

**INDIAN POINT OWNERS ASSOCIATION  
RULES & REGULATIONS  
AND BY-LAWS**

APPENDIX

B

EXHIBIT B

DECLARATION OF CONDOMINIUM  
FOR  
INDIAN POINT SEASONAL CONDOMINIUM PROPERTIES

This Declaration is filed pursuant to the Maine Condominium Act (the "Act") Title 33, Chapter 31, Maine Revised Statutes Annotated, which statute is incorporated herein by reference. There shall be created, pursuant to the terms of the Act, Indian Point Seasonal Condominium Properties and Indian Point Owners Association ("Association"), a Maine non-profit corporation under Title 13-B of the Maine Revised Statutes Annotated, and Bylaws for said Association.

1. Declarant and Description of Land.

(a) Hull Flyers, Inc., a Maine corporation with a place of business in Cumberland, Maine (the "Declarant"), hereby submits to the provisions of the Act, the land and buildings and improvements thereon, located on the westerly side of State Route 302 in the Town of Raymond, Cumberland County, Maine described in Schedule A attached hereto and incorporated herein (the "Premises"). The Condominium shall initially consist of fifty-one (51) campground units (the "Site Units") and fifty-four (54) boat slip units (the "Slip Units"). The Site Units and the Slip Units shall collectively be referred to as the "Units." If the Declarant exercises the Development Rights set forth in Paragraph 7(b) below, there would be a total of sixty-three (63) Site Units, for a maximum of one hundred seventeen (117) Units in the Condominium. The Premises, the Units, Common Elements and Limited Common Elements are shown on the Final Plan for the Condominium and Addendum thereto prepared by Skinner & Lambe Inc. (collectively referred to herein as the "Plat"), to be recorded in the Cumberland County Registry of Deeds herewith.

(b) The Condominium is subject to the easements, covenants, restrictions and reservations contained in and created by this Declaration, the Bylaws of the Association and all matters set forth on the Plat and Plans. The Condominium is further subject to those licenses, permits, approvals and matters affecting title which are set forth on Schedule A attached hereto and incorporated herein.

2. Definitions.

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

(a) "Allocated Interest" means the undivided interest in the Common Elements and the Common Expense Liability allocated to each Unit.

(b) "Association" or "Owners Association" means the Unit Owners Association of Indian Point Seasonal Condominium Properties which is known as Indian Point Owners Association.

(c) "Common Elements" means all portions of the Condominium other than the Units and the Limited Common Elements.

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

(e) "Common Expense Liability" means liability for Common Expenses allocated to each Unit pursuant to Section 4 of this Declaration.

(f) "Condominium" means Indian Point Seasonal Condominium Properties, as the same is created and administered by this Declaration, the Bylaws and the rules and regulations developed thereunder, initially consisting of fifty-one (51) Site Units and fifty-four (54) Slip Units.

(g) "Declarant" means Hull Flyers, Inc., its successors and assigns.

(h) "Executive Board" means the body designated in the Bylaws to act on behalf of the Association.

(i) "Limited Common Element" means those portions of the Common Elements allocated by this Declaration and the Act for the exclusive use of one or more but fewer than all of the Units. The Limited Common Elements of the Condominium are set forth in Section 5 below.

(j) "Site Units" means those Units designated in this Declaration and in the Plat for separate ownership and use for recreational purposes.

(k) "Slip Units" means those Units designated in this Declaration and in the Plat for separate ownership and use as space for the dockage of pleasure boats.

(l) "Special Declarant Rights" means those rights reserved by Declarant in Sections 6 and 7 of this Declaration.

(m) "Unit" means a physical portion of the Condominium described herein and on the Plat and Plans designated for separate ownership or occupancy.

(n) "Unit Owner" means the Declarant or other person who owns a Unit.

### 3. Description of Condominium.

(a) Layout. The Plat and Plans show the layout, location, Unit numbers and dimensions of Units of the Condominium. Reference is made to the Plans for the description of the buildings and the docks, the location of the Units and the number of Units. The docks are principally constructed of wood

and foam. Acceptance of a deed to a Unit shall constitute a waiver of minor discrepancies in the Plat and Plans, if any.

(b) Unit Boundaries. The boundaries of each Site Unit are as shown on the Plan. The vertical boundaries of each Site Unit shall correspond with the boundary lines of each Site Unit as shown on the Plan. Site Units have no upper or lower horizontal boundaries, and include all subsurface and mineral rights lying below the surface of the Site Unit and all air rights located above the Unit extending to the vertical boundaries. The vertical boundaries of each Slip Unit are the Unit-side surfaces of the finger pier and float of the Slip Unit and an imaginary line drawn mid-way between the finger piers. For end piers as shown on the Plat, Slip Units extend ten (10) feet from the Unit-side surface. The lower horizontal boundaries of each Slip Unit are the surface of the fill or deposits located directly beneath each Slip Unit (all as more particularly shown on the Plat and Plan). The Slip Units have no upper boundaries and include all air rights located above the Slip Units extending to the vertical boundaries.

4. Allocation of Common Element Interests.

Attached hereto as Schedule B is a list of all Units with identifying numbers allocating to each Unit a percentage interest in the Common Elements and in the Common Expenses of the Association, and designating the vote allocated to each Unit. The following formula shall be used to determine the Percentage Interest of each class of Unit in the Common Elements and the vote of each Unit in the Association:

Total number of Site Units times 3 plus total number of Slip Units equals X;

For Site Units: total number of Site Units times 3 divided by X multiplied by total number of Site Units expressed as a percentage;

For Slip Units: total number of Slip Units divided by X multiplied by total number of Slip Units expressed as a percentage.

The Interest for each class of Unit in the Limited Common Elements shall be determined by dividing 100 by the total number of Units in each class.

5. Limited Common Elements.

Limited Common Elements include those items designated as Limited Common Elements in Section 1602-102 (2) and (4) of the Act and on the Plat.

The areas designated on the Plat as "A", "B," "D," "E," "H," "J" and "K" shall be Common Elements for all Units.

The areas designated on the Plat as "C," "F," "G," "I," and "L" shall be Limited Common Elements for the exclusive use of Site Unit Owners only. With respect to those portions of Areas "I," "E" and "H" described below, Site Unit Owners shall have the exclusive right of ingress and egress and for storage of non-motorized watercraft. With respect to Area "I", such access and storage rights shall be confined to an area 36 feet deep and running from the Southwest corner of Site Unit No. 39 approximately 117 feet along the shore of Sebago Lake to turning point No. 49 as shown on the Plat. With respect to common areas "E" and "H", said 36 foot deep area shall extend along the entire shoreline of the Panther Run and Sebago Lake within said areas, with the exception of the shore areas adjacent to the Slip Units. Said exclusive right for ingress and egress and for storage of non-motorized watercraft may not be amended or deleted except by unanimous vote of all Site Unit Owners.

Those Slips designated as 29A and 29B on the Plat shall be Limited Common Elements for the exclusive use of Site Unit No. 7; those Slips designated as 30A and 30B on the Plat shall be Limited Common Elements for the exclusive use of Site Unit No. 9. Those Slips designated 31A and 31B on the Plat shall be Limited Common Elements for the exclusive use of Site Unit No. 6. The cost of maintaining, repairing, installing and removing said Slips shall be born solely by the owner of the Site Unit to which said Slips are allocated.

All ramps, floats, finger piers and structures supporting the Slip Units are Limited Common Elements for the exclusive use of Slip Unit Owners.

The main access road to the Condominium from Route 302 shall be subject to a right-of-way for ingress and egress for the benefit of certain land of the Declarant designated on the Plan as the "Commercial Outlot."

Any expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed against the Unit or Units to which that Limited Common Element is assigned. Any Common Expense benefiting fewer than all of the Units shall be assessed exclusively against the Unit or Units benefited. Assessments for Limited Common Elements shall be based upon the percentage interest allocated to Units as shown on Schedule B.

#### 6. Easements.

(a) Ingress and Egress. Each Unit Owner shall have an easement, subject to any rules and regulations established by the Executive Board, in common with all other Unit Owners to use the Common Elements as a means of ingress to and egress from the Condominium, the Common Elements, the Limited Common Elements and the adjoining public highway. Slip Units shall be subject to an easement for the benefit of other Slip Units for ingress and egress of boats provided that said ingress and

egress shall not interfere with or disturb the reasonable enjoyment of the burdened Slip Unit. The Executive Board shall not establish any rule or regulation depriving any Unit Owner of reasonable ingress to and egress from his Unit, the Condominium and Common Elements, the Limited Common Elements and the adjoining public streets.

(b) Owners Association and Executive Board Access. Declarant reserves in favor of itself, the Association and its Executive Board, officers, agents, employees, 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 abating of any violation of law, orders, rules or regulations of the Association or of any governmental authorities having jurisdiction thereof. In case of an 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, under and through the Common Elements and Limited Common Elements for utilities and other purposes reasonably necessary or useful for the proper maintenance and operation of the Condominium.

(c) Declarant's Easement for Marketing. The Declarant reserves the right with respect to its marketing of Units to use unsold Units, the Common Elements and the Limited Common Elements for ingress and egress. The Declarant reserves the right to maintain advertising signs and a sales office on the Condominium, which signs and office may be relocated from time to time. This easement shall continue until the Declarant has conveyed all Units in the Condominium.

(d) Declarant's Easement for Construction. The Declarant reserves the easement, right and privilege to go upon any and all of the Condominium for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units, Common Elements or Limited Common Elements and for the purpose of construction of the additional Slip Units described below. The Declarant reserves an easement in the Units, Common Elements and Limited Common Elements for the purpose of discharging Declarant's obligations and exercising the Special Declarant Rights reserved pursuant to this Declaration. The Declarant also reserves an easement to connect with and make use of utility lines, wires, pipes and conduits located on the Condominium for construction purposes on the Condominium, provided that the 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, the Common Elements and the Limited Common Elements. These easements shall continue until the Declarant has conveyed all Units in the Condominium including all Units the Declarant has reserved the right to create.

(e) Encroachments. If any portion of the Common Elements or the 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 the 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 the Limited Common Elements, a valid easement appurtenant to the encroaching Units, Common Elements or Limited Common Elements for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist. In the event that a building is partially destroyed as a result of fire or other casualty, there shall exist, if and when that building is rebuilt, such easements over portions of the Common Elements, Limited Common Elements, or upon any other Unit, as are reasonably necessary in order to rebuild said damaged Unit.

(f) Additional Easement. Declarant reserves to itself an easement or right of way for ingress and egress along the main access road to the Condominium from Route 302 for the benefit of certain other land of the Declarant more particularly described on the Plat as the "Commercial Outlot."

(g) Septic System Easement. Declarant reserves unto itself an easement for ingress and egress and also for the construction, maintenance and repair of a subsurface sewage disposal system on Site Unit 51 and Area "A". The location of said sub-surface sewage disposal system shall be as shown in Note 3 of the Plat.

(h) Portland Pipe Line Corporation Easement. As shown on the Plat, Site Units 2, 3, 4, 11, 13 and 50 and a small portion of Site Unit 51 are subject to an easement in favor of the Portland Pipe Line Corporation.

7. Special Declarant Rights; Development Rights; Declarant Control

(a) Declarant Control. In addition to those rights and easements reserved or created by Section 6 hereof for the benefit of the Declarant, which shall be deemed to be Special Declarant Rights, the Declarant reserves the right to appoint and remove members of the Executive Board and Officers of the Association until sixty (60) days after the sale of seventy-five percent (75%) of the Units. This right shall, in any event, expire five (5) years after the date the first Unit is sold. The initial Executive Board shall consist of three (3) persons to be appointed by Declarant. The members so appointed may be removed and replaced by the Declarant at Declarant's discretion. No later than the earlier of (i) sixty (60) days after the conveyance of seventy-five percent (75%) of the Units, or (ii) five (5) years from the date the first Unit is sold, the Unit Owners shall elect an Executive Board consisting of five (5) members, at least one of whom shall be a Slip Unit



Owner. A majority of members of the Executive Board must be Unit Owners or spouses of Unit Owners or, in the case of a Unit Owner which is a corporation, partnership, trust or estate, a designated agent thereof. The Unit Owners on the Executive Board shall serve until the first regular election of the Executive Board, which election shall be held at the first regular meeting of the Association in accordance with the By-laws.

(b) Development Rights. Subject to approval by the Town of Raymond Planning Board and by appropriate state agencies, the Declarant reserves the right to create twelve (12) additional Site Units in that portion of the Condominium located along its most northerly boundary and described on the Plat as "Area Reserved for Hull Flyers, Inc." In the event said Units are added to the Condominium, the Allocated Interests of Unit Owners shall be reallocated according to the formula contained in Paragraph 4 above. All additional Units shall be subject to the terms and conditions of this Declaration, the Bylaws for the Association and the rules and regulations established by the Executive Board. The Declarant may exercise this Development Right no later than five (5) years after the date on which the first Unit is conveyed to a purchaser.

(c) Amendment. This Section 7 shall not be amended without the written consent of the Declarant. The benefits of this Section and all other Special Declarant Rights set forth in this Declaration and in the Bylaws as amended from time to time, may be transferred only by a recorded instrument specifically referring to this Section executed by Declarant and its successor or assignee.

#### 8. Amendment and Termination.

(a) This Declaration may be amended only in accordance with the procedures specified in Section 1602-117 of the Act and in this Declaration. Certain provisions herein may not be changed without the consent of the Town of Raymond Planning Board; those provisions are specified below. Except pursuant to an exercise of Declarant's rights, or as otherwise provided in the Act, no amendment may increase the number of Units or change the boundaries of any Unit, the Allocated Interests allocated to a Unit, or the uses to which any Unit is restricted without the consent of one hundred percent (100%) of the votes of the Association and the consent of Eligible Mortgage Holders (as hereinafter defined) of mortgages on Units to which at least fifty-one percent (51%) of the votes in the Association are allocated. Amendments of a material nature must be agreed to by Unit Owners representing at least sixty-seven percent (67%) of the total votes in the Association. In addition, approval must be obtained from Eligible Mortgage Holders representing at least fifty-one percent (51%) of the votes of unit estates that are subject to mortgages held by Eligible Mortgage Holders. A change to any of the following would be considered as material: assessments, assessment liens, or subordination of assessment liens; reserves for maintenance,

repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of rights to the use of the Common Elements or Limited Common Elements; boundaries of any Unit; convertibility of Units into Common Elements or vice versa; expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium; insurance or fidelity bonds; leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Association to establish self management when professional management had been required previously by an Eligible Mortgage Holder; restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; or any provisions that expressly benefit Eligible Mortgage Holders, insurers or guarantors. No amendment of this Declaration shall make any change which would in any way affect any of the rights, privileges, powers and options of the Declarant, its successors or assigns, unless the Declarant, or its successors or assigns, shall join in the execution of such amendment.

(b) Termination of Condominium. The Condominium shall not be terminated except by agreement of Owners of Units to which ninety percent (90%) of the votes in the Association are allocated and of Eligible Mortgage Holders holding mortgages on Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and as otherwise provided in Section 1602-118 of the Act. The consent of the Town of Raymond Planning Board (the "Planning Board") shall also be required before the Condominium may be terminated.

9. Use and Occupancy of Units and Common Elements - Restrictions Thereof.

The use and occupancy of the Condominium shall be subject to the following restrictions:

(a) Site Units

(i) Recreational vehicles to be parked at Site Units (including trailers, trucks with attached campers, and motor coaches designated for camping) shall be in good repair, fully equipped, operational, licensed for highway travel, and shall not detract from the appearance of the Condominium. There shall be no more than one recreational vehicle parked on each Site Unit at any one time.

(ii) No "park-model" recreational vehicles, so-called, shall be permitted in the Condominium.

(iii) No more than two motor vehicles, exclusive of recreational vehicles, may be parked at any Site Unit at one time.

(iv) No permanent structure shall be built on any Site Unit, other than those structures presently

existing on Site Units 9 and 16. The owners of Site Units 9 and 16 shall be responsible for the maintenance and repair of the structures on their respective Units and shall keep such structures in good order and repair. Site Unit Owners may construct temporary structures or appurtenances on their respective Units, but such temporary structures or appurtenances shall not be permanently attached or affixed to the Site Unit. Excessive amounts of personal property shall not be left in plain view on any Site Unit, and Site Unit Owners shall keep their unit reasonably neat and in good order.

In addition to the requirements of Section 8 of this Declaration, Paragraphs 9(a)(i), (ii) and (iv) above shall not be amended without the Planning Board's consent.

(b) Boat Slips.

The Slip Units shall be restricted solely to pleasure boating uses.

The boat slips designated as 1A and 8B on the Plat shall be a Common Element for all Unit Owners, provided, however, that no boat may be tied up to said boat slips for longer than fifteen minutes.

Watercraft with engines rated in excess of 200 horsepower total may not be tied up to the following Slip Units: 1A, 1B, 2A, 2B, 3A, 6A, 6B, 7A, 7B, 10A, 10B, 18A, 20A, 20B, 21A, 21B, 22A, 22B, 23A, 23B, 24A, 24B, 25A, 25B, 26A, 26B, 27A, 27B, 28A, 30A, 30B. This provision may not be amended or changed without consent of the Town of Raymond Planning Board.

No fewer than forty (40) Slip Units shall be owned by Site Unit Owners at all times. This provision may not be changed or amended without consent of the Town of Raymond Planning Board.

(c) General Restrictions.

(i) The Units shall be restricted to seasonal use only, commencing on April 1 and concluding on October 31 of each calendar year. No occupancy of the Units shall be permitted at any other time. This provision may not be changed or amended without consent of the Town of Raymond Planning Board.

(ii) None of the Condominium Units shall be further subdivided. This provision shall not be amended without the express consent of the Planning Board.

(iii) No offensive or obnoxious activity or behavior shall be carried on upon the Condominium. "Offensive or obnoxious activity or behavior" shall include but not be limited to any public nuisance and any behavior which is inconsistent with the reasonable use of the Condominium by Unit Owners, their lessees and guests

and with their reasonable expectations of enjoyment of the Premises free of interference by others.

(iv) No activities shall be conducted on the Condominium which are or might be unsafe or hazardous to any person or property including, without limitation, the discharging of firearms, flare guns and/or fireworks. No Unit Owner nor a lessee of any Unit Owner shall permit or suffer anything to be done or kept on the Condominium which will increase the rate of insurance on the Condominium or on the contents thereof nor shall he commit or permit any nuisance or commit or suffer any immoral or illegal act to be committed anywhere in or on the Condominium.

(v) A Unit Owner may lease his Unit at any time and from time to time for periods of not less than thirty (30) days. The rights of any lessee of a Unit shall be subject to, and each such lessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, Bylaws and the rules and regulations of the Condominium, and a violation thereunder shall constitute a default under the lease. All rentals of Site Units shall be processed through the managing agent employed by the Association. Site Unit Owners may not lease Slip Units separately from Site Units without the consent of the Town of Raymond Planning Board. Unit Owners shall provide all lessees with a copy of the Declaration, Bylaws and the rules and regulations of the Condominium. The foregoing shall not impose any direct liability on any lessee of a Unit to pay any Common Expense assessments on behalf of the Unit Owner unless provided for in said lease.

(vi) No Unit Owner may lease or sublease any portion of the Limited Common Elements assigned to his Unit, except in conjunction with a lease of his Unit made in accordance with the terms of this Section.

(vii) No signs or advertising devices, including without limitation, commercial, political, informational or directional signs or devices or "For Sale" or "For Rent" signs shall be erected or maintained on the Condominium without the prior written consent of the Executive Board.

(viii) No animals other than dogs, cats and birds may be kept or allowed to remain on the Condominium. Such animals shall be limited to two of each species for each Unit. The Declarant and the Executive Board each shall have the power and authority to require any Unit Owner or any lessee of a Unit Owner to remove any animal or other pet which is not disciplined or which constitutes an annoyance to other Unit Owners or lessees of Unit Owners. Unit Owners shall comply with all applicable laws

and ordinances governing pet control including, but not limited to, leash laws.

(ix) No light which is unreasonably bright or which causes unreasonable glare shall be emitted from any portion of the Condominium including the Units and the Limited Common Elements except those installed by Declarant. No sound which is unreasonably loud or annoying shall be emitted from any portion of the Condominium including without limitation speakers, horns, whistles, bells or other sound devices, except security and fire alarm devices used exclusively to protect personal property of any Unit Owner. No odor which is noxious or offensive to others shall be emitted from any Unit or any portion of the Condominium.

(x) No Slip Unit Owner or lessee of a Slip Unit Owner shall operate his boat in a manner which disturbs the use and enjoyment of the Condominium by Site Unit Owners or other Slip Unit Owners. No Slip Unit Owner, his guests, invitees or lessees shall engage in any activity which interferes with the quiet enjoyment of the Condominium by the Site Unit Owners. Slip Unit Owners shall not make any repairs to their boats on the Premises; provided that ordinary daily maintenance shall be permitted.

(xi) No Slip Unit Owner or guest, invitee or lessee of a Slip Unit Owner shall permit a craft to occupy any Slip Unit if said craft is in a condition or of such a type as would detract from the appearance of the Condominium or which is not in keeping with the character of the Condominium as a recreational and pleasure boating development of the highest quality. All boats occupying a Slip Unit shall be registered if required by the State of Maine or other State of origin of the vessel. No watercraft shall be stored or kept on the Common Elements or Limited Common Elements except as otherwise expressly permitted herein.

(xii) No Slip Unit Owner shall be permitted to use, occupy or enter any portion of the Condominium designated as a Limited Common Element for the exclusive use of the Site Unit Owners unless that Slip Unit Owner is also a Site Unit Owner. No Site Unit Owner shall be permitted to use, occupy or enter any portion of the Condominium designated as a Limited Common Element for the exclusive use of the Slip Unit Owners unless that Site Unit Owner is also a Slip Unit Owner.

(xiii) Parking spaces may be used only for the parking of automobiles, street-legal motorcycles or other personal vehicles. No All-Terrain Vehicles or off-road vehicles shall be operated within the Condominium. No vehicle of any kind belonging to a Unit Owner or guest

shall be parked upon any road or way within the Condominium for more than 15 minutes.

(xiv) Reasonable rules and regulations, not in conflict with the provisions of this Declaration and the Bylaws of the Association, concerning the use and enjoyment of the Premises, may be promulgated from time to time by the Executive Board. Copies of the then current rules and regulations and any amendments thereto shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such rules and regulations or any amendments thereto.

10. Association Responsibilities.

The Association shall be responsible for the maintenance, repair and replacement of the Common Elements and the Limited Common Elements. The Association shall have all the powers set forth in Section 1603-102 of the Act.

In addition to the powers and responsibilities set forth herein and in the Act, the Association shall take all actions necessary or required to maintain all Federal, State and local permits, leases, licenses and approvals, in full force and effect, including, without limitation, the following:

(a) Subdivision approval by the Town of Raymond dated April 13, 1988, as the same may be amended.

(b) Camping Area Permit from the State of Maine Department of Human Services.

The Association shall also take all actions necessary to renew, replace or obtain any and all licenses, leases, permits and approvals necessary for the continued existence and viability of the Condominium.

11. Budget; Common Expenses; Assessments and Enforcement.

(a) Budget; Books and Records. The Association shall maintain a budget for the Condominium and a set of books and records. The budget and the books and records shall clearly set forth expenses related to the operation, maintenance and repair of the Common Elements and Limited Common Elements and shall designate line items which are associated solely with the use of the Site Units and those associated solely with the use of the Slip Units.

(b) Budget Ratification Vote: The Executive Board shall propose a budget for the Condominium, which budget shall be submitted to the Association for ratification. At the budget ratification meeting of Unit Owners, unless fifty-one percent (51%) of the votes in the Association reject the budget, it shall be adopted.

(c) Monthly Payments: All Common Expense assessments made in order to meet the requirements of the Association's annual budgets shall be deemed to be adopted and assessed on a monthly basis (rather than on an annual basis payable in monthly installments) and shall be due and payable in advance on the first day of each month, the first such assessment to be made for the first month of the first fiscal year as determined by the Executive Board of the Association under Article V of the Bylaws. The first regular assessment shall be made no later than sixty (60) days after the first sale of a Unit to a purchaser. Special assessments shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board.

All unpaid assessments shall constitute a lien on the Unit against which such assessment is made. Payments for assessments which are more than ten (10) days late shall, at the option of the Association, accrue interest at a rate established by the Association.

(d) Subordination of Certain Charges: Any fees, charges, late charges, fines or 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.

(e) 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; provided, however, that any surplus amounts in excess of the amount budgeted for septic tank pumping and maintenance shall be placed in the Subsurface Disposal Reserve Fund established pursuant to Section 11(h) below.

(f) Limited Common Expenses. Limited Common Expenses are those Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element. Limited Common Expenses shall be assessed against the Unit or Units to which that Limited Common Element has been assigned. Any Common Expense benefiting fewer than all of the Units shall be assessed exclusively against the Units benefited as a Limited Common Expense. Any Common Expense associated with the repair or replacement of the existing subsurface sewage disposal system shall be assessed to the Unit Owners pro-rata in the same proportions as established in Section 11(h)(i) below.

(g) Working Capital Fund. Prior to the conveyance of the first Unit to a Purchaser, the Declarant shall establish a working capital fund equal to the estimated Common Expense charges for two months' operation of the Condominium. Upon the sale of each Unit, the Buyer shall pay into said fund an amount

based on that Unit's pro rata share of the fund. Said amount shall be transferred to the Association for deposit into a segregated fund.

(h) Subsurface Disposal Reserve Fund. As a condition of approval for the Condominium imposed by the Town of Raymond, the Declarant shall, before the conveyance of the first Unit to a Purchaser, establish a Subsurface Disposal Reserve Fund (the "Fund") to be dedicated exclusively for the repair or replacement of the subsurface sewage disposal systems presently servicing the Condominium should repair or replacement become necessary, and to be funded as follows:

(i) Upon the sale of each Unit, the Buyer shall pay into the Fund an amount based on the Unit's pro rata share of estimated use of subsurface disposal which amounts shall be as follows:

Slip Units

3B	
4A	
8A	
9A	
9B	
11A	
11B	
12A	
12B	
13A	
13B	
14A	
14B	
15B	
16A	
16B	
17A	
17B	
19A	
19B:	\$250.00 each

Site Units:

1 through 5	
35 through 48	
50 and 51:	\$425.00 each

Site Units:

6 through 34	
and 49:	\$535.00 each

(ii) At the conclusion of the Condominium's 1988 operating season, and in no event later than December 31, 1988, the Declarant shall review the actual usage by those Units which have been sold of the subsurface sewage disposal



systems presently servicing the Condominium, and based on the actual usage per Unit sold as adjusted to reflect the anticipated sale of all the Units, shall determine, subject to the approval of the Planning Board of the Town of Raymond, the estimated cost of a replacement system (hereinafter "Approved Estimate"). If the amount in the Fund at that time exceeds the Approved Estimate, then the excess shall be returned to the Unit Owners pro rata in the same proportion as they paid in and the Fund shall be considered fully funded. If the amount in the Fund at that time is less than the Approved Estimate, then Declarant shall, at its option, either pay the difference into the Fund or provide an irrevocable letter of credit in form acceptable to the Town attorney payable to the Town of Raymond, Maine, in the amount of the difference. If the Declarant provides a letter of credit, the Declarant shall maintain such Letter of Credit in an amount equal to the difference between the amount in the Fund and the Approved Estimate until such time as the amount in the Fund is equal to the Approved Estimate. At the time the Fund becomes fully funded in the amount of the Approved Estimate from Unit sales or from payments into the Fund by the Declarant, the Declarant's obligations to the Fund shall terminate and the letter of credit shall be released.

(iii) Once the Fund has become fully funded in the amount of the Approved Estimate, the Association shall thereafter maintain the Fund in an amount equal to the estimated cost of a replacement system, as such estimated cost may be changed from time to time by vote of the Association, except that any reduction below the Approved Estimate must be approved by the Planning Board of the Town of Raymond. Any surplus may be distributed to the Unit Owners and any deficit shall be assessed to the Unit Owners, pro rata in the same proportions as they paid in, said assessment to be levied as a Special Assessment by the Association.

(iv) In the event that the subsurface sewage disposal systems presently servicing the Condominium are repaired or replaced in part and funds are expended from the Fund, the Fund shall thereafter be maintained in an amount equal to the estimated cost of replacement of the remainder of the subsurface sewage disposal systems presently servicing the Condominium. If at any time the subsurface sewage disposal systems presently servicing the Condominium are replaced in their entirety, the Fund may be closed by vote of the Association, and any surplus distributed or deficit assessed pro rata to the Unit Owners in the same proportions as they paid in, said assessment to be levied as a Special Assessment by the Association.

(v) None of the provisions of this subsection (h) shall be amended without the approval of the Planning Board of the Town of Raymond.

## 12. Rights of Eligible Mortgagees.

(a) 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.

(b) 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:

(i) 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;

(ii) 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 Bylaws or any Rules and Regulations of the Association, which delinquency or other default continues for a period of sixty (60) days;

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

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

(v) 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(s);

(vi) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders.

(vii) The termination of the Condominium.

(viii) A change in the Allocated Interests appurtenant to any Unit, a change in the boundaries of a Unit, or the subdivision of a Unit, except for such changes created by the Declarant as a consequence of the

exercise of any Development Rights reserved in this Declaration by the Declarant.

(ix) The merger or consolidation of the Condominium with another Condominium.

(x) The conveyance or subjection to a security interest of any portion of the Common Elements.

(c) In the event of any proposed actions described in this Section 12, subsection (b), paragraphs (iv), (vii), (viii), (ix) or (x), 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 Section 12(b)(ii) 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 Section 12(b), (iv), (v) and (vii) through (x).

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

### 13. Limitation of Liability.

(a) Limited Liability of the Executive Board. The members of the Executive Board:

(i) 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 Condominium, 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;

(ii) 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;

(iii) 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;

(iv) 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;

(v) 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

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

(b) 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 Section 14 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.

(c) 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.

(d) The Executive Board shall obtain insurance to satisfy the indemnification obligations of the Association and all Unit Owners set forth in Paragraph 13(b) above, to the extent such insurance is available.

14. Notice. Notice of matters affecting the Condominium shall be given to Unit Owners by the Association in the following manner: all notices shall be 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 shall designate in writing and file with the Secretary of the Association, or if no address is designated, in care of the Association. 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.

15. Insurance Coverage. The Executive Board shall obtain and maintain insurance for the benefit and protection of the Association and, to a certain limited extent, the Unit Owners as individuals. In general, types and amounts of insurance to be obtained by the Association are described as follows: fire insurance, covering buildings on the Limited Common Elements, "All Risk Insurance", so called; flood insurance (where available); workmens compensation insurance; public liability insurance covering each Unit Owner with limits of not less than a combined single limit of \$1,000,000 for claims for bodily injury or property damage arising out of one occurrence; such other insurance as the Executive Board may, from time to time in its discretion determine, including coverage for other casualties, hazards or risks such as vandalism, malicious mischief, windstorm and water damage. More specific details on this insurance are set forth in the Bylaws of the Association.

The Association will obtain insurance covering liability arising from ownership or use of the Common Elements. This coverage will not insure Unit Owners against liability arising from an accident or injury occurring within a Unit or liability arising from the act or negligence of a Unit Owner.

The Executive Board will also maintain appropriate insurance required by mortgage lenders.

16. Eminent Domain. If part of the Common Elements or any portion of a Unit or Units shall be taken or condemned by any authority having the power of eminent domain, the Association shall notify the Owners and Eligible Mortgage Holders of the Units affected and shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority, and the portion of the award attributable to the Common Elements taken shall be paid to the Association for the use and benefit of the Unit Owners and their Mortgagees as their interests may appear. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Unit Owners and their Mortgagees, as their interests may appear, in proportion to their Allocated Interests in the Common Elements prior to such taking or condemnation, but the portion of the award attributable to the acquisition of any Unit or Limited Common Element shall be equally divided among the Owners of the Units or the Owners to which such Limited Common Element was allocated at the time of such taking or condemnation and their Mortgagees, as their interests may appear. Each Unit Owner appoints the Association as attorney-in-fact for the purposes described in this Section. Notwithstanding anything to the contrary in this Section 17, lien holders on any Unit, Common Element or Limited Common Element, shall have a lien on any such awards in order of priority of their respective liens.

IN WITNESS WHEREOF, the said Hull Flyers, Inc. has caused this Declaration to be executed by W. Scott Fox III, its President thereunto duly authorized, this \_\_\_\_ day of April, 1988.

HULL FLYERS, INC.

By: \_\_\_\_\_  
W. Scott Fox III,  
Its President

STATE OF MAINE  
CUMBERLAND, SS.

April \_\_\_\_, 1988

PERSONALLY APPEARED the above-named W. Scott Fox III, President of Hull Flyers, Inc. as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said corporation.

Before me,

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\_\_\_\_\_  
Notary Public  
Attorney at Law

SCHEDULE B

DECLARATION OF CONDOMINIUM FOR INDIAN POINT  
SEASONAL CONDOMINIUM PROPERTIES

<u>Unit #</u>	<u>Percentage Interest in Common Elements and Vote in Association</u>	<u>Interest in Limited Common Element Expenses</u>
<u>Site Unit</u>		
1	1.45	1.961
2	1.45	1.961
3	1.45	1.961
4	1.45	1.961
5	1.45	1.961
6	1.45	1.961
7	1.45	1.961
8	1.45	1.961
9	1.45	1.961
10	1.45	1.961
11	1.45	1.961
12	1.45	1.961
13	1.45	1.961
14	1.45	1.961
15	1.45	1.961
16	1.45	1.961
17	1.45	1.961
18	1.45	1.961
19	1.45	1.961
20	1.45	1.961
21	1.45	1.961
22	1.45	1.961
23	1.45	1.961
24	1.45	1.961
25	1.45	1.961
26	1.45	1.961
27	1.45	1.961
28	1.45	1.961
29	1.45	1.961
30	1.45	1.961
31	1.45	1.961
32	1.45	1.961
33	1.45	1.961
34	1.45	1.961
35	1.45	1.961
36	1.45	1.961
37	1.45	1.961
38	1.45	1.961
39	1.45	1.961
40	1.45	1.961

<u>Unit #</u>	<u>Percentage Interest in Common Elements and Vote in Association</u>	<u>Interest in Limited Common Element Expenses</u>
<u>Site Unit</u>		
41	1.45	1.961
42	1.45	1.961
43	1.45	1.961
44	1.45	1.961
45	1.45	1.961
46	1.45	1.961
47	1.45	1.961
48	1.45	1.961
49	1.45	1.961
50	1.45	1.961
51	1.45	1.961

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<u>Unit #</u>	<u>Percentage Interest in Common Elements and Vote in Association</u>	<u>Interest in Limited Common Element Expenses</u>
<u>Slip Units</u>		
1B	.48	1.852
2A	.48	1.852
2B	.48	1.852
3A	.48	1.852
3B	.48	1.852
4A	.48	1.852
4B	.48	1.852
5A	.48	1.852
5B	.48	1.852
6A	.48	1.852
6B	.48	1.852
7A	.48	1.852
7B	.48	1.852
8A	.48	1.852
9A	.48	1.852
9B	.48	1.852
10A	.48	1.852
10B	.48	1.852
11A	.48	1.852
11B	.48	1.852
12A	.48	1.852
12B	.48	1.852
13A	.48	1.852
13B	.48	1.852
14A	.48	1.852
14B	.48	1.852
15A	.48	1.852
15B	.48	1.852
16A	.48	1.852
16B	.48	1.852
17A	.48	1.852
17B	.48	1.852
18A	.48	1.852
18B	.48	1.852
19A	.48	1.852
19B	.48	1.852
20A	.48	1.852
20B	.48	1.852
21A	.48	1.852
21B	.48	1.852
22A	.48	1.852
22B	.48	1.852
23A	.48	1.852
23B	.48	1.852
24A	.48	1.852
24B	.48	1.852
25A	.48	1.852
25B	.48	1.852
26A	.48	1.852
26B	.48	1.852

<u>Unit #</u>	<u>Percentage Interest in Common Elements and Vote in Association</u>	<u>Interest in Limited Common Element Expenses</u>
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Slip Units

27A	.48	1.852
27B	.48	1.852
28A	.48	1.852
28B	.48	1.852

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