

THE COASTAL WOODS CONDOMINIUM

PUBLIC OFFERING STATEMENT

Declarant:

Common Care, Inc.

Name of Condominium:

The Coastal Woods Condominium

Address of Condominium:

Coastal Woods Drive, Kennebunk, York County, Maine

The effective date of this Public Offering Statement is **June 29, 2015**

UNLESS A PURCHASER HAS RECEIVED AND REVIEWED A COPY OF THIS PUBLIC OFFERING STATEMENT, INCLUDING ALL ATTACHMENTS, BEFORE HE OR SHE EXECUTES A CONTRACT TO PURCHASE A UNIT, HE OR SHE MAY, BEFORE CONVEYANCE, CANCEL ANY SUCH CONTRACT. IF, HOWEVER, A PURCHASER ACCEPTS CONVEYANCE OF A UNIT, THE PURCHASER MAY NOT CANCEL SUCH CONTRACT.

THIS PUBLIC OFFERING STATEMENT is prepared by **COMMON CARE, INC.** (hereinafter “Declarant”), whose address is P.O. Box 886, North Hampton, New Hampshire 03862, the developer of The Coastal Woods Condominium in Kennebunk, Maine (hereinafter “Condominium”).

1. General Description of Condominium and Number of Units.

The Condominium is exclusively residential and presently consists of the land as described in Exhibit A to the “**DECLARATION OF CONDOMINIUM FOR ‘THE COASTAL WOODS CONDOMINIUM’**” described below, and 2 buildings along the private road described in the first amended “**CONDOMINIUM PLAT – COASTAL WOODS**” described below, as “Coastal Woods Drive.” There are presently two units, Unit 1 and Unit 2, under construction. Each unit is comprised of one building in its entirety, including without limitation the foundation and all improvements therein. Each unit has appurtenant to it certain limited common elements consisting of an intra Unit conjoined front porch and the stairs and walkway leading to the porch, and certain conduit, piping, and other improvements thereon or thereunder uniquely serving a particular Unit as shown on the Plat and Plans for The Coastal Woods Condominium attached as **Exhibit B** to this Public Offering Statement. In addition to the limited common elements the units share certain common elements. The location and dimensions of the units, limited common elements, and common elements are shown on the Plat and Plans.

Maintenance of the Units is a shared responsibility. The Association will be responsible for the maintenance of the exterior of the Units and the Porch limited common element, and the Unit owner shall be responsible for the maintenance of the interior of the Unit. Fees for the maintenance are part of the annual budget for the Condominium.

A Unit owner’s right to use the common element land and landscape around a particular Unit is managed by a license agreement with the Association which is shown in **Exhibit H**.

The Condominium is currently established and is located on approximately 11.58 acres of land. Access to The Coastal Woods Condominium is presently over a private road, Coastal Woods Drive. Coastal Woods Drive connects to another private road, Rollins Lane, which leads to U.S. Route 1.

Water and sewer for all units is provided by the Kennebunk, Kennebunkport, and Wells Water District and the Kennebunk Sewer District. Sewer charges are separately billed to each unit.

Electric, telephone, and cable utilities are underground and furnished to each unit on a separately metered basis. Rubbish removal is provided by the Town.

2. Development Rights.

(a) Declarant has reserved development rights to add or construct up to an additional 21 units as shown on the Plat and Plans, beyond the 2 Units already declared, however, Declarant is not required to build out more than the original two units which currently comprise the Condominium. Declarant has not reserved any development rights to add or construct any additional units beyond the 23 total units shown on the Plat and Plans. Declarant may develop no more than 1.98 units per acre. The projected location and approximate dimensions of the units and limited common elements for all units are shown on the Plat and Plans. DECLARANT EXPRESSLY RESERVES THE RIGHT TO VARY SUCH BUILDINGS, UNITS, COMMON ELEMENT IMPROVEMENTS, LIMITED COMMON ELEMENTS AND THEIR LOCATIONS at its discretion. All restrictions in or created by authority of the Declaration affecting the use, occupancy, quality or alienation of units shall apply to all units including, without limitation, the restriction to residential use. Declarant makes no assurances regarding whether additional improvements may be made or limited common elements may be created pursuant to these Development Rights, or if created, regarding the descriptions, location, types, sizes or proportions of any common elements made or limited common elements created.

(b) Each unit shall have an approximately equal interest in the Condominium as provided in Article IV paragraph 1, "Percentage Interest" of the Declaration. Each unit shall have one vote in the Association.

(c) To exercise any rights reserved under Article XIII, paragraph 3 and 4 of the Declaration, 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 as required by the Condominium Act to the extent not previously recorded. Said amendment shall become effective without the consent of any other person.

(d) Any buildings and improvements constructed pursuant to the Declarant's reserved development rights shall be located as shown on the Plat and Plans, as they may be amended.

3. Description of Units.

Each unit comprises an entire structure, including without limitation the foundation and all improvements therein. The units are of a modular construction. The manufacturer is Keiser Homes of Oxford, Maine. Each Unit will have the same foundation dimensions. All foundations will provide a crawl space under the units, with the exception of Units 14 through 21 which are able to have a full basement. There will be two possible floor plan layouts. The first layout, Plan A, will consist of a first floor with a dining/living room area, kitchen, one bedroom and a 3/4

bathroom. The second layout, Plan B, will consist of a first floor with a dining/living room area, kitchen, 3/4 bathroom and a family room. The second floor of either Plan A or B will consist of two bedrooms, a full bath room, laundry area, and a sitting area. There are no enclosed garages. There are 58 off street parking spaces for the entire condominium, primarily located in front of the units as shown on the Condominium Plat recorded in the Registry of Deeds, of which three parking spaces will be assigned to Units 8, 9, and 10.

The front of each unit is connected to a common porch area. The area under the roof of the shared porch immediately in front of each unit is considered a limited common element as are the stairs leading to each particular unit.

4. General Description of the Condominium Declaration.

The Condominium was created by recording the Condominium Declaration entitled “**DECLARATION OF CONDOMINIUM FOR ‘COASTAL WOODS CONDOMINIUM’**” in the York County Registry of Deeds in Book 16866 Page 568, and as amended (First) recorded in Book 16885, Page 204 , and as amended (Second) recorded in Book 17044, Page 731 of the Registry of Deeds, before conveyance of any units. The Condominium Plat entitled “**CONDOMINIUM PLAT – COASTAL WOODS**” is recorded in the Cumberland County Registry of Deeds in Condominium File 832 Page 1 and was amended by the Plat recorded in Condominium File 832, Page 2 , and Condominium File 832,Page 3 (the “Plat”). The Condominium floor plans and sections are recorded in Condominium File 832, Pages 4 and Page 5 (collectively the “Plans”). The Coastal Woods Condominium Owners’ Association, Inc. (the “Association”) was formed as a Maine non-profit corporation. The By-laws of the Association govern how the Association and the Condominium shall be operated.

The Declaration is the means by which the Declarant creates the Condominium, establishing the units in the Condominium and creating the rights of the Condominium unit owners. The Declaration and referenced documents describe the reserved development rights, the boundaries of the units, each unit’s limited common elements, each unit’s percentage interest in the Condominium, and each unit’s share of the Condominium expenses. Certain easements which exist between unit owners and other rights and responsibilities of unit owners are set forth in the Declaration. The process by which the Declaration may be amended is set forth in the Declaration.

The By-laws of the Association define who may be a member of the Association. They provide for a permanent Board of Directors of not less than three nor more than 7 persons to run the affairs of the Association. The By-laws further provide for the election of the Board of Directors and the election by the Board of Directors of Association officers. In addition, the By-laws describe the Association’s responsibility to provide insurance for the Condominium common elements and the Association’s responsibility to provide maintenance and repair and

other services to the Condominium. The By-laws also provide a mechanism whereby the Association is allowed to establish and collect monthly and special assessments from each unit owner for the purpose of maintaining the Condominium common elements.

5. Copies of Important Condominium Documents.

Attached to this Public Offering Statement are copies of the Condominium documents set forth below.

Exhibit A: Declaration of The Coastal Woods Condominium, including all exhibits referred to therein.

Exhibit B: The Condominium Plat and Plans consisting of:

- a. Condominium Plat;
- b. Floor Plans of the structure comprising a unit and sections with elevations for the structure comprising a unit.

Exhibit C: By-laws of The Coastal Woods Condominium Owners' Association, Inc.

Exhibit D: Initial Rules and Regulations of the Association.

Exhibit E: Association Budget.

Exhibit F: Documents to be signed at closing:

- a. Limited Warranty Certificate; and
- b. Proposed Unit Deed.

Exhibit G: Purchase and Sale Agreement.

Exhibit H: Yard License Agreement

The Association may amend the Condominium Rules and Regulations at any time by a vote of two-thirds of the members present at a meeting of the Association. There are no contracts between the Association and any party which are subject to cancellation under Section 1603-105 of the Maine Condominium Act.

6. Schedule of Estimated Construction Commencement and Completion Dates.

The construction commencement date for the units was November of 2014. It is estimated that construction will be completed some time in November of 2016. The completion date is an estimate and is not binding on the Declarant.

7. The Association Budget.

Attached hereto as Exhibit E is a copy of the Association's projected budget from June 1, 2015 through May 31, 2016, which was prepared by the Declarant. This budget does not include items that will be paid directly by unit owners, such as water, sewer, cable and household electricity charges. The budget is an estimate based on information from other similar projects. No inflation factor has been used in arriving at the budget. Each unit contributes toward all normal items of monthly maintenance expense in accordance with its respective percentage interest. Included in the budget is an assessment to provide funding for a sidewalk to be built along Rollins Lane at such time as the Town of Kennebunk completes construction of a sidewalk along Route 1. The date of completion by the Town of the Route 1 sidewalk is presently unknown. Declarant is not currently providing any services to the Condominium which are not reflected in the budget and which may later become an expense of the Association. Unit owners pay no fees for the use of Condominium common elements.

8. Special Assessments Required at Closing.

In addition to the regular monthly common expense assessments set forth in the budget, each unit purchaser shall pay to the Association a special assessment at the time of closing equal to 3 monthly dues to provide a working capital fund. The regular assessment for the month in which a unit is purchased shall be prorated.

9. Liens, Defects or Encumbrances Affecting Title.

The only liens, defects or encumbrances affecting title to the Condominium property are set forth in the Declaration, and on the Plat and Plans. The property is subject to all the conditions of site and subdivision approval imposed by (i) the Town of Kennebunk; (ii) the Maine Department of Environmental Protection; and (iii) the provisions of the Condominium Declaration, Plat and Plans and Association By-laws.

10. Financing and Deposits.

Declarant does not offer any financing in connection with the sale of any units. A purchaser must arrange their own financing of any purchase of a unit. Any deposit paid to Declarant by a unit purchaser for a unit will be held in an escrow account by Declarant. The deposit will be returned to purchaser if purchaser cancels the contract pursuant to Section 1604-107 of the Condominium Act or as per any terms set forth in a purchase and sales agreement.

11. Suits Affecting the Condominium.

There are no suits which adversely affect the Condominium.

12. Restraints on Alienation.

No limited common elements appurtenant to any unit may be sold or conveyed by the Association without the approval of the owners of the units to which such limited common

elements are appurtenant. There are no restraints on alienation on any portion of the Condominium. Each unit owner may freely sell, transfer or convey his unit subject, however, to the provisions of the Condominium documents.

13. Insurance.

The Declarant provides no insurance coverage for the benefit of unit owners. The types and amounts of insurance coverage to be supplied by the Association are set forth in detail in Article XI of the By-laws. The Association will, as a common expense, insure against fire and casualty loss for all Units, common elements of the Condominium (if improved), as well as limited common elements (if any) of the Condominium. Each unit owner at their own expense will have to insure the contents of their Units and provide their own insurance. The Association will carry comprehensive liability insurance for members of the Association Board of Directors and Association officers, if available. It may carry other kinds of insurance. Each purchaser should carefully review the insurance provisions of the By-laws with his or her own insurance agent and financing institution before closing in order to determine exactly what additional coverage he or she should have.

THE UNITS OFFERED HEREUNDER ARE STAND ALONE UNITS. THE ASSOCIATION WILL MAINTAIN HAZARD INSURANCE FOR FIRE OR OTHER CASUALTY WHICH MAY AFFECT ANY GIVEN UNIT. THE ASSOCIATION WILL BE RESPONSIBLE FOR THE MAINTENANCE OF THE EXTERIOR OF THE UNITS, AND THE PORCH LIMITED COMMON ELEMENTS, INCLUDING WITHOUT LIMITATION THEIR FOUNDATIONS, AND ROOFS. EACH UNIT OWNER WILL BE RESPONSIBLE FOR THE REPAIR AND REPLACEMENT OF ALL IMPROVEMENTS WITHIN SUCH OWNER'S UNIT INCLUDING DOORS AND WINDOWS. EACH UNIT OWNER SHOULD OBTAIN INSURANCE FOR THE CONTENTS OF THE OWNER'S UNIT AND APPURTENANT LIMITED COMMON ELEMENTS AND FOR LIABILITY.

14. Completion of Improvements and Financing of Development.

The Declarant must complete all improvements in the common areas shown on the Plat and Plans unless stated otherwise on the Plat and Plans. Declarant is not financing any of the development activities.

15. Zoning.

The Condominium is located in the Village Residential zone. The Condominium is a permitted use in this zone. The Town of Kennebunk Planning Board granted approval for the Condominium on December 23, 2013.

16. Limitation of Warranties.

Declarant makes no express warranties regarding the Condominium or units except those made in writing. No sales agent, acting on Declarant's behalf, has authority to make any warranties other than in writing from the Declarant. Any express warranty excludes cracks, popping nails or other effects of normal settlement or expansion, shrinkage or warping of materials that may occur in walls, floors, ceilings or any of the components of the unit or minor leaks caused by wind driven rain in severe storm conditions. Declarant's warranty does not include defects readily visible to the human eye which are not noted for correction at the time of inspection by a purchaser before closing. Declarant's warranty excludes any damage caused by locational factors such as storm conditions. Declarant specifically disclaims any liability for incidental or consequential damages to any person, the unit, other components, or any other real or personal property resulting from a defect. The period to make a warranty claim is two (2) years. All of the above terms are more particularly described in Exhibit F, the Certificate of Warranty.

17. Conversion Buildings.

The Condominium does not contain any "conversion buildings" as defined in §1601-103(8) of the Maine Condominium Act.

18. Right to Cancel.

Unless the purchaser has received and reviewed a copy of this Public Offering Statement, including all attachments, before he executes the contract to purchase a unit he may, before conveyance, cancel any such contract. If, however, he accepts conveyance of the unit he may not cancel the contract.

19. Receipt of Documents.

By signing a copy of this Public Offering Statement, or a receipt for it, a purchaser is acknowledging receipt and review of the Public Offering Statement and each document referred to therein as an attachment.

CERTIFICATE

I personally delivered a copy of The Coastal Woods Condominium Public Offering Statement, including all attachments referred to therein, to _____ and _____ on _____, 20____, at _____ a.m./p.m.

COMMON CARE, INC.

By: Samuel L. Checovich - President

PURCHASER'S RECEIPT

I/we have received and reviewed a copy of The Coastal Woods Condominium Public Offering Statement, including all attachments referred to therein, on _____, 20____, at _____ a.m./p.m.

Purchaser

Purchaser

**Amendment
(Second)**

Pursuant to 33 M.R.S.A. §1602-117, and Article XIV (Amendment and Termination) of the "DECLARATION OF CONDOMINIUM FOR 'COASTAL WOODS CONDOMINIUM'" which Declaration is dated August 6, 2014 and recorded in Book 16866, Page 568 of the York County Registry of Deeds, and the "AMENDED AND RESTATED DECLARATION OF CONDOMINIUM FOR 'COASTAL WOODS CONDOMINIUM'" dated September 2, 2014 and recorded in Book 16885, Page 205 of said Registry of Deeds (hereinafter "Declaration"), the undersigned, being the owners of 100% of the Units and within the Declarant control period, hereby amends said Declaration by Amending and Restating the Declaration in its entirety by substituting in its place the Declaration attached hereto and incorporated herein by reference, all dated as set forth below but effective as of May 1, 2015.

IN WITNESS WHEREOF, Common Care, Inc. has caused this instrument to be executed by Samuel L. Checovich, its President, duly authorized, as of this _____ day of June, 2015.

COMMON CARE, INC.

Witness

Samuel L. Checovich,
Its Duly Authorized President

STATE OF _____

_____, ss.

June _____, 2015

Then personally appeared the above named Samuel L. Checovich in his capacity as duly authorized President of Common Care, Inc., and acknowledged the foregoing instrument to be his free act and deed in said capacity and the free act and deed of Common Care, Inc.

Before me,

Notary Public/Attorney at Law

Printed or Typed name of Notary:
Commission Expiration:

Exhibit A (to Public Offering)

Amendment
(Second)



BK 17044 PGS 731 - 753
INSTR # 2015024248
RECEIVED YORK SS

06/29/2015 10:22:08 AM
DEBRA ANDERSON
REGISTER OF DEEDS

Pursuant to 33 M.R.S.A. §1602-117, and Article XIV (Amendment and Termination) of the "DECLARATION OF CONDOMINIUM FOR 'COASTAL WOODS CONDOMINIUM'" which Declaration is dated August 6, 2014 and recorded in Book 16866, Page 568 of the York County Registry of Deeds, and the "AMENDED AND RESTATED DECLARATION OF CONDOMINIUM FOR 'COASTAL WOODS CONDOMINIUM'" dated September 2, 2014 and recorded in Book 16885, Page 205 of said Registry of Deeds (hereinafter "Declaration"), the undersigned, being the owners of 100% of the Units and within the Declarant control period, hereby amends said Declaration by Amending and Restating the Declaration in its entirety by substituting in its place the Declaration attached hereto and incorporated herein by reference, all dated as set forth below but effective as of May 1, 2015.

IN WITNESS WHEREOF, Common Care, Inc. has caused this instrument to be executed by Samuel L. Checovich, its duly authorized President, as of this 23rd day of June, 2015.

COMMON CARE, INC.

Susan Buchanan
Witness

Samuel L. Checovich
Samuel L. Checovich,
Its Duly Authorized President

STATE OF New Hampshire
Rockingham, ss.

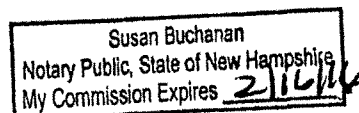
June 23rd, 2015

Then personally appeared the above named Samuel L. Checovich in his capacity as duly authorized President of Common Care, Inc., and acknowledged the foregoing instrument to be his free act and deed in said capacity and the free act and deed of Common Care, Inc.

Before me

Susan Buchanan
Notary Public/Attorney at Law

Printed or Typed name of Notary:
Commission Expiration:



SEAL

John Elmen
Beagle Steeves + Ridge LLC
PO Box 7044
York, ME 04090

After Recording Return To:
John L. Elmen
Beagle, Steeves & Ridge, LLC
PO Box 7044
Portland, ME 04112

Space Above This Line For Recording Data

**DECLARATION OF CONDOMINIUM
FOR
"THE COASTAL WOODS CONDOMINIUM"**

This Declaration is filed pursuant to the Maine Condominium Act (the "Act") Title 33, Chapter 31, M.R.S.A. (Section 1601-101, et seq.) which statute is incorporated herein by reference by Common Care, Inc., a Maine Corporation with a principal place of business in the Town of Kennebunk, Maine ("Declarant"). There shall be created, pursuant to the terms of the Act, The Coastal Woods Condominium ("Condominium") and The Coastal Woods Condominium Owners' Association, Inc. ("Association"), a Maine non-profit corporation under Title 13-B of the Maine Revised Statutes Annotated.

**ARTICLE I
CREATION OF CONDOMINIUM**

1. The Declarant hereby submits to the provisions of the Act the real property described on Exhibit A; however, the initial Condominium shall consist of only two (2) Units (Unit 1 and Unit 2). The Declarant reserves the right to develop up to Twenty-Three (23) Units on the property and to submit an additional Twenty-one (21) Units to the Condominium. All of the property described in Exhibit A, easements, rights and appurtenances thereto and the buildings and any improvements erected or to be erected thereon shall be referred to as the "Premises", as further defined below.

The Premises subject to this Declaration of Condominium are specific to that property shown on the condominium plat prepared by Northeast Civil Consultants and entitled "**CONDOMINIUM PLAT – COASTAL WOODS**" dated March 6, 2013 and amended February 11, 2015, recorded in the York County Registry of Deeds in Condominium File 832, Page 1 and as amended by the Plat recorded in Condominium File 832, Page 2 (the "Plat"). The Condominium floor plans and sections are recorded in Condominium File 832, Page 4 and 5 (collectively the "Plans").

Although twenty-three (23) Units are depicted, only two units are created hereby and the balance of the depicted units are labeled "NEED NOT BE BUILT" and may be submitted to this Declaration by separate amendments pursuant to the Reserved Declarant Rights, below. The Developer may, but shall not be required, to file "as-built" plans after construction is complete.

2. The Premises are subject to and/or benefited by:
 - (a) All of the rights, conditions, easements, covenants, restrictions and reservations contained in and created by this Declaration and the By-Laws of the Association, or depicted or described on the Plats and Plans, including, without limitation, the Reserved Declarant Rights.
 - (b) All matters set forth appearing of record at the York County Registry of Deeds.
 - (c) The Maine Condominium Act.
3. The name of the Condominium shall be "The Coastal Woods Condominium".
4. Each present and future owner, tenant, occupant and Mortgagee of a Unit shall be subject to and shall comply with the provisions of the Act, and with the covenants, conditions and restrictions as set forth in the Condominium Documents of the deed to such Unit; provided that nothing contained herein shall impose upon any tenant or Mortgagee of Unit any obligation which the Act or one or more of such documents, or both, make applicable only to Unit Owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Act and the covenants, conditions and restrictions set forth in the Condominium Documents and the deed to such Unit are accepted and ratified by such grantee, Mortgagee or tenant. All of such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.
5. The Condominium shall be administered by the Association in accordance with the Condominium Documents and the Act, and the By-Laws for the Association which are incorporated herein by reference, a copy of which may be obtained from the Declarant or the Association.
6. The Association shall be operated by and through the Executive Board as set forth in the By-laws.

ARTICLE II DEFINITIONS

The terms hereinafter defined shall have the meanings as hereinafter set forth. Any term not defined herein shall have the meaning accorded it by the Act.

1. "Allocated Interests" means the undivided interests in the Common Elements if any, the Common Expenses Liability, if any, and votes in the Association allocated to each Unit. The Allocated Interests are set forth in **Exhibit B** and shall be amended as additional units are added to the Condominium.

2. "Association" or "Unit Owners Association" means the Unit Owners Association of The Coastal Woods Condominium which is known as "The Coastal Woods Condominium Owners' Association, Inc.", but may be designated by a different name.
3. "Building" means each of the structures constructed on the Premises.
4. "By-Laws" means the document entitled "BY-LAWS OF THE COASTAL WOODS CONDOMINIUM OWNERS' ASSOCIATION, INC.," providing for the governance of the Association, pursuant to the Act, as such document may be amended from time to time.
5. "Common Elements" means all portions of the Condominium other than the Units, as shown on the Plat and Plans, if any.
5. "Common Expenses" means expenditures made by or financial liabilities of the Association together with any allocations to reserves, if any.
7. "Common Expense Liability" means liability for Common Expenses allocated to each Unit pursuant to Section 1602-107 of the Act, if any.
8. "Condominium" means The Coastal Woods Condominium, as same is created and by this Declaration, the By-Laws and the rules and regulations developed thereunder, consisting of up to 23 Condominium Units.
9. "Condominium Documents" includes the Declaration, Plat, Plans, By-Laws and Rules and Regulations, Warranty Certificate, sample deed of conveyance, sample purchase and sales agreement, Public Offering Statement, projected annual budget, and any other documents which may describe the Condominium and/or its administration..
10. "Declarant" means Common Care, Inc., its successors and assigns.
11. "Declarant Control Period" means the entire time period which extends from the date of the recording of the Declaration until the earlier of:
 - (a) 180 days after the Date of the conveyance of the Eighteenth (18) Unit, or
 - (b) The Declarant voluntarily releases all rights of control by written instrument, or
 - (c) Seven years after the sale of the first Unit
12. "Development Rights" means those rights which the Declarant has reserved to itself as set forth in this Declaration, if any.
13. "Eligible Mortgage Holder" means the holder of a recorded first mortgage on a Unit which has delivered written notice to the Association by prepaid United States mail, return receipt requested, or by delivery in hand securing a receipt therefor, which notice shall state the mortgagee's name and address, the Unit owner's name and address, and the identifying number of the Unit, and shall state that the mortgage is a recorded first mortgage.

14. "Executive Board" means the body designated in the By-Laws to act on behalf of the Association.
15. "Floor Plan" means either one of two floor plans which may be chosen for the layout of any particular Unit, the allocation of which are shown in the Unit/Plan Matrix as **Exhibit C**.
16. "Limited Common Elements" means those portions of the Common Elements allocated by the Declaration and the Act for the exclusive use of one or two of the Condominium Units. Limited Common Elements are as shown on the Plat and Plans and described herein.
17. "Percentage Interest" means the undivided interest in the Common Elements, allocated to each Unit as set forth below and one vote is allocated to each Unit all as set forth on **Exhibit B**.
18. "Regular Assessment" means the Unit Owner's share of the anticipated Common Expenses, if any, allocated by the Percentage Interest of each Unit, for the Association's fiscal year as reflected in the budget adopted by the Executive Board for such year, if any.
19. "Rules and Regulations" means such rules and regulations as are promulgated by the Declarant or the Executive Board from time to time with respect to the use of all or any portion of the Property and which are more particularly described in the "COASTAL WOODS CONDOMINIUM RULES AND REGULATIONS" available through the Declarant or the Association and which are made a part hereof by reference.
20. "Special Assessment" means a Unit Owner's share of any assessment made by the Executive Board in addition to the Regular Assessment.
21. "Special or Reserved Declarant Rights" means those rights which the Declarant has reserved to itself as set forth in this Declaration, if any.
22. "Unit" means a physical portion of the Condominium described herein and in the Plans designated for separate ownership or occupancy.
23. "Unit Owner" means the Declarant or other person who owns a Unit.

ARTICLE III DESCRIPTION OF CONDOMINIUM

The Plat and Plans show the layout, location, Unit numbers and dimensions of Units of the Condominium. Each Unit shall consist of the area defined by the Unit Boundaries below. All buildings are of wood frame and masonry construction and consist of masonry, wood, metal, glass and other manmade and natural products. Acceptance of a deed to a Unit shall constitute a waiver of minor discrepancies in the Plat and Plans, if any.

ARTICLE IV
ALLOCATION OF COMMON ELEMENT INTERESTS AND BOUNDARIES,
VOTE AND UNIT BOUNDARIES

1. Percentage Interest. Each Unit in the Condominium is allocated its percentage of the undivided interests in the Common Elements and in the Common Expenses of the Association. Each Unit's percentage of undivided interest is determined by an allocation by the Declarant which allocation shall equal a fraction the numerator of which is 1 and the denominator of which is the total number of units submitted to this Declaration and as may be amended in the future.
2. Vote. During the Declarant Control Period, the Declarant shall be entitled to appoint all members of the Executive Board. Votes shall be allocated one vote to each Unit.
3. Unit Boundaries. The Units are depicted on the Plat and Plans referenced herein, and shall consist of each individual building. For the following definition the conjoined porch, porch roof, and steps shall not be part of the Unit. The boundaries of each Unit shall be the area encompassed by the exterior siding of each side of the building and extending to the edge of the roof or other overhang. The lower horizontal boundary shall be the plane formed by each side of each building footprint extending to include the edge of any roof or other overhang at 20 feet down from the finished floor elevation and the upper horizontal boundary of each Unit shall be the plane formed by the outside edge of the roof overhang extended to include any roof or other overhang at 500 feet above said finished first floor level. The vertical boundaries of each Unit shall be the extension of the roof or other overhang upward, and the first floor footprint of the building downward to form a right angle (90 degrees) to the horizontal boundaries of each Unit. The vertical boundary of the shared porch and porch roof shall run along the vertical plane formed along the connection between any connected Units as shown on the Plans. As depicted on the Condominium plan, the shared porch, porch roof and steps shall be a Limited Common Element appurtenant to the Units comprising each conjoined porch, porch roof, and steps.
4. All perimeter doors and windows, exterior siding and all wallboard, finished wall coverings, paint, finished flooring and any other materials constituting any part of the finished surfaces of the walls and ceilings, situated within or affixed to each Unit, shall be deemed to be part of said Unit. All space, interior stairways, interior partitions and other fixtures and improvements within the boundaries of a Unit shall be deemed to be part of that Unit. If any chute, flute, ducts, wire conduit, bearing wall, bearing column, stairway, roof, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a limited common element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the common elements is a part of the common elements.
5. The Association shall be responsible for the maintenance of the Exterior of each Unit, the cost of which shall be part of the annual budget set by the Association. Each Unit Owner shall be responsible for the maintenance, repair and replacement of all interior portions of their Unit including broken windows, any broken doors, pipes, wiring or other similar components, and all expenses associated therewith shall be paid by the individual Unit Owner. If any Unit Owner fails to properly maintain a Unit in a way which is visible from the outside and which has a negative impact on the Condominium, the Association, after notice to a Unit owner, shall have

the right to repair said Unit and the cost thereof shall be assessed against the Unit Owner.

ARTICLE V LIMITED COMMON ELEMENTS

Certain portions of the Condominium constitute Limited Common Elements and are shown on the Plat and Plans attached hereto or as may be described in certain "Yard Licenses" which the Association may grant to Unit owners for exclusive use of yard area immediately around a particular Unit. Any doorsteps, stoops, porches, porch roofs, decks, balconies, patios, or other fixtures, if any, designed to serve or benefit a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to the Unit. Maintenance and repairs of all Limited Common Elements shall be the responsibility of the Unit Owners except for the cost of maintenance and repairs related to the common porches and any appurtenant stairs and walkways, which shall be the responsibility of the Association.

ARTICLE VI EASEMENTS, RIGHTS AND RESERVATIONS

1. Utilities, Pipes and Conduits. Each Unit Owner shall have the right in common with the other Unit Owner to use all pipes, wires, well, well shaft, ducts, cables, conduits, public utility lines, septic system, and other Common Elements serving his Unit and located in the other Unit or in the Common Elements or Limited Common Elements. Each Unit shall be subject to the rights in favor of the Unit Owner to use the pipes, well and well shafts, ducts, septic lines, cables, wires, conduits, public utility lines and other Common Elements located in such Unit serving the other Unit. The Association shall have the right to grant to third parties such utility easements as shall be deemed reasonable by the Association in connection with the supply of utility services to the Units and/or the Common Elements.
2. Ingress and Egress. Each Unit Owner shall have a means of ingress to and egress from the Premises, the Common Elements and the adjoining public street. The Executive Board shall not establish any rule or regulation depriving any Unit owner of reasonable ingress to and egress from his Unit, the Premises, Common Elements and Limited Common Elements, and the adjoining roadways.
3. Condominium Association and Executive Board Access. Declarant reserves in favor of itself, the Association, Executive Board and its officers, agents, employees, and the managing agent (if any) and every other person authorized by the Executive Board the irrevocable right and easement to have access to each Unit as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Elements, if any, and Limited Common Elements therein or accessible therefrom or the making of any addition or improvements thereto; or the making of repairs to any Unit, the Common Elements or the Limited Common Elements if such repairs are reasonably necessary for public safety or to prevent damage to the Unit, the Common Elements or the Limited Common Elements; or the abating of any violation of law, orders, rules or regulations of the Association or of any governmental authority having jurisdiction thereof. In case of any emergency, such right of entry shall be immediate whether or not the Unit Owner is present at the time. The Declarant, during the period of Declarant Control and the Association

thereafter shall have the right to grant permits, licenses and easements over and through the Common Elements for utilities, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Condominium.

4. Encroachments. Each Unit shall have an easement to the extent necessary for structural support over any other Unit and the Common Elements, if any, and Limited Common Elements. Each Unit, the Common Elements and the Limited Common Elements shall be subject to an easement for structural and lateral support to the extent necessary in favor of any 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 the buildings or other 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 Unit, Common Element or Limited Common Element for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist. In the event that a Unit is partially destroyed as a result of fire or other casualty, there shall exist, if and when that Unit is rebuilt, over portions of the Common Elements, Limited Common Elements, or upon any other Unit, such easements as are reasonably necessary in order to rebuild said damaged Unit.

5. Common Element Easement in Favor of Unit Owners. All Common Elements, if any, and Limited Common Elements shall be and are hereby made subject to the following easements in favor of the Units benefited; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the 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 Unit:

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

(b) For the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of any Common Elements adjacent to such Unit.

6. 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 purchases of Units, including the right of such prospective purchasers to park in parking spaces. The Declarant reserves the right to maintain advertising signs on the Premises, which signs may be placed in any location.

7. Declarant's Easement for Construction. The Declarant reserves the easement, right and privilege, without obligation, to go upon any and all of the Premises for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units, Common

Elements or Limited Common Elements. Furthermore, the Declarant reserves an easement in the Units, Common Elements and Limited Common Elements for the purpose of discharging Declarant's obligations and exercising any Special Declarant Rights reserved pursuant to this Declaration. The Declarant reserves an easement to connect with and make use of utility lines, wires, pipes and conduits located on the Premises for construction purposes on the Premises, provided that Declarant shall be responsible for the cost of service so used, and to use the Common Elements and Limited 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. These easements shall continue until the Declarant has conveyed to purchasers all Units in the Condominium, and has exercised or released all Special or Reserved Declarant Rights.

ARTICLE VII
USE AND OCCUPANCY OF UNITS AND COMMON ELEMENTS
AND RESTRICTIONS THEREOF.

The occupancy and use of the Condominium shall be subject to all matters set forth below, and such other Rules and Regulations as may be properly promulgated by the Association, which are enumerated in the document of Condominium rules entitled "COASTAL WOODS CONDOMINIUM RULES AND REGULATIONS (hereinafter "Association Rules") which are incorporated herein by reference and which are maintained by the Association. To the extent that there is any ambiguity between the rules listed below and the Rules and Regulations, the Rules and Regulations shall take precedence.

- (a) Said Units shall be used for residential purposes only;
- (b) Buildings or additions or other structures of any kind shall be not erected, including swimming pools or other recreational facilities, and no fences shall be placed or allowed to stand upon said property until the plans, specifications and locations thereof shall have been approved in writing by the Declarant, or its successors and assigns, or the Executive Board. All exterior lighting shall require prior approval of said Declarant or the Executive Board.
- (c) All sewerage and septic waste disposal shall be undertaken in conformity with applicable State and Local authorities and as noted on the Approval Plans.
- (d) No structure of a temporary character, trailer, mobile home, basement, tent, shack, garage, barn or other outbuildings shall be used as a residence, either temporarily or permanently.
- (e) No unsightly vegetative growths shall be permitted to remain on any part of the premises, and no refuse pile or unsightly object shall be allowed to be placed or permitted to remain on any part of the Premise.
- (f) No fires or burning of refuse, leaves, trees, etc., shall be permitted.
- (g) No Owner of a Unit shall do or permit to be done, any act upon the Premises which may be, or is, or may become a nuisance or unreasonable interference with another Unit Owner.

- (h) No Unit Owner shall engage in the cutting, trimming, or other disturbance or alteration of any trees or existing vegetation on the premises without the written permission of the Declarant or the Executive Board.
- (i) No Unit Owner will use or permit the use of a Unit to be used in violation of any Federal, State, or Municipal code, statute, ordinance or regulation.

ARTICLE VIII

BUDGET, COMMON EXPENSES, ASSESSMENTS AND ENFORCEMENT

1. **Budget Ratification Vote.** The Executive Board of the Condominium Association shall propose a budget for the Condominium, which budget shall be submitted to the Association members for ratification. At the budget ratification meeting, unless a majority of all the voting interests in the Unit Owners' Association reject the budget, it shall be adopted.
2. **Regular Assessments.** All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be deemed to be adopted and assessed on an annual basis payable in equal monthly installments and shall be due and payable in advance on the first day of each calendar month.
3. **Unit and Other Assessments.** In addition to the annual budget, or as part thereof, the Association has full authority to propose a reserve fund of working capital for the maintenance of the Units, and to make special assessments. Any special assessment or establishment of a reserve fund need not be submitted to the members of the Association for approval, but rather need only be approved by the Executive Board. These funds and assessments shall be due and payable as and when the Executive Board of the Association determines.
4. **Fines.** The Association shall have the authority to impose fines for violation of the Declaration, By-Laws, or Rules and Regulations in accordance with the Maine Condominium Act.
5. **Interest/Cost of Collection.** Any assessment or duly imposed fine not paid within ten (10) days of the due date shall bear interest at a rate established by the Association. The Unit Owner shall be obligated to pay all costs of collection of assessments, fines and interest, including reasonable attorney's fees.
6. **Lien.** All unpaid assessments, fines, costs of collection and interest shall constitute a lien on the Unit/Unit Owner against which such assessment and levy is made which lien may be enforced in accordance with the By-Laws and the Maine Condominium Act.
7. **Subordination of Certain Charges.** Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to Article 3 of the Act, shall be subordinate to the lien of a first mortgage recorded before or after the date on which the assessment sought to be enforced becomes delinquent.
8. **Surplus.** Any surplus funds of the association remaining after payment of, or provision for Common Expenses, including provisions for a working capital fund and/or reserve fund, shall

be held by the Association and shall be credited to the Unit Owners on a pro rata basis to reduce their future Common Expense assessments.

9. Limited Common Expenses. Limited Common Expenses are those Common expenses associated with the maintenance, repair or replacement of a Limited Common Element and are only applicable as set forth in Article V, above.

10. Separate Taxation and Utilities. It is understood that real estate taxes are to be separately taxed to each Unit Owner for his unit and his corresponding percentage of ownership in the common elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner, but are taxes on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with this respective percentage of ownership interest in the common elements.

11. Each Unit Owner shall pay for his own telephone, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the common expenses.

ARTICLE IX RIGHTS OF ELIGIBLE MORTGAGE HOLDERS

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

2. The Association shall send reasonable prior written notice by prepaid United States mail to Eligible Mortgage Holders of the consideration by the Association of the following circumstances or proposed actions:

(a) 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.

(b) Any delinquency in the payment of assessments for Common Expenses or any other charges owed by an Owner of that Unit, or any other default in the performance or payment by such Unit Owner of any obligation under this Declaration, the By-Laws or any Rules and Regulations of the Association, which delinquency or other default continues for a period of sixty (60) days.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) The proposed use of any proceeds of property insurance required to be obtained and maintained by the Association pursuant to the By-Laws for purposes other than repair, replacement and restoration of the Condominium substantially in accordance with this Declaration, the By-Laws, the Plat and Plans and original elevations thereof, and original building plans and specification.

- (e) The adoption by the Executive Board of any proposed budget, and the date of the meeting of Unit Owners scheduled to consider ratification of such proposed budget, and a summary of such proposed budget.
- (f) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders.
- (g) The termination of the Condominium.
- (h) A change in the Allocated Interests appurtenant to any Unit or a change in the boundaries of a Unit.
- (i) The merger or consolidation of the Condominium with another Condominium.
- (j) The conveyance or subjection to a security interest of any portion of the Common Elements.

3. In the event of any proposed actions described in this Article IX, Subsection 2., paragraphs (d), (g), (h), (i), or (j), any Eligible Mortgage Holder shall have the right but not the obligation in place of the Unit Owner to cast the votes allocated to that Unit or give or withhold any consent required of the Unit Owner for such action by delivering written notice to the Association with a copy to the Unit Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by certified or registered prepaid United States mail, return receipt requested, or by delivery in hand. Failure of the Eligible Mortgage Holder to so exercise such rights within thirty (30) days from receipt of any such notice shall constitute a waiver thereof and shall not preclude the Unit Owner from exercising such right. In the event of any default described in Article IX Subsection 2. (b) above, the Eligible Mortgage Holder shall have the right but not the obligation to cure such default. In addition, an eligible Mortgage Holder, or its representative, shall have the right to attend Association and Executive Board meetings for the purposes of discussing the matters described in Article IX 2., (d), (e) and (g) through (j).

Failure to comply with the requirements set forth above shall in no way invalidate otherwise proper actions of the Association and the Executive Board.

ARTICLE X ASSOCIATION/EXECUTIVE BOARD

1. Limited Liability of the Executive Board. The members of the Executive Board:
 - (a) Shall not be liable for any injury or damage to persons or property caused by the natural elements or by another Unit Owner or person on the Premises, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Units, 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 Executive Board members' willful misconduct or gross negligence;
 - (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, negligent 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 premises, or which might in any other way be assessed against or imputed to the Executive Board members as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.

2. Indemnification. Each member of the Executive Board, in his capacity as an executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further 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 Article 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 members and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

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 holders of any mortgages on Units and such complaints shall be defended by the Association. The Unit Owners and the holders of mortgages on Units shall have no right to participate in such defense other than through the Association.

4. Insurance. The Executive Board may obtain insurance to satisfy the indemnification obligations of the Association and all Unit Owners set forth herein, to the extent such insurance is available.

5. Delegation of Association Duties. To the extent allowable under the Maine Condominium Act, the Association's duties can be delegated to the Executive Board and/or its agent. The Association shall be entitled to a seat on that board as set forth in the By-Laws for the Association.

ARTICLE XI INSURANCE COVERAGE

1. The Association shall be responsible for obtaining and maintaining "Special Form" insurance on the Common Elements, if any, and Limited Common Elements, and the Units for the benefit and protection of the Association and the Unit owners all as set forth in the By-Laws. The Unit owners shall be responsible for obtaining and maintaining casualty insurance on the contents of their Unit and for personal liability.

2. The Association may, in any event, obtain such other insurance as it deems appropriate and assess Unit owners for the cost of the same.

3. The Unit Owners shall be responsible for obtaining and maintaining casualty insurance for the contents of their particular Unit and for personal liability.

ARTICLE XII EMINENT DOMAIN

If part of the Condominium 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 Unit affected and shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority, and the portion of the award attributable to the Condominium taken shall be paid to the Association for the use and benefit of the Unit Owners and their Mortgagees as their interests may appear.

ARTICLE XIII SPECIAL OR RESERVED DECLARANT RIGHTS

1. Declarant reserves the easements and rights for marketing as set forth above.

2. Declarant reserves the easements and rights for construction as set forth above.

3. Declarant reserves the right to add an additional twenty-one (21) Units to the Condominium in the location and configuration shown on the Condominium Plans and reserves the right to construct new buildings or structures, and to change the size, layout, and location of any building or other structure, as well as any Limited Common Elements during the Declarant Control Period.

4. Declarant reserves the right to grant further easements to effectuate its construction and marketing activities, together with the right to make use and connect to any utility lines, wires, pipes, and conduits located on the Condominium.
5. Declarant reserves the right to appoint and remove Officers of the Association and members of the Executive Board during the Declarant Control Period.
6. Declarant reserves the right to assign its rights hereunder.
7. Any purchaser of a Unit may request and rely upon a statement from the Declarant waiving any or all of these Declarant rights which statement shall be conclusively binding on all parties, and their successors in interest, but the Declarant is under no obligation to issue such a statement. These Declarant rights shall expire upon the sale of the last lot that is located within the Condominium.

ARTICLE XIV AMENDMENT AND TERMINATION

This Declaration may be amended or terminated only in accordance with the procedures specified in the Maine Condominium Act and this Declaration. This Declaration may not be amended except by vote or agreement of Unit Owners or Units to which 67% of the votes in the Condominium Association are allocated. No such amendment shall be of legal effect until a copy of the amendment has been recorded in the York County Registry of Deeds. The Condominium may not be terminated except by agreement of Unit Owners representing one hundred percent (100%) of the votes in the Condominium Association.

ARTICLE XV GENERAL PROVISIONS

1. **Headings.** The headings used in this Declaration and the table of contents are inserted solely as a matter of convenience for the readers of this Declaration and shall not be relied upon or used in construing the effect or meaning of any of the provisions of this Declaration.
2. **Severability.** The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion hereof unless such deletions shall destroy the uniform plan of development and operation of the condominium project which this Declaration is intended to create.
3. **Applicable Law.** The Declaration shall be governed and construed according to the laws of the State of Maine.
4. **Interpretation.** The provisions of this Declaration shall be liberally construed in order to affect Declarant's desire to create a uniform plan for development and operation of the Condominium.

5. **Effective Date.** This Declaration shall become effective when it and the Plan have been recorded.

6. **Notices.** Notice of matters affecting the Condominium shall be given to Unit Owners in writing and shall be deemed to have been given if delivered personally or sent by United States mail, postage prepaid or if notification is of a default or lien, then by registered or certified mail, return receipt requested, postage prepaid, to a Unit Owner at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association, or if no address is designated, at the address of the Unit. If a Unit is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder. All notices to the Association shall be directed to the office of the corporation as listed with the records of the Secretary of State for the State of Maine.

7. **Assignability of Declarant's Rights.** The Declarant may assign any or all of its rights or privileges reserved or established by this Declaration or the Act.

8. **Obligation to Complete.** Except as required by the Act, nothing contained in the Declaration or Plat 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 Premises.

ARTICLE XVI

Dispute Resolution

Each Unit Owner shall be governed by, and shall comply with all of the terms of the Declaration, these By-Laws, the Rules and Regulations and the Act, as any of the same may be amended from time to time.

1. **Administrative Appeal and Hearing Procedure.** No Unit Owner shall have the right to object, challenge, commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except after following such procedures as are established in this Paragraph and as may be established by the Executive Board by rule or regulation consistent with the provisions of this Paragraph. The Executive Board shall hear appeals from Unit Owners from (a) the determinations by the Executive Board on alleged violations of the Condominium Documents (other than violations with respect to assessment obligations) and (b) the enactment of rules and regulations of the Association. The Executive Board shall hold a hearing on any such appeal within thirty (30) days after the receipt by the Executive Board of a formal notice of appeal from a Unit Owner. A decision shall be issued in writing by the Executive Board within ten (10) days after the conclusion of the hearing. In hearings before the Executive Board all parties shall be entitled to be represented by counsel. Unless the internal remedies provided by this Paragraph and such rules and regulations as may be promulgated by the Executive Board shall be expressly waived by the Association, or the Association fails or refuses to act after being requested in writing to do so, no action at law or in equity shall be commenced by any Unit Owner until such internal remedy is pursued to exhaustion. Any action by a Unit Owner against any other Unit Owner or resident or the Association arising out of any term, covenant or condition contained in the Condominium

Documents or any rule or regulation made pursuant thereto shall be subject to the same procedures.

2. Noncompliance. Subject to prior compliance with the procedures established herein, the failure of a Unit Owner to comply with the Declaration, the By-Laws or the Rules and Regulations of the Association shall entitle the Association and Executive Board to the remedies provided herein, by the By-laws, and in the Act, none of which shall be exclusive of any other remedies:

(a) Mediation. In the event a dispute shall arise between the parties to this Agreement and is not resolved by the Administrative Appeal process, then the parties agree to participate in at least four hours of mediation in accordance with the Mediation Procedures of a selected Mediator, which mediation shall occur in Kennebunk, Maine. This mediation procedure shall occur within ten (10) business days of one party notifying the other of a dispute. The parties agree to equally split the costs of mediation which shall not exceed \$3,000.00 total. If one party incurs costs greater than \$1,500, then such additional costs will be at the sole expense of that party.

(b) Suits. If a dispute is not resolved by the Administrative Appeal Process or Mediation then failure to comply with the terms of the Declaration, By-Laws and/or the rules and regulations adopted pursuant thereto, as the same may be amended from time to time, shall entitle the Association or any aggrieved Unit Owner to sue for the recovery of damages or for injunctive relief, or both. Such relief shall not be exclusive of other remedies provided by law.

(c) Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Declaration, By-Laws or rules and regulations adopted pursuant thereto, the Executive Board, if the prevailing party, shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

EXHIBIT A
(to Declaration)

Description of Condominium Property

A certain lot or parcel of land situated in Kennebunk, in the County of York and State of Maine, lying on the northwesterly side of U.S. Route One, also known as Portland Road, said lot or parcel of land being more particularly bounded and described as follows:

BEGINNING at an iron pipe driven into the ground for a corner bound on the apparent northwesterly sideline of said U.S. Route One, which iron pipe is located on the bank of the Kennebunk River approximately 20 feet, northwesterly of the southwesterly end of the bridge crossing said Kennebunk River;

Thence turning and running South 61° 26' 00" West, by and along the apparent northwesterly sideline of said U.S. Route One, 62.50 feet, to a point;

Thence turning and running South 46° 55' 48" West, by and along the apparent northwesterly sideline of said U.S. Route One, 75.00 feet, to a point;

Thence turning and running in a southwesterly direction by and along the apparent northwesterly sideline of said U.S. Route One, along an arc deflecting to the left and having a radius of 1,465.39 feet, 411.02 feet, to a point at land now or formerly of Clark;

Thence turning and running North 47° 03' 47" West, by and along said land of Clark, 148.50 feet, to a point;

Thence turning and running South 38° 40' 17" West, by and along said land of Clark, 140.25 feet, to a point;

Thence turning and running South 47° 03' 49" East, by and along said land of Clark, 26.76 feet, to a granite monument at land now or formerly of Whitten;

Thence turning and running South 37° 40' 22" West, by and along said land of Whitten 115.48 feet, to an iron pipe;

Thence running South 35° 15' 59" West, by and along said land of Whitten, 248.87 feet, to an iron pipe at land now or formerly of Robinson;

Thence turning and running North 49° 40' 15" West, by and along said land of Robinson, 27.49 feet, to an iron pipe at land now or formerly of Cyr;

Thence turning and running North 42° 36' 21" West, by and along said land of Cyr and land now or formerly of Guilbault, 232.75 feet, to a point at land now or formerly of Bush;

Thence turning and running North 39° 12' 15" West, by and along said land of Bush, 101.65 feet, to an iron pipe at land now or formerly of Stockbridge and Checovich;

Thence turning and running North 35° 58' 57" East, by and along said land of Stockbridge and Checovich, 180.60 feet, to an iron pipe;

Thence turning and running North 38° 41' 14" East, by and along said land of Stockbridge and Checovich, 249.20 feet, to an iron pipe;

Thence turning and running North 40° 57' 12" East, by and along said land of Stockbridge and Checovich, 133.86 feet, to an iron pipe;

Thence turning and running North 47° OS' West, by and along said land of Stockbridge and Checovich, 30.00 feet, to a point;

Thence turning and running in a northeasterly direction along said land of Stockbridge and Checovich, along an arc deflecting to the left and having a radius of 1,962.39 feet, a distance of 413.94 feet, to a point;

Thence turning and running North 53° 45' 40" East, by and along said land of Stockbridge and Checovich, 217.94 feet, to a point on the bank of the Kennebunk River;

Thence running by the same course to the center line of said River;

Thence turning and running in a general southeasterly direction following the centerline of said Kennebunk River 625.00 feet, more or less, to the northwesterly sideline of said U.S. Route One;

Thence turning and running in a southwesterly direction by and along the apparent northwesterly sideline of said U.S. Route One to the point of BEGINNING.

The above described premises are subject to or have the benefit of, the following:

1. Rights and easements granted to Kennebunk, Kennebunkport & Wells Water District by deed of Robert W. Bartlett dated May 18, 1979, and recorded in said Registry of Deeds in Book 2509, Page 156; and
2. Layout and Notice of Taking by the State of Maine Department of Transportation dated August 18, 1981, and recorded in said Registry of Deeds in Book 2835, Page 122.
3. Easements and rights as set forth in Warranty Deed from Bartlett's Mills Associates to Douglas R. Stockbridge and Samuel L. Checovich, dated September 16, 1988, and recorded in Book 4843, Page 233.
4. Easement and rights as set forth in Easement Deed from Common Care, Inc. to L&R Properties dated September 24, 1997, and recorded in Book 8446, Page 202.

5. Conditions and restrictions as set forth in Department Order by the State of Maine Department of Environmental Protection dated October 7, 2013, and recorded in Book 16717, Page 591.

6. A certain easement over, under and across land situated in the Town of Kennebunk, in the County of York and State of Maine, said easement being for the benefit of the above-described property, as well as any other appurtenant land which the Grantee may own in the future, and more particularly described as follows:

BEGINNING at a point in the southeasterly sideline of U.S. Route One, said point of beginning bounded as follows:

Commencing at an iron pipe situated in the southeasterly sideline of said U.S. Route One and in the common boundary line between land, now or formerly, of Coastland Holdings and Developmental Resources and land, now or formerly, of Jonathan L. Goldberg and Jerome H. Wolfson;

Thence running North 42° 21' 36" East, by and along the sideline of said U.S. Route One, 144.01 feet, to a point;

Thence running in a general northeasterly direction along the sideline of said U.S. Route One, on a curve to the right with a radius of 1,382.39 feet, an arc distance of 181.00 feet, more or less, to the aforesaid point of beginning;

Thence running from said point of beginning in a general northeasterly direction by and along the sideline of said U.S. Route One, on a curve to the right with a radius of 1,382.39 feet, an arc distance of 40.00 feet, more or less, to a point;

Thence turning at approximately right angles and running in a southeasterly direction 18.00 feet, more or less, to a point;

Thence turning at approximately right angles and running in a generally southwesterly direction and parallel to the first course a distance of 40.00 feet, more or less, to a point;

Thence turning at approximately right angles and running in a general northwesterly direction, 18.00 feet, more or less, to the point of beginning.

Together with the right to construct and perpetually maintain through, under and across the aforesaid premises conduits or pipelines, with all necessary fixtures and appurtenances, for conveying sewerage, and the right to lay, relay, repair, maintain and remove sewerage pipe or pipes upon or under said premises with all necessary fixtures and appurtenances; to build, maintain, repair and rebuild a sewer pumping station upon or under said premises with all necessary fixtures and appurtenances; to trim, cut down and remove bushes to such extent as, in the judgment of the Grantee, is necessary for any of the above purposes, and to enter upon said premises at any time and all times for any of the foregoing purposes; reserving to Coastland Holdings and Developmental Resources, its successors and assigns, the use and

enjoyment of said premises, for such purposes only as will in no way interfere with the perpetual use thereof by the Grantee, its successors and assigns, for the purposes abovementioned.

Provided that no buildings or any kind of permanent structure shall be erected on the above-described easement area by Coastland Holdings and Developmental Resources, its successors and assigns, and that Coastland Holdings and Developmental Resources, its successors and assigns, shall not remove earth from said easement area or place fill thereon, or install any means of drainage which shall cause the removal of earth from said easement area, without the written permission of the Grantee, its successors and assigns. It is further understood that all pipes, pumps and other equipment and fixtures located or to be located within the easement area are to be the property of the Grantee, its successors and assigns and are hereby included as part of the premises conveyed herein.

The foregoing easement is further granted subject to the placement by the Grantee, its successors and assigns, of the surface of the ground in substantially the same condition as existed prior to any excavation which may be required for the purposes hereinabove set forth.

Together with the right to enter upon and to cross land now or formerly of Coastland Holdings and Developmental Resources (of which the above easement area is a portion) for the limited purpose of ingress to and egress from said easement area by vehicular or foot travel. Said easement for ingress and egress shall be limited to those areas of said property now or formerly of Coastland Holdings and Developmental Resources established by Coastland Holdings and Developmental Resources, its successors and assigns, as entrance and exit ways, travel lanes and parking lots.

Also conveying to the Grantee herein, its successors and assigns, the right to grant similar easements to other persons, it being understood that the foregoing easements are for the maintenance of a sewer pumping station to which other persons may connect in the future upon payment of a "hook-up" fee to Grantee or its successors and assigns. Reference is made to an Easement Deed from Common Care, Inc. to Samuel L. Checovich, and Douglas R. Stockbridge, Sr. dated October 26, 2001 and recorded in Book 11152, Page 85 of the York County Registry of Deeds.

Grantee, by the acceptance of this deed, hereby assumes, for itself and its successors and assigns, all costs, responsibilities and obligations with respect to said sewer easement.

EXHIBIT B
(to Declaration)

Allocated Interests

Unit Number	Allocated Interest Percentage	Number of Votes
Unit 1	50%	1
Unit 2	50%	1

EXHIBIT C
(to Declaration)

Unit/Floor Plan Matrix

Unit Number	Floor Plan	Foundation
1	Plan A	Crawl Space
2	Plan B	Crawl Space
3		
4		
5		
6		
7		
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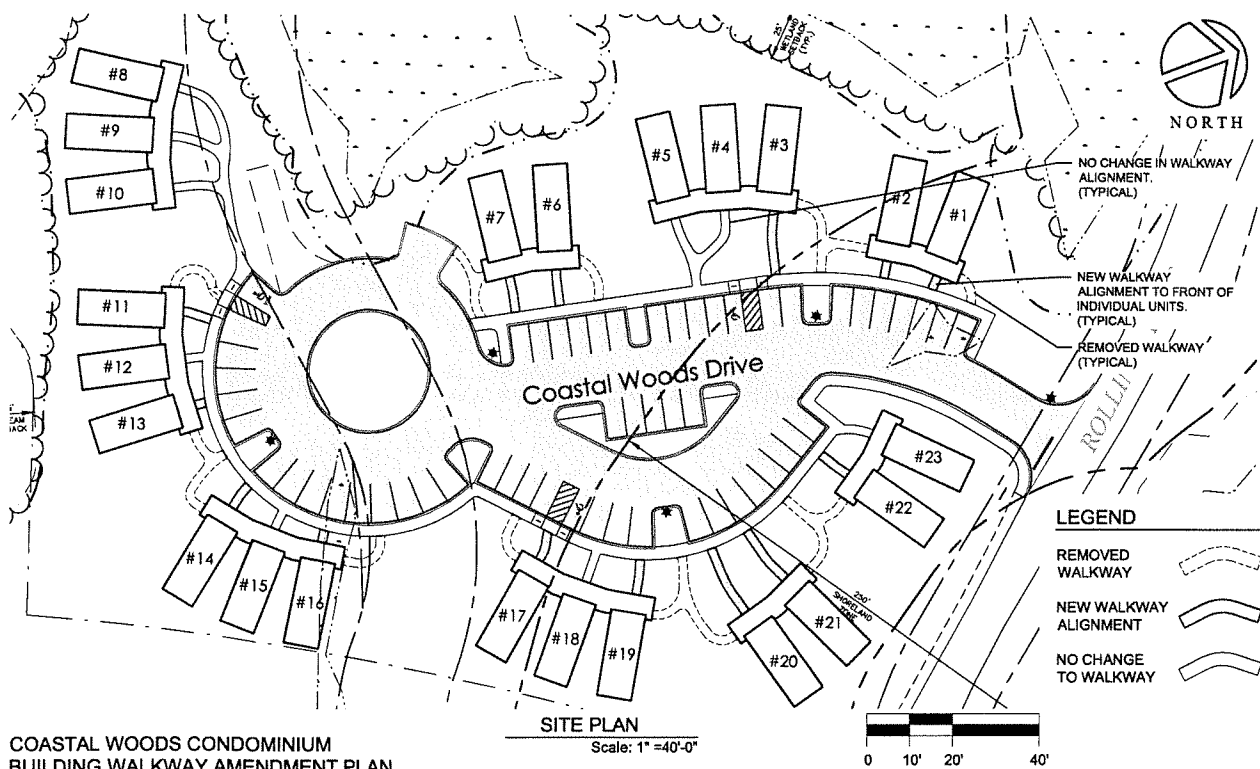
Exhibit B (to Public Offering)

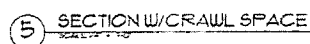
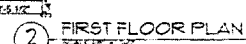
Exhibit B documents on following pages:

First Amended Final - Condominium Plat – Coastal Woods
Recorded in Condominium File 832, Page 2

Coastal Woods Condominium Building Walkway Amendment Plan
Recorded in Condominium File 832, Page 3


Coastal Woods Condominium Floor Plans and Sections – Plan A & B
Recorded in Condominium File 832, Page 4 and 5





④ ELEVATIONS

7. ~~NOTARIAL PUBLIC~~ Margaret M. Acosta, hereby certify that this plan fully and accurately depicts the layout, location, unit number and dimensions of Condo Plan A. I hereby certify that this plan has been prepared in accordance with the rules and regulations of the Registrars of Deeds of the Commonwealth of Maine.

BURNELL  **JOHNSON**
A R C H I T E C T S
80 STANFORD STREET
(603) 1-425-3000
(603) 1-825-6187 FAX
MANCHESTER, NH 03101
TERMINO PLAN - A
PLANS, ELEVATIONS, SECTION
THE CAPITAL WOODEN CHURCH
CENTRAL WOODEN CHURCH
ALBANY, NEW YORK
ALBANY, NEW YORK
CHANCE
COMMONWEALTH, INC.
P.O. BOX 886
NORTH PLAINFIELD, NJ 07061

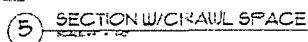
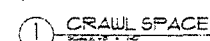
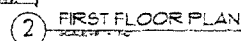


6-18-2015

C1.01

VERTICAL DATUM IS BASED ON FOUND
FIELD ELEVATIONS AS SHOWN ON PLAT


WORK IN REGISTRY OF DEEDS
RECEIVED 2016
AT 10 P.M. 11 M. AND
DECLARED BY 532 PAGE 11
ARTICLE 208 507



4 ELEVATIONS

WORK IN PROGRESS OF DEPT.
RECEIVED June 29 1915
AT 10 32 A. M. AND
RECORDED IN BOOK 232 PAGE 5
ATTN: 2416 copy

"I, DAVID JOHNSON, Registered Architect, hereby certify that this plan fully and accurately depicts the layout, location, and number and dimensions of Condo Plan A. I hereby certify that this plan has been prepared in accordance with the rules and regulations of the Registrars of Condos of the Commonwealth of Maine."

BURNELL  **JOHNSON**

A R C H I T E C T S

36 SHAWNEE ST. #101
#101 - 678-7098
#102 - 825-6167 FAX

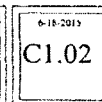
IMPERIAL ST. #101
3711

LUNARD PLAN - 0
PLAN, ELEVATIONS, SECTION

THE CAPITAL BUILDING COMMISSION
COASTAL WOODS DRIVE
RAZORSHORE, MAINE

LUNARD
COMMISSION CASE, INC.
P.O. BOX 616
NORTH HAMPTON, NH 03842

1504



VERTICAL DATUM IS BASED ON FOUNDATION
FIELD ELEVATIONS AS SHOWN ON PLAT

Exhibit C (to Public Offering)

**BYLAWS OF
THE COASTAL WOODS CONDOMINIUM OWNERS' ASSOCIATION, INC.**

**ARTICLE I
Introductory Provisions**

1. **Applicability.** These Bylaws provide for the governance of The Coastal Woods Condominium Owners' Association, Inc., pursuant to the requirements of Article 3 of the Maine Condominium Act (the "Act") of Title 33, Chapter 31 of the Maine Revised Statutes Annotated of 1964, as amended, for Coastal Woods Condominium Owners' Association, Inc., created under the Declaration of Condominium for the Coastal Woods Condominium, dated August 6, 2014, recorded in Book 16866, Page 568 and as amended by the first amended Declaration of Condominium dated September 2, 2014 and recorded in Book 16885, Page 204 and the second amended Declaration of Condominium dated June 23, 2015 and recorded in Book 17044, Page 731, all at the York County Registry of Deeds. All Unit Owners, mortgagees, lessees and occupants of the Units are subject to these Bylaws. It is noted that the Declaration supersedes these Bylaws whenever provisions conflict.
2. **Name.** The name of this Association is The Coastal Woods Condominium Owners' Association, Inc.
3. **Applicability of Bylaws.** The provisions of these Bylaws are applicable to the Property of the Condominium and to the use and occupancy thereof. All present and future Unit Owners, Mortgagees, lessees and occupants of the Units and their employees and any other persons who may use the facilities of the Condominium in any manner are subject to these Bylaws, the Declaration and to the Rules and Regulations established by the Board of the Association as hereinafter set forth.
4. **Office.** The principal office of the Association and of the Board of Directors (the "Board" (which may be called the "Executive Board")) shall be located at any location or Unit within the Condominium at Coastal Woods Drive, Kennebunk, York County, Maine, or at such other location as the Board may designate from time to time.
5. **Corporation Law.** Except as otherwise expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of the Maine Nonprofit Corporation Act, Title 13-B of the Maine Revised Statutes of 1964, as amended (the "Nonprofit Corporation Act").
6. **Nonprofit Status.** The Association is not organized for profit and no property or profit thereof shall inure to the benefit of any person except in furtherance of the nonprofit-making purposes of the Association or in the course of acquiring, constructing or providing management, maintenance or care of the Condominium.
7. **Definitions.** Capitalized terms used herein without definition shall have the meanings specified for such terms in said Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.

ARTICLE II

The Association

1. Purpose. The Association shall have the responsibility of administering the Condominium, maintaining and repairing the Common Elements, the Limited Common Elements, and portions of the Units of the Condominium, as provided in the Declaration or affiliated documents, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Declaration including, without limitation, those specific actions set forth below. The foregoing responsibilities shall be performed by the Executive Board or Managing Agent as more particularly set forth in these Bylaws.
2. Membership. The Association shall consist exclusively of all of the Unit Owners, or following termination of the Condominium of all former Unit Owners entitled to distributions of proceeds under Section 1602-118 of the Act, or their heirs, successors or assigns, acting as a group in accordance with the Act, the Declaration and these Bylaws. 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, whereupon his membership and any interest in the assets of the Association shall automatically transfer to and be vested in the successor in ownership. Membership is otherwise non-transferable.

ARTICLE III

Meetings

1. Annual Meetings. The annual meetings of the members shall be held each year in such place and at such time as the Board of Directors shall determine. At annual meetings the Executive Board shall be elected by ballot of the Unit Owners in accordance with the requirements of these Bylaws (subject to the provisions of the Declaration) and such other business as may properly come before the meeting may be transacted.
2. Special Meetings. The President or Secretary shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed by one (1) Unit Owner and presented to the Secretary.
3. Place of Meetings. Meetings of the Association shall be held at the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Executive Board.
4. Notice of Meetings. The Secretary shall give to each Unit Owner a written notice of each annual, regularly scheduled or special meeting of the Association at least ten but not more than sixty days, prior to such meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove a member of the Executive Board or officer. The giving of a notice of meeting shall be in the manner provided for in these Bylaws.

5. Quorum. Except as set forth above, the presence in person or by proxy 50% of Unit Owners at the commencement of a meeting shall be necessary to constitute a quorum at all meetings of the Unit Owners Association.
6. Adjournment of Meeting. If at any meeting of the Association a quorum is not present, the Unit Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to such time after the time for which the original meeting was called as they shall agree.
7. Conduct of Meetings. The President (or in his absence, any officer or director) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring at such meeting.

ARTICLE IV

Voting

1. Voting. During the Declarant Control Period, the Declarant shall be entitled to, and cast all votes of the membership. Thereafter, each Unit shall be entitled to vote as set forth in the Declaration. If the Unit Owner is a corporation, joint venture, partnership or unincorporated association, the person who shall be entitled to cast the vote for such Unit shall be the person named in a certificate executed by such entity pursuant to its governing documents. If the owner of a Unit is a trust, the trustee or trustees shall be deemed to be the Owner for voting purposes. Where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all of the owners of such Unit and filed with the Secretary, or in the absence of such named person from the meeting, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one person owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 1603-110(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Association. There shall be no cumulative or class voting.
2. Proxies. 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 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 terminates 11 months after its date, unless it specifies a shorter term.

ARTICLE V

Powers

The Unit Owners Association shall have all powers provided to such associations by law and by the Act, including, without limitation, the power to:

1. Adopt and amend bylaws and rules and regulations;
2. Adopt and amend budgets for revenues, expenditures and reserves and collect assessments for Common Expenses from Unit Owners;
3. Hire and terminate managing agents and other employees, agents and independent contractors;
4. Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself on matters affecting the Condominium;
5. Make contracts and incur liabilities;
6. Regulate the use, maintenance, repair, replacement and modification of Common Elements, except as set forth in the Declaration;
7. Cause additional improvements to be made as a part of the Common Elements, except as set forth in the Declaration;
8. Acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to Section 1603-112 of the Act;
9. Grant easements, leases, licenses and concessions through or over the Common Elements;
10. Impose charges and interest for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws and Rules and Regulations of the Association;
11. Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid assessments;
12. Provide for the indemnification of its officers and Executive Board and maintain liability insurance for them;
13. Operate, maintain and repair the Common Elements;
14. Exercise any other powers conferred by the Declaration;
15. Exercise all other powers that may be exercised in this State by legal entities of the same type as the Association; and

16. Exercise any other powers necessary and proper for the governance and operation of the Association and the Condominium.

ARTICLE VI

Executive Board

1. Number and Qualification. The affairs of the Association shall be governed by an Executive Board. During the Declarant Control Period, any party designated by the Declarant may serve on the Executive Board. Thereafter, the Executive Board shall be composed of not less than three (3) and no more than seven (7) natural individuals. The Executive Board shall consist of unit owners, spouses of unit owners or, in the case of a unit owner which is a corporation, partnership, trust or estate, a designated agent thereof, in accordance with Section 1603-103(e) of the Maine Condominium Act. If a majority of the members of the Executive Board cannot meet the requirement of the preceding sentence, unit owners shall comply to the maximum extent possible, but shall be able to designate a non-qualifying person to be a member of the Board if necessary to maintain equal representation of units.
2. Powers. The Executive Board may act in all instances on behalf of the Association except as provided for in the Declaration, these Bylaws, and the Act (including, without limitation, Section 1603-103 (b)).
3. Nomination and Term of Office. During the Declarant Control Period, the Declarant shall appoint the Executive Board. Thereafter, the Executive Board shall be elected by majority vote of Unit Owners. The members of the Executive Board shall hold office until the earlier to occur of the appointment of their respective successors, their death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms.
4. Removal or Resignation of Members of the Executive Board. A member of the Executive Board may resign at any time and, shall be deemed to have resigned upon transfer of title to his Unit.
5. Vacancies. Vacancies in the Executive Board shall be filled by an appointment from the Unit Owners in the same manner as original appointment. Each person so appointed shall be a member of the Executive Board for the remainder of the term of the member being replaced, and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled.
6. Regular Meetings. Regular meetings of the Executive Board shall be held on a regular basis at such time and place as shall be determined from time to time by the Board members. Notice of regular meetings of the Executive Board shall be given to each member, by mail or hand delivery, at least seven (7) days prior to the day named for such meeting.
7. Special Meetings. Special meetings of the Executive Board may be called by the President on at least five days' notice to each Board member, given by mail or hand delivery, which notice shall state the time, place and purpose of the meeting.
8. Waiver of Notice. Any member may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance

by a member at any meeting of the Executive Board shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board.

9. Quorum of the Executive Board. At all meetings of the Executive Board, two-thirds of the members of the Executive Board (minimum of two people) shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, the members present must adjourn the meeting to a later time. At any reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

10. Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such, but may be reimbursed for any expenses incurred in the performance of his duties; provided, however, that all such expenses must be authorized in advance by the Board.

11. Conduct of Meetings. The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and all transactions and proceedings occurring at such meetings.

ARTICLE VII

Officers

1. Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer. The officers shall be appointed by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Secretary shall be members of the Executive Board. Any other officers may, but need not be, Unit Owners or members of the Executive Board. An officer other than the President may hold more than one office.

2. Appointment of Officers. The officers of the Association shall be appointed annually by the members of the Executive Board at a regular meeting of the Board and shall hold office at the pleasure of the Executive Board.

3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Executive Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board.

5. Secretary. The Secretary shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Secretary is able to act, the Executive Board shall appoint some other member of the Executive Board to act in place of the President, on an interim basis. The Secretary shall also perform such other duties as shall from time to time be delegated or assigned him by the Executive Board or by the President. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board, have charge of such books and papers as the Executive Board may direct.

6. Treasurer. The Treasurer shall be responsible for financial and fiscal matters and shall maintain all books, records, ledgers, and checking accounts, relative thereto. The Treasurer need not be a Unit Owner.

ARTICLE VIII

Common Expenses and Budgets

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

2. Preparation and Approval of Budget.

a. On or before the first day of November of each year the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Declaration, these Bylaws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Condominium and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. The budget shall segregate and allocate Limited Common Expenses among Unit Owners. Unless at the ratification meeting Unit Owners holding a majority of the votes in the Association reject the budget, the budget is ratified. In the event the proposed budget is rejected, the budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Executive Board.

b. The budget shall constitute the basis for determining each Unit Owners' assessments for Common Expenses and Limited Expenses of the Association and shall automatically take effect at the beginning of the fiscal year from which it is adopted, subject to the terms hereof.

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

3. Assessment and Payment of Common Expenses.

a. Common Expenses. The Executive Board shall calculate the annual assessments for Common Expenses against each Unit by multiplying (1) the total amount of the estimated funds required for the operation of the Condominium set forth in the budget adopted by the Executive Board for the fiscal year in question by (2) the Percentage Allocated Interest (expressed in decimal form) allocated to such Unit and dividing the resultant product by (3) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on an annual basis and, not on an annual basis payable in monthly installments shall be due, and shall be payable on the first day of each calendar month, and shall be a lien against each Unit Owner's Unit as provided in the Act and Declaration. Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit who has registered an address with the Secretary an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable in one or more monthly assessments, as the executive Board may determine.

b. Limited Expenses. Limited Expenses are those Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element and shall be assessed against the Unit or Units to which that Limited Common Element has been assigned or allocated.

c. Payment of Common Expenses and Unit Expenses. Each Unit Owner shall pay the Common Expenses and Unit Expenses associated with the maintenance, repair or replacement of those exterior portions of the Units as provided in the Declaration and as assessed by the Executive Board pursuant to the provisions of this Article. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit Owner 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 by him in fee of such Unit. All assessments against a Unit shall be the personal obligation of the Owner of that unit at the time the assessment becomes due, and liability for such assessments shall not pass to the purchaser of the Unit unless the purchaser has knowledge of said lien. A certificate of lien recorded in the Registry of Deeds for the county where the property is located will be deemed constructive notice. Any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within five (5) days following a written request therefor to the Executive Board. Such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount set forth in such statements. Subject to the Act, each record holder of a mortgage on a Unit who comes into possession of a Unit by virtue of foreclosure or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the expiration of the term of redemption under such mortgage, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

4. Other Assessments and Reserves. The Association may build up and maintain reasonable reserves for working capital, operations, contingencies, insurance deductibles and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves.
5. Initial Budget. At or prior to the time assessment of Common Expenses commences, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as is provided above.
6. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.
7. Account and Audits. All sums collected by the Executive Board with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices.
8. Limitations on Expenditure and Borrowing. The power of the Executive Board to expend funds, incur expenses or borrow money on behalf of the Association is subject to the requirement that the consent of Unit Owners entitled to cast fifty-one percent (51%) of the votes in the Association obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to (i) expend funds or incur expenses that it is reasonably anticipated will cause the aggregate amount of actual expenses (including reserves) to exceed the approved budget by more than ten percent (10%) after taking into account any projected increase in income, and (ii) to borrow money.
9. Lien for Assessments. The total annual assessment levied against each Unit for Common Expenses including Limited Common Expenses, revised Common Expenses including Limited Common Expenses, or any special assessment, and any other sums duly levied against the Unit pursuant to the Declaration, these Bylaws or the Act, including Limited Common Expenses assessed against Unit Owners for maintenance, repair or replacement of a Limited Common Element pursuant to the Declaration, 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 in the Declaration or these 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 from the date upon which such assessment or other such sum becomes due as provided in Section 1603-116 of the Act. Such lien is prior to all other liens and encumbrances on a Unit except (a) liens and encumbrances recorded before the recordation of this Declaration, (b) a first mortgage recorded before the date which the assessments sought to be enforced becomes delinquent, and (c) 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. 201, et seq., as they or their equivalents may be amended or modified from time to time.

10. Lien Certificate. The Executive Board at its discretion shall be entitled to file a certificate of lien in the Registry of Deeds for the county where the property is located, which shall not be deemed a slander of title. The Executive Board, after the expiration of 90 days after the due and payable date, shall give to the person against whom the lien is assessed, or leave at the person's last and usual place of abode, or send by certified mail, return receipt requested, to the person's last known address, a notice in writing signed by a duly authorized member of the Executive Board stating the amount of the lien, describing the real estate on which the lien is assessed, alleging that a lien is claimed on the real estate to secure the payment of the tax, and demanding the payment of the lien within 30 days after service or mailing of the notice.

After the expiration of 30 days the Executive Board may cause to have recorded in the registry of deeds a lien certificate signed by a duly authorized member of the Executive Board setting forth the amount of the outstanding amount due, a description of the real estate on which the lien is assessed and an allegation that a lien is claimed on the real estate to secure the payment of the amount due, that a demand for payment of the amount due has been made in accordance with this section, and that the amount due remains unpaid. When the undivided real estate of a deceased person has been assessed to his heirs or devisees without designating any of them by name it will be sufficient to record in said registry a tax lien certificate in the name of the heirs or the devisees of said decedent without designating them by name.

At the time of the recording of the lien certificate in the Registry of Deeds, the Executive Board may send a copy of the lien certificate to each record holder of a mortgage on that real estate, to the holder's last known address.

The costs to be paid by the property owner are the sum of the unpaid amounts due plus all costs related to preparation of the lien certificate, including reasonable attorney's fees, and the cost of recording the certificate.

11. Interest/Late Fees. . The Association may impose an interest and/or late fee penalty for any payment for an assessment which is more than ten (10) days late. Interest shall accrue at the rate of 18% per annum on all outstanding balances or in such other amount as the Board deems appropriate.

12. Statement of Common Expenses and Unit Expenses. The Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common and Unit Expenses due from each Unit Owner as required by the Act, or the resale certificate and documents required by the terms of the Act. The Association reserves the right to charge the Unit Owner requesting such statements or certificates for the cost of preparation of the same, which charge shall be assessed as an assessment against the Unit pursuant to the Maine Condominium Act.

ARTICLE IX

Compliance and Default

Each Unit Owner shall be governed by, and shall comply with all of the terms of the Declaration, these Bylaws, the Rules and Regulations and the Act, as any of the same may be amended from time to time.

1. Appeal and Hearing Procedure; Actions by Owners. No Unit Owner shall have the right to object, challenge, commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except after following such procedures as are established in this Paragraph and as may be established by the Executive Board by rule or regulation consistent with the provisions of this Paragraph. The Executive Board shall hear appeals from Unit Owners from (a) the determinations by the Executive Board on alleged violations of the Condominium Documents (other than violations with respect to assessment obligations) and (b) the enactment of rules and regulations of the Association. The Executive Board shall hold a hearing on any such appeal within thirty (30) days after the receipt by the Executive Board of a formal notice of appeal from a Unit Owner. A decision shall be issued in writing by the Executive Board within ten (10) days after the conclusion of the hearing. In hearings before the Executive Board all parties shall be entitled to be represented by counsel. Unless the internal remedies provided by this Paragraph and such rules and regulations as may be promulgated by the Executive Board shall be expressly waived by the Association, or the Association fails or refuses to act after being requested in writing to do so, no action at law or in equity shall be commenced by any Unit Owner until such internal remedy is pursued to exhaustion. Any action by a Unit Owner against any other Unit Owner or resident or the Association arising out of any term, covenant or condition contained in the Condominium Documents or any rule or regulation made pursuant thereto shall be subject to the same procedures.

2. Noncompliance. Subject to prior compliance with the procedures established herein, the failure of a Unit Owner to comply with the Declaration, these Bylaws and the Rules and Regulations of the Association shall entitle the Association and Executive Board to the remedies provided herein, the Declaration, and in the Act, none of which shall be exclusive of any other remedies:

a. Mediation. In the event a dispute shall arise between the parties to this Agreement and is not resolved by the Administrative Appeal process, then the parties agree to participate in at least four hours of mediation in accordance with the Mediation Procedures of a selected Mediator, which mediation shall occur in Kennebunk, Maine. This mediation procedure shall occur within ten (10) business days of one party notifying the other of a dispute. The parties agree to equally split the costs of mediation which shall not exceed \$2,500 total. If one party incurs costs greater than \$1,250, then such additional costs will be at the sole expense of that party

b. Suits. If a dispute is not resolved by the Administrative Appeal Process or Mediation then failure to comply with the terms of the Declaration, By-Laws and/or the Rules and Regulations adopted pursuant thereto, as the same may be amended from time to time, shall entitle the Association or any aggrieved Unit Owner to sue for the recovery of damages or for injunctive relief, or both. Such relief shall not be exclusive of other remedies provided by law.

c. Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Declaration, Bylaws or Rules and Regulations adopted pursuant thereto, the Executive Board, if the prevailing party, shall be entitled to recover

the costs of the proceeding and reasonable attorney's fees.

ARTICLE X

Amendments

1. Amendments to Bylaws. These Bylaws may be modified or amended only by vote of Unit Owners entitled to cast Sixty-Seven percent (67%) of the votes in the Association, except as otherwise expressly set forth herein or in the Act. 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, then at any time and from time to time the Executive Board 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 legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.
2. Approval of Mortgages. The Declaration contains provisions concerning various rights and interests of record holders of mortgages on Units. Such provisions are to be construed as covenants for the protection of such holders on which they may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of the Declaration or these Bylaws impairing or affecting such rights, priorities, remedies or interests of such a holder shall be adopted without the prior written consent of such holders who have registered an address with the Secretary.
3. Amendments to the Declaration. Any two officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE XI

Insurance

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 herein to the extent such policies shall be reasonably available from reputable insurance companies. To the extent that said insurance is not reasonably available, 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 herein 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 Premises for the purpose of purchasing and maintaining the insurance described herein, the collection and appropriate disposition of the proceeds thereof with any bank or trust company authorized to do business in the State of Maine as trustee for all Unit Owners and their Mortgagees as their respective interests may appear (the "Insurance Trustee"), the negotiation of losses and execution of releases of liability, and the execution of all documents, and the performance of all other acts necessary to accomplish such purposes.

2. Liability Insurance. The Executive Board shall obtain and maintain as a Common Expense comprehensive general public liability 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 to the Unit Owner and the Declarant against any liability to the public or to the Unit Owners (and their invitees, agents and employees) covering all occurrences commonly insured against for death, bodily injury or property damage arising out of, or incident to, the operation, maintenance, ownership or use of the Common Elements, public ways and other areas under the Association's supervision and/or relating to any legal liability resulting from suits or actions related to employment contracts to which the Association is a party. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) 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; (ii) hired and non-owned vehicle coverage; and (iii) 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.

3. Property / Casualty Insurance. "Special Form" property insurance (including comprehensive boiler and machinery coverages) on the common elements, limited common elements, and the condominium units in an amount not less than one hundred percent (100%) of the full replacement cost of the Improvements and any personal property considered a common element, in such amounts and upon such terms as the Board may determine from time to time, with a replacement cost coverage endorsement, an agreed amount endorsement. Full replacement cost as used herein means the cost of replacing the Improvements and the Personal Property without deduction for physical depreciation thereof;

4. Insurance. The Executive Board may obtain and maintain as a Common Expense:

- a. to the extent available, "directors' and officers'" liability insurance to satisfy indemnification obligations of the Association;
- b. endorsements for coverage required by any eligible mortgage holder, including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;
- c. flood insurance in accordance with the then applicable regulations of such agency;
- d. workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and
- e. such other insurance as the Executive Board may determine or as may be requested from time to time by the Unit Owners.

5. Memoranda, Cancellation, Additional Required Provisions. All insurers that shall issue an insurance policy or policies under this Paragraph shall issue certificates or memoranda of insurance to the Association, and, upon request, to any Unit Owner or Mortgagee. All such insurers issuing the policy may not cancel (including cancellation for non-payment of premium), substantially modify or

refuse to renew such policy or policies until ten (10) days after notice of the proposed cancellation or non-renewal has been mailed to the Executive Board, the managing agent, and each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses. All policies under this Article 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.
6. Separate Insurance. Each Unit Owner shall be required, at its own expense, to obtain casualty insurance for their own personal property and for their individual liability.

ARTICLE XII

Miscellaneous

1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by certified mail, return receipt requested, postage prepaid, (i) if to a Unit Owner, at the address of the Unit Owner, or (ii) if to the Association or the Executive Board, at such address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one person, each such Person who so designates a single address in writing to the secretary shall be entitled to receive all notices hereunder.

Notice of matters affecting the Condominium shall be given to Unit Owners in writing and shall be deemed to have been given if delivered personally or sent by United States mail, postage prepaid or if notification is of a default or lien, then by registered or certified mail, return receipt requested, postage prepaid, to a Unit Owner at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association, or if no address is designated, at the address of the Unit. If a Unit is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder. All notices to the Association shall be directed to the office of the corporation as listed with the records of the Secretary of State for the State of Maine.

2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

[Signature on following page]

Dated as of: June _____, 2015

Common Care, Inc

By: _____
Samuel L. Checovich
Its duly authorized President

EXHIBIT D (to Public Offering)

COASTAL WOODS CONDOMINIUM RULES AND REGULATIONS

GENERAL

It should be understood by all unit owners that the exteriors of the buildings and all the land area and facilities outside the individual units are common property. Certain parts of the common property, shared porches are "limited common areas" reserved for the exclusive use of the associated unit owners. While unit owners are responsible for maintaining their units and appurtenant limited common elements, regulation of the maintenance, alteration, improvement, general appearance and use of the common property, including the limited common elements, are under the control of the Association through its Board of Directors. Attention is called to the Declaration and to the By-Laws for specific definition of the common property and for the general responsibilities of unit owners with respect to the common property and to their units and limited common areas.

As provided in the Declaration, in order to assure the peaceful and orderly use and enjoyment of the buildings and common area and facilities, the following Rules and Regulations have been adopted.

USE AND OCCUPANCY

A. COMMON AREAS

Use, maintenance and operation of common areas shall not be obstructed, damaged or subject to interference by any unit owner.

B. UNIT USE AND MAINTENANCE

1. Each owner shall maintain his or her unit and limited common areas in good condition, good order and repair at their own expense as specified in the Declaration.
2. Commercial Activity - No commercial or manufacturing activity of any nature shall be permitted in or about any unit excepting only activities that are passive in nature and do not generate any related pedestrian or vehicular traffic.
3. Speed Limits - Vehicle speeds are not to exceed 15 miles per hour in the common areas.
4. Parking - Parking areas are for registered and fully operable vehicles only. Motor homes, boats and trailers shall not be stored on the premises. No overnight parking is allowed on Rollins Drive. Vehicles in violation are subject to towing at the owner's expense.
5. Garbage and Trash - Trash, garbage and other waste shall be kept only in sanitary covered containers which shall not be visible from the street.

6. Personal Property - Articles of personal property belonging to any unit owner or his/her guest shall be stored in the Unit. Grills shall not be stored on the front porch of any Unit.

C. ALTERATIONS OR IMPROVEMENTS

1. General. Alterations or modifications to the limited common elements, which involve structural change, additions or painting, shall not be undertaken by the unit owner, and such alterations or modifications shall be done by the Association, unless otherwise approved in writing. This includes walls, porch, porch steps, etc. The use of bird feeders, seasonal decorations, etc. do not require prior Board approval, however, the Board shall have the right to require the removal of anything deemed to be objectionable. Permanently installed play equipment is not permitted.
2. Screen and Storm Doors and Awnings. Only those types approved by the Board are allowed. Approval for each installation shall be requested in writing and must receive prior written Board approval.
3. Unit Integrity. No unit owner shall do or have done any work which may jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement, rights, appurtenances or other hereditament consisting of common elements without the unanimous written consent of all other unit owners.

D. LANDSCAPING

1. Approval and Responsibility. During the Declarants control period any change or addition to plantings (shrubs and bushes) must receive written approval from the Declarant. After the period of Declarants Control Period, the Members shall establish rules for landscaping that shall be subject to Town of Kennebunk Planning Board approval, if applicable. Care and maintenance thereafter is the responsibility of the Association.
2. Special Restrictions. Notwithstanding anything to the contrary contained herein, Landscaping must not impede mowing or the placement of snow removed from walks or parking areas.

E. PETS

1. Indoor/Outdoor Pets. For purposes of these rules indoor/outdoor pets are either dogs (excluding wild animal hybrids which are not allowed under any circumstances) or cats. Any other species must receive written approval of the Board.
2. Total Number of Indoor/Outdoor Pets. There shall be no more than two indoor/outdoor pets per unit.
3. Small Indoor Pets. Caged birds, hamsters, turtles, etc., within reason, will not count as part of the pet quota.

4. Dogs. Dogs are not allowed outside of their unit except on a leash, and under control of a responsible person. Pet owners are responsible for any property damage, injury or disturbance their pets may cause or inflict. No animal shall be permitted to bark, howl, or make other loud noises so as to disturb other Unit owners' rest or peaceful enjoyment of their unit and adjacent common areas. Pet owners are responsible for the removal and proper disposal of animal wastes in all areas, limited and common.
5. Animal Husbandry. There shall be no animal husbandry of any kind allowed on the premise.

F. LEASE OF UNIT

1. No Unit may be leased for transient purposes and no Unit may be leased for a period of less than twelve (12) months except at the sole discretion of the Board of Directors. No portion of any Unit (other than the entire Unit) shall be leased for any period. No Unit Owner shall rent or lease a Unit other than in accordance with a written form of lease which contains the following provisions:
 - a. The Tenant and all other guests and occupants shall comply with, and be subject to, the Declaration, Bylaws, and Rules and Regulations, as amended; and
 - b. A failure to comply shall constitute an incurable default under the Lease;
2. The Executive Board shall have the power to terminate the Lease, to bring summary proceedings to evict the Tenant in the name of the Unit Owner and to initiate any other legal or equitable proceeding after five (5) days' prior written notice to the Unit Owner, in the event of a default under the Lease or the Unit Owner's failure to comply with this Section F. However, if the Executive Board, in its sole discretion, determines providing such prior notice increases any risk, danger or hazard to person or property, then the requirement of five (5) days' prior written notice is null and void; and
3. In the event that the payment of Common Charges, Special Assessments, attorneys' fees and/or service charges or other amounts due ("Amounts Due") to the Association become more than 30 days past due, the Executive Board, in its sole discretion, may require the Tenant to pay directly to the Association the rent and any other amounts owed by Tenant to the Unit Owner on the Unit in an amount up to the balance of current and delinquent Amounts Due and other unpaid amounts outstanding, subject to the rights of any recorded first mortgage or Eligible Mortgage Holder which has exercised an assignment of rents in compliance with applicable law. The Executive Board's notice to the Tenant shall be conclusive and binding on the Tenant as to the Tenant's obligation to pay the rent directly to the Association and as to the Amounts Due. The Unit Owner shall have five (5) days after such notice is sent to file any objection with the Executive Board, which objection shall (a) be in writing and signed under oath under the pains and penalties of perjury; (b) contain a short and plain statement of any alleged errors by the Association; and (c) include copies of cancelled checks or other written evidence of

objection or miscalculation of the Amounts Due. The Unit Owner must state which amounts, if any, the Unit Owner admits is owed to the Association. Any payments by the Tenant to the Unit Owner after notice from the Executive Board to the Tenant, requiring the Tenant to make payments to the Association, shall not be deemed a credit of amounts owed by the Tenant to the Unit Owner and the Tenant shall be responsible to pay such amounts to the Association; the Tenant thereby shall have the sole risk of being responsible for payment to the Association, notwithstanding Tenant's payment to the Unit Owner.

4. Any Lease or tenancy shall be in writing and shall be delivered to the President of the Executive Board. The foregoing provisions shall be deemed to be automatically incorporated into any Lease and into the terms of any tenancy or other agreement for the occupancy of a Unit. If a written Lease is not obtained and timely delivered to the President of the Executive Board no later than Ten (10) days prior to the commencement of the Lease, then the tenancy shall be void and the Executive Board shall have the authority to pursue any legal remedies against the Tenant to remove and expel the Tenant from the Unit.
5. In the event a guest or Tenant of a Unit fails to comply with the provisions of this Declaration, the Bylaws, Rules and Regulations, as amended, or the Lease, then, in addition to all other remedies which it may have, the Association, in its sole discretion, may notify the Unit Owner of such violation(s) and demand that the same be remedied through the Unit Owner's efforts within a reasonable time, as determined by the Executive Board in its sole discretion, after such notice is given to the Unit Owner.
6. If such violation(s) is(are) not remedied within said period, then the Unit Owner, if requested by the Executive Board in its sole discretion, shall thereafter at his own cost and expense, immediately institute and diligently evict the Tenant or guest on account of such violation(s). In the event the Unit Owner fails to so act promptly, then the Board shall have the right, but not the duty, to institute and prosecute such election as attorney-in-fact for the Unit Owner and at the Unit Owner's sole cost and expense, including all legal fees incurred. Said costs and expenses shall be due and payable upon demand by the Association and shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Executive Board in the same manner as the Executive Board is entitled to enforce collection of Common Expenses, Special Assessments and all other amounts due to the Association.
7. Section F applies to any amounts owed by the Unit Owner to the Association irrespective of the date of the Lease. The Executive Board, in its sole discretion, is authorized to enter into an agreement with the Unit Owner to modify the amounts to be paid by the Tenant to the Association in connection with this Section.

G. MISCELLANEOUS

1. Yard Sales. No unit owner shall hold a yard sale or any other type of outside sale without written approval of the Board.

2. Clotheslines. No clotheslines are to be used outside of any unit.
3. Antennas, Satellite Dishes, Bottled Fuel. No exterior antennas or satellite dishes, or similar devices, bottled gas or other fuel containers shall be visible from the road, unless there is no other reasonable alternative available, at the sole determined of the Executive Board subject to the Unit Owners' legally protected rights.
3. Signs. No unit owner shall display, hang, store or use any signs on the outside of his/her unit, nor in a window or doorway, including political signs, which are not permitted. No vehicle shall display a "For Sale" sign. Unit "For Sale" signs may be shown only during the time a unit is actually advertised as open to the public and is properly attended by the owner or agent. During the period of Declarant Control, Declarant may place for sale signs for marketing purposes.
4. Exterior Lights. No spotlights or floodlights are permitted on the exterior of any unit.
5. Flags. Only American Flags shall be display on the premises in a manner which is considered customarily appropriated. No other flags or banners shall be allowed.
6. Snow Removal. The Association shall be responsible for snow removal up to the limited common element porches.
7. Seasonal Decorations. Decorations may be displayed on the porch only. Seasonal decorations must be removed within one month after the holiday or event. No large electrified displays shall be permitted
8. Snowmobiles, ATV's, dirt bikes, RV's, boats, etc. Use or storage of snowmobiles, ATV's, dirt bikes and other off road vehicles is prohibited within the confines of the Condominium property. No Recreational vehicles or boats shall be stored on the premises, for any period of time.

H. COMPLAINTS, REMEDIES & CONCLUSION

All Complaints or Suggestions regarding maintenance, nuisances or general welfare must be submitted in writing to the Board of Directors together with, if desired, a request for a hearing. If the matter is too urgent for this procedure to be practical, a member of the Board should be advised by telephone. Any group of unit owners wishing to make a complaint or suggestion may follow the above procedure nominating one or two spokespersons to represent it.

FINES SCHEDULE & POLICY

A. GOAL OF RULES AND FINES

The goal of rules and fines is to promote the quality of life in the Condominium. Rules and fines should help to encourage harmony among Unit Owners and Board Members.

B. UNIT OWNERS' RIGHTS REGARDING FINES

With the exception of monthly assessments, unit owners will be given oral notice of a violation. The owner has ten (10) days in which to request a hearing. If the infraction persists, written notice will be sent. The unit owner will be provided an opportunity to be heard at a specific time and place if he/she requests it. The owner's defense and any mitigating circumstances will be given a fair hearing by the Board.

C. UNIT OWNERS' GRACE PERIOD

Unless otherwise provided herein, a fine will not be imposed until after a minimum of ten (10) days from the time of a hearing if one is scheduled. If no hearing is requested, the fine shall be imposed only after ten (10) days from the postmark date of a written notice.

D. LEGAL STATUS OF FINE

Under the Maine Condominium Act, any fine imposed by the Board of Directors represents a lien on the unit owner's property. By law, the Board shall establish the fine schedule and impose fines for any new rules.

E. SCHEDULE OF FINES

1. General. A fine of \$30.00 will be levied for violations of all Coastal Woods Condominium Owners' Association, Inc. Rules from A through G, and \$1.00 per diem is added until the infraction is corrected.
2. Monthly Assessments. A charge of \$10.00 will be levied if the monthly assessment is not postmarked by the tenth (10th) day of the month in which it is due.

If the monthly assessment remains unpaid, interest at the rate of eighteen (18%) percent per annum will accrue on the unpaid amount.

Any money received on delinquent accounts will be applied to the oldest unpaid assessment.

There will be a \$25.00 charge for a returned check.

F. OTHER TYPES OF PENALTIES

When deemed necessary and appropriate, the Board of Directors may choose another type of penalty (such as removal of an obstacle), as provided in the Declaration.

Exhibit E (to Public Offering)

**PROPOSED ESTIMATED BUDGET
THE COASTAL WOODS CONDOMINIUM**

Proposed, estimated budget for Common Elements, Limited Common Elements, Units & administration during the first year after the condominium has been completed, assuming all 23 homes declared.

Revenue	
Monthly Condo Fee	\$245
Number of Units	23
Income from Condo Fees	\$67,620
Total Revenue	\$67,620
Expenses	
Insurance Policy	\$6,500
Mater insurance Policy	
Umbrella Liability Insurance	
Directors/Officers Insurance	
Snow Plowing/Sanding	\$15,000
Landscaping & Grounds Keeping	\$12,000
Utility-Electric	\$2,000
General Maintenance (HVAC, etc.)	\$4,300
Road/Parking Maintenance	\$2,000
Storm Water Infrastructure Maintenance	\$2,000
Rubbish Removal	\$600
Bank Charges	\$200
Management Fees	\$5,000
Reserves	\$12,487
Total Regular Annual Budget Expenses	\$67,087
Special Assessment for Rollins Ln. Sidewalk	\$5,533
Total Annual Budget Expenses	(\$67,620)
Net Income	\$0.00

Notes and Disclaimer

1. Unit purchasers should realize that the Seller cannot predict future common area expenses. Unit purchasers should also realize that the cost of Insurance, and the cost of maintaining the common area facilities age, and also if the unit owners choose to vote for items that are not on the above proposed, estimated budget for the initial year of operation.
2. The Seller, Common Care, Inc. shall pay a monthly condominium fee for each and every unit that has been added to the condominium but remains unsold.
3. Until the completion of the Condominium, the common element expense and other expenses

for each unit shall not exceed \$245 per month in total.

Exhibit F (To Public Offering)

UNIT DEED AND WARRANTY CERTIFICATE

WARRANTY DEED

COMMON CARE, INC., a Maine corporation with a principal place of business in North Hampton, New Hampshire, for consideration paid, grants to _____ of _____, _____ County, Maine, whose mailing address is _____, with Warranty Covenants, **[as Joint Tenants]**, the condominium unit located in the Town of Kennebunk, York County, Maine, more particularly bounded and described in Exhibit A attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF the said Common Care, Inc. has caused this instrument to be executed this _____ day of _____, 2015, by Samuel L. Checovich its President.

Witness

Common Care, Inc.

Samuel L. Checovich - President

STATE OF MAINE

_____, ss.

_____, 2015

Then personally appeared the above-named Samuel L. Checovich, president of Common Care, Inc., and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said Common Care, Inc.

Before me,

Notary Public/Attorney at Law

Typed Name of Notary:
My Commission Expires:

EXHIBIT A

Unit No. _____ (“Unit”) of the condominium known as The Coastal Woods Condominium (hereinafter “Condominium”), located in the Town of Kennebunk, York County, Maine, shown on the “First Amended Final” condominium plat plan entitled “CONDOMINIUM PLAT - COASTAL WOODS CONDOMINIUM, KENNBUNK, MAINE” approved by the Town of Kennebunk Planning Board on February 23, 2015, recorded at the York County Registry of Deeds in Condominium File 832, Page 2 and Page 3 (hereinafter “Plat”) and in accordance with the “Declaration of Condominium for ‘Coastal Woods Condominium’” (hereinafter “Declaration”), under the provisions of the Maine Condominium Act, which Declaration is dated July 18, 2014, and recorded in Book 16866,, Page 568; as amended by the first amendment to the Declaration, dated September 2, 2014, and recorded in Book 16885, Page 204 and the second amendment to the Declaration, dated June 23, 2015, and on those condominium plans recorded in Condominium File 832, Pages 4 and 5 (hereinafter “Plans”) as the same may be further amended.

The Unit is conveyed together with:

1. A percentage interest appurtenant to the Unit in the Common Elements as set forth in Exhibit B of the Declaration and any amendments thereto, and as are shown on the Plat and Plans;
2. An exclusive right to use the Limited Common Elements appurtenant to any particular Unit as specified in the Declaration and as shown on the Plat and Plans;
3. All rights and easements as described in the Declaration and as may be shown on the Plat and Plans;

The Unit is conveyed subject to:

1. The easements, covenants, obligations, and conditions, restrictions, reservations and encumbrances contained or referred to in the Declaration and as shown on the Plat, and Plans;
2. The provisions of the Declaration, the Plat and Plans, and the Bylaws for Coastal Woods Condominium Owners’ Association, Inc., as the same may be amended from time to time, which provisions, together with any amendments or modifications thereto, shall constitute covenants running with the land and shall bind any person having any interest or estate in any particular Unit.

Meaning and intending to convey and hereby conveying Unit No. _____, together with and subject to all of the rights and obligations described or referenced herein.

Being a portion of the land conveyed to Common Care, Inc., by deed of Hilco, Inc., dated November 3, 1993, and recorded in Book 6848, Page 192 of the York County Registry of Deeds.

**THE COASTAL WOODS CONDOMINIUM
LIMITED WARRANTY***

LIMITED WARRANTY CERTIFICATE

Issued To and Accepted By

Unit Owner: _____

Unit No. _____ of THE COASTAL WOODS CONDOMINIUM

Common Care, Inc., a Maine corporation ("Common Care"), is selling to you a Condominium Unit designated as Unit No. _____ of The Coastal Woods Condominium, located at Coastal Woods Drive, Kennebunk, Maine. The Unit has been constructed in accordance with the local building code of the Town of Kennebunk, Maine. In any new construction some items may require adjustment. This Limited Warranty Certificate describes Common Care's obligations to make such adjustments and outlines the methods for you to follow to obtain such adjustments. Please read it carefully.

I. COVERAGE AND DURATION

A. Non-Consumer Products.

1. Common Care will correct any structural defect, which shall be those defects in components constituting any Unit which reduce the stability or safety of the Unit below accepted standards or which restrict the normal intended use of all or part of the structure and which require repair, renovation, restoration or replacement, brought to Common Care's attention in writing within two (2) years from the date hereof.

2. Common Care will correct any structural defect in the plumbing system, except operating fittings, which causes the system not to be in proper working order and which is caused by defective workmanship and materials, brought to Common Care's attention in writing within two (2) years from the date hereof.

3. Common Care warrants that the Unit is, at the time of closing, fit for habitation.

B. Consumer Products.

1. Common Care gives no warranty on decorations, appliances, equipment or fixtures sold with the Unit except as may be required by the statutory warranty.

2. Common Care's sole obligation with respect to items not warranted by Common Care shall be to deliver to The Coastal Woods Owners' Association, Inc.

("Association") at or prior to the time of closing any manufacturers' warranties covering such appliances, decorations,

equipment or fixtures in the Unit except insofar as the same may be Common Elements. Common Care is not responsible for performance under manufacturers' warranties in any way.

C. Examples.

1. The following are examples of non-consumer products: ducts, doors, windows, wiring, water closet, bathtub, lavatory, etc.

2. The following appliances and other equipment if sold with the Unit are examples of consumer products: smoke detector, fire extinguisher, exhaust fan, thermostat, doorbell, garbage disposal, washer/dryer, refrigerator/freezer, range/oven, dishwasher, water heater..

II. COMMON CARE'S RESPONSIBILITY

In the event of any defect in any item or component thereof covered by Common Care's warranty, Common Care, at its option, will repair or replace the affected item or component at no cost to you. Replacement items or components will be substantially comparable to those replaced (although identical colors and other features may not necessarily be available). Common Care will correct the defect in such manner as to restore the component to the condition which would have existed had the defect not been present.

III. EXCLUSIONS

A. Common Care's warranty does not include loss or damage with respect to a claim unless written notice of the defect causing the loss or damages all have been given by a representative of the Association or by you to Common Care within the warranty period as prescribed by this Limited Warranty Certificate

B. Common Care's warranty does not include cracks, popping nails or other effects of normal settlement, or expansion, contraction, shrinkage or warping of materials that may occur in walls, floors, ceilings, doors or any of the components of the Unit, or drainage, seepage or other water problems, as long as such defect will not prevent the normal intended use of all or part of the Unit.

C. Common Care's warranty does not include defects or smudges in painted surfaces, chipping and/or cracking of marble, formica, fiberglass or tiles, defective or broken glass, or similar defects readily visible to the human eye, which are not noted for correction at the time of inspection by the initial purchaser before settlement.

D. Common Care's warranty does not cover normal maintenance items or conditions resulting from wear and tear and/or misuse or negligence. Common Care's warranty does not apply where use or maintenance was contrary to the Condominium Documents or Rules and Regulations of the Association or where any defect results from damage by you or by negligence or unreasonable use, including failure to provide reasonable and necessary maintenance.

E. Furniture, wallcoverings, furnishings or the like as shown in or about any model unit are for display purposes only and are not considered a part of the Unit. Further, the location of wall switches, thermostats, chases, plumbing and electrical outlets and similar items may vary from unit to unit and may not be as shown in any model unit. Any floor plans, sketches or sales drawings shown to you other than those which are a part of the plans are for display purposes only and may not be exactly duplicated. The Unit will contain only the decorations, appliances and equipment set forth in the Purchase and Sale Agreement between Common Care and you.

F. Common Care's warranty does not cover loss or damage caused by defective design or materials supplied by you or installed under your direction.

G. Common Care's warranty does not cover accidental loss or damage, and loss caused by freezing temperatures, explosion, smoke, water escape, changes not reasonably foreseeable in the level of underground water table, glass leakage, windstorms, hail or lightning, falling trees, aircraft, vehicles, flood, earthquake, soil movement, and insects.

H. COMMON CARE SPECIFICALLY DISCLAIMS ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL (SECONDARY) DAMAGE TO ANY PERSON, THE UNIT, OTHER COMPONENTS OR ANY OTHER REAL OR PERSONAL PROPERTY RESULTING FROM A DEFECT. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.*

IV. DISCLAIMER OF IMPLIED WARRANTY OF QUALITY

Disclaimer of implied warranty of quality is made for the following defects and/or noncompliance with applicable laws:

None.

V. LIMITATION OF IMPLIED WARRANTIES

A. ON CONSUMER PRODUCTS FINALLY DETERMINED BY A COURT TO BE WITHIN THE STATUTORY WARRANTY DESCRIBED ABOVE, ALL IMPLIED WARRANTIES ARE LIMITED IN DURATION TO THE PERIOD OF THIS WRITTEN WARRANTY. This includes, without limitation, the implied warranties of merchantability and fitness created by Title 11 M.R.S.A. Sections 2-314 and 2-315 and the implied warranty of suitability created by Section 1604-113(b) of the Maine Condominium Act.

B. On all other consumer products and on all non-consumer products, whether or not warranted by manufacturers, all implied warranties are expressly disclaimed and do not apply to the extent such disclaimer is permitted by law, including without limitation the implied warranties of merchantability and fitness created by Sections 2-314 and 2-315 of the Maine Uniform Commercial Code and the implied warranties set forth in the Maine Condominium Act, such products being sold "as is" except for the above written warranty.

Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you.*

VI. WARRANTY PROCEDURES

A. The following procedures have been established to permit maximum efficiency in administering work under warranty. You have had the opportunity to inspect your Unit prior to closing. At that time, a list of items needing correction in accordance with Common Care's warranty, is usually prepared. Certain additional items may arise from time to time, as is normal. If any additional items arise, the procedure to be followed for correcting these items is as follows:

1. Within ninety (90) days after occupancy, if you have discovered defects that are covered by the Limited Warranty Certificate, in order to obtain performance of any of Common Care's warranty obligations, a written statement of all warranty claims should be sent to:

Common Care, Inc.
c/o Samuel L. Checovich
P.O. Box 886
North Hampton, New Hampshire 03862

2. Upon receipt of the written statement, Common Care's representative will meet you, inspect the Unit and list all warranted defects on the "Warranty Inspection Form", a copy of which is attached as Exhibit A to the Warranty Certificate, to be signed by both you and Common Care's representative.

3. Any latent defects that may be discovered subsequent to the completion of the "Warranty Inspection Form", during the period covered by the Limited Warranty Certificate, will be handled individually upon written notice from you to Common Care sent to the address set forth in Paragraph 1 above.

B. If you and Common Care's representative fail to agree upon the defects to be noted on the Warranty Inspection Form or the workmanlike correction of such defects, Common Care will, within five (5) days after the date of your request therefor, submit the disagreement to a mediator, to be agreed upon between the parties, for decision, and such decision shall be final and binding on Common Care and you. The mediator will render his decision based on the plans

and specifications for the Unit, the Declaration, and the Purchase and Sale Agreement between you and Common Care. The charge by the mediatory for this service will be paid one-half by Common Care and one-half by you, prior to resolution.

C. This Limited Warranty Certificate may be assigned by you to a subsequent owner of the Unit effective on the date that the subsequent owner notifies Common Care in writing of such assignment; this Limited Warranty Certificate is not otherwise transferable.

VII. ACCRUAL OF CAUSE OF ACTION

With respect to accrual of a cause of action for breach of warranty of quality, Section 1604-115 of the Maine Condominium Act provides: “(b) Subject to subsection (c), a cause of action for breach of warranty of quality, regardless of the purchaser's lack of knowledge of the breach, accrues: (1) As to a unit, at the time the purchaser to whom the warranty is first made enters into possession if a possessory interest was conveyed or at the time of acceptance of the instrument of conveyance if a non-possessory interest was conveyed; and (2) As to each common element, at the time the common element is completed or, if later: (i) As to a common element which may be added to the condominium or portion thereof, at the time the first unit therein is conveyed to a bona fide purchaser; or (ii) As to a common element within any other portion of the condominium, at the time the first unit in the condominium is conveyed to a bona fide purchaser. (c) If a warranty of quality explicitly extends to future performance or duration of any improvement or component of the condominium, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.”

VIII. AGREEMENT RE STATUTE OF LIMITATIONS APPLICABLE TO CAUSE OF ACTION

Pursuant to 33 M.R.S.A. §1604-115(a) of the Maine Condominium Act, the undersigned hereby agree to reduce the period of limitation on actions for the breach of any obligation arising under 33 M.R.S.A. §1604-112 (express warranties of quality) or 33 M.R.S.A. §1604-113 (implied warranties of quality) from six years to two years with respect to The Coastal Woods Condominium.

IX. INTERPRETATION

Nothing contained herein shall be deemed to be in derogation of the warranty required by Section 1604-113(b) of the Maine Condominium Act, as amended, as of this date. No action taken to correct defects shall extend this warranty. This Limited Warranty Certificate shall be governed by the laws of the State of Maine. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.*

DATED: _____

COMMON CARE, INC.

Samuel L. Checovich
Its: President

Print Name:
Purchaser

*NOTE: This Limited Warranty Certificate has been prepared to comply with the disclosure requirements of the federal Magnuson-Moss Warranty Federal Trade Commission Improvement Act (15 U.S.C. §2301) enacted in 1975; the sentences indicated by asterisks are required by regulations promulgated by the Federal Trade Commission (16 C.F.R. §701.3 Dec. 31, 1975).

EXHIBIT A

(Attached to and forming a part of The Coastal Woods Condominium Limited Warranty Certificate)

**THE COASTAL WOODS CONDOMINIUM
WARRANTY INSPECTION FORM**

PUCHASER

Unit Number

PURCHASER

Inspection Conducted By:

Date of Inspection:

Listed below are all of the defects discovered to date in my (our) Unit in accordance with the terms and conditions of my (our) Limited Warranty Certificate dated

_____.

1. _____
2. _____
3. _____

Date

Purchaser

Purchaser

Declarant agrees to correct in a workmanlike manner the items listed above.

Common Care, Inc.

Date

By: _____
_____, Its President

I (we) acknowledge that the above items have been completed in a workmanlike manner.

Date

Purchaser

Date

Purchaser