

NOTICE OF PUBLIC HEARING
MUNICIPAL OFFICERS OF THE TOWN OF
OLD ORCHARD BEACH

The Municipal Officers of the Town of Old Orchard Beach, Maine hereby give Public Notice that there will be a Public Hearing held at the Town Hall, Council Chambers, on April 21st, 2026, at 6:30 p.m. to consider the following:

To consider whether to approve a Contract Zone Agreement between Saland Development Inc and the Town of Old Orchard Beach, for the property located at 4 New Colony Drive, MBL: 103-1-59, in the Rural District, pursuant to 30A M.R.S.A., Section 4352 (8), Chapter 78, Section 78-31 and Chapter 78, Article IX of the Old Orchard Beach Zoning Ordinance, and Section 410 of the Old Orchard Beach Charter. The purpose of the Contract Zone is to allow the establishment of a 16-unit single family residential condominium development.

Per Order of the Municipal Officers this 7th day of April, 2026.

A True Copy
Attest:

s/Kim M. McLaughlin
Kim M. McLaughlin, Town Clerk

**SALAND DEVELOPMENT INC.
P.O. Box 148
Old Orchard Beach, Me. 04064
207-450-0851**

**CONTRACT ZONING
APPLICATION**

To:
Town of Old Orchard Beach

For:
**4 Colony Drive
Town of Old Orchard Beach**

Prepared for and by:

**Saland Development Inc.
P.O. Box 148
Old Orchard Beach**

March 2026

March 17, 2026

Diana Asanza, Town Manager
1 Portland Ave.
Old Orchard Beach, Maine 04064

Contract Zone Application
4 Colony Drive/ Map 103, BL1, Lot 59
Saland Development Inc.

Dear Diana:

On behalf of Saland Development Inc., we are pleased to submit the enclosed Contract Zone Application for the development of a 16-unit condominium project located at 4 New Colony Drive. The site is currently undeveloped and wooded. The housing configuration would be accessed via 4 New Colony Drive at this time. The development would extend back to the Northeast portion of the property. Approximately 2.05 acres of land on the site consists of forested areas with a small amount of wet land. Proposed improvements include driveways, access drives, utilities including water, sewer, trash removal, electrical and storm water management treatment, and detention pond.

These units are a little different than most condominiums. The association creates lots with corner pins called site lots or limited common areas, the homeowner is responsible for the maintenance of their own house, plowing their own driveway, on their lot they can plant shrubs, tree's, plant a garden, anything you would do on a single-family lot, only difference is road, utilities, garbage will remain private.

No summer rentals, there will be a restriction on how they can be rented, lease needs to be a minimum of (6) six months, I do want the homeowners to be able to rent their units over the winter, should they want to go to Florida for the winter.

The purpose of the Contract Zone Agreement for this project is to allow for the successful use of the property. Given the existing constraints of the site and restrictions within the existing zone that are unable to be met. Conditions within the proposed Contract Zone Agreement include a greater residential density, reduced setbacks, revisions to some of the performance standards, and a consistent single-family residential dwelling scheme. The combination of these conditions will allow for the development of a housing project that is in keeping with the Town's Comprehensive Plan and is also financially viable for applicant/developer.

This property is a 2.05-acre parcel zoned RD, it abuts Pilgrim Place in the front a 40-unit condominium project, in the back it abuts Homeward Park which is zoned R5. I believe this project will fit well with abutting properties. For some reason this little 2.05-acre parcel was rezoned RD. tucked between a 40-unit condominium project and Homeward Park a R5 zone. According to the adopted comprehensive plan (1992), the property located at 4 New Colony Drive future zoning

district is proposed to be R2A. The comp plan identifies R2A as a “Growth Area” with a density of 3,750 sq.ft and was approved for three 8-unit buildings for a total of 24 units. Our current proposal requests density at 5,000 sf per unit. I am also providing the approved 24-unit plan dated May 9, 2013.

To help make the units more affordable they are being offered for sale at a cost of 10% below the medium home sale price in Old Orchard Beach.

We are hopeful that we have provided sufficient information for the Town Council to review and approve the Contract Zone Application. Upon your review of the submission information, please do not hesitate to contact us if you have any questions or require additional information. Thank you for your consideration and we look forward to presenting at the next regularly scheduled meeting.

Sincerely,

Saland Development Inc.
Gary H. Salamacha
Owner/President

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Exhibit 1

Right, Title, or Interest

18167**QUITCLAIM DEED WITHOUT COVENANT**

KNOW ALL MEN BY THESE PRESENTS, THAT, MAINE SAVINGS BANK, a Maine banking corporation with its principal place of business at One Maine Savings Plaza, Portland, Maine 04101 (hereinafter referred to as the "Grantor") as foreclosing mortgagee by virtue of and pursuant to the exercise of the Power of Sale contained in a Mortgage and Security Agreement from Pilgrim Place, Inc. to Maine Savings Bank, dated May 9, 1988 and recorded in the York County Registry of Deeds, Book 4704, Page 91, for consideration paid, the receipt whereof it does hereby acknowledge, does hereby REMISE, RELEASE, BARGAIN, SELL AND CONVEY and forever QUITCLAIM to KRE PROPERTIES, INC., a Maine corporation with a place of business in Old Orchard Beach, Maine (hereinafter referred to as the "Grantee"), and having a mailing address of 198 Saco Avenue, Old Orchard Beach, Maine 04064, the following described premises:

a) Units known and designated as Unit Nos. 25-48, inclusive (the "Units") in Pilgrim Place, A Condominium (the "Condominium") situated at 56 Ross Road, Old Orchard Beach, Maine which Condominium was established in accordance with the Maine Condominium Act, Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, 1964, as amended (the "Act"), together with said Units' percentage interest and all other appurtenant rights in common elements and limited common elements, all as more specifically described in the Declaration of Condominium for Pilgrim Place, A Condominium, dated May 23, 1988, and recorded in the York County Registry of Deeds in Book 4791, Page 262 (the "Declaration"), and as delineated on the Plat and Plans of the Condominium recorded in said Registry of Deeds in Condominium File 368, Pages 1 through 5, inclusive; and

b) Certain real property which has not been declared part of the Condominium consisting of an undeveloped parcel of land adjacent to the Condominium more particularly described in Exhibit A attached hereto and made a part hereof (the "Reserved Land").

The Units are conveyed together with all furniture, fixtures, appliances and personal property, if any, appurtenant to the Units.

The Units and Reserved Land together with appurtenances thereto (the "Premises") are conveyed subject to and with the benefit of all the terms, provisions, conditions, restrictions, easements, covenants, obligations, reservations and encumbrances contained or referred to in said Declaration and Plats and Plans, as the same may be amended from time to time.

The Premises hereinabove described are subject to all unpaid real estate and personal property taxes, if any, now, heretofore or hereafter due to the Town of Old Orchard Beach together with

MAINE REAL ESTATE TRANSFER TAX PAID

34

interest and costs, and all assessments and charges including but not limited to sewer charges and water charges, now or hereafter due. The Premises conveyed herein are also subject to any unpaid condominium assessments, other condominium charges or lien therefore, now or hereafter due.

Grantor hereby releases to the Grantee all Special Declarant's Rights set forth or referred to in the Declaration and/or created under the Act, including but not limited to the rights to construct Unit Nos. 25-48, inclusive and to declare the Reserved Land part of the Condominium and to create Unit Nos. 49-72 inclusive within the Reserved Land.

Being a portion of the premises conveyed to Pilgrim Place, Inc. by quitclaim deed without covenant of Edward R. Coreau, Priscilla Coreau, Dale Blow, Jeffrey Thompson, Jr., and Colleen Joan Thompson by deed dated March 18, 1988 and recorded in said Registry of Deeds in Book 4690, Page 64.

IN WITNESS WHEREOF, the said MAINE SAVINGS BANK, as foreclosing mortgagee by virtue of and pursuant to the exercise of Power of Sale, as aforesaid, has caused this instrument to be executed in its name and on its behalf by Mark H. Lawler, its Assistant Vice President, thereunto duly authorized this 28th day of November, 1990.

WITNESS:

Debra A. Manning

MAINE SAVINGS BANK

By: Mark H. Lawler
Mark H. Lawler
Its: Assistant Vice President

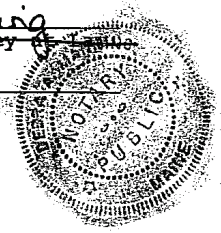
STATE OF MAINE
CUMBERLAND, ss

November 28, 1990

Personally appeared the above-named Mark H. Lawler, Assistant Vice President of Maine Savings Bank, and acknowledged the foregoing instrument to be his/her free act and deed in said capacity and the free act and deed of said Maine Savings Bank.

Before me,

Debra A. Manning
Notary Public/Attorney at Law
DEBRA A. MANNING
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES APRIL 30, 1993
Type or Print Name



IN WITNESS WHEREOF, KRE PROPERTIES, INC., as transferee of Special Declarant's Rights, has caused this instrument to be executed pursuant to 33 M.R.S.A. § 1603-104(a) by KING WEINSTEIN its Vice President, this 28th day of November, 1990.

WITNESS:

KRE PROPERTIES, INC.

Debra A. Manning

By: [Signature]
its Vice President

KING WEINSTEIN
Type or print name

STATE OF MAINE
CUMBERLAND, ss.

November 28, 1990

Personally appeared the above-named KING WEINSTEIN, Vice President of KRE Properties, Inc. and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of KRE Properties, Inc.

Before me,

Debra A. Manning
Attorney at law/Notary Public
DEBRA A. MANNING
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES APRIL 30, 1993
Type or print name



EXHIBIT A

A certain lot or parcel of land, situated in Old Orchard Beach, in the County of York and State of Maine, bounded and described as follows:

Beginning at a point at the northwesterly corner of other land of Pilgrim Place, Inc., which point is N 33° 33' 12" W, Nine Hundred Fifty-Two and 70/100 Feet (952.70') from the northwesterly side of the Ross Road, so-called, and the southeasterly corner of land now or formerly of Vivian Collum; thence N 33° 33' 12" W by land now or formerly of Milliken, Four Hundred Fifty and 12/100 Feet (450.12') to an iron pin at other land now or formerly of Milliken; thence N 55° 07' 30" E by said Milliken land One Hundred Ninety-Nine and 75/100 Feet (199.75') to land now or formerly of Rogers; thence S 33° 33' 12" E by said Rogers land Four Hundred Fifty and 12/100 Feet (450.12') to said other land of Pilgrim Place, Inc.; thence S 55° 07' 30" W by said other land of Pilgrim Place, Inc., to point and place of beginning.

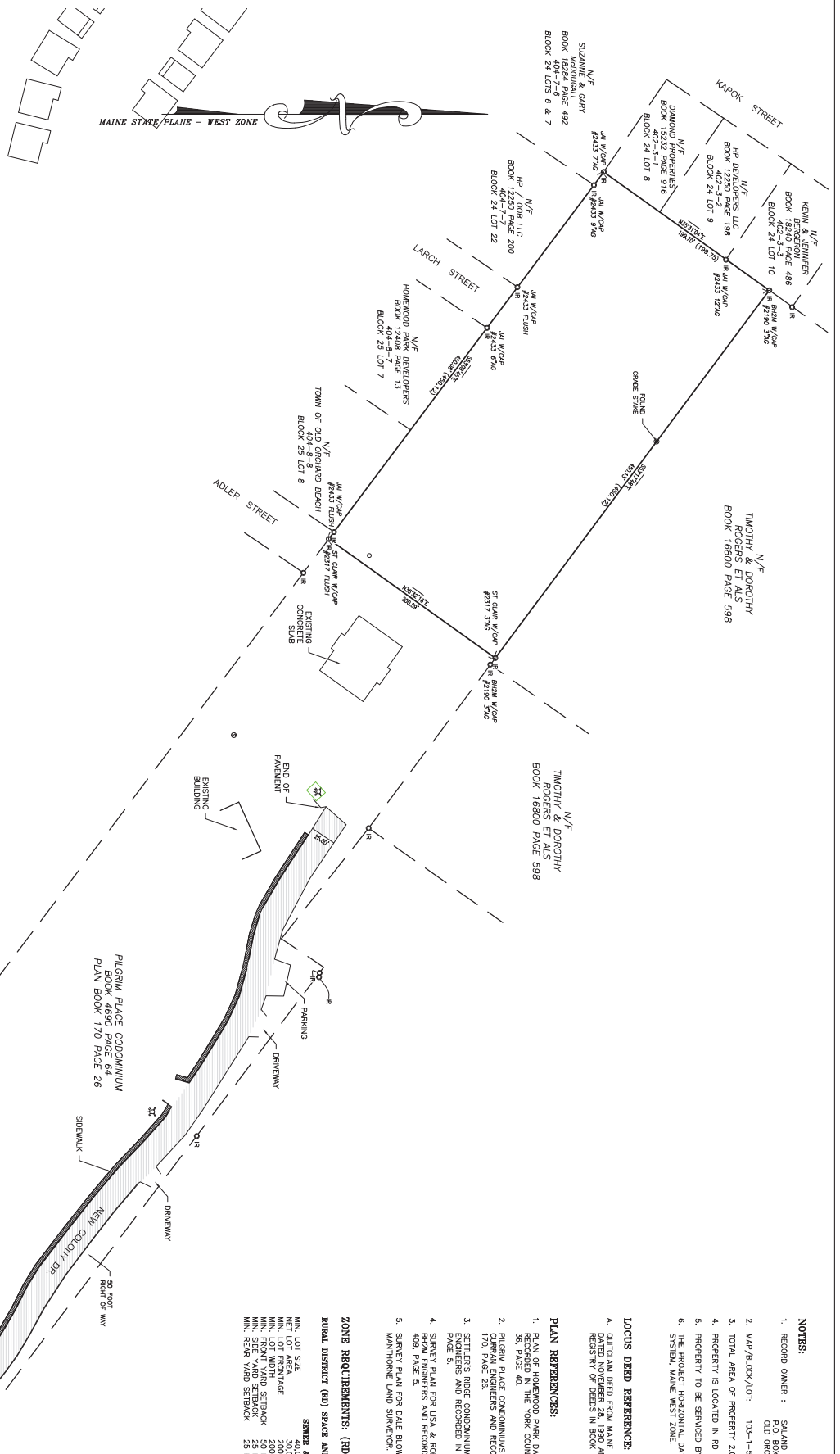
The above-described premises are conveyed subject to an easement in favor of Calvin T. Rogers and June E. Rogers, their heirs and assigns, more particularly described in a deed dated December 31, 1986, recorded in the York Registry of Deeds at Book 4215, Page 206.

RECEIVED YORK S.S.
SO NOV 29 PM 2:36

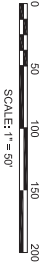
ATTEST: *Car M Ponzetti*
REGISTER OF DEEDS

Exhibit 2

Boundary Map



- LEGEND**
- A SURVEYORS TRAVERSE POINT
 - FOUND IRON ROD OR PIPE
 - PROPERTY LINE
 - - - ADJUTERS PROPERTY LINE
 - N/F NOW OR FORMERLY
 - ✕ EXISTING FIRE HYDRANT
 - ⊗ SEWER MANHOLE
 - LOT IDENTIFICATION PER PLAN REF. 1
 - TOWN MAP AND LOT NUMBER
 - DEED DIMENSION



TO THE BEST OF MY KNOWLEDGE AND BELIEF, THIS SURVEY CONFORMS TO THE MAINE BOARD OF LICENSURE FOR PROFESSIONAL LAND SURVEYORS RULES AND REGULATIONS, WITH THE EXCEPTION THAT NO SURVEY REPORT WAS WRITTEN.

Paul P. Gadbois
 PAUL P. GADBOIS, HTS 2104
 DATE: 01-02-2024



- NOTES:**
1. RECORD OWNER : SALAND DEVELOPMENT INC.
OLD ORCHARD BEACH, MAINE
 2. MAP/BLOCK/LOT: 103-1-59
 3. TOTAL AREA OF PROPERTY 2.089 ACRES
 4. PROPERTY IS LOCATED IN RD ZONE.
 5. PROPERTY TO BE SERVED BY PUBLIC WATER AND SEWER.
 6. THE PROJECT HORIZONTAL DATUM: MAINE STATE PLANE COORDINATE SYSTEM, MAINE WEST ZONE.
- LOCUS DEED REFERENCE:**
- A. QUILCLAIM DEED FROM MAINE SAVINGS BANK TO KRE PROPERTIES DATED NOVEMBER 28, 1980 AND RECORDED IN THE YORK COUNTY REGISTRY OF DEEDS IN BOOK 5576, PAGE 88.
- PLAN REFERENCES:**
1. PLAN OF HOWWOOD PARK DATED SEPTEMBER 22, 1983 AND RECORDED IN SAID REGISTRY IN PLAN BOOK 561, PAGE 35.
 2. PILSNER PLACE CONDOMINIUMS DATED JANUARY 1988 BY WOODARD & WOODARD ENGINEERS AND RECORDED IN SAID REGISTRY IN PLAN BOOK 170, PAGE 26.
 3. SETTLERS RIDGE CONDOMINIUM DATED JULY 2008 BY B2M ENGINEERS AND RECORDED IN SAID REGISTRY IN PLAN BOOK 561, PAGE 35.
 4. SURVEY PLAN FOR USA & ROBERT CONLOGUE DATED MAY 2020 BY USA & ROBERT CONLOGUE AND RECORDED IN SAID REGISTRY IN PLAN BOOK 409, PAGE 5.
 5. SURVEY PLAN FOR DALE BLOW DATED SEPTEMBER 1986 BY RICHARD MANTHORNE LAND SURVEYOR. (UNRECORDED)

- ZONE REQUIREMENTS: (RD)**
- RURAL DISTRICT (RD) SPACE AND BULK REGULATIONS**
- SEWER & WATER**
- MIN. LOT SIZE 40,000 SF
 - MIN. LOT AREA 200,000 SF
 - MIN. LOT WIDTH 200 FEET
 - MIN. FRONT SETBACK 25 FEET
 - MIN. SIDE YARD SETBACK 25 FEET
 - MIN. REAR YARD SETBACK 25 FEET



PAUL P. GADBOIS
 ENGINEERING SURVEYING
 LAND PLANNING
 P.O. BOX 327, SACO, MAINE 04072
 (207) 283-3980

SURVEY PLAN
 GARY SALAMACHA
 NEW COLONY DRIVE
 OLD ORCHARD BEACH, MAINE

RECORD OWNER
 SALAND DEVELOPMENT INC.
 P.O. BOX 148
 OLD ORCHARD BEACH, MAINE

DRAWN:	REVISIONS:
P.P.G.	
CHECKED: P.P.G.	
SCALE: 1" = 50'	
FIELD BOOK:	
DATE: 01-02-2024	
JOB NO. 1746	
SHEET 1 OF 1	

Exhibit 3

Sketch Plan



PROPOSED DENSITY:
 AREA OF PROPERTY 90,130 SF
 NUMBER OF UNITS 16
 DENSITY 5.600 SF PER UNIT.

ZONE REQUIREMENTS: (RD)
RURAL DISTRICT (RD) SPACING AND BULK REGULATIONS

MIN. LOT SIZE	SEWER & WATER
30,000 SF	30,000 SF
MIN. LOT AREA 30,000 SF	50 FEET
MIN. LOT WIDTH 100 FEET	50 FEET
MIN. FRONT YARD SETBACK 50 FEET	200 FEET
MIN. REAR YARD SETBACK 25 FEET	25 FEET

NOTES:

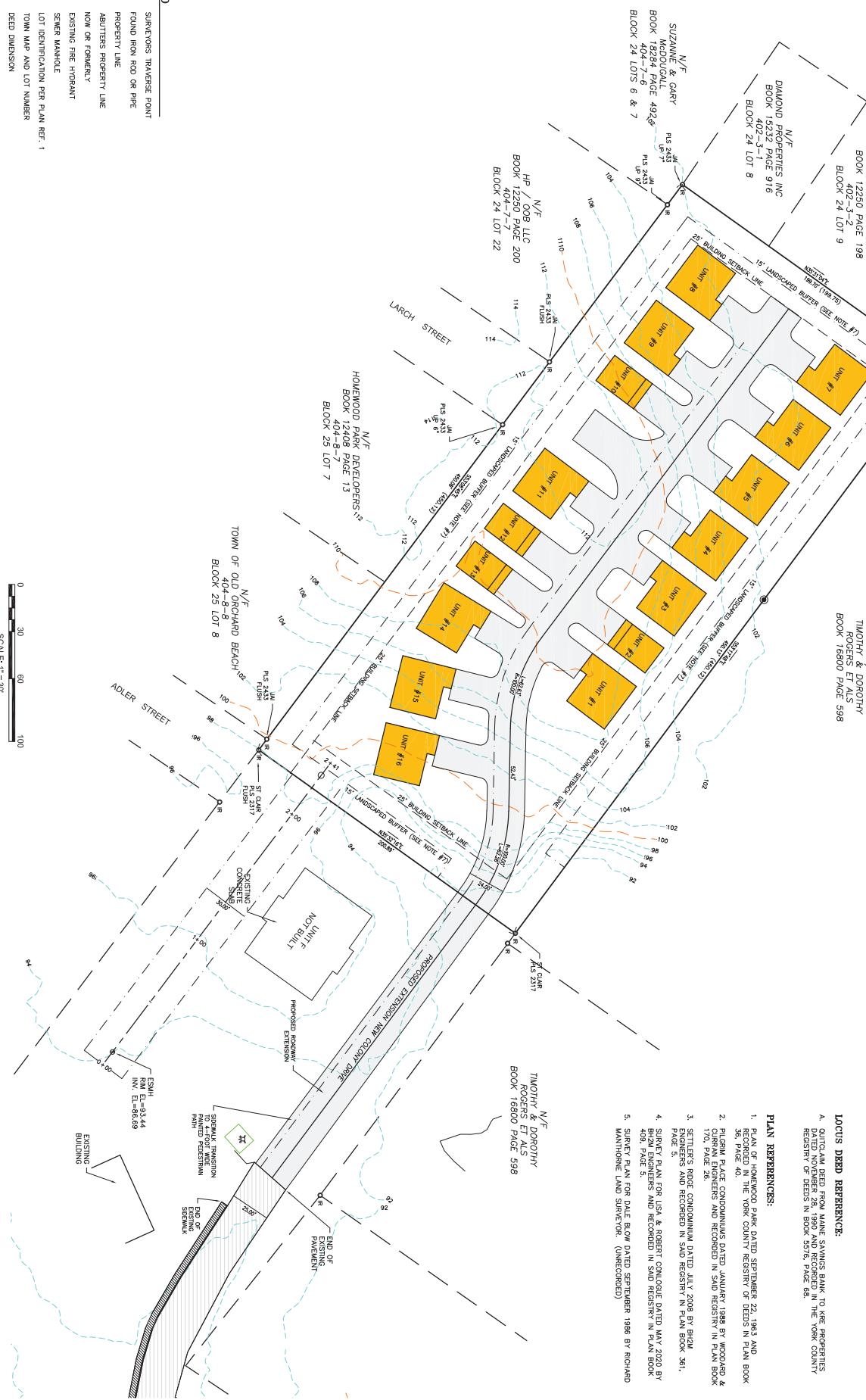
- RECORD OWNER: SALAND DEVELOPMENT INC. P.O. BOX 148 OLD ORCHARD BEACH, MAINE
- MAP/BLOCK/LOT: 103-1-59
- TOTAL AREA OF PROPERTY 90,130 SQUARE FEET.
- PROPERTY IS LOCATED IN RD ZONE.
- PROPERTY TO BE SERVED BY PUBLIC WATER AND SEWER.
- THE PROJECT HORIZONTAL DATUM: MAINE STATE PLANE COORDINATE SYSTEM, MAINE WEST ZONE.
- EXCEPT FOR NORMAL THINNING AND ROAD ACCESS, EXISTING VEGETATION SHALL BE LEFT INTACT WITHIN THE 15' BUFFER.

LOCUS DEED REFERENCES:

A. QUITCLAIM DEED FROM MAINE SAVINGS BANK TO KRE PROPERTIES DATED NOVEMBER 28, 1980 AND RECORDED IN THE YORK COUNTY REGISTER OF DEEDS IN BOOK 5974, PAGE 583.

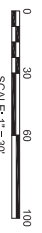
PLAN REFERENCES:

- PLAN OF HONOLUO PARK DATED SEPTEMBER 22, 1988 AND RECORDED IN THE YORK COUNTY REGISTER OF DEEDS IN PLAN BOOK 36, PAGE 40.
- PLURIM PLACE CONDOMINIUMS DATED JANUARY 1988 BY WOODARD & CURRAN ENGINEERS AND RECORDED IN SAID REGISTRY IN PLAN BOOK 170, PAGE 26.
- SETTLER'S RIDGE CONDOMINIUM DATED JULY 2008 BY BRUM ENGINEERS AND RECORDED IN SAID REGISTRY IN PLAN BOOK 361.
- SURVEY PLAN FOR USA & ROBERT CONSOLE DATED MAY 2009 BY BRUM ENGINEERS AND RECORDED IN SAID REGISTRY IN PLAN BOOK 409, PAGE 5.
- SURVEY PLAN FOR DALE BLOW DATED SEPTEMBER 1986 BY RICHARD MANTHORNE LAND SURVEYOR (UNRECORDED)



LEGEND

- ▲ SURVEYORS TRAVERSE POINT
- FOUND IRON ROD OR PIPE
- PROPERTY LINE
- ADJUTERS PROPERTY LINE
- NOW OR FORMERLY
- EXISTING FIRE HYDRANT
- ⊗ SEWER MANHOLE
- LOT IDENTIFICATION PER PLAN REF. 1
- TOWN MAP AND LOT NUMBER
- DEED DIMENSION



PAUL P. GADBOIS
 ENGINEERING SURVEYING
 LAND PLANNING
 P.O. BOX 327, SACO, MAINE 04072
 (207) 283-3980

CONCEPT PLAN
 GARY SALAMACHA
 NEW COLONY DRIVE
 OLD ORCHARD BEACH, MAINE

RECORD OWNER
 SALAND DEVELOPMENT INC.
 P.O. BOX 148
 OLD ORCHARD BEACH, MAINE

DRAWN:	P.P.G.	REVISIONS:
CHECKED:	P.P.G.	
SCALE:	1" = 30'	
FIELD BOOK:		
DATE:	02-09-2026	
JOB NO.	1746	
SHEET	1 OF 1	

Exhibit 4

Contract Zoning Agreement

CONTRACT ZONE AGREEMENT

This CONTRACT ZONE AGREEMENT is made this ____ day of _____ 2024, by And between Saland Development Inc. a Maine corporation with principal place of business in Old Orchard Beach, in the County of York and State of Maine, (hereinafter “Saland”), and THW TOWN OF OLD ORCHARD BEACH, a municipal corporation located in York County Maine.

WHEREAS, Saland proposes to construct a single family condominium development containing sixteen (16) homes on 2.05 acres of land located in Old Orchard Beach, 4 New Colony Drive MBL 103-1-59 (hereinafter referred to as the “Project”).

WHEREAS, the parcel to be developed is shown as Map 103, Block 1, Lot 59 on the Town of Old Orchard Beach Tax Maps.

WHEREAS, at the time of application for contract zone, Saland Development Inc. owns the property and a copy of the Quitclaim Deed without Covenant as recorded in the York County Registry of Deeds at Book 5576, Page 068 has been presented to the Old Orchard Beach Town Council as evidence of right, title or interest in the property: and

WHEREAS, under Sec.74-278 residential dwellings are permitted in the RD District and the rezoning to permit the construction of this Project is consistent with the Old Orchard Beach Comprehensive Plan (the “Comprehensive Plan”) and with existing uses within the RD District: and

WHEREAS, Saland has petitioned for a contract zone to amend the Old Orchard Beach Zoning Ordinance (the “Zoning Ordinance”) to allow the Project to be developed for following reasons:

- A. The proposed Project would provide eighteen (16) single family homes on 2.05 acres. The minimum lot area requirement within the RD District for general residential uses with sewer is 20,000 square feet of buildable area per unit. Given the buildable area of the subject property, the Project would be restricted to 4 unit’s general residential units and would not be viable without the Contract Zone.
- B. The required setbacks are 50 feet front, 25 feet side and rear, we are requesting front side and rear building setbacks to be 25 feet. The first 15 feet, except for road crossings and grading required for construction of the units and drainage shall be either a no

disturbed buffer or should the area be disturbed for the above stated reasons this area will be landscaped to provide a buffer.

NOW THEREFORE, pursuant to the authority found on 30-A M.R.S.A., Section 4352(8), And Article IX of the Zoning Ordinance (the "Contract Zoning Ordinance"), and by vote of the Old Orchard Beach Town Council on _____, 2024, the following findings are hereby adopted:

- A. The Property is a small 2.05 acre parcel located in Old Orchard Beach, in an existing residential area, consisting of residential homes, Homeward Park is zoned R5 on the northeast side, on south side is undeveloped Larch and Alder street zoned R5 and on the west side five (5) Eight (8) unit buildings consisting of 40 condominium units, with access to existing public water and sewer in keeping with the Comprehensive Plan, the proposed contract zone will allow the development of the property to be maximized for residential use.
- B. The proposed rezoning is further consistent with one of the goals identified as most important to the Town, as set forth in Section IV of the Comprehensive Plan, which is to direct growth to areas with economical access to existing sewer and water facilities.
- C. The Comprehensive Plan has an overall theme of promoting desirable development, which includes providing a benefit to the public.
- D. Short Term Rentals, as defined by the town of Old Orchard Beach Code Ordinances, of any unit, including the entire unit or portion of a unit, shall be prohibited.
- E. The roadway serving the development shall remain private and roadway improvements, maintenance, snow plowing, and trash removal shall be the responsibility of the of the condominium association.
- F. The conditions hereinafter set forth in this contract and by the Old Orchard Beach Planning Board are sufficient to meet the intent of the Contract Zoning Ordinance.
- G. The developer shall choose the unit and provide deed restrictions that ensure future sales of the home that is priced to meet Maine State Housing Authority requirements to meet these requirements for 20 years.
- H. The developer is required to construct a sidewalk along Ross Road from New Colony Drive to Portland Avenue. The sidewalk to be constructed before the 9th occupancy permit is issued shall receive a final sign off from the public works department.
- I. The applicant must secure Fire Department approval of the project, including water distribution before the Planning Board votes on a final decision on any subdivision, site plan or conditional use application.

Benefits

- 1) The intent is to create affordable housing at a cost below medium home sales in Old Orchard Beach.
- 2) This 2.05-acre property generates about \$1,800 in tax money which if it is developed will bring in around \$100,000 in tax revenue, which every other property does the same thing as properties are developed bring in more money. The benefit of this property is most people that buy two bedrooms are people just starting out with no children, so the development of this property will not increase the burden on the school system. Roads and all utilities will remain private, there will be no burden to the Town or Public Works.
- 3) A sidewalk extending along the west side of Ross Road from New Colony Drive to Ross Road / Portland Avenue intersection.
- 4) One home that meets Maine State Housing affordable guidelines.
- 5) Three small homes priced at an affordable rate.
- 6) Short-term rentals, as defined by the Old Orchard Beach Code Ordinances, of any unit, including the entire unit or portion of a unit, shall be prohibited.

WHEREFORE, based on the findings above set forth, the Old Orchard Beach Town Council hereby agrees that this contract shall modify the space & Bulk Requirements in the RD District To allow a reduction in the minimum lot size per dwelling unit to allow 16 residential units to be constructed on the Property: however, that this agreement shall be subject to the conditions and restrictions as follows:

- A. Except as set forth herein, the applicant shall adhere to all other applicable provisions of the RD District, the Zoning Ordinance and Subdivision Ordinance.
- B. All details shown on the plans approved by the Old Orchard Beach Planning Board on _____, 2024 are incorporated into this contract by reference. The Property shall be developed substantially in conformance with these plans. Revisions to the Site Plan may be administratively approved by the Town Planner and Code Enforcement Officer in accordance with applicable provisions of the Zoning Ordinance. Any changes determined by the Planning Staff to require Planning Board approval shall be submitted for such review. If it is determined by the Planning Board that any of the changes constitute a change in this contract, then Saland shall also be required to obtain Town Council approval of such changes.
- C. These amendments affect only the parcel of land identified as Tax Map 103 Block 1 Lot 59 on the Town of Old Orchard Beach tax maps.

- D. This contract and its provisions shall specifically and exclusively apply to the contract zone request submitted by Saland. Approval of this contract zone is in part based on the technical qualifications of Saland as submitted to the Town. Accordingly without the prior written consent of the Town Council which consent shall not unreasonably be withheld, this contract and the contract zone it creates shall not be transferable by Saland except that this contract shall be binding upon and shall inure to the benefit of, future owners of the Property, or any part thereof, provided, however, that Saland may (1) transfer this contract and the contract zone it creates to a Maine Corporation in which the president thereof, is controlled by _____ without any need for written consent of the Town Council and (2) this contract and the contract zone it creates may be assigned or pledged to lenders providing financing secured by the Property and the Project. In the event of a transfer to such a corporation, all references In this agreement to Saland shall thereafter be deemed to refer to such corporation.
- E. Failure of Saland to secure the required Site Plan and Subdivision approvals from the Planning Board, and any and all other permits or approvals that may be required by the Town or other regulatory agencies including but not limited to the Maine Department of Environment Protection and/or Department of Transportation within one year of the approval of this Contract by the Town Council shall render this Contract null and void. In the event that permits or approvals are delayed due to circumstances beyond the control of Saland, this one year deadline may be extended by one (1) year upon written request to the Town council submitted by Saland prior to the expiration of the original one year period, and in the event the final permit or approval are delayed due to the pendency of an appeal, the one year deadline shall start to run from the date the appeal(s) are determined and such permits or approvals become final.
- F. Failure of Saland to initiate construction of the Project within two (2) years from the date of final approval of this contract zone by the Town Council, or within two (2) years from the date the permits and approvals referred in Subparagraph E above become final whichever shall last occur, shall render this contract null and void. In the event that permits or approvals are delayed due to circumstances beyond control of Saland, this two-year deadline may be extended by one year upon written request to the Town Council submitted by Saland prior to the expiration of the original applicable two-year period.
- G. Breach of these conditions and restrictions by Saland shall constitute a breach of the contract. Should Saland seek to modify these conditions or restrictions, it shall be required to apply for a contract modification. Failure to apply for and obtain a modification shall constitute a zoning violation, subject to enforcement action.
- H. Saland shall record this Contract Zone Agreement in the York County Registry of Deeds within thirty (30) days of the date on which Saland receives an executed original of this Contract Zone Agreement from the Town. The purpose of this requirement is to provide record notice of all the requirements of the Contract Zone Agreement.

Based on the above findings, conditions and restrictions, the Town Council hereby incorporates this Contract zoning agreement into the Zoning Ordinance by reference. By signing this contract, both parties agree to abide by the conditions and restrictions contained herein. The above restrictions, provisions and conditions are an essential part of the rezoning of the Property, shall run with the land and shall bind and insure to the benefit of Saland.

The Town of Old Orchard Beach

Saland Development Inc.

Bys/ Shawn O'Neill Chairman

bys/Gary Salamacha, Owner

Bys/Kenneth Blow, Vice Chair

Bys/Michael Tousignant, Councilor

Bys/Connor Rague, Councilor

Bys/Jay Kelley, Councilor

STATE OF MAINE

)

)ss

COUNTY OF

)

On _____, 2024 before me personally appeared Gary H. Salamacha Owner of Saland Development Inc. and acknowledged the foregoing instrument to be his free act and deed in his said capacity.

NOTARY PUBLIC, signature

Print Notary Name _____

My Commission
Expires: _____

Exhibit 5

Statement of Consistency

Exhibit 5- Statement of Consistency

The proposed development and contract zone is consistent with the Town's Comprehensive Plan. The Comprehensive Plan speaks to increasing housing availability to summer and year-round residents that is affordable, as well as more efficient use of available, undeveloped parcels. The proposed contract zone will allow for better, more viable, development of the site, in addition to providing a public benefit to the surrounding community, due to the following:

1. The proposed rezone is in keeping with the Comprehensive Plan in that the proposed contract zone will allow the development of the Property to be maximized for residential use.
2. The proposed rezoning is consistent with one of the goals identified as most important to the Town, as set forth in Section IV of the Comprehensive Plan, which is to direct growth to areas with economical access to existing sewer and water facilities. The Comprehensive Plan has an overall theme of promoting desirable development, which includes providing a benefit to the public.

If the R2A zoning was adopted, as recommended in the comp plan, the allowed density on this lot would be 3,750 sf per unit, allowing 24 units, which is more than the density requested at 5,000 sf per unit or 18 homes proposed.

Policy A 21 stated that within the designated Growth area the Town should consider incentives like density bonuses.

A residential development goal is for the Town to promote a wide variety of housing opportunities to meet the needs of various types of households and various income levels.

Policy B.6 states a mechanism that deserves consideration for meeting the residential housing goals is contract zoning.

Policy B.8 states the Town should encourage and promote the construction of fifty additional affordable housing units.

Benefits

- 1) The intent is to create affordable housing at a cost below medium home sales in Old Orchard Beach.
- 2) This 2.05-acre property generates about \$1,800 in tax money which if it is developed will bring in around \$100,000 in tax revenue, which every other property does the same thing as properties are developed bring in more money. The benefit of this property is most people that buy two bedrooms are people just starting out with no children, so the

development of this property will not increase the burden on the school system. Roads and all utilities will remain private, there will be no burden to the Town or Public Works.

- 3) A sidewalk extending along the west side of Ross Road from New Colony Drive to Ross Road / Portland Avenue intersection.
- 4) One home that meets Maine State Housing affordable guidelines.
- 5) Three small homes priced at an affordable rate.
- 6) Short-term rentals, as defined by the Old Orchard Beach Code Ordinances, of any unit, including the entire unit or portion of a unit, shall be prohibited.

Exhibit 6

Statement of Proposed Conditions

Exhibit 6 Statement of Proposed Conditions

The application proposes the following conditions as outlined in the Contract Zone Agreement.

1. The agreement would allow for greater development density. The proposed agreement would allow for 16 single family homes to be developed on the 2.05-acre parcel.
2. The agreement would allow for a reduced front yard setback to 25 feet.
3. The agreement would allow for a single-family residential development. The nature of the site and surrounding properties is suitable for sole residential development. Existing residential developments occupy general areas to the east and west, there is undeveloped paper streets Larch and Alder, to the south and west that is zoned single family. Residential developments, such as the one proposed, provide living opportunities for first time home buyers, this project meets with the intent of the Comprehensive Plan. The intent of this project is to build 16 affordable houses with each house wired to a solar array.
4. The applicant proposes that the roadway be designated as an internal drive, as it will not have its own Right of Way and surrounding land will be considered common, outside of the individual condo plats for each unit. This being the case, the applicant proposes to construct a 24-foot-wide road, which will consist of two (2) 10-foot-wide travel lanes, and a 4-foot-wide painted pedestrian path. This road will have a 24-foot-wide hammer head lined up with Larch Street, that will allow emergency vehicles to turn around and also providing for possible looping of the water main to Homewood Park. A fire hydrant will be provided at a location to be determine by the fire department.
5. The applicant intends to extend New Colony Drive from its terminus to provide access to the applicant's land. This proposed extension to match the existing roadway and sidewalk and be built to Town Standards.
6. The proposed drive within the project will be built to the Town design standards for a minor Street except for the following:
 - Minimum right of way width zero.

- Minimum pavement width 24 feet including 4-foot pedestrian walk.
- Minimum grade of 0.5%.
- Maximum grade of 10%.
- Minimum centerline radius of 100 feet.
- Minimum tangent between reverse curves 50 feet.
- Minimum width of shoulders, each side is zero.

Exhibit 7

Roadway Maintenance Agreement

ROAD MAINTENANCE AND UTILITIES AGREEMENT

THIS AGREEMENT made this 26th day of September 2023 by and between **Saland Development, Inc.**, a Maine corporation formerly known as KRE Properties, Inc., with offices in Old Orchard Beach, in the County of York and State of Maine, its successors and assigns (hereinafter "Saland") and **Pilgrim Place Condominium Association**, a Maine nonprofit corporation, with a principal place of business in Old Orchard Beach, in the County of York and State of Maine (hereinafter "Pilgrim Place").

WHEREAS, Saland owns an unimproved lot of land in Old Orchard Beach, York County, Maine, adjacent to Pilgrim Place Condominium pursuant to a quitclaim deed without covenant from Maine Savings Bank dated November 28, 1990 and recorded in said Registry of Deeds in Book 5576, Page 68 (the "Saland Deed"), which lot is depicted as 'Project Site' on the amended subdivision plan of Settlers Ridge Condominiums recorded in said Registry of Deeds on May 13, 2013, in Plan Book 361, Page 5 (the "Saland Property"); and

WHEREAS, Pilgrim Place Condominium Association is the association of unit owners for Pilgrim Place, a Condominium, located in the Town of Old Orchard Beach, Maine (the "Condominium") established under a Declaration of Condominium as amended recorded in the York County Registry of Deeds in Book 4791, Page 262 (the "Declaration");

WHEREAS, both the Saland Property and the Condominium are served by a private road known as New Colony Drive, which is depicted on the Plat and Plans of Pilgrim Place, A Condominium recorded in said Registry in Condo File 368, Page 1 (hereinafter referred to as the "Private Way"); and

WHEREAS, pursuant to the Declaration and Saland Deed, Saland believes the Saland Property has the benefit of an easement for ingress and egress over said New Colony Drive as well as an easement to connect to the utilities located on, over and under said Private Way; and

WHEREAS, Saland and Pilgrim Place, for themselves, their successors and assigns, wish to memorialize their shared use of the Private Way and to provide for the future maintenance, repair and upkeep of said Private Way and all shared utilities by providing methods and procedures for decision making, enforcement and collection with respect thereto.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements hereinafter set forth, the sufficiency of which is acknowledged by all, Saland and Pilgrim Place, for themselves, their successors and assigns, hereby agrees as follows:

1. Pilgrim Place shall permit Saland a license to use said Private Way, subject to the terms and conditions of this Agreement, for the purposes of pedestrian and vehicular ingress and egress and for the installation, maintenance, repair, and replacement of utilities above and below ground subject to Maine Water Company and Old Orchard Beach Sewer Department approval, including the right to connect to and use the existing utilities in their current and

existing locations. Saland is responsible for all damage resulting from or incidental to its use of said Private Way and hereby indemnifies Pilgrim Place against the same including for any enforcement actions taken by any administrative or regulatory body.

2. Saland is responsible for all costs associated with connecting to the Private Way and is responsible for any improvements or upgrades to the Private Way necessary to accommodate its use. Saland agrees to pay Saland's share (as defined in Paragraph 10 of this Agreement) of the cost of resurfacing and regrading the Private Way to applicable town standards and re-striping the existing parking spots located within the Private Way. Saland is not responsible for resurfacing and regrading the parking spots located outside the Private Way. Should Saland use the unpaved portion that currently exists between its property and Pilgrim Place Building 5, it shall be responsible for constructing and paving that portion to applicable town standards for the proposed development. Saland shall submit plans for all such work to Pilgrim Place for approval at least thirty (30) days prior to the scheduled work commencement, which approvals shall not be unreasonably withheld, conditioned or delayed. Pilgrim Place shall be deemed to have approved such plans in the event Pilgrim Place fails to respond or otherwise provide written objections to the proposed work within twenty-one (21) days. Any extension of the Private Way shall be no wider than the existing Private Way. Saland shall provide the materials described in this paragraph to the individuals identified in Paragraph 16 by electronic and paper copy delivered on the same day with acknowledgment of receipt.

3. Saland is responsible for all costs associated with connecting the Saland Property to the utilities over or under the Private Way and is responsible for any improvements or upgrades to the utilities necessary to accommodate its use, including, but not limited to, separate meters. Saland shall submit plans (with all necessary approvals as required in Section 1) for all such work, including plans detailing all connection points to the utilities, to Pilgrim Place for approval at least forty-five (45) days prior to the scheduled work commencement, which approvals shall not be unreasonably withheld, conditioned or delayed. Pilgrim Place shall be deemed to have approved such plans in the event Pilgrim Place fails to respond or otherwise provide written objections to the proposed work within thirty (30) days. Saland shall engage a licensed engineer to inspect all sewer manholes and connections and provide a report to Pilgrim Place. After construction, Saland shall provide an as-built survey showing the location of Saland's connections and utility improvements. Should Saland build any building that it plans to connect to any of the utilities other than or in addition to the single family residential home currently being built, Pilgrim Place reserves the right to conduct a study of any of the utilities' ability to serve said buildings, including, but not limited to, a camera review of the private sewer lines. Pilgrim Place shall be responsible for the cost of said study. In the event that Saland builds any building other than the aforementioned single family residential home that it plans to connect to any of the utilities, Saland remains responsible for all costs associated with connecting any and all buildings to the utilities and is responsible for any improvements or upgrades to the utilities necessary to accommodate its use, as determined by a licensed engineer.

4. Should Saland build any building other than or in addition to the single family residential home referenced in the prior paragraph, Pilgrim Place reserves the right to conduct a stormwater analysis including the impacts from any development by Saland. Pilgrim Place

shall be responsible for the cost of said study. Saland shall be responsible for any improvements or upgrades made necessary by Saland's development to protect the Pilgrim Place property from stormwater.

5. Saland shall pay to Pilgrim Place a construction impact fee of \$7,500 per residential dwelling unit built. The single family residential home (to include a detached garage) referenced in Paragraph 3 is considered to be one residential dwelling unit. A single condominium unit or a single apartment would also be considered a single residential dwelling unit. A duplex is considered to be two residential dwelling units. Such construction impact fees shall be due and payable upon construction for only those units for which a building permit has been issued.

6. Upon execution of this Agreement, Saland shall pay to Pilgrim Place \$ 15,000.00 as compensation for prior expenses incurred by Pilgrim Place relating to current and past development and proposed development by Saland.

7. Saland and Pilgrim Place, or the future owners of the land, common elements, limited common elements or units, which are accessed by said Private Way shall jointly provide for the necessary maintenance, repair, snow removal, sanding, and salting of the aforementioned Private Way, with the cost and expense of such work to be shared in accordance with Paragraph 10 of this Agreement. Said maintenance shall also include any and all work to maintain the drainage and erosion control systems related thereto.

8. An annual budget for road maintenance and repair and any and all decisions with respect to the nature and extent of the work to be done, the individual or entity to be employed, the total amount of money to be expended, or any and all other matters or questions, shall be made and decided in good faith by Pilgrim Place and subject to approval by Saland, or its successor(s) in interest, provided that such approval shall not be unreasonably withheld, conditioned, or delayed. Upon written request, Pilgrim Place shall furnish to Saland, or its successors in interest, copies of any and all estimates, bids, or contracts related to such maintenance and repair, which shall include a cost breakdown or allocation of any expenses attributable solely to New Colony Drive or utilities serving the Saland Property. In the event any party incurs expenses without the written consent of the other as set forth above, the party incurring the expense shall be solely responsible for any such costs and shall defend, indemnify and hold the other party harmless therefrom, including any liens and attachments.

9. Each party's share of the reasonable charges for the work undertaken pursuant to this Agreement shall (i) be due and payable within twenty (20) days of invoicing and (ii) constitute a debt owed to the other which shall constitute a lien upon the property of the party failing to contribute the proportionate share of the cost. The lien established hereby may be enforced by any party to this Agreement, their successors or assigns, by a lien action following the procedure as set forth at Title 33 of the Maine Revised Statutes Annotated, §1603-116.

10. Saland shall be responsible for its share of the cost of the repair, maintenance, salting, snow removal and future improvements for the portion of the Private Way running from Ross Road to the end of New Colony Drive as shown on the plan entitled "Pilgrim Place

Condominiums Site, Grading, & Parking Plan” prepared by Woodard & Curran Inc., revised February 8, 1988, and recorded in said Registry of Deeds in Plan Book 170, Page 26 (the terminus of New Colony Drive being approximately 125 feet southerly of the boundary line between Pilgrim Place and Saland). Saland shall be solely responsible for all costs relating to any portion of the Private Way on or exclusively serving the Saland Property, including, but not limited to repair, maintenance, salting, snow removal and future improvements. Saland shall also be responsible for its share of the repair, maintenance and future improvements of all utilities which serve Saland. Saland’s “share,” as referred to herein, shall be calculated as a fraction with the numerator being the number of residential dwelling units on the Saland Property using and/or connected to the Private Way and/or the utilities, and the denominator being the total number of said dwelling units on the Saland Property plus the total number of condominium units in the Pilgrim Place Condominiums. In the event that similar cost-sharing arrangements are made with other dwelling units, including the existing homes on New Colony Drive, those units would be included in the denominator for this calculation. If said units are ever acquired by Saland, they would also be included in the numerator. Pilgrim Place does not agree to extend any rights to Saland to connect any non-residential development to the Private Way.

11. The terms of this Agreement, including, but not limited to, Saland’s responsibilities for the costs described herein, apply to any future development done by Saland or its successors or assigns on the Saland Property that is connected to the Private Way.

12. All road improvements and maintenance work must be (i) performed in good and workmanlike order by licensed and insured professionals, (ii) conducted between the hours of 8:00 AM and 6:30 PM on weekdays and from 9:00 AM to 5:00 PM on weekends, or such other hours as may be permitted by the Town of Old Orchard Beach ordinances and code, (iii) completed to equal or better than existing standards, and (iv) completed within a reasonable time frame not to exceed thirty (30) days from commencement. Any and all contractors performing work on the Private Way shall carry general liability insurance and name Pilgrim Place as an additional insured.

13. Any repairs resulting from damage caused by Pilgrim Place, Saland, or their respective agents, contractors, guests or invitees shall be performed and paid solely by the responsible party.

14. Saland shall obtain a general liability insurance policy naming Pilgrim Place, as their interests may appear, as a co-insured. Saland, for itself and its successors and assigns, shall defend, indemnify, and hold Pilgrim Place and its successors and assigns, harmless against and from any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including reasonable attorneys’ fees) from and against any and all claims arising from any injury to or the death of any person, or any loss or damage to any property on or about the Private Way, excepting where such damage or injury arises out of the gross negligence or willful misconduct of Pilgrim Place, or its successors and assigns. Saland shall provide a copy of the declaration page for said policy within 14 days of approval of this Agreement by the unit owners.

15. Under no circumstances may either party close the Private Way to travel or discontinue maintenance without the approval of the other except that Pilgrim Place may close the Private Way to access to and from the Saland Property should Saland provide written notice to Pilgrim Place of its intent not to use the Private Way for access, at which time Saland's obligations to contribute to the cost of repair, snow removal and maintenance of the Private Way shall terminate. Once work has begun pursuant to Paragraphs 2 and/or 3, Saland remains responsible for all costs described in Paragraphs 2 and 3 and for damages to Pilgrim Place property that has already occurred. Upon termination of Saland's use of the Private Way for ingress and egress to the Saland Property, Saland shall notify Pilgrim Place in writing whether Saland shall retain the right to access the Private Way and the Pilgrim Place property for the purposes of repair, replacement and maintenance of utilities serving the Saland Property. All of Saland's obligations for costs relating to utilities shall continue until Saland terminates and removes or disconnects all of its utility connections to utilities running over or under the Private Way and the Pilgrim Place property.


16. The Pilgrim Place Board of Directors will nominate a point of contact prior to the execution of this Agreement, whose duties shall include receiving information from and communicating with Saland, with additional copies delivered to the property manager for Pilgrim Place.

17. Any dispute of any term of this Agreement shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association unless the parties mutually agree otherwise in writing. The Arbitrator shall have the authority to grant any and all types of relief, including monetary and injunctive, both preliminary and permanent. In any dispute relating to the terms of this Agreement, the prevailing party shall be entitled to recover its legal fees including reasonable attorney's fees. This agreement to arbitrate shall be specifically enforceable and the award rendered by the arbitrator shall be final.

18. This Agreement and the covenants and conditions herein contained shall be deemed to be real covenants running with the land and benefitting and burdening the land described in the deeds to the lots on the aforesaid plans. This Agreement and the covenants and conditions herein contained shall be binding upon the parties, their successors and assigns, and shall be recorded in the York County Registry of Deeds.

19. This Agreement is subject to unit owner approval. The Association will schedule a unit owners' meeting to vote on this Agreement within 30 days of the effective date of this Agreement.

WITNESS our hands and seal:



SALAND DEVELOPMENT, INC.

Gary H. Salamacha
President

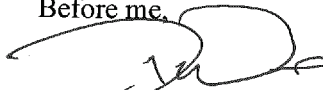
By:

STATE OF MAINE
YORK, ss.

September 11, 2023

Personally appeared the above-named Gary Salamacha, and acknowledged that, on behalf of Saland Development, Inc., he voluntarily executed the foregoing Road Maintenance and Utilities Agreement, as his free act and deed, having read it and understood it.

Before me,



~~Notary Public~~ Attorney-at-Law

Paul D. Weinstein

PILGRIM PLACE
CONDOMINIUM ASSOCIATION

By: _____, President

STATE OF MAINE
York, ss.

_____, 2023

Personally appeared the above-named _____ and acknowledged that, on behalf of the Pilgrim Place Condominium Association, she voluntarily executed the foregoing Road Maintenance and Utilities Agreement, as her free act and deed, having read it and understood it.

Before me,

Notary Public/Attorney-at-Law

SALAND DEVELOPMENT, INC.

By:

STATE OF _____
_____, ss.

_____, 2023

Personally appeared the above-named _____, and acknowledged that, on behalf of Saland Development, Inc., he voluntarily executed the foregoing Road Maintenance and Utilities Agreement, as his free act and deed, having read it and understood it.

Before me,

Notary Public/Attorney-at-Law

PILGRIM PLACE
CONDOMINIUM ASSOCIATION

Keith Grandy
By: _____, President

STATE OF MAINE
York, ss.

09/26 / _____, 2023

Personally appeared the above-named KEITH GRANDY and acknowledged that, on behalf of the Pilgrim Place Condominium Association, she voluntarily executed the foregoing Road Maintenance and Utilities Agreement, as her free act and deed, having read it and understood it.

Before me,

[Signature]

Notary Public/Attorney-at-Law

JEFFREY THOMPSON, JR.
NOTARY PUBLIC
STATE OF MAINE
MY COMMISSION EXPIRES
OCTOBER 17, 2028

Exhibit 8

Draft Condo Docs

BYLAWS OF
SETTLERS RIDGE CONDOMINIUM ASSOCIATION

ARTICLE 1. INTRODUCTORY PROVISIONS

Section 1.1. Creation. These Bylaws (the "Bylaws") have been adopted pursuant to and as required by Section 1603106 of the Maine Condominium Act (the "Act") in connection with the establishment of a nonprofit unit owners association (the "Association") for the property called Settlers Ridge Condominiums, located at 4 New Colony Drive in Old Orchard Beach, York County, Maine (the "Property"), described in a Declaration of Condominium for Settlers Ridge Condominiums, dated _____, 2024, (the "Declaration") recorded in the York County Registry of Deeds, as the same may be amended from time to time. Except as otherwise required by the Act or by the Maine Nonprofit Corporation Act (the "Nonprofit Act"), the Association shall be governed by these Bylaws unless they are inconsistent with the Declaration, in which case the Declaration shall control.

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

Section 1.3. Name and Office. The name of the Association shall be Settlers Ridge Condominium Association and the principal office of the Association shall be located at the Property or at such other place as may be designated by the Executive Board.

Section 1.4. Applicability of Bylaws. The provisions of these Bylaws are applicable to all present and future Unit Owners, mortgagees, lessees, licensees and occupants of the Units, their employees, agents and customers, and any other persons who may use the Condominium or any of its facilities, as are the Rules and Regulations, all as adopted, amended or altered from time to time by the Executive Board.

ARTICLE II. THE ASSOCIATION

Section 2.1. Membership. The Association shall consist of all Unit Owners acting in accordance with these Bylaws, the Declaration and the Act. The membership shall include the Declarant so long as it is the owner of a Unit, as well as all Unit Owners, or, following termination under Section 1602118, all former Unit Owners entitled to distributions of proceeds, or their heirs, successors or assigns. Membership is transferable only as provided in the Declaration or these Bylaws. The membership of a Unit owner shall terminate upon the conveyance, transfer or other disposition of his interest in the Unit accomplished in accordance with the Declaration, whereupon his membership and any interest in the assets of the Association shall automatically transfer to and be vested in the successor in ownership. The transfer of an interest as security for an obligation shall not operate to transfer membership until a foreclosure of the mortgage or security agreement. The Association may, but is not required to, issue certificates evidencing membership in the Association.

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

- (a) Adopt and amend Bylaws and Rules and Regulations, provided that the initial Executive Board shall have the power to adopt these Bylaws;
- (b) Adopt and amend budgets for revenues, expenditures and reserves, and to collect assessments for Common Expenses and other authorized charges from Unit Owners;
- (c) Hire and terminate managers and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium;
- (e) Make contracts and incur liabilities properly relating to the Association;
- (f) Regulate the use, maintenance, repair, replacement and modification of Common Elements provided, however, that the use of the Limited Common Elements may not be changed without the consent of those Unit Owners affected;
- (g) Cause additional improvements to be made as a part of the Common Elements in accordance with the terms and limitations herein set forth;
- (h) Acquire, hold, encumber and convey in its own name any right, title, or interest to real or personal property, but a conveyance for security may be done only in accordance with the Act and the terms of the Declaration;
- (i) Grant easements, leases and licenses or concessions through or over the Common Elements;
- (j) Impose and receive payments, fees, or charges for the use, rental, or operation of the Common Elements other than Limited Common Elements and for services provided to Unit Owners;
- (k) Impose charges and interest for late payment of assessments and other authorized charges and, after notice and an opportunity to be heard, impose reasonable penalties for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;
- (l) Impose reasonable charges for the preparation and recordation of amendments to the Declaration or, resale certificates furnished in accordance with the Act, or statements of unpaid assessments;

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

(n) Assign its right to future income;

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

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

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

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

Section 2.3. Meetings. Meetings of members shall be held at the offices of the Association or at such other place properly designated in the notice of meeting. Meetings may be conducted through the use of televideo, videoconference, or other Internet meeting services designated by the President that support visible displays identifying those participating, identifying those seeking recognition to speak, showing (or permitting the retrieval of) the text of pending motions, and showing the results of votes.

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

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

(c) Notice of Meetings. A written notice of each meeting of the Association, stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place and time of the meeting, and the items on the agenda, including the general nature of any proposed Declaration or Bylaw amendment, any budget changes and any proposal to remove an officer or Director, shall be sent by the Secretary at least ten (10) days, but not more than fortyfive (45) days, before the date set for the meeting. Provided, however, that if the purpose of the meeting shall include the rejection or acceptance of a capital expenditure, such meeting shall be held within fifteen days (15) after the call therefor. Further, no business not stated in the notice may be conducted at a special meeting without the consent of at least sixty (60%) percent of the members present either in person or by proxy. Such notice shall be given in accordance with Article VI of the Declaration and given to each Unit Owner listed with the records of the

Association, and to each Eligible Mortgage Holder if and as required by the Declaration, as follows:

- (1) By hand delivering it to the Unit Owner; or
- (2) By mailing it, postage prepaid, addressed to the Unit Owner (or Eligible Mortgage Holder) at the address of the Unit or any other address designated in writing by that Unit Owner (or Eligible Mortgage Holder) with the records of the Association; or
- (3) By electronic means to any other address, including an e-mail address, specifically designated by the unit owner.

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

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

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

(f) Quorum. The presence at the beginning of any meeting of the Association, in person, by video conference or other electronic means as provided for in Section 2.3, or by proxy of Unit Owners whose aggregate voting interest constitutes more than twenty-five percent (25%) of the total interest therein shall constitute a quorum for the transaction of all business. If at any meeting a quorum shall not be in attendance, those members present may adjourn the meeting to a time not less than fortyeight (48) hours from the time of which the original meeting was called.

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

- (1) Roll call.
- (2) Proof of notice of meeting or waiver of notice.

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

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

Section 2.4. Voting.

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

meeting. Such majority agreement shall be conclusively presumed if any one of those multiple Owners shall cast the vote allocated to the Unit without protest being promptly made to the person presiding over the meeting by any other Owners of that Unit. Any provision of this Paragraph to the contrary notwithstanding, in the event of any proposed actions to terminate the Condominium pursuant to Section 1602118 of the Act; change the allocated interests appurtenant to any Unit, change the boundaries of a Unit, or subdivide a Unit except for such changes and subdivisions created by the Declarant as a consequence of the exercise of any Development Rights reserved by the Declarant in this Declaration; merge or consolidate the Condominium with another condominium; convey or subject to a security interest any portion of the Common Elements; or use any proceeds of property insurance required to be maintained by the Association pursuant to this Declaration for purposes other than repair and restoration of the damaged Property in accordance with this Declaration, the Plats and Plans, the Bylaws, the original elevation thereof and original building plans and specifications therefor, then an Eligible Mortgage Holder shall have the right, but not the obligation in place of the Owner of the Unit subject to the Mortgage held by such Eligible Mortgage Holder, to cast the votes allocated to that Unit or to give or withhold any consent required of such Unit Owner for such action by delivering written notice to the Association with a copy to the Unit Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by prepaid United States mail, return receipt requested, or by delivery in hand; failure of the Eligible Mortgage Holder to so exercise such rights shall constitute a waiver thereof and shall not preclude the Unit Owner from exercising such right. In no event shall more Votes be cast with respect to any Unit than are allocated to that Unit pursuant to this Declaration.

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

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

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

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

ARTICLE III. EXECUTIVE BOARD

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

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

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

Section 3.3. Powers and Duties. The Executive Board shall generally act on behalf of the Association, shall have all powers and duties necessary or appropriate for the administration of the affairs of the Association, and shall have all powers referred to in the Declaration, the Bylaws or otherwise provided under the Act or the Nonprofit Act, as they may be amended from time to time, except those matters which by law, by the Declaration, or by these Bylaws are specifically reserved to the Unit Owners.

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

Director by a vote of the members shall be filled by vote of the Unit Owners. A Director elected to fill a vacancy shall be elected for the non-expired term of his predecessor in office.

Section 3.5. Removal of Directors. At any regular meeting or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Unit Owners entitled to cast all votes and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given at least ten (10) days notice and an opportunity to be heard at the meeting, but the Unit Owner's decision shall be final. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his (or his spouse's) Unit.

Section 3.6. Compensation. No compensation shall be paid to Directors for their services as Directors or in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by more than fifty (50%) percent of the Members at any Annual or Special Meeting of the Association.

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

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

Section 3.9. Special Meetings. Special meetings of the Executive Board may be called by the President on three (3) days notice to each Director and, if so required, Eligible Mortgage Holder, given personally or by mail or by delivery to his Unit, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice upon the written request of two (2) or more Directors.

Section 3.10. Waiver of Notice. Before or after any meeting of the Executive Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of legal notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.11. Quorum of Executive Board. At all meetings of the Executive Board, the presence of a majority of the Directors at the beginning of a meeting shall constitute a quorum for the transaction of business. The acts of the majority of the Directors present shall be the acts of the Board. If, at any meeting of the Executive Board, a quorum is not present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any

business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.12. **Action Without Meeting.** Any action which may be taken at a meeting of the Directors may be taken without a meeting if all of the Directors sign written consents, setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of Directors' meetings and shall have the same effect as a unanimous vote.

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

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

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

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

ARTICLE IV. OFFICERS

Section 4.1. Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, elected by the Executive Board, of whom only the President need be elected from among the Directors. The Directors may in their discretion appoint a Vice President, Assistant Treasurer, and an Assistant Secretary, and such other officers, none of whom need be Directors, as in their judgment may be necessary.

Section 4.2. Election of Officers. The principal officers of the Association shall be elected annually by the Executive Board at the annual meeting and shall hold office at the pleasure of the Board.

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

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

Section 4.5. Treasurer. The Treasurer shall be responsible for keeping financial records and accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible, subject to the direction of the Executive Board, for the preparation and dissemination to the Unit Owners of all financial reports, budgets and notices required, and for the preparation and signing, if necessary, of all financial reports or tax returns required to be filed by the Association.

Section 4.6. Secretary. The Secretary shall keep and certify the minutes of all meetings of the Executive Board or of the Association, shall give all notices as provided by these Bylaws, and shall have other powers and duties as may be incidental to the offices of Secretary, given him by these Bylaws or assigned to him from time to time by the Directors. If the Secretary or any Assistant Secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose. The Secretary shall be responsible for the filing of all reports and documents required to be filed by the Association with any governmental agency. The Secretary shall, within ten (10) days after receipt of request, provide or caused to be provided to any person entitled thereto, at the expense of such person, a written statement or certification of the information required to be provided by the Association pursuant to Sections 1603116(h) and 1604108(b) of the Act and the terms of these Bylaws.

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

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

ARTICLE V. OPERATIONS AND ADMINISTRATION OF PROPERTY

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

Section 5.2. Preparation and Approval of Budget.

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

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

- (1) Management and administration expenses;
- (2) The cost of operation, repairs, maintenance, replacement, and improvements to Common Elements, Limited Common Elements, and facilities benefiting the Condominium;
- (3) The cost of such insurance, services and utilities as may be furnished by the Association, other than such items for which a service charge is assessed;
- (4) The amount of such working capital and reserves, as shall be established by the Board, including general operating reserves, reserves for contingencies, and reserves for maintenance and replacements; and
- (5) Such other expenses of the Association as may be approved by the Executive Board including operating deficiencies, if any, for prior periods.

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

(d) Each Unit Owner shall pay his share of assessments without setoff or deduction in an amount equal to the total Association budget, net of other income and authorized charges provided for herein, multiplied by his respective fractional ownership in the Common Elements. Each Unit Owner shall become liable to the Association, and a lien shall arise against his Unit for his entire fractional share of the assessments at the commencement of the pertinent fiscal period. Each Unit Owner may pay his share of the Common Expenses in monthly installments on or before the first day of each and every month during such period; provided, however, that if any such installment is not paid when due, then, if not paid prior to the due date of the next installment, the entire remaining balance thereof shall immediately become due and payable in full.

(e) If any Unit Owner shall fail or refuse to pay to the Association when due his or her share of the assessments or other charges, and such default shall continue for a period in excess of ten (10) days, the Association may assess a late fee of \$25.00.

(f) If any Unit Owner shall fail or refuse to pay to the Association when due his or her share of the assessments or any other charges, fees and penalties, and such default shall continue for a period in excess of thirty (30) days, the amount thereof shall bear interest at the rate of eighteen percent (18%) per annum or such other rate as may be set by vote of the Board prior to the date on which the payment came due. Such assessments and charges, with such late charges as may be determined by the Board of Directors, interest and all costs of collection, including reasonable attorneys' fees, shall constitute a lien on the Unit of such Unit owner. Recording of the Declaration constitutes record notice and perfection of the lien for assessments, charges, interest and costs of collection. The Association may record a notice from time to time stating the amount and nature of the lien, signed by an officer or Director of the Association or by an agent authorized by the Board, but such recorded notice is not necessary to establish or perfect the lien.

(g) The Executive Board shall take prompt action to collect any assessment for Common Expenses or other charges due from any Unit owner which remains unpaid for more than thirty (30) days from the due date. The lien for assessments described herein may be enforced and foreclosed by the Association in like manner as a mortgage of real estate as provided in the Act, or by any other means provided by law or in equity. A suit to recover a money judgment for unpaid assessments, interest penalties and costs of collection may be maintained against the Unit Owner personally without foreclosing or waiving the lien securing such assessments, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment. During the pendency of any such suit, the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any Court having jurisdiction over such sale. In the event of foreclosure, the Executive Board, acting on behalf of the Unit Owners, shall have the power to bid and acquire such Unit at a foreclosure sale and to lease, mortgage, convey, or otherwise deal with the Unit.

Section 5.3. Accounting. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principles and practices. Within ninety (90) days after the close of each fiscal year, the Association shall furnish the Unit Owners with a statement of the income and disbursements for such prior fiscal year and a

balance sheet as of the close of that year. All financial records shall be available for examination by Unit Owners, mortgagees, and their duly authorized agents and accountants at reasonable times.

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

Section 5.5. Revised and Special Assessments. If at any time the Board shall determine the amount of the common charges to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Board may adopt and deliver to the Unit Owners, at least thirty (30) days prior to the date on which it becomes effective, a revised estimated annual budget for the balance of such fiscal year, and thereafter monthly common charges shall be determined and paid on the basis of such revision.

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

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

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

Section 5.8. Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the buildings and common elements of the Condominium, the Executive Board may from time to time adopt, modify, and revoke, in whole or in part, such reasonable rules and regulations (the "Rules and Regulations") governing the Condominium as it may deem necessary, including, but not limited to, methods and procedures for enforcing compliance with the Declaration and Bylaws. Such Rules and Regulations shall be binding upon all Unit Owners and all persons present in the Condominium. Such Rules and Regulations may be amended by and be modified or rejected, in whole or part, at any time by a vote of threefourths (3/4) in interest of the Unit Owners present in person or by proxy at any meeting duly called for the purpose, which vote shall be binding upon the Executive Board. Until modified, amended or repealed, as herein provided, the Rules and Regulations annexed hereto shall govern the Condominium.

Section 5.9. Right of Entry. The Association, Executive Board, its officers, agents and employees shall have the right of entry into the Common Elements and Limited Common

Elements provided in Section 4.4 of the Declaration, but shall have no right of entry into the Units.

Section 5.10. Title. Every Unit Owner shall promptly cause to be recorded in the York County Registry of Deeds the deed, lease, assignment, or other conveyance to him of his Unit or other evidence of his title thereto and file such evidence of his title with the Association, and the Secretary shall maintain such information in the records of the Association.

Section 5.11. Information to be Available. The Association shall make available to Unit Owners, Eligible Mortgage Holders, insurers and guarantors for inspection, these Bylaws, the Rules and Regulations, and other books, records and financial statements of the Association. The Association shall also make available to such persons or entities, at the cost of the person or entity requesting same, current copies of the Declaration, these Bylaws, and the Rules and Regulations.

Section 5.12. Insurance, Repair and Reconstruction.

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

(b) Restoration. Damage to or destruction of any Unit shall be promptly repaired and restored by the Unit Owner in accordance with the provisions of the Declaration and Sections 1603113(e) and (h) of the Act.

ARTICLE VI. AMENDMENTS AND CONFLICTING PROVISIONS

Section 6.1. Amendment to Bylaws. Except as otherwise provided in any one or more of these Bylaws, the Declaration, or the Act, these Bylaws may be amended by the vote of the Unit Owners entitled to cast a majority of the votes in the Association, made in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws; provided, however that if such amendment shall make any change which would have a material effect upon any rights, privileges, powers and options of the Declarant, such amendment shall require the joinder of the Declarant; and further provided that no amendment seeking (i) to abandon, partition, subdivide, encumber, sell or transfer any portion of the Common Elements, or (ii) to abandon or terminate the condominium form of ownership of the Property except as otherwise provided in the Declaration, shall be effective without the prior written approval of all mortgagees encumbering the Units. Notwithstanding the foregoing, amendments of a material nature must be approved by Unit Owners entitled to cast at least sixtyseven (67%) percent of the total allocated votes in the Association and by Eligible Mortgage Holders representing at least fiftyone (51%) percent of the votes of Units subject to mortgages held by Eligible Mortgage Holders. A change to any of the following would be considered material:

- (a) voting rights;
- (b) assessments, assessment liens, or subordination of assessment liens;
- (c) reserves for maintenance, repair and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the Common or Limited Common Elements, or rights to their use;
- (f) boundaries of any Unit;
- (g) convertibility of Units into Common Elements or vice versa;
- (h) expansion or contraction of the Condominium; or the addition, annexation or withdrawal of property to or from the Condominium;
- (i) insurance of fidelity bonds;
- (j) leasing of Units;
- (k) imposition of any restriction on a Unit Owner's right to sell or transfer his or her

Unit;

- (l) a decision by the Association to establish selfmanagement when professional management had been required previously by an Eligible Mortgage Holder;
- (m) restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
- (n) any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or
- (o) any provisions that expressly benefit mortgage holders, insurers or guarantors.

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

Section 6.2. Amendment to Declaration. The Declaration may be amended pursuant to the provisions of the Act and the Declaration. The President is empowered to prepare and execute any amendments to the Declaration on behalf of the Association, and the Secretary or any Assistant Secretary is empowered to attest, seal with the Association's corporate seal, and record any such amendments on behalf of the Association.

ARTICLE VII. MISCELLANEOUS

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

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

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

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

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

ARTICLE VIII. CORPORATE SEAL

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

SETTLERS RIDGE CONDOMINIUM ASSOCIATION
2024
MAINE

**DECLARATION OF CONDOMINIUM
SETTLERS RIDGE CONDOMINIUMS**

THIS DECLARATION OF CONDOMINIUM (the "Declaration") is made this _____ day of _____, 2024, by SALAND DEVELOPMENT INC., a Maine Corporation, (the "Declarant") pursuant to the Maine Condominium Act, Chapter 31 of Title 33 of the Maine Revised Statutes of 1964, as amended (the "Act"), as the owner in fee simple of the Real Estate hereinafter described.

ARTICLE I
CREATION OF CONDOMINIUM; DEFINED TERMS

Section 1.1. Property. The Declarant, the owner in fee simple of the Real Estate described in Exhibit A annexed hereto and made a part hereof, (the "Real Estate") situated in the Town of Old Orchard Beach, County of York and State of Maine hereby submits the Real Estate, together with and subject to all easements, rights, privileges and appurtenances thereunto belonging, and the Buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of the Act, and creates with respect to the Property a condominium as defined in Section 1601-103(7) of the Act (the "Condominium"). The name of the Condominium is SETTLERS RIDGE CONDOMINIUMS. The name of the Association is SETTLERS RIDGE CONDOMINIUM ASSOCIATION. The Condominium is located in the Town of Old Orchard Beach, County of York, and State of Maine and the address of the Condominium is 4 New Colony Drive, Old Orchard Beach, Maine.

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

- (a) "Association" means the association of the Unit Owners of the Condominium known as "Settlers Ridge Condominium Association", organized pursuant to Section 1603-101 of the Act as a nonprofit corporation under the Maine Nonprofit Corporation Act.
- (b) "Building" means any building erected on the Property as well as other improvements comprising a part of a Building or intended to be used for purposes incidental to the use of a Building. The term "Building" shall mean and include the singular or plural.
- (c) "Bylaws" means the regulations providing for the governance of the Association as are adopted pursuant to Section 1603-106 of the Act and this Declaration for the regulation and management of the Property, including such amendments thereof as may be adopted from time to time.
- (d) "Common Elements" or, singularly, "Common Element", shall mean all portions of the Condominium other than the Units, and except as otherwise expressly stated herein, shall include Limited Common Elements.

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

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

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

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

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

(j) "Declarant" means Saland Development, Inc.

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

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

(m) "Eligible Insurer" means an insurer or governmental guarantor of a Mortgage held by an Eligible Mortgage Holder which has delivered written notice to the Association by prepaid United States Mail, return receipt requested, or by delivery in hand securing a receipt therefor, stating the name and address of such insurer or guarantor and containing

the same information and statements with respect to such insurer or guarantor that are required pursuant to the following subsection with respect to such Eligible Mortgage Holder.

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

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

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

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

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

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

(t) "Monthly Assessment" means the Unit Owner's share of the anticipated Common Expenses and Limited Common Expenses, allocated by Unit, for each month of the Association's fiscal year as reflected in the budget adopted by the Executive Board for such year.

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

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

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

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

(y) "Recorded" means that an instrument has been recorded in the Registry.

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

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

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

(cc) "Unit" mean a Building designated for separate ownership or occupancy. The "Size" of each Unit is the number of square feet depicted on the Plats and Plans.

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

ARTICLE II UNITS, UNIT BOUNDARIES, AND MAINTENANCE

Section 2.1. Number of Units. The Declarant has created pursuant to this Declaration one (1) Unit consisting of a single-family residential building, which Unit is identified in Exhibit B as Unit 1. The Declarant reserves the right, but not the obligation, until twenty (20) years from the date of the recording of this Declaration to create up to seventeen (17) additional Units, together with Limited Common Elements appurtenant to such Units, on the land described in the attached Exhibit A, and as depicted on the attached Exhibit B, all pursuant to Section 1602-110 of the Condominium Act. Said conversion creating additional Units and Limited Common Elements may be composed of up to seventeen (17) additional single-family Units added at the same time or in separate phases. The location of the additional Units and Limited Common Elements appurtenant to such Units are shown on the Plats and Plans as Unit 2 through 18, inclusive. If they are built, said additional Units and Limited Common Elements shall be built in substantially the same locations as shown on the Plat, and the configuration of each Unit will be substantially the same as those Units which are declared. NOTWITHSTANDING THE FOREGOING, THE DECLARANT EXPRESSLY RESERVES THE RIGHT NOT TO ADD THE UNITS, OR TO MAKE VARIATIONS IN SUCH UNITS, OR LIMITED COMMON ELEMENTS, AND THEIR LOCATIONS, in its discretion; provided however, any changes in the size, number or location of units must comply with the ordinances of the Town of Old Orchard Beach and any, terms, conditions and/or restrictions of the approvals issued by the Planning Board. Upon the

addition of such Units, which may occur in such stages and in such order as the Declarant determines, they shall be fully integrated into the Condominium as if this Declaration had been originally executed and recorded containing the additional Units, and the Allocated Interests of the Units shall be reallocated in accordance with the formulas set forth in this Declaration and as more particularly set forth in the amendment adding said Units. All such future Units and Limited Common Elements shall be consistent with the initial Units in terms of the quality of construction, general architectural style and principal materials, provided that the Declarant may substitute construction materials and techniques of equal or better quality. All restrictions in or created by authority of this Declaration affecting the use, quality or alienation of Units shall apply to such Units including, without limitation, the restriction on residential use. Declarant need not add said Units or Limited Common Elements to the Condominium and, hence, said Units and Limited Common Elements NEED NOT BE BUILT. The Declarant must exercise its rights hereunder within twenty (20) years of the recording of this Declaration.

Upon the addition of such Units to the Condominium, the Allocated Interests of all Units shall be recalculated by a formula based on each Unit having a Percentage Interest expressed as a fraction whose numerator is one (1) and whose denominator is the total number of Units declared, including those added by amendment. Each Unit shall have one (1) vote per Unit in the Association to permit equality among Units. To exercise any rights under this Section, the Declarant shall prepare, execute and record an amendment to the declaration pursuant to the Condominium Act, which amendment shall include a Plat and Plans (or suitable affidavit) as required by the Act to the extent not previously recorded. Said amendment shall become effective upon recording without the consent of any other person.

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

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

(1) Upper Boundary: There shall be no upper boundary, and the Unit shall include, but not be limited to, the exterior side of the roof shingles, solar panel(s), if any, chimneys, vent pipes, or any other improvements at or above the roof line.

(2) Lower Boundary: The ground-side surface of the concrete floor the Unit's foundation, and the ground-side surface of the exterior steps and entrance way.

(b) Vertical Boundaries: The vertical boundaries of each Unit shall be the vertical planes at the outside surface of such exterior walls as are adjacent to such Unit at the exterior surface of the siding materials forming its vertical walls (including chimneys, fascia, soffit, corners, moldings, trim, and other exterior components), extended to the intersections with each other and with the upper and lower Unit boundaries, and the exterior surface of the concrete foundation walls.

(c) The Unit shall also include the windows, doors, and any exterior decks, patios, balconies, or stairs leading to the Unit.

(d) Each Unit consists of all portions of the Building within such boundary lines, subject only to such easements as may be provided for wires, conduits and pipe runs which serve other Units.

Section 2.3. Reserved.

Section 2.4. Reserved.

Section 2.5. Alterations by Unit Owner. No Unit Owner shall alter any of the Common Elements or paint or otherwise change the appearance of the Common Elements without the prior written approval of the Executive Board or any committee appointed by the Board pursuant to the Bylaws. Notwithstanding the foregoing, Unit Owners may make improvements and alterations to the Limited Common Elements appurtenant to such Unit, including, but not limited to, planting of trees, shrubs and gardens, landscaping and hardscaping, installation of fences, and the construction or installation of a pool, shed, or canopy, subject however, to the following:

(a) Fences shall not exceed six feet in height, and may not be installed within the front-yard of the Limited Common Element appurtenant to such Unit. Fences installed within the side-yard or rear-yard Limited Common Element shall not extend past the center point of the exterior sidewall of a Unit as measured between the exterior rear facing wall of such Unit and the exterior front facing wall of such Unit. Any enclosed fence areas shall have gated access to a Common Element or Limited Common Element appurtenant to the Unit, the width of such gated access to be sufficient for ride-on lawn mowing equipment to pass.

(b) Sheds shall be no larger than one hundred twenty square feet in size (10'x12') and shall be of a "Gable" style with siding and roofing materials that match the exterior appearance of the Unit. Unit Owners shall be required to obtain all necessary approvals from the Town of Old Orchard Beach, including a building permit, if required, prior to the placement of any shed.

(c) Pools shall not exceed 20'x 25' and shall not be permitted in the front or side-yard Limited Common Element, and must be enclosed by fencing and constructed in accordance with applicable City standards.

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

(a) Generally, the maintenance of the Units and Limited Common Elements shall be allocated to the Unit Owners and the Association shall maintain the Common Elements. Every Unit Owner shall perform promptly all maintenance and repair work on the

owner's Unit and Limited Common Elements, including all improvements to the Unit and all landscaping, yard care, snow removal, and grounds maintenance in the Limited Common Elements appurtenant to such Unit. In addition the Unit Owner shall be responsible for the maintenance of all utility lines within the boundary of the Limited Common Elements appurtenant to such Unit which, if omitted, would affect the Condominium in its entirety, the Common Elements, or other Units, and the Unit Owner shall be expressly responsible for any damages or liabilities resulting from failure to do so.

(b) All the maintenance and repairs to the Unit and Limited Common Elements appurtenant to such Unit (except lawn mowing at the Association's option) shall be performed by and at the Unit Owner's expense.

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

Section 2.7 Maintenance and Maintenance Contracts. The Association and its designees shall maintain, repair and replace the Common Elements, excluding the Limited Common Elements (except as otherwise specifically provided herein) and shall establish reasonable reserves for such purposes. No management contract may be for a term exceeding three (3) years and any such contract shall be terminable for cause upon thirty (30) days notice. Any professional management contract entered into by the Association prior to the expiration of the period of Declarant control may be terminated without cause and without penalty at any time after the expiration of such control upon ninety (90) days' prior written notice.

Section 2.8 Reserved.

Section 2.9. Preservation of Property. No Unit Owner shall in any manner jeopardize the soundness or safety of the Property, create a nuisance, reduce the value thereof, or impair any easements, rights, appurtenances or the use and benefit of Common Elements, as determined in the judgment of the Board of Directors of the Association.

Section 2.10. Liability for Damage. Each Unit Owner shall be liable for the expense of maintenance, repair or replacement of any damage to the Common Elements or to 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, customers, licensees, employees, agents, contractors, lessees, or their pets. Such liability shall include any increase in 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 III
COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND APPLICABLE PROVISIONS

Section 3.1. Description of Common Elements. The Common Elements are shown on the Plats and Plans and are defined in the Act.

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

Section 3.3. Specified Limited Common Elements. The following portions of the Buildings or the Property are hereby designated as Limited Common Elements: those improvements, if any, which are not part of the Unit but which are adjacent to and serve only such Unit; the ground under the basement or crawl space appurtenant to a Unit; and the air space above the Unit, which is appurtenant to the Unit, is hereby designated as a Limited Common Element allocated only to that Unit.

Section 3.4. Reserved Common Elements. "Reserved Common Elements" are those parts of the Common Elements which the Executive Board may designate from time to time for use by less than all Unit owners or by non-Unit Owners for specified periods of time. The Executive Board of the Association shall have the power in its discretion from time to time to grant revocable licenses designated Reserved Common Elements and to establish a reasonable charge for the use and maintenance thereof. Such designation by the Board shall not be construed as a sale or disposition of the Common Elements.

Section 3.5. Alteration of Common Elements by the Declarant. The Declarant reserves the right to modify, alter, remove or improve portions of the Common Elements, including, without limitation, any equipment, fixtures and appurtenances, when in the Declarant's judgment it is necessary or desirable to do so, until the date by which all members of the Executive Board must resign pursuant to Section 6.2 hereof. Such rights do not include rights to add or remove real estate not deemed to be fixtures.

Section 3.6. Common Elements to Remain Undivided. The Common Element Interest of a Unit shall be inseparable from each Unit, and any conveyance, lease, devise or other disposition or mortgage or other encumbrance of any Unit shall extend to and include the Common Element Interest, whether or not expressly referred to in the instrument effecting such transfer. The Common Elements shall remain undivided and no action for partition or division of any part thereof shall be permitted, unless otherwise provided by law and permitted by this Declaration.

Section 3.7. Use of Common Elements. Except as their use may otherwise be limited by this Declaration or the Bylaws or otherwise by the Executive Board pursuant to its powers, each

Unit Owner, tenant and occupant of a Unit, and the family members and guests of such Unit Owner, tenant and occupant, may use the Common Elements in common with all other Unit Owners and tenants or occupants of other Units, and their respective family members and guests, in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights or the other Unit Owners, upon the following terms:

(a) Any Unit Owner in default in the payment of any amount due to the Association or in violation of any provision of this Declaration, the Bylaws, or the rules and regulations of the Association, which violation continues for 30 days after written notice thereof by the Association to the Unit Owner may be prohibited by the Executive Board from the use and enjoyment of any and all of the Common Elements not essential to access to the Unit, in addition to all other remedies available to the Executive Board.

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

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

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

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

not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE IV EASEMENTS

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

Section 4.2. Utilities, Pipes and Conduits. Each Unit Owner shall have an easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving his Unit and located in any of the other Units. Each Unit shall be subject to an easement in favor of all other Unit Owners to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Association and its Executive Board shall have the right to grant to third parties additional permits, licenses and easements over and through the Common Elements for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Condominium.

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

Section 4.4. Condominium Association and Executive Board Access. Declarant reserves in favor of itself, the Association and its Executive Board, officers, agents and employees, and the managing agent and every other person authorized by the Executive Board the irrevocable right and easement to have access to the Common and Limited Common Elements as may be necessary for the inspection, maintenance, repair of any of the Common Elements and Limited Common Elements, or the making of any addition or improvements thereto; or to abate any violation of law, orders, Rules or Regulations of the Association or of any governmental authorities having jurisdiction thereof. Until the expiration of the warranty period, if applicable, such entry shall be permitted into the Units to perform warranty-related work whether or not the Owner of the Unit consents or is present at the time.

Section 4.5. Declarant's Easement for Marketing. The Declarant reserves the right with respect to its marketing of Units to use the Common Elements and Limited Common Elements for the ingress and egress of itself, its officers, employees, agents, contractors and subcontractors and for prospective purchasers of Units, including the right of such prospective purchasers to park in parking spaces. The Declarant also reserves the right to use any Units owned or leased by the Declarant as models, management offices, sales offices for this project or customer

service offices for this project. The Declarant reserves the right to relocate same from time to time within the Property; upon relocation, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Property such advertising signs as comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of the Declarant. The Declarant shall also have the right to restrict the use of certain Common Element parking spaces to sales purposes and to use such spaces for sales purposes. The Declarant shall have the right to erect on the Common Elements temporary offices for models, sales management, customer service and similar purposes, which may be relocated or removed, all at the sole discretion of Declarant which may be of such types and sizes as Declarant may deem appropriate. The easements reserved by Declarant herein shall continue until the Declarant has conveyed all Units in the Condominium to Purchasers. These Sections shall not be amended without the written consent of the Declarant.

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

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

Section 4.8. Encroachments. Each Unit easement to the extent necessary for structural and subjacent support over every other Unit and over the Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural and lateral support in favor of every other Unit. If any portion of the Common Elements or Limited Common Elements hereafter encroaches upon any Unit, or if any Unit hereafter encroaches upon any other Unit or upon any portion of the Common Elements or Limited Common Elements, as a result of settling or shifting of any Building or Buildings in which they are located or otherwise than as a result of the purposeful or negligent act or omission of the owner of the encroaching Unit, or of the

Association in the case of encroachments by the Common Elements or Limited Common Elements, a valid easement appurtenant to the encroaching Units, Common Elements or Limited Common Elements for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist. In the event that any Building or Buildings shall be partially destroyed as a result of fire or other casualty or as a result of a taking by the power of, or in the nature of, eminent domain or by an action or deed in lieu of condemnation, and then is rebuilt, encroachments of a portion or portions of the Common Elements or Limited Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements or Limited Common Elements, due to such rebuilding, shall be permitted, and valid easements appurtenant to the encroaching Units, Common Elements or Limited Common Elements for such encroachments and the maintenance thereof shall exist so long as that Building as so rebuilt shall stand.

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

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

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

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

(b) For the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of a Common Elements adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the building or impair or structurally weaken the building.

Section 4.12. Development and Special Declarant Rights. Pursuant to Section 1602-105 (a)(8) of the Act, the Declarant hereby reserves the Development Rights to add up to seventeen (17) Units, or any of them, together with the Limited Common Elements associated therewith, to the Condominium, all as set forth in Section 2.1 of this Declaration and as shown on the Plats and Plans.

The exercise of these Development Rights must be exercised within twenty (20) years from the date of recording of this Declaration, and shall be done and accomplished in accordance with Section 1602-110 of the Act. The Declarant may exercise the Development Rights reserved hereunder at any time prior to twenty (20) years from the date of recording of this Declaration by causing the Association to record at the Declarant's expense an amendment to the Declaration in accordance with Section 1602-117 of the Act, and amended Plats and Plans in accordance with Section 1602-109 of the Act, (or, if appropriate, an affidavit that the Plats and Plans previously recorded conform to the requirements of the Condominium Act) whereupon the additional Units shall be deemed part of the Condominium. Such amendment shall include a reallocation of the Percentage Interests in accordance with Section 5.1 hereof, and the Common Elements upon which such Units, and Limited Common Elements associated therewith, are located shall be and become Units and Limited Common Elements subject to the Percentage Interests set forth in such amended allocation. Upon addition of the Units subject to Development Rights, the Executive Board shall cause to be prepared a revised estimated budget in accordance with the Bylaws, and make revised Common Charges based thereon.

ARTICLE V ASSESSMENTS FOR COMMON EXPENSES AND LIABILITY OF UNIT OWNERS

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

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

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

assessed solely against the Unit benefited, as the Executive Board shall determine, (3) the costs of insurance shall be assessed against Units in proportion to risk, as the Executive Board may periodically determine, however, (4) if a Limited Common Expense is associated with the maintenance, repair or replacement of a Limited Common Element, that Limited Common Expense shall be assessed solely against all the Units to which that Limited Common Element is allocated in proportion to the relative Common Expense Liabilities of such Units as between themselves, as the Executive Board shall determine.

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

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

Section 5.2. Payment of and Lien for Assessments.

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

(b) The total annual assessment levied against each Unit for Common Expenses including Limited Common Expenses, revised Common Expenses including revised Limited Common Expenses, or any special assessment, and any other sums duly levied against the Unit pursuant to this Declaration, the Bylaws, or the Act, including Limited Common Expenses assessed against Units for maintenance, repair or replacement of a Limited Common Element pursuant to Section 5.6, all interest thereon and charges for late payment thereof, legal fees and other costs of collection thereof, and fines, penalties and fees as provided in this Declaration or the Bylaws shall constitute the personal liability of the Owner of the Unit so assessed and also shall, until fully paid, constitute a lien against the Unit in favor of the Association as provided in Section 1603-116 of the Act. Such lien shall, with respect to annual assessments and revised annual assessments, be effective on the first day of each fiscal year of the Association as to the full amount of the annual assessment or revised annual assessment, and, as to special assessments and other sums duly levied including Limited Common Expenses assessed against a Unit Owner for maintenance, repair or replacement of a Limited Common Element pursuant to Section 5.6, interest, charges for late payment, legal fees, costs of collection, fines, penalties and fees as described herein, on the first day of the next month which begins more than ten (10) days after delivery to the Unit Owner of notice of such special assessment or levy. In any case where an assessment against a Unit Owner is payable in installments, upon a default by such Unit Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated at the option of the Executive Board, and the entire balance of the assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Unit Owner by the Executive Board or its representative. Such lien is prior to all other liens and encumbrances on a Unit except (1) liens and encumbrances recorded before the recordation of this Declaration, (2) a first Mortgage recorded before or after the date on which the assessment sought to be enforced becomes delinquent, and (3) liens for real estate taxes and other governmental assessments or charges against the Units; provided, however, that such lien is not subject to the provisions of 14 M.R.S.A., 4651 and 18-A M.R.S.A. 2-201, et seq., as they or their equivalents may be amended or modified from time to time.

(c) The lien for assessments described in Subsection 5.2(b) may be enforced and foreclosed by the Association in like manner as a mortgage on real estate as provided in Section 1603-116(a) of the Act or by any other means presently or hereafter provided by law or in equity. A suit to recover a money judgment for unpaid assessments, interest, penalties, and costs of collection may be maintained against the Unit Owner personally without foreclosing or waiving the lien securing such assessments and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment. During the pendency of any such suit, the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any Court having jurisdiction over such sale.

Section 5.3. Liability of Purchaser of Unit for Unpaid Assessments. Upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or an interest therein, the grantee

thereof shall be liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of consummation of the sale or transfer.

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

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

Section 5.6. Limited Common Elements, Maintenance. Except as set forth in Section 2.6 and elsewhere in this Declaration, each Unit Owner shall maintain, repair and replace all Limited Common Elements appurtenant to his or her Unit, and shall perform the normal maintenance for such Limited Common Element, including landscaping and yard care, and keeping it in a clean and sanitary condition, free and clear of ice, snow. Notwithstanding the foregoing, if a Limited Common Element benefits more than one unit, such maintenance shall be performed by the Association, and the Association shall assess the costs thereof as a Limited Common Expense to the Units benefited. Any Unit Owner permitted by the Executive Board to use a Reserved Common Element or a specific portion of the Common Elements for storage is responsible for the maintenance and care of such portion and shall use the same in a safe and sanitary manner.

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

Section 5.8. Maintenance of Unit. Each Unit owner shall keep and maintain the interior and exterior his Unit and its equipment, appliances and appurtenances in good order, condition

and repair and in a clean and sanitary condition, whether such maintenance and repair shall be structural or nonstructural, ordinary or extraordinary, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from his failure or negligence to make any of the repairs required by this Section. Each Unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Executive Board or its designee any defect or need for repairs for which the Association is responsible.

Section 5.9. Liability of Owner. Each Unit Owner shall be liable, and the Association shall have a lien against his Unit for, all costs of maintaining, repairing or replacing any portion of another Unit or of the Common Elements, including Limited Common Elements, to the extent that such costs are caused by or attributable to such Unit Owner's act, neglect or carelessness or by that of any member of such Unit owner's family, or such Unit Owner's guests, or his invitees, employees, agents, lessees, or their pets. The Association shall have the right to repair any damage so caused, to cure or correct the cause thereof, and to maintain or replace such damaged Unit or Common Element or portion thereof to the extent the Association deems necessary and appropriate. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation against such Unit Owner.

Section 5.10 Service Charges. The Association shall have the express power to separately charge a Unit and Unit Owner for services rendered to that Unit by the Association. Such charges shall be a lien on the Unit with the same status as a lien for common expense assessments under the Condominium Act, this Declaration and the By-laws, which lien for Service Charges may be foreclosed in like manner as a mortgage on real estate. The recordation of this Declaration constitutes record notice of the lien.

Service Charges may include, without limitation, the following:

(a) If the Unit Owner, or members of the Unit Owner's family, guests or tenants damage the common elements, or if the Unit Owner requests the Association to perform repair and maintenance work on the Unit, or if the Unit Owner fails to perform maintenance or repair work as required, the expense thereof as determined by the Executive Board or its designee may be assessed as a Service Charge.

(b) Fees, if any, which may be established by the Executive Board for the consumption, use and maintenance of water, sewer, natural gas, cable television and/or other utility services and equipment. Likewise, utility services supplied to each Unit may be measured separately by such reasonable and uniform methods and systems established by the provider. The expense of utility services consumed and of equipment maintenance and repair and reasonable reserve allowances may also be calculated and assessed monthly as a Service Charge to each Unit. The expenses of capital improvements, major repairs or renovations to the water and sewer supply systems and the expense of water

and sewer services for the Common Elements may be assessed as a Common Expense, Limited Common Expense, or as a Service Charge, at the election of the Executive Board.

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

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

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

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

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

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

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

Paragraph to the contrary notwithstanding, in the event of any proposed actions to terminate the Condominium pursuant to Section 1602-118 of the Act; change the Allocated Interests appurtenant to any Unit, change the boundaries of a Unit, or subdivide a Unit except for such changes and subdivisions created by the Declarant as a consequence of the exercise of any Development Rights reserved by the Declarant in this Declaration; merge or consolidate the Condominium with another condominium; convey or subject to a security interest any portion of the Common Elements; or use any proceeds of property insurance required to be maintained by the Association pursuant to this Declaration for purposes other than repair and restoration of the damaged Property in accordance with this Declaration, the Plats and Plans, the Bylaws, the original elevation thereof and original building plans and specifications therefor, then an Eligible Mortgage Holder shall have the right, but not the obligation in place of the Owner of the Unit subject to the Mortgage held by such Eligible Mortgage Holder to cast the votes allocated to that Unit or to give or withhold any consent required of such Unit Owner for such action by delivering written notice to the Association with a copy to the Unit Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by prepaid United States mail, return receipt requested, or by delivery in hand; failure of the Eligible Mortgage Holder to so exercise such rights shall constitute a waiver thereof and shall not preclude the Unit Owner from exercising such right. In no event shall more votes be cast with respect to any Unit than are allocated to that Unit pursuant to this Declaration.

Section 6.4. Notices to Unit Owners. All notices, demands, bills and statements or other communications affecting the Condominium shall be given to Unit Owners by the Association in writing and shall be deemed to have been duly given if delivered personally securing receipt therefor or sent by United States mail, postage prepaid, if such notification is of a default or lien, sent by registered certified United States mail, return receipt requested, postage prepaid, addressed to the Unit Owner at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association, or if no such address is so designated, the address of the Unit of such Unit Owner who is the record owner thereof.

Section 6.5. Notices to the Association. All notices, demands, statements or other communications affecting the Condominium given by the Unit Owners to the Association shall be in writing and shall be deemed to have been duly given to the Association if delivered personally, securing a receipt therefor, or sent by United States mail, postage prepaid, return receipt requested, addressed to the Association at the principal office of the managing agent, or if there shall be no managing agent, then to the Secretary of the Association at the address of the Unit of which the Secretary is the record Unit Owner.

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

ARTICLE VII
RESTRICTIONS ON USE, SALE AND LEASE OF UNITS

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

(a) Units shall be used for residential purposes by the Unit Owner and the tenants and guests of the Unit Owner or the Unit Owner's family. In addition to such residential use, professional use in accordance with local ordinances which does not create traffic substantially greater than that of normal residential use shall be permitted so long as the primary use is residential.

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

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

(d) Nothing shall be done or kept in any Common Elements which will increase the rate of insurance for the Property or any part thereof without the prior written consent of the Executive Board. No Unit Owner shall permit anything to be done or kept in the Common Elements which will result in the cancellation of insurance on the Property or any part thereof or which would be in violation of any law, regulation or administrative ruling. No strip or waste will be committed on the Common Elements.

(e) Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time in rules and regulations established by the Executive Board. The Association shall be responsible for contracting for private trash and garbage removal, the cost of which shall be assessed as a Common Expense.

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

Section 7.2. Restrictions on Leasing. Short term rentals, as defined by the town of Old Orchard Beach Code Ordinances, of any unit, including the entire unit or portion of the unit,

shall be prohibited. Any such rental shall be accomplished by a written form of rental agreement or lease (a) requiring the lessee to comply with the Condominium Documents and Rules and Regulations of the Association; (b) providing that failure to comply therewith constitutes a default under the rental agreement or lease; and (c) providing that the Executive Board has the power to terminate the rental agreement or lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder in the event of a default in the observance of the terms of the lease or rental agreement.. Upon request by the Association, each Unit Owner of a Unit shall, promptly forward a conformed copy of such lease or rental agreement to the Executive Board. This Section shall not be construed to impair a Mortgagee's right to foreclose, accept a deed in lieu of foreclosure, or sell or lease a Unit so acquired by the Mortgagee or the Association's right to grant easements, licenses, leases and concessions of, through, or over the Common Elements.

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

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

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

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

ARTICLE VIII RIGHTS OF MORTGAGEES, INSURERS AND GUARANTORS

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

Section 8.2. Mortgage Foreclosure. Any Mortgagee of a Unit that obtains title to the Unit pursuant to the remedies provided in the Mortgage, or through a completed foreclosure of the Mortgage, or through deed (or assignment) in lieu of foreclosure, shall, except as otherwise provided by the Act, take the Unit with the Allocated Interests appurtenant thereto free of such claims for unpaid assessments for Common Expenses, interest and costs levied against such Unit which accrue prior to the acquisition of title to such Unit by the Mortgagee, other than the proportionate share of the Common Expenses which become due and payable from and after the date on which the Mortgagee shall acquire title to the Unit through a completed foreclosure or deed (or assignment) in lieu of foreclosure. Provided, however, that such Mortgagee may be liable as a Unit owner for the payment of such unpaid assessments or charges that are assessed against the Mortgagee as a result of all Unit Owners being reassessed for the aggregate amount of such deficiency.

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

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

Eligible Mortgage Holder of any consideration of any proposed action concerning any delinquency in the payment of assessments for Common Expenses or any other charges owed by an Owner of a Unit, or concerning any other default in the performance or payment by a Unit Owner of any obligation under this Declaration, the Bylaws or any Rules and Regulations.

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

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

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

(e) An Eligible Mortgage Holder who receives a written request to approve additions or amendments to the Condominium Documents who does not deliver to the requesting party a negative response within sixty (60) days after the giving of notice shall be deemed to have approved such request in writing.

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

Section 8.4. Mortgagee Priority. No provision of the Condominium Documents shall be deemed or construed to give a Unit Owner, or any other person, priority over the rights of any Eligible Mortgage Holder pursuant to its Mortgage in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units, Common Elements, or both.

ARTICLE IX INSURANCE

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

Section 9.2. Property Insurance. Each Unit owner shall, at his own expense, obtain insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property and for his personal liability as well as upon any improvements made by him to his Unit. All such policies shall contain waivers of subrogation.

Section 9.3. Intentionally Deleted.

Section 9.4. Liability Insurance. The Executive Board shall obtain and maintain as a Common Expense comprehensive general public liability insurance (including medical payments insurance) and property damage insurance in such limits as the Board may from time to time determine, insuring each Executive Board member, the managing agent, each Unit Owner and the Declarant against any liability to the public or other Unit Owners, their tenants, invitees, agents and employees, covering all occurrences commonly insured against for death, bodily injury or property damage, relating in any way to the use and/or ownership of the Common

Elements, public ways and any other areas under the supervision of the Association or any part thereof. Such insurance shall be issued on a comprehensive liability basis and shall contain (a) cross-liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (b) hired and non-owned vehicle coverage; and (c) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Association or of another Unit Owner. The Executive Board shall review such limits once each year, but in no event shall such insurance be less than one million dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence.

Section 9.5. Other Insurance. The Association may obtain such other insurance as it deems reasonable or necessary as a Common Expense:

Section 9.6. Proof of Insurance and Notice of Cancellation. With respect to the insurance required by Section 9.4, such insurers issuing the policy may not cancel (including cancellation for non-payment of premium), substantially modify or refuse to renew such policy or policies until twenty (20) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, the managing agent, each Unit Owner and each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses. All policies under Sections 9.2 and 9.4 shall, in addition, contain the following provisions:

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

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

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

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

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

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

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

ARTICLE X AMENDMENTS

Section 10.1. Amendment Under the Act. Except in the case of amendments to this Declaration that may be executed and recorded by the Declarant pursuant to the provisions of this Declaration granting the Declarant the right to unilaterally amend the same, and except in cases of amendments to this Declaration that may be unilaterally executed and recorded by the Association as described in Section 1601-107, Eminent Domain, 1602-108(c), Allocation of Limited Common Elements, 1602-112(a), Amendment of Declaration, of the Act, and except in cases of amendments to this Declaration that may be agreed upon by certain Unit Owners, as described in Section 1602-108(b), Reallocation of Limited Common Elements, 1602-112(a), Relocation of Boundaries Between Adjoining Units, 1602-113(b), Subdivision of Units, or 1602-118(b) of the Act, and subject to the other provisions of this Declaration and of the Act, this Declaration, the Plats and the Plans may be amended as hereinafter set forth.

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

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

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

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

(c) Agreement. In the alternative, an amendment may be made by an agreement signed by the record Owners of Units to which are allocated 100% of the Votes in the Association in the manner required for the execution of a deed and acknowledged by at

least one of them, and such amendment shall be effective when certified and recorded as provided in Subsection 10.3(e).

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

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

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

ARTICLE XI TERMINATION OF CONDOMINIUM

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

ARTICLE XII APPLICABILITY; COMPLIANCE; EMINENT DOMAIN

Section 12.1. Applicability. All present and future Owners and tenants, their guests, licensees, servants, agents, employees and any other person or persons that shall be permitted to use a Unit or the Common Elements shall be subject to this Declaration, the Bylaws and to such Rules and Regulations as may be issued by the Executive Board from time to time to govern the conduct of its members and the use and occupancy of the Property. Ownership, rental or occupancy of any of the Units in the Condominium (other than possession by a Mortgagee prior to either the completion of foreclosure or the acceptance of a deed to the Unit subject to the Mortgage held by such Mortgagee) or the acceptance of a deed or conveyance (other than as security) or the entering into of a lease or occupancy of any Unit shall signify that the provisions of this Declaration and the Bylaws, the Rules and Regulations of the Condominium and the decisions of the Executive Board are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

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

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

(b) The Executive Board and committees appointed by the Executive Board in accordance with the Bylaws shall have the power to adopt, amend and enforce compliance with, such reasonable Rules and Regulations and the Common Elements consistent with the provisions of this Declaration and the Act including, but not limited to, the appointment of such committees and the enactment and enforcement of such enforcement procedures and penalties for violations as the Executive Board shall deem appropriate.

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

Rules and Regulations adopted pursuant thereto, as the same may be amended from time to time, the Executive Board or such committee, if the prevailing party, shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

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

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

ARTICLE XIII LIMITATION OF LIABILITY

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

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

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

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

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

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

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

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

Section 13.3. Defense of Claims. Complaints brought against the Association, the Executive Board or the officers, Employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the Eligible Mortgage Holders and the Mortgagees of Units, and such complaints shall be defended by the Association. The Unit Owners shall have no right to participate in such defense other than through the Association.

ARTICLE XIV
MISCELLANEOUS

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

Section 14.2. Captions. The headings in this Declaration are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. Any tables of contents or indices are attached to this Declaration for purposes of reference and convenience only and shall neither limit nor otherwise affect the meaning hereof nor be deemed as part of this Declaration. References in this Declaration to Articles, Sections, Subsections and Schedules without references to the document in which they are contained are references to this Declaration. Schedules are attached to and incorporated by reference into this Declaration and are an integral part of this Declaration. Any Exhibits are attached to this Declaration for purposes of identification only and shall not for any purposes or reasons be deemed as part of this Declaration.

Section 14.3. Gender, Number, etc. The use of the singular number in this Declaration shall be deemed to include the plural, the plural the singular, and the use of any one gender shall be deemed applicable to all gender.

Section 14.4. Severability. The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed on the day of _____, 2024.

Witness:

SALAND DEVELOPMENT, INC.

_____ by: _____
Gary H. Salamacha, Its President

STATE OF MAINE
YORK, ss.

_____, 2024

Personally appeared Gary H. Salamacha in his capacity as President of Saland Development, Inc., and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of the Corporation.

Notary Public/ Attorney at Law

Print Name: _____

My commission expires:

EXHIBIT A

A certain lot or parcel of land, together with any improvements thereon, in the Town of Old Orchard Beach, County of York and State of Maine, bounded and described as follows:

Being the same premises conveyed to KRE Properties, Inc. by deed of Maine Savings Bank dated November 28, 1990, and recorded in the York County Registry of Deeds in Book 5576, Page 68.

TOGETHER WITH AND SUBJECT TO the rights, covenants, terms and conditions set forth in the Road Maintenance and Utilities Agreement by and between Saland Development, Inc. and Pilgrim Place Condominium Association, dated September 26, 2023, and recorded in the York County Registry of Deeds in Book 19334, Page 912.

EXHIBIT B

SETTLERS RIDGE CONDOMINIUM

PERCENTAGE INTERESTOne Unit

	<u>First Floor Size (Apx.)</u>	<u>Common Element Interest</u>	<u>Vote</u>
Unit 1		100%	1

Note: If the Declarant exercises its Development Rights, and additional Units are declared, the Common Element Interest of each Unit would be reduced to reflect the addition of such Unit or Units. For example, if two additional Units are declared, the Percentage Interest and Common Element Interest of Unit 1 would change from 100% to 1/3rd, and, then, if all eighteen Units are declared, the Percentage Interest and Common Element Interest of each Unit be as follows:

SETTLERS RIDGE CONDOMINIUMS

PERCENTAGE INTEREST

	<u>First Floor Size (Apx.)</u>	<u>Common Element Interest</u>	<u>Vote</u>
Unit 1	sq. ft.	1/18 th	1
Unit 2	sq. ft.	1/18 th	1
Unit 3	sq. ft.	1/18 th	1
Unit 4	sq. ft.	1/18 th	1
Unit 5	sq. ft.	1/18 th	1
Unit 6	sq. ft.	1/18 th	1
Unit 7	sq. ft.	1/18 th	1
Unit 8	sq. ft.	1/18 th	1
Unit 9	sq. ft.	1/18 th	1
Unit 10	sq. ft.	1/18 th	1
Unit 11	sq. ft.	1/18 th	1
Unit 12	sq. ft.	1/18 th	1
Unit 13	sq. ft.	1/18 th	1
Unit 14	sq. ft.	1/18 th	1
Unit 15	sq. ft.	1/18 th	1
Unit 16	sq. ft.	1/18 th	1
Unit 17	sq. ft.	1/18 th	1
Unit 18	sq. ft.	1/18 th	1

EXHIBIT C
[reduced copies of plats and plans]