102(2) and (4) of the Act or as identified and designated as Limited Common Elements on the Plats and Plans, by this Section, or by Section 4.3 hereof. Those portions of the Limited Common Elements serving only the Unit adjacent to such Limited Common Element, are Limited Common Elements allocated only to the Unit which they serve.

Section 4.3. Specified Limited Common Elements. The following portions of the Building or the Property are hereby designated as Limited Common Elements:

- A. Shutters, awnings, window boxes, doorsteps, stoops, crawl spaces, balconies, porches and patios and decks, if any, which are not part of the Unit but which are adjacent to and serve only such Unit.
- B. All portions of the building enclosing Units 1 and 2 not otherwise allocated as a unit or a Limited Common Element for the benefit of a particular unit shall be deemed to be a Limited Common Element for the benefit of Units 1 and 2.

- C. All portions of the building enclosing Units 4 and 5 not otherwise allocated as a unit or a Limited Common Element for the benefit of a particular unit shall be deemed to be a Limited Common Element for the benefit of Units 4 and 5.
- D. Parking areas and storage areas are Limited Common areas as designated on the plans. The vertical and horizontal boundaries of the storage areas shall be the same as described in paragraphs 3.1.a.1, and the remainder of the structure and its necessary appurtenances and utilities shall be a Common Element.

Section 4.4. Locations of Common and Limited Common Elements. The locations of the Common Elements and Limited Common Elements are shown on the Plats and Plans. Pursuant to Section 1602-102(4) of the Act, a shutter, awning, window box, doorstep, stoop, balcony, porch, patio, if any, shown adjacent to a Unit is a Limited Common Element appurtenant to that Unit, together with the parking areas as shown on the Plans.

Section 4.5. Reserved

Section 4.6. Reserved

ARTICLE 5
ALLOCATION OF PERCENTAGE INTERESTS, COMMON
EXPENSES AND VOTING RIGHTS

Section 5.1. Percentage Interests. Attached as Exhibit B hereto is a list of all Units by their Identifying Number and their Percentage Interest appurtenant to each Unit, determined on the basis of a ratio, calculated in square feet, equal to the useable floor space of each Unit compared to the total floor space of all Units.

Section 5.2. Common Expenses. The liability of each Unit for the Common Expenses of the Condominium shall be the same percentage share as the Percentage Interest set forth on Exhibit B. However, regardless of percentage ownership or actual use, each unit shall be responsible for one-fifth of the applicable sewer fees and assessments, due to the fact that the units will share a common water meter. Water charges shall be a common expense. Each unit shall contain its own electric meter and cable hook-up, which fees shall be the responsibility of the unit owner.

Section 5.3. Allocation of Unit Owner's Voting Rights. The vote in the Association to which each Unit owner is entitled shall be as set forth on Exhibit D attached hereto.

ARTICLE 6
EASEMENTS

Section 6.1. Additional Easements. In addition to the easements provided for by the Act, the following easements are hereby created.

(a) The Declarant reserves the right to maintain on the property such advertising signs as may comply with applicable governmental regulations, but only until all units are first sold by Declarant.

(b) The Units and Common Elements shall be, and hereby are, made subject to easements in favor of the Declarant, 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 6.1(b) shall include, without limitation, rights of the Declarant, 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, including Limited Common Elements. Notwithstanding the foregoing provisions of this Section 6.1(b), 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 the Unit by the Declarant or so as not to materially interfere with the use or occupancy 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, 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 and for other purposes necessary for the proper operation of the Condominium.

(c) The Declarant reserves for as long as it is entitled to exercise any Development Rights, an easement on, over, and under those portions of the Common Elements not located within a Building for the purpose of maintaining and/or correcting drainage of surface water in order to maintain reasonable standards of health, safety,

and appearance. The easement created by this section 6.1(c) expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably determined to be necessary. The Declarant or the Association, as the case may be, shall restore the affected property as closely to its original condition as is practicable.

(d) An easement is hereby granted across such portions of the common elements including the Limited Common Elements, as are reasonably necessary to provide an unrestricted right of ingress and egress to Units, by Unit Owners and their invitees, employees, tenants and servants, and the Association and the agents and employees of the Association.

(e) 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 purposes of the inspection, upkeep, maintenance, repair and replacement of the Common Elements (including, but not limited to, the Limited Common Elements).

(f) 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 benefitted:

(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 a part of or exclusively serve a single Unit and which pass across or through a portion of the Common Elements, or another Unit.

(2) For the installation, repair, maintenance, use, removal and/or replacement of overhead lighting fixtures, electrical receptacles and the like which are located in a portion of the ceiling, wall or floor adjacent to a Unit which is a part of the Common Elements; provided that the installation, repair, maintenance, use, removal, or replacement of such fixtures, receptacles, and the like, does not reasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building;

(3) For driving and removing nails, screws, bolts and the like, into the Unit-side surface of walls, ceilings, and floors which are part of the Common Elements; provided that such action will not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building; and

(4) For the maintenance or the encroachment of any lighting devices, skylights, outlets, medicine cabinets, exhaust fans, air conditioners, ventilation ducts, registers, grills and similar 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.

(g) To the extent necessary, each Unit shall have an easement for structural support over the Common Elements and the Limited Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of the Common Elements and the Limited Common Elements.

(h) 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 the inspection of the Units and Limited Common Elements in order to verify the performance by Unit owners of all items of maintenance and repair for which they are responsible, (ii) for inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements 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, the Limited Common Elements and/or the Units, and (iv) for any of the purposes set forth in Section 6.1(i) or Section 6.1(j) hereof, it being understood and agreed that the Association and its agents, employees, and independent contractors shall take reasonable steps to minimize any interference with a Unit owner's use of his Unit resulting from the Association's exercise of any rights it may have pursuant to this Section 6.1(h) (1) and the following Section 6.1(h)(2) or both;

(2) In favor of the Unit owner benefitted 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.

(i) Whenever in this Declaration and the Plats and Plans a boundary line of a Unit is described as being the Unit-side surface of the structural wood floor, it is intended thereby, and it is hereby declared, that the owner of such Unit shall have an easement for the purpose of affixing and removing carpeting, flooring and other floor coverings; and otherwise decorating, cleaning, and maintaining such surface, all at the cost and expense of the owner of such Unit; it being understood and agreed that the Association, acting by its Executive Board on behalf of all Unit owners, shall, at all times while this Declaration is in effect, retain the right and duty to maintain, repair, and/or replace the structural wood floors of which said surfaces are a part, notwithstanding the fact that such maintenance, cleaning, repair, or replacement may temporarily adversely affect the Unit owner's aforesaid easement and right to use the said Unit-side surface of such structural wood floor.

(j) Wherever in this Declaration and the Plats and Plans a boundary line of a Unit is described as being the Unit-side surface of a designated portion of the Property, it is intended thereby, and it is hereby declared, that the owner of such Unit shall have an easement for the purpose of decorating such surfaces and affixing thereto and removing therefrom paint, wall paper, other decorative material, pictures, mirrors, wall systems and decorative articles, and (with respect to all such portions of the Property) cleaning and maintaining such surfaces, all at the cost and expense of the owner of such Unit; except in the event of maintenance, repair, or replacement occasioned by a loss insured against by the policy or policies of insurance maintained by the Association pursuant to Article 9 hereof. It is understood and agreed that the Association, acting by its Executive Board on behalf of all Unit owners, shall, at all times while this Declaration is in effect, retain the right and duty to maintain, repair and/or replace the portions of the Property of which said surfaces are a part, notwithstanding the act that such maintenance, cleaning, repair, or replacement may temporarily adversely affect the Unit owner's aforesaid easement and right to use the Unit-side surface of such portion of the Property.

(k) 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.

(l) 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.

ARTICLE 7
RESTRICTIONS ON USE, SALE, AND LEASE OF UNITS

Section 7.1. The following restrictions shall apply to the use of the condominium.

(a) The Units in the Condominium are restricted to residential use.

(b) No Unit owner may obstruct the Common Elements in any way. No Unit owner may store anything in or on the Common Elements without the prior written consent of the Executive Board, Limited Common Elements excepted.

(c) No Unit 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 Unit 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) No Unit shall be used, occupied, or kept in a manner which in any way increases the fire insurance premiums for the Property without the prior written permission of the Executive Board.

(e) Except for a single small non-illuminated name sign on the front door to his Unit, no owner of any Unit (other than the Declarant in connection with its marketing and sale of the Units) 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) No pets shall be allowed on the Property, except for common household pets. Unit owners and their tenants shall be responsible for the immediate removal of all dog deposits within any portion of the common elements, and dogs shall be on a leash or a "dog run" so-called, at all times.

(g) The Executive Board may from time to time 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 Unit owners by the Association promptly after the adoption of such Rules and Regulations and any amendments thereto.

(h) The owner of a Unit shall be responsible for maintaining such Unit in good order and repair, at the expense of such owner, including (but not limited to) cleaning and replacing glass panes in any window serving such Unit.

(i) The owner of a Unit shall be responsible for the cleanliness of any Limited Common Element serving such Unit, at the expense of such Unit owner.

(j) 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 Building which contains the Unit, including by way of example but not by way of limitation, exterior doors, windows or siding, without the prior written consent of the Executive Board.

(k) Occupancy of a Unit, by Unit owners or lessees, shall be limited to the number of persons the Unit was designed for, as the same may be determined by the Executive Board.

Section 7.2. Sale and Lease of Units.

(a) A Unit owner may sell or lease his Unit at any time and from time to time provided that:

(1) At the time of such leasing, the tenant shall be given a copy of the existing rules governing conduct. Owners of Units shall be responsible for any damage to Common Elements caused by tenants.

(2) Each tenant and lease shall be subject to and bound by all of the covenants, restrictions and conditions set forth in the Condominium documents.

(b) This section 7.2 shall not be deemed or construed to impair a mortgagee's right to foreclose, accept a deed in lieu of foreclosure or sell or lease a Unit so acquired by the mortgagee.

ARTICLE 8
RIGHTS OF MORTGAGEES, INSURERS, AND GUARANTORS

Section 8.1. Subject to Declaration. Whether or not they expressly so state, 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 8.2. 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 Act;

(2) A change in the allocated interest of a 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 Act for purposes other than the repair or restoration of the damaged property;

(6) The adoption of any proposed budget by the Executive Board and the date of the scheduled Unit owners meeting to consider ratification thereof; a summary of the proposed budget shall accompany this notice; and

(7) Any default in the performance or payment by a Unit 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 Unit owner to cast the votes allocated to that Unit or give or withhold any consent required of the Unit owner for such action by delivering written notice to the Association with a copy to the Unit owner prior to or at the time of the taking of the proposed action, which notice shall be sent by prepaid United States mail, return receipt requested, or by delivery in hand. Failure of the Eligible Mortgage Holder to so exercise such rights shall constitute a waiver thereof and shall not preclude the Unit owner from exercising such right. In 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 8.3. Rights of Mortgage Holders, Insurers, or Guarantors.

(a) 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:

(1) Any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the Mortgage.

(2) Any sixty (60) day delinquency in the payment of Periodic Assessments or other charges owed by the owner of any Unit on which it holds the Mortgage.

(3) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

(4) Any proposed action that requires the consent of fifty-one percent (51%) of the Eligible Mortgage Holders.

(b) To receive such notice, the mortgage holder, insurer, or guarantor shall send a written request therefor to the Association, stating its name and address and the Unit number or address of the Unit on which it holds, insures, or guarantees the Mortgage.

Section 8.4. Liability for Use and Charges. Any Mortgagee who obtains title to a Unit pursuant to the remedies provided in a mortgage for foreclosure of such mortgage or a deed in lieu of foreclosure shall not be liable for such Unit owner's unpaid assessments or charges which accrue prior to the acquisition of title to 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 a Unit owner for the payment of such unpaid assessment or charge that is assessed against the Mortgagee as a result of all Unit owners being reassessed for the aggregate amount of such deficiency.

Section 8.5. Condemnation Rights. No provision of this Declaration shall give a Unit 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 Unit owner of insurance proceeds or condemnation awards for loss to or a taking of one or more Units and/or Common Elements.

Section 8.6. 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 9 INSURANCE

Section 9.1. 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", subject only to policy exclusions, of direct physical loss commonly insured against or such other fire and casualty insurance as the Executive Board may determine provides equal or greater protection for the Unit owners and their Mortgagees, if any, in each case complying with the applicable requirements of Section 9.2. hereof. The insurance maintained by the Association shall cover the Property, including, but not limited to, all Common Elements and Limited Common Elements, and the Units. The amount of any such hazard insurance obtained pursuant to this paragraph (a) shall be equal to one hundred percent (100%) of the current replacement cost of the Condominium, including the individual Units, 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. In the event that there are multiple buildings or locations, insurance will be written on a "blanket" basis. Such hazard insurance policy may, at the option of the Association, contain a "deductible" provision in an amount to be determined by the Executive Board, but not less than \$250.00. The proceeds of such policy shall be payable to the Insurance Trustee, if any, otherwise to the Association for the benefit of the Unit owners and holders of mortgages secured by the Units. Such hazard insurance policy shall include a separate "loss payable endorsement" in favor of the Mortgagees, if any, modified to make the loss payable provisions in favor of the Mortgagees subject and subordinate to the loss payable provisions in favor of the Association if there is no Insurance

Trustee, or if there is an Insurance Trustee, to the Insurance Trustee under the Insurance Trust Agreement. 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 9.2. hereof, insuring the Unit owners, in their capacity as Unit owners and Association members and any managing agent retained by the Association, against any liability to the public or to other Unit owners, their tenants or invitees, relating in any way to the ownership and/or use of the Common Elements, public ways 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 a Unit owner because of the negligent acts of the Association or another Unit 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 law suits related to employment contracts in which the Association is a party. Broad form extended liability endorsements will also be included with such endorsements covering personal injury, contractual, broad form property damage and other commonly included perils. Liability for nonowned and hired automobiles, liability for property of others, and such risks as are customarily covered in similar projects will also be included. 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 9.2. hereof.

(c) Such worker's compensation insurance as applicable laws may require. Independent contractors must provide the Association with appropriate certificate of insurance.

(d) Insurance to satisfy the indemnification obligation of the Association and all Unit owners set out in Section 10.2 hereof, if and to the extent available, including, but not limited to, insurance coverage commonly referred to as "Directors and Officers Insurance."

(e) A blanket bond to cover treasurers and other Association members who handle money of the Association.

Section 9.2. 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 9.1. (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 may obtain additional insurance at his own expense; 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 Unit 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 Unit owner who obtains individual insurance policies covering any portion of the Property other than personal property belonging to such owner shall be required 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 9.1. issued to the Association and covering all or any part of the Property, the Association shall cause such policies to provide that:

(1) Each Unit 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 Unit owner or members of his household;

(3) No act or omission by any Unit owner, unless action within the scope of his authority on behalf of the Association, will void such policies or be a condition to recovery under such policies;

(4) If at the time of a loss under such policies there is other insurance in the name of a Unit owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

(5) The liability of the insurer shall not be affected by, and the insurer shall not claim, any right of set-off, counter-claim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any unit 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 Unit 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 twenty (20) days' prior written notice thereof to the Executive Board, the Insurance Trustee, if any, Unit owners, each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in such policies, and every other party in interest who shall have requested such notice of the insurer;

(f) With respect to the property insurance policy described in subsection (a) of Section 9.1., such policy shall contain a standard mortgagee clause which shall:

(1) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Unit in their respective order and preference, whether or not named therein;

(2) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Executive Board or Unit owners or any persons under any of them;

(3) Waive any provision invalidating such mortgagee clauses caused by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause; and

(4) Provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Insurance Trustee designated by the Executive Board for that purpose, otherwise to the Association.

(g) With respect to the property insurance policy described in subsection (a) of Section 9.1., such policy shall contain the following endorsements:

(1) Agreed Amount Replacement Cost and Inflation Guard Endorsement, when it can be obtained.

(2) Construction Code Endorsements, if there is a construction code provision that requires changes to undamaged portions of the building even when only part of the Condominium is destroyed by an insured hazard.

Section 9.3. 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 9.4. 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 Act.

Section 9.5. Additional Insurance. Nothing in this Declaration shall be construed to limit the authority of the Executive Board to obtain additional insurance which it deems advisable.

Section 9.6 Flood Insurance. The Association shall purchase flood insurance in an amount equal to full replacement cost of buildings within the flood zone, if any, subject to availability and limitations as provided by the U.S. Government.

ARTICLE 10 LIMITATION OF LIABILITY

Section 10.1. Limited Liability of the Executive Board. The Executive Board, and its members in their capacity as members, officers and employees:

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

(b) Shall not be liable to the Unit owners as a result of the performance of the Executive Board members' duties for any 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 a Unit owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board or the Association in the performance of the Executive Board members' duties;

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

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

(f) Shall have no personal liability arising out of the use, misuse or condition of the Building, 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 10.2. 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 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 Unit owners set forth in this Section 10.2. shall be paid by the Association on behalf of the Unit owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit owners or otherwise.

Section 10.3. Joint and Several Liability of Unit Owners and Lessees. Each Unit owner shall be jointly and severally liable with any tenants of the Unit owned by such Unit owner for all liabilities arising out of the ownership, occupancy, use, misuse or condition of such Unit or any portion of the Common Elements or Limited Common Elements.

Section 10.4. Defense of Claims. Complaints (i.e. lawsuits) brought against the Association, the Executive Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice

thereof to the Unit owners and the holders of any mortgages and such complaints shall be defended by the Association. The Unit 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 10.3. hereof against one or more but less than all Unit owners shall be defended by such Unit owners who are defendants themselves and such Unit 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 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 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 or Mortgagee of a Unit any obligation which the Act or one tenant or Mortgagee of a Unit any obligation which the Act of one or more of such documents, or both, make applicable only to Unit owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into occupancy of any Unit 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 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 or lease thereof. The Association and any aggrieved Unit owner shall have a right of action against Unit owners who fail to comply with the provisions of the Condominium Documents or with decisions made by the Association or the Executive Board. Aggrieved Unit 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 Unit owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, provided, however, that the Association shall officially represent the Unit owners in such proceedings. In any proceedings for the determination of damages, such damage shall be determined for such taking, injury or destruction as a whole and not for each Unit owner's interest therein and any award for such damage shall be payable to the Association for the benefit of the Unit owners and of the mortgagees of the Units.

ARTICLE 12
EXECUTIVE BOARD OF THE ASSOCIATION

Section 12.1. Members.

(a) The initial Executive Board shall consist of three (3) members. The members of the initial Executive Board shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The Declarant appointed members of the Executive Board shall be replaced with Unit owners other than the Declarant in accordance with the provisions of paragraph (b) of this Section 12.1.

(b) The transition from Declarant-appointed members of the Executive Board to Unit owners other than the Declarant shall occur as follows:

(1) Until the Sixtieth (60th) day after the conveyance of Two (2) Units to Unit owners other than the Declarant, the Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board.

(2) Not later than Sixty (60) days after the conveyance of Two (2) Units to Unit owners other than Declarant, one of the five members of the Executive Board shall be elected by Unit owners other than the Declarant, and such elected members shall replace one member appointed by Declarant.

(3) No later than sixty (60) days after the conveyance of four (4) Units to Unit owners other than Declarant, the Unit owners other than the Declarant shall elect a additional member other than the Declarant, and such member shall replace one of the two remaining members of the Executive Board appointed by the Declarant.

(4) No later than the earlier of (i) sixty (60) days after the conveyance of Six (6) Units to Unit owners other than the Declarant or (ii) three (3) years following conveyance of the first Unit to a Unit owner other than the Declarant, members of the Executive Board appointed by the Declarant shall resign and the Unit owners (including the Declarant to the extent of Units owned by the Declarant) shall elect new members of the Executive Board held at the first regular meeting of the Association held in accordance with the Bylaws.

(c) The Executive Board shall possess all of the duties and powers granted to the Executive Board by the Act.

Section 12.2. Reserved

Section 12.3. Abating and Enjoining Violations by Unit Owners. 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 tenant of such Unit 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.

ARTICLE 13

Reserved

ARTICLE 14
ASSESSMENTS; LIABILITIES OF UNIT 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 uncollectible assessments, budget deficits, 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 Act, this Declaration or the Bylaws. The Association shall establish an adequate reserve fund for maintenance, repair and replacement of those Common Elements which are anticipated to require replacement, repair of maintenance on a periodic basis. The reserve fund shall be funded by periodic payments as a part of the Common Expenses.

Section 14.2. 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 reasons (including by way of illustration and not limitation, any Unit 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 Unit owner. Special Assessments shall be due and payable in the manner and on the date set forth in the notice thereof.

Section 14.3. Payment of Assessments. Each Unit owner shall pay all assessments levied by the Association. Liability for such assessments shall begin accruing at the time of the creation of the Condominium and they shall be due and payable on a periodic basis as designated by the Executive Board, provided, however, that such Periodic Assessments shall be first due on the first day of the period following the closing of the first sale of a Unit to a purchaser other than the Declarant. Assessments that are unpaid for over fifteen (15) days after the due date shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid. In the sole discretion of the Executive Board, a late charge of \$25.00 per assessment not paid when due may be assessed against the delinquent Unit owner.

Section 14. 4. Failure to Fix New Assessments. If the Executive Board shall fail to fix new Periodic Assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Unit owners shall continue to pay the same sums they were paying for such Periodic Assessments during the fiscal year just ended and such sum shall be deemed to be the new Periodic Assessments for the succeeding fiscal year. If the Executive Board shall change the Periodic Assessment at a later date, the difference between the new Periodic Assessment, if greater, and the previous year's Periodic Assessment up to the effective date of the new Periodic Assessment shall be treated as if it were a Special Assessment under Section 14.2 hereof; thereafter each Unit owner shall pay the new Periodic Assessment. In the event the new Periodic Assessment is less than the previous year's Periodic Assessment, in the sole discretion of the Executive Board, the excess either shall be refunded to the Unit owners, credited against future Periodic Assessments or retained by the Association for reserves.

Section 14.5. No Exemption by Waiver. No Unit 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 14.6. Personal Liability of Unit Owners. All sums assessed by the Association as a Periodic or Special Assessment 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 Act. The Association shall take action for failure to pay any assessment or other charges pursuant to Section 1603-116 of the Act. The delinquent owner shall be obligated to pay (a) all expenses of the collection of the delinquent assessment by legal proceedings or otherwise, and (b) 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 14.7. Liability of Purchases 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 which are a charge against unpaid assessments for 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.

Section 14.8. Subordination of Certain Charges. Any Periodic Assessments or any fee, charges, late charges, fines and interest that may be levied by the Association pursuant to Section 1603-102 of the Act shall be subordinate to any first mortgage lien recorded before such Periodic Assessments, fee, charge, late charge, fine or interest was due.

Section 14.9. Surplus. The Budget of the Association shall set forth General Common Expenses. Any amounts accumulated from assessments for General Common Expenses in excess of the amount required for actual General Common Expenses and reserves for future General Common Expenses, unless otherwise directed by the Executive Board, in its sole discretion, shall be credited to each Unit owner, such credit to be applied to the next Periodic Assessments of General Common Expenses due from said Unit owners under the current fiscal year's budget, and thereafter, until exhausted or retained by the Association for reserves.

ARTICLE 15
SPECIAL DECLARANT RIGHTS

Section 15.1. Declarant reserves no special development rights. Declarant may appoint and remove any officer or Executive Board member during any period of Declarant control of the Association. Declarant does not reserve the right to created any additional Limited Common Elements, or to create any additional Units.

ARTICLE 16
ASSIGNABILITY OF DECLARANT'S RIGHTS

The Declarant may assign any or all of its rights or privileges reserved or established by this Declaration or the Act in accordance with the provisions of the Act.

ARTICLE 17
AMENDMENT OF DECLARATION

Pursuant to Section 1602-117 of the Act and except as provided herein for amendments which may be executed by the Declarant, the Association or certain Unit owners, this Declaration may be amended only by vote or agreement of owners of Units to which at least sixty-seven (67%) of the votes in the Association are allocated. In addition, approval of amendments of a material nature must be obtained from mortgagees representing at least fifty-one percent (51%) of the votes of Units that are subject to mortgages. 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 vice versa;
- (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 a Unit owner's right to sell or transfer his or her Unit;
- (l) A decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgage Holder;
- (m) Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
- (n) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or
- (o) Any provisions that expressly benefit mortgage holders, insurers or guarantors.

If the amendment is not of such material nature, the approval of a mortgagee may be assumed when that mortgagee has failed to submit a response to any written proposal for an amendment within thirty (30) days after the proposal is made.

ARTICLE 18 TERMINATION

The Condominium may be terminated only by agreement of the Unit 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 mortgagees of Units to which sixty-seven percent (67%) of the votes in the Association are allocated. Termination of the Condominium will be governed by the provisions of Section 1602-118 of the Act.

ARTICLE 19 GENERAL PROVISIONS

Section 19.1. 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 the Declaration.

Section 19.2. 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 project which this Declaration is intended to create.

Section 19.3. Applicable Law. This Declaration shall be governed and construed according to the laws of the State of Maine.

Section 19.4. 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 19.5. Effective Date. This Declaration shall become effective when it and the Plats and Plans have been recorded.

Section 19.6. Notices. 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 second business day after the day on which mailed by certified mail, return receipt requested, addressed to the address maintained in the register of current addresses established by the Association, except as provided in Section 7.2.a.7.

Section 19.7. Exhibits. All exhibits attached to this Declaration are hereby made a part of this Declaration.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed as of the day and year first above written.

WITNESS

Eileen Anne Maher

OCEANVEST, INC.

Robert L. Harding
BY: Robert L. Harding
ITS: President

STATE OF MAINE
County of York

July 20, 1987

Personally appeared the above named Robert L. Harding,
President of OceanVest, Inc. and acknowledged the execution of this
Declaration of Condominium to be his free act and deed, and the free
act and deed of said Corporation.

Gail F. Hubbard
Notary Public
GAIL F. HUBBARD

MY COMMISSION EXPIRES
FEBRUARY 10, 1990.

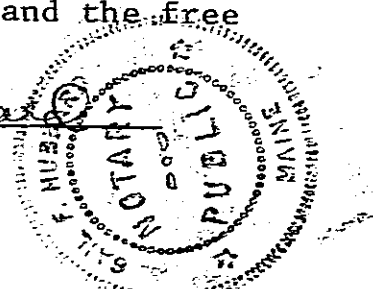


EXHIBIT A

Six (6) certain lots or parcels of land with the buildings thereon situated in York Beach, Maine and being Lots 23, 24, 25, 26, 27 and 28 on the Plan of Iduna Land Company and recorded in the York County Registry of Deeds at Plan Book 4, Page 35. Lots 23, 25 and 27 are conveyed subject to the restriction that no buildings or any portion of any buildings shall be placed nearer than twenty (20) feet to the northerly line of said Beacon Avenue, and no house shall be erected upon any of these lots to cost less than eighteen hundred dollars, as specified in deed of Jennie E. Farley to Lucy M. Hall, dated August 25, 1902, recorded in York County Registry of Deeds, Book 595, Page 228, and in deed of Charles H. Farley to Lucy M. Hall, dated September 13, 1901, recorded in said York County Registry, Book 564, Page 313.

The identical premises may be also more particularly bounded and described as follows:

Beginning at an iron pipe set in the ground on the easterly side of Beacon Street in York, County of York and State of Maine, at the southwesterly corner of land now or formerly of Maurice P. and Margaret Bouin as referenced in the York County Registry of Deeds in Book 3466, Page 276; thence turning and running North 52°-10'-00" East by land of said Bouin, and by other land of said Bouin as set forth in Book 3466, Page 273, 200.00 feet to an iron pipe set in the ground on the westerly sideline of Amherst Avenue; thence turning and running South 37°-50'-00" East by and along the westerly sideline of said Amherst Avenue 120.00 feet to an iron pipe set in the ground at land now or formerly of William C. Collister; thence turning and running South 52°-10'-00" West by land of said Collister, 200.00 feet to an iron pipe set in the ground on the easterly sideline of said Beacon Street; thence turning and running North 37°-50'-00" West by and along the easterly sideline of said Beacon Street 120.00 feet to the iron pipe first above mentioned, being the point of beginning.

Meaning and intending to convey and hereby conveying the premises described in two deeds, both from Doris E. Twombly and Clayton B. Twombly to OceanVest, Inc., one dated December 5, 1986 recorded in York County Registry, Book 4099, Page 94 and the other dated April 14, 1987 recorded in said Registry, Book 4247, Page 312.

BK 4384 PG 114

EXHIBIT C

REDUCED COPIES OF PLATS AND PLANS DELETED FROM
RECORDED DECLARATION -- See Full Sized Plats and
Plans Recorded Herewith.

EXHIBIT D
BEACON COMMON CONDOMINIUM
ALLOCATION OF UNIT OWNERS VOTING RIGHTS

UNIT #	VOTES
1	1
2	1
3	1
4	1
5	1

RECEIVED YORK.SS.

1987 JUL 21 PM 2:49

RECORDED REGISTRY OF DEEDS

ATTEST: *Ann M. Pongetti*
REGISTER