

Table of Contents

<u>Title</u>	<u>Page</u>
1. General Description of Property and Units	3
2. Additional Units	3
3. Declaration, Contracts and Leases	4
- Declaration of Covenants, Conditions, and Restrictions for Vacationland Estates	6
- Rules and Regulations of Vacationland Estates	51
- Condominium Purchase Contract	56
4. Balance Sheet and Budget of the Association	64
5. Services not in Budget	65
6. Initial Fees due at or before Closing	65
7. Liens, Defects, or Encumbrances on or Affecting Title to the Condominium	65
8. Description of Financing offered by Vacationland Estates	66
9. Limitations on Warranties	66
10. Right to Cancel Purchase	66
11. Pending Suits Material to the Property	66
12. Disposition of Deposit if Contract is Cancelled	66
13. Restraints on Alienation	67
14. Insurance	67
15. Current or Expected fees to be paid by the Unit Owners for use of Common Elements and other Facilities of the Property and the Area	67
16. Unusual Characteristics of the Property	68
17. Total Time Share Units	68
18. Total Time Share Estates	68
19. Projected Annual common Expense Assessment	68
20. Taxes	69
21. Effect of Tax or other Lien Claims on Co-Owners	69
22. Revisions Effective 5/1/87	70

1. General Description of Property

Vacationland Estates is a time-share project which is proposed to include up to ten single story buildings, to be constructed one at a time, located on the so called Dow Farm on Walker Settlement in Island Falls, Aroostook County, Maine. The first building to be built will have 4 individual condominium units and a total of 40 individual condominium units are planned for the project. The nine following buildings will be similar to the first, but some changes in both building and unit designs may be made based on public response to Building 1. The total property covers approximately 10.5 acres of land, but the developer is not required to complete more than Building 1. The developer started construction of Building 1 on June 21, 1984, and plans on completing Building 1 and the related amenities by January 1, 1985. If constructed by the developer, of which there is no guarantee, Buildings two through ten will be completed as sales and financing dictate. Building one will contain two different types of units, as follows:

Unit Type A - 560 square feet first floor, one bedroom, one bath, living room, kitchen, dining-room, private 8' by 20' deck, plus sleeping loft with spiral staircase to second floor, 140 square feet, total - 700 square feet. Rustic log cabin style with cathedral ceilings.

Unit Type B - 840 square feet first floor, two bedroom, two bath, living room, kitchen, dining room, private 8' by 30' deck, plus a third bedroom and a sleeping loft on second floor (spiral staircase), 280 square feet, total - 1,120 square feet. Rustic log cabin style with cathedral ceilings.

Parking space will be provided behind each unit. The buildings will be landscaped and other current and proposed amenities are described in paragraph 15 of this written statement.

2. Additional Units

Other than phasing the ten buildings as described in Paragraph 1 above, the developer does not plan on adding additional units to the 40 planned for the project. Two members of the venture own additional vacant real estate in the area which may be developed in the future, but not as part of this 40 unit project. The developer does not intend to rent or market units in blocks to investors.

3. Declaration, Contracts and Leases

A. A copy of the proposed Declaration of Covenants, Conditions and Restrictions for Vacationland Estates follows this section (the "Declaration"). The following is a brief description of the significant features of the Declaration.

The Declaration provides that each of the buildings will be log cabin style with decks. The buildings will be supplied with electricity, water, an energy system (propane, oil, or electricity, at the election of the developer) and a sewage system. The units in the project are divided into time-share estate units with each time-share estate unit receiving an appurtenant undivided interest in the common areas and facilities. The time-share estate unit owner shall have the exclusive ownership and right to occupy the unit during the annually recurring time-share period which he owns. The developer shall convey one or more time-share estates in each unit to the Association to be designated Maintenance Period Estates and used for the purpose of cleaning, maintaining and repairing the appurtenant unit.

The time-share estate units shall be used primarily as a residence for a single family, and shall not be used to accommodate more than two people in each bedroom, living room or other sleeping area. No activities shall be conducted on the property which may be a nuisance or hazardous to others or the property. No animals or pets may be kept on the property. No time-share estate unit may be further subdivided into periods of less than seven days. Owners may not alter or improve the unit without consent from the Association.

The Declaration provides for the formation of the Vacationland Estates Association of Unit Owners, which will be governed by a board of directors to be elected by the owners. The developer may at its option exercise control over the Association until December 31, 1989. The management and maintenance of the project shall be conducted by the Board.

The Declaration may be amended by an instrument signed by owners who own three-fourths (3/4) or more of the ownership interests in the common areas and facilities. However the developer has the right without the consent of the owners to amend the project documents to allow the development of nine additional buildings and a project total of 40 units.

B. A copy of the Bylaws for Vacationland Estates Association of Unit Owners follows this section. The following is a brief description of the Bylaws.

The management and maintenance of the property and the administration of the affairs of the Association shall be conducted by a Board of Directors of not less than three (3) nor more than seven (7) members. The developer may exercise control over the Board until December 31, 1989.

Members of the Board of Directors shall serve for terms of three (3) years, and shall serve without compensation.

Annual meetings shall be held by the Association beginning in 1989. A quorum shall consist of the Owners of twenty-five percent (25%) of the ownership interests in the Common Areas and Facilities.

The officers of the Association shall be a President Vice President, Secretary and Treasurer.

The Association shall assess each owner a pro rata share of the common expenses and furniture and maintenance expenses for each year.

C. Proposed rules and regulations for the property follow this section.

D. A copy of the Condominium Purchase Contract to be signed by the purchaser follows this section.

E. There will be an agreement between Vacationland Estates and area recreational facilities allowing time share owners the use thereof. This is explained in more detail in paragraph 15.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
VACATIONLAND ESTATES

THIS DECLARATION is made and executed by Vacationland Estates, Inc. (hereinafter referred to as "Declarant"), pursuant to the provisions of the Maine Unit Ownership Act, hereinafter referred to as the "Act".

1. RECITALS.

1.1 Declarant is the sole owner of the real property ("Property") located in Aroostook County, Maine, hereinafter more particularly described.

1.2 The covenants, conditions and restrictions contained in this Declaration and in the appendices hereto shall be enforceable equitable servitudes and shall run with the land.

1.3 Recorded simultaneously herewith is a set of floor plans ("Plans") of the Buildings and a survey of the land upon which the buildings and improvements are located as required by the Act.

1.4 All terms used in this Declaration and the appended Bylaws shall have the definitions as set forth herein.

1.5 The Property shall be known as Vacationland Estates.

1.6 THIS DECLARATION WILL CREATE TIME-SHARE ESTATES IN ALL UNITS IN THE PROPERTY.

2. DEFINITIONS.

2.1 Unless the context clearly indicates otherwise, certain terms as used in this Declaration and the foregoing Recitals shall have the meanings set forth in this section 2.

2.2 Act shall mean the Maine Unit Ownership Act and amendments thereto.

2.3 Association shall mean Vacationland Estates Association of Unit Owners, an unincorporated association, organized in accordance with the provisions of Section 16 hereof.

2.4 Board of Directors shall mean the governing committee of the Association, appointed or elected in accordance with this Declaration and the Bylaws of the Association.

2.5 Building or Buildings shall mean one or more 1-level wood frame and concrete/block foundation buildings containing Units constructed on the Property as shown on the Plans, as well as any future buildings containing Units that may be constructed on the Land. The Buildings are named Vacationland Estates Buildings one through ten, respectively.

2.6 Bylaws shall mean the Bylaws of the Association, recorded herewith in the Registry of Deeds for Aroostook County, State of Maine. A true copy of said Bylaws is attached to this Declaration as Appendix B.

2.7 Condominium shall mean a Time-Share Estate Unit, together with the undivided interest (expressed as a percentage of the entire ownership interest) in the Common Areas and Facilities appurtenant to such Unit as set forth in Appendix A hereto.

2.8 Maintenance Period Estates shall mean those Time-Share Estates Units to be deeded by Declarant to the Association as provided in Paragraphs 11.2 and 11.3 hereof.

2.9 Manager shall mean the person, firm or company designated by the Association to manage, in whole or in part, the affairs of the Association and the Property.

2.10 Plans shall mean the floor plans of Vacationland Estates, recorded in the Registry of Deeds for Aroostook County, State of Maine, concurrently with this Declaration.

2.11 Mortgage shall mean any mortgage, deed of trust or other security instrument by which a Condominium or any part thereof is encumbered.

2.12 Mortgagee shall mean any person named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage.

2.13 Owner shall mean any person or entity, including Declarant, at any time owning a Condominium within the Property. The term "Owner" shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

2.14 Property shall mean the real property and the Buildings and all improvements submitted by this Declaration to the provisions of the Act.

2.15 Time-Share Condominium shall mean a Condominium within the Project consisting of ownership of a Time-share Estate Unit,

except Maintenance Period Estates, and an undivided interest in the Common Areas and Facilities appurtenant to such Time-Share Estate Unit as set forth in Appendix A hereto.

2.16 Time-Share Owner shall mean any person or entity, including Declarant, at any time owning a Time-Share Condominium; provided, however, that the Association with respect to any Time-Share Estates Units owned as Maintenance Period Estates shall not be considered a Time-Share Owner.

2.17 Time-Share Estate Unit shall mean each of fifty-two (52) annually recurring time periods established and designated in Appendix A hereto during which the Owner thereof shall have exclusive use and occupancy of a particular designated Unit within the Property.

2.18 Time-Share Estate Unit Furnishings shall mean all furniture, furnishings, equipment, facilities and personal property within particular Units for the exclusive use and benefit of Time-Share Owners and all furniture, furnishings, equipment, facilities and personal property hereafter purchased with monies from the Furniture and Maintenance Fund.

2.19 Total votes of the Association shall mean the total number of votes appertaining to all Condominiums, as shown in Appendix A attached hereto.

2.20 Unit shall mean a part of the Property including one or more rooms or enclosed spaces located on one or more floors or a part or parts thereof in a Building, intended for any type of independent use, and with a direct exit to a public street or highway or to a Common Area leading to such street or highway.

3. DESCRIPTION OF THE LAND.

The Land on which the Buildings and improvements are located ("Land") is reflected on the survey recorded with the floor plans and is more particularly described as follows:

The land in Island Falls, County of Aroostook, the State of Maine, and described as follows: Beginning at an iron rod situated on the east side of the so called "Dow Farm" Road, said point being 1,762.7 feet south of the centerline of the so called "Walker Settlement" Road; thence south $57\frac{1}{2}$ degrees east 550 feet to an iron rod; thence north $32\frac{1}{2}$ degrees 958 feet to an iron rod; thence north $57\frac{1}{2}$ degrees west 460 feet to an iron rod; thence south $32\frac{1}{2}$ degrees west 806.3 feet to an iron rod; thence north $57\frac{1}{2}$ degrees west 114 feet to an iron rod; thence southerly along the easterly edge of the said "Dow Farm" Road 152.7 feet to the point of beginning. Said parcel containing 10.5 acres of

land. Being part of Lot #21 according to the 1877 Roe and Colby Plan of the Town of Island Falls, Maine, and known totally as the "George Dow Farm."

4. DESCRIPTION OF THE BUILDINGS.

The Buildings will be one level above ground with basements constructed of wood with concrete/block foundations, containing 4 units each. The Buildings will be log cabin style with decks and will be supplied with electricity, water, energy system (of propane, oil or electric) and a sewage system.

5. DESCRIPTION OF UNITS.

The boundary lines of each Unit are the undecorated and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, interior surfaces of windows and doors, and the exterior surfaces of porches and decks, except railings. The interior surfaces of the doors and windows means the points at which such surfaces are located when such window or door is closed. Each Unit shall include both the portions of the Building that are not Common Areas and Facilities within such boundary lines and the space so encompassed, excepting Common Areas and Facilities. Without limitation, a Unit shall include any finishing material applied or affixed to the interior surfaces of the interior walls, floors and ceilings; non-supporting interior walls; and all utility outlets, fixtures or appliances found within the boundary lines of the Unit and servicing only that Unit. Notwithstanding the fact that they may be within the boundaries of the Unit, the following are not part of any Unit: Bearing walls, floors, ceilings and roofs (except the interior surfaces thereof), foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and other utility installations, except the outlets thereof when located within the Unit.

6. DESCRIPTION OF COMMON AREAS AND FACILITIES.

The Common Areas and Facilities shall mean and include the Land and all portions of the Property not contained within any Unit, including, but not by way of limitation, the foundation, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes and entrances and exits of the Buildings; the grounds, parking areas and storage spaces; the areas used for storage of janitorial supplies

and maintenance equipment and materials; installations of all central services, including power, light, gas, hot and cold water, heating, air conditioning and garbage collection; tanks, pumps, motors, fans, ducts and, in general, all apparatuses and installations existing for common use; any utility pipes, lines or systems servicing the Units; all ducts, flues, chutes, wires, conduits and other accessories and utility installations to the outlets used therewith; all other parts of the Property necessary or convenient to its existence, maintenance and safety or normally in common use, or which have been designated as Common Areas and Facilities on the Plans; and all repairs and replacements of any of the foregoing.

7. DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES.

Limited Common Areas and Facilities shall mean and include those portions of the Common Areas and Facilities reserved for the use of certain Units to the exclusion of other Units. The Limited Common Areas and Facilities and the Units to which they appertain are as designated on the Plans. The use and occupancy of designated Limited Common Areas and Facilities shall be reserved to its associated Unit; and each Owner is hereby granted an irrevocable license to use and occupy said Limited Common Areas and Facilities during his Time-Share Estate Unit.

8. OPTION TO EXPAND VACATIONLAND ESTATES

8.1 Declarant hereby reserves the option to expand the number of Buildings in Vacationland Estates without the prior consent of the owners or the Association at any time prior to the expiration of ten (10) years from the date of recording of this Declaration and the exhibits thereto. The terms and conditions of the option shall be as follows:

8.1.1 Declarant shall not be restricted in the location of improvements on the Land or in the number of additional Units that may be created on the Land, except as may be required by applicable zoning requirements, ordinances or regulations, provided that Vacationland Estates when completed shall not exceed 40 total Units.

8.1.2 The additional Units to be located on the Land shall be subject to the same uses as provided in Section 15 hereof.

8.1.3 The additional Buildings and the Units contained therein to be build on the Land shall be compatible with the Building on the Land in terms of quality of construction and principal materials to be used. The additional Units and the

additional Buildings to be build on the Land may, in the sole discretion of Declarant, be architecturally and in appearance dissimilar to Building one and its Units. Further improvements may include parking areas, walkways and landscaping; provided however, Declarant reserves the right to add additional Limited Common Areas and Facilities to the Land without limitation.

8.1.4 The percentage interests in the Common Areas and Facilities for all Units in Vacationland Estates shall be changed at the time Declarant records an amended Declaration and Plans reflecting Declarant's exercise of the option in accordance with the formula set forth in subparagraph 8.1.5 below. Said changes in percentage interest shall be reflected in an amended Appendix A to this Declaration to be filed in the Aroostook County Registry of Deeds simultaneously with the filing of the amended Plans. Declarant shall provide all Owners a copy of amendments to Appendix A reflecting changes in the percentage interests. It is contemplated that there will be multiple amendments filed by Declarant and such amendments are hereby expressly authorized.

8.1.5 The Act requires that Unit percentage interests in Vacationland Estates be based upon the values of the Units. It is hereby declared to be in the best interests of the purchasers of Units of Vacationland Estates to stipulate that all Units are deemed to have an approximately equal value per square foot. In order to protect present and future owners of Units in Vacationland Estates against the uncertainties that inflation in the price of Units might occasion with respect to contemplated adjustments in Unit percentage interests, the Declarant shall calculate and revise Unit percentage interests in Vacationland Estates based upon the following formula. (For purposes of the calculation, "square footage" shall mean the floor area of the Unit encompassed by the perimeter walls thereof, rounded off to the nearest whole foot.)

$$\frac{\text{Square Footage Area of Unit}}{\text{Aggregate Total Square Footages of all Units in Vacationland Estates, including those added by amendment}} = \text{Unit Percentage Interest in Vacationland Estates}$$

Aggregate Total Square Footages
of all Units in Vacationland
Estates, including those added
by amendment

Declarant shall have the right to adjust the resulting percentage interests of all Units in Vacationland Estates as may be necessary to assure that the total interests equal 100 percent as required by the Act.

8.1.6 Each Owner, by the acceptance of a deed to a Time-Share Estate Unit in Vacationland Estates, shall be deemed to have consented to all provisions of this section, including the procedure for adjustment of percentage interests pursuant to paragraph 8.1.5 hereof. After the filing for record of any amended Appendix A to this Declaration and the amended Plans reflecting Declarant's exercise of the option, or any part thereof, title to each Condominium thereby created within the Land including its appurtenant percentage interest in the Common Areas and Facilities shall be vested in and held by Declarant and none of the other Owners shall have any claim or title to or interest in such Condominium or its appurtenant percentage interest.

9. SUBMISSION TO UNIT OWNERSHIP ACT.

Declarant hereby submits the Property and all improvements thereon to the provisions of the Unit Ownership Act. All of said Property is and shall be held, conveyed, hypothecated, encumbered, leased, subleased, rented, used and improved for the aforesaid term as a time-share estate project to be known as Vacationland Estates. All of the Property is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of said project and in furtherance of a plan for improvement of the Property and division thereof into time-share estates units; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the successors and assigns of said Declarant, and any person acquiring, leasing, subleasing or owning an interest in the real property and improvements comprising the Property, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors.

10. DIVISION INTO TIME-SHARE ESTATES UNITS.

The Units in the Property are hereby further divided into time-share estates units, consisting of Time-Share Condominiums, consisting of a Time Share Estate Unit, and, except for Maintenance Period Estates, an appurtenant undivided interest in the Common Areas and Facilities.

11. NATURE AND INCIDENTS OF TIME-SHARE CONDOMINIUM OWNERSHIP

11.1 A Time-Share Owner shall have the right to occupy the Unit to which his Time-Share Estate Unit relates and to use the Common Areas and Facilities only during the particular annually recurring time period or periods that he owns, except as the Association or this Declaration may otherwise permit use of the Common Areas and Facilities.

11.2 One or more Time-Share Estates Units in each Unit shall be designated by Declarant as Maintenance Period Estates and shall have no appurtenant ownership interest in the Common Areas and Facilities and shall not be deemed Condominiums.

11.3 Declarant shall convey to the Association without charge the designated Maintenance Period Estates, to be held and used by the Association strictly in accordance with the provisions of this section 11.

11.4 As to all units, the Association shall provide maid service for and all cleaning, maintenance, painting, and repair of such Units, and repair and replacement of the Time-Share Estates Unit Furnishings therein. The Association shall acquire and pay for such goods and services with funds from the Furniture and Maintenance Fund, as hereinafter provided for, unless the damages were caused by the intentional or negligent acts or omissions of an individual Owner, his family, guests, invitees or licensees, in which event the costs of the repair and replacement shall be assessed to such Owner. The Association shall have the same responsibilities with respect to Limited Common Areas and Facilities, if any, appurtenant to such Units, except that it shall not be responsible to any Owner for loss or damage by theft or otherwise of articles stored in any storage area, deck, or Unit.

11.5 Maintenance Period Estates shall be used exclusively for the purpose of cleaning, maintaining, repairing, replacing and refurbishing the appurtenant Unit and Time-Share Estates Unit Furnishings therein in accordance with the provisions of this Declaration.

11.6 Each Time-Share Condominium is and shall hereafter be a parcel of real property, which may be separately held, conveyed, devised, mortgaged, encumbered, leased, rented, used, occupied, improved and otherwise affected in accordance with the provisions of this Declaration.

11.7 Each Condominium shall be divided into 52 Time-Shares designated respectively Time-Shares 1 through 52. Time-Share 1 shall commence on the first Saturday of each calendar year at 4:00 P.M. local time and end at 10:00 A.M. local time on the following Saturday. Succeeding Time-Shares shall be numbered consecutively and shall commence at 4:00 P.M. local time on the last day of the previous Time-Share. Time-Share 52 shall end at 10:00 A.M. local time on the first Saturday of the next succeeding calendar year, except certain years when it will end in the same calendar year. No Time-Share Condominium shall be further divided nor shall the days and times of commencement and conclusion of Time-Shares be altered. (Time-Shares can be written Time Shares)

11.8 In the event that any Owner shall occupy a Unit beyond the Time-Share(s) which he owns or otherwise attempts to use or occupy such Unit at any time other than the Time-Share(s) appurtenant to his Time-Share Condominium, the Board of Directors shall be entitled, upon allegations in a verified complaint signed by any member of the Board of Directors, to obtain from any court of competent jurisdiction an order for eviction of said Owner and to obtain enforcement thereof by an appropriate law enforcement agency. Any Owner who does so wrongfully occupy his Unit shall be assessed by the Association as a Common Expense an amount equal to the sum of the following: (1) two times the cost of reasonable alternate lodging for the rightful Owner(s) and their guests for so many 24-hour days or parts thereof as such rightful Owner(s) and their guests have been deprived of the use and occupancy of the Unit, and (2) the reasonable cost of transportation for the rightful Owner(s) and their guests from their home(s) or other point of origination. When such amount is collected by the Association, it shall be promptly remitted to the rightful Owner.

11.9 No Owner shall make or cause to be made any alterations, improvements, replacements or repairs in or to the Unit related to his Time-Share Condominium or to any Time-Share Estate Unit Furnishings therein, except as may be necessary in an emergency to prevent injury to persons or damage to property. In no event shall any Owner subject any Unit or Time-Share Estate Unit furnishings therein to any lien for the making of any alterations, improvements, replacements or repairs therein or thereto. No Owner, nor persons within his control, shall commit any waste with respect to the Property or any part thereof including without limitation Units, Common Areas and Facilities, Limited Common Areas and Facilities and Time-Share Estate Unit Furnishings.

11.10 No Owner or other person or entity acquiring any right, title or interest in a Time-Share Condominium shall seek or obtain through any legal procedures, judicial partition of the Time-Share Condominium or sale of the Time-Share Condominium in lieu of partition at any time; provided, that nothing herein contained shall be construed to prohibit a judicial sale in lieu of partition of a Time-Share Condominium owned jointly by two or more persons as between such co-owners.

12. OWNERSHIP OF COMMON AREAS AND FACILITIES.

The undivided interest in the Common Areas and Facilities appurtenant to each Time-Share Estate Unit in the Property shall be as set forth in Appendix A attached hereto and by this reference made a part hereof. The percentages appurtenant to each Time-Share Estate Unit as shown in said Appendix A shall have a

permanent character and, except as expressly permitted under Section 8, specifically but not limited to Subparagraphs 8.1.4, 8.1.5 and 8.1.6, shall not be altered without the unanimous written consent of all Owners expressed in an amendment to this Declaration duly recorded. Except as otherwise provided in this Declaration, each Owner shall be entitled to use the Common Areas and Facilities (other than the Limited Common Areas and Facilities) in any manner that does not hinder or encroach upon the lawful rights of other Owners and is not contrary to any Rules and Regulations promulgated by the Association.

13. TITLE TO CONDOMINIUMS.

13.1 Title to a Condominium within the Project may be held or owned by any person or entity and in any manner in which title to any other real property may be held or owned in the State of Maine, including, but not by way of limitation, joint tenancy or tenancy in common.

13.2 Title to no part of a Condominium within the Property may be separated from any other part thereof during the period of condominium ownership prescribed herein, and each Time-Share Estate Unit (except Maintenance Period Estates) and the undivided interest in the Common Areas and Facilities appurtenant thereto shall always be conveyed, devised, encumbered and otherwise affected only as a complete Condominium. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Condominium, or any part thereof, shall be construed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration, including appurtenant membership in the Association as hereinafter set forth.

13.3 The Common Areas and Facilities shall be owned in common by all of the Owners, and no Owner may bring any action for partition thereof.

13.4 Each Owner shall have the right to mortgage or otherwise encumber his Condominium. However, no Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas and Facilities or any part thereof except the undivided interest therein appurtenant to his Condominium. Any mortgage or other encumbrance of any Condominium within the Property shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through the foreclosure by private power of sale, judicial foreclosure, or otherwise.

13.5 No labor performed or material furnished for use in connection with any Time-Share Estate Unit with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a statement of mechanic's lien against the Time-Share Estate Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Areas and Facilities except as to the undivided interests therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished.

13.6 Every contract for the sale of a Condominium and every other instrument affecting title to a Condominium within the Project may describe a Time-Share Estate Unit by its identifying number or symbol as indicated in this Declaration or as shown on the Plans. Such description will be construed to describe the Time-Share Estate Areas and Facilities, and to incorporate all the rights incident to ownership of a Condominium within the Project and all of the limitations on such ownership as described in this Declaration and/or the Bylaws of the Association.

13.7 The Association shall be named in all deeds of conveyance concerning the Units or any of them as the party to receive, and shall receive, all notices concerning all taxes, assessments and other charges of the State of Maine or of any political subdivision or of any special improvement district or of any other taxing or assessing authority levied on the Units and/or the Common Areas and Facilities. The Board of Directors shall be responsible for apportioning all such taxes and/or assessments among the Time-Share Estate Units in proportion to the undivided percentage interests in the Common Areas and Facilities appurtenant to each such Time-Share Estate Unit. The Association shall furnish to the assessor all necessary information with respect to such apportionment. No forfeiture or sale of any Time-Share Condominium for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Time-Share Condominium.

14. EASEMENTS.

14.1 If any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas and Facilities, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Common Areas and Facilities or any part of a Unit or Units encroaches or shall hereafter encroach on real property now owned by Declarant or lessor outside the boundaries of the Property an easement for such encroachment shall and does exist during the period of condominium ownership prescribed herein.

Such encroachments shall not be considered to be encumbrances either on the Common Areas and Facilities or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any improvement constructed or to be constructed within the Property, by error in the Plans, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Property or any part thereof.

14.2 The Association shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair or replacement of any Common Areas or Time-Share Estate Unit Furnishings located therein or accessible therefrom or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas or to a Unit or Units. In addition, the Association or its agents may enter any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping or construction for which the Association is responsible.

14.3 Each Owner shall have the right to ingress and egress over, upon and across the Common Areas and Facilities as necessary for access to his Unit and to any Limited Common Areas and Facilities appurtenant to his Unit, and shall have the right to the horizontal, vertical and lateral support of his Unit.

14.4 The Association shall have an easement to make such use of the Common Areas and Facilities as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration including, without limitation, the right to construct and maintain in the Common Areas and Facilities, other than Limited Common Areas and Facilities, facilities for use by Owners generally or by the Association and its agents exclusively.

14.5 All conveyances of Condominiums within the Project hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

15. RESTRICTIONS ON USE.

15.1 The Time-Share Estates Units, except as otherwise permitted in writing by the Association, shall be used and occupied only as follows:

15.1.1 The Time-Share Estates Units and the Buildings within the Property shall be used exclusively for private

residential dwelling purposes for families as part of a plan of time-share estate use.

15.1.2 No Time-Share Estate Unit shall be used to accommodate more persons than it was designed to accommodate comfortably, which is defined herein as no more than two persons in each bedroom, living room or other sleeping area.

15.1.3 No Time-Share Estate Unit shall be used for business or commercial activity; provided, however, that nothing in this Subsection shall be deemed to prevent (a) Declarant or its duly authorized agent from using any Units owned by Declarant as sales models or property management office, or (b) any Owner or his duly authorized agent from freely renting or leasing his Time-Share Estate Unit from time to time.

15.2 The Units, Common Areas and Facilities and Limited Common Areas and Facilities, except as otherwise permitted in writing by the Association, shall be used in accordance with the following restrictions:

15.2.1 No noxious or offensive activity shall be carried on in or upon any part of the Property nor shall anything be done or placed in or upon any part of the Property which is or may become a nuisance or may cause embarrassment, disturbance or annoyance to Owners.

15.2.2 No activities shall be conducted, nor improvements constructed, in or upon any part of the Property which are or may become unsafe or hazardous to any person or property.

15.2.3 No signs, flags or advertising devices of any nature, including, without limitation, commercial, political, information or directional signs or devices, shall be erected or maintained on any part of the Property, without the prior inspection and written approval of the Association, except as may be necessary temporarily to caution or warn of danger.

15.2.4 No animals, birds, fish or pets shall be kept or allowed to remain on any part of the Property.

15.2.5 The draperies, shades and other interior window coverings in Units shall present a uniform and pleasant appearance from the outside of the Buildings. No draperies, shades or other interior window coverings shall be installed or employed in any Unit without the prior inspection and approval of the Association.

15.2.6 No Time-Share Estate Unit, Common Areas and Facilities, or portions thereof may be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership (as opposed to tenancy in common).

15.2.7 No Owners shall, without the prior written consent of the Association, make or permit to be made any structural alteration, improvement or addition in or to his Unit or to the Common Areas and Facilities. No Owner shall, without the prior unanimous consent of the Owners, do any act that would impair the structural soundness or integrity of the Buildings or the safety of property or the value thereof or impair any easement, right or hereditament appurtenant to the Property.

15.2.8 There shall be no obstruction of the Common Areas and Facilities by any Owner. Owners shall neither store nor leave any of their property in the Common Areas and Facilities, except with the prior consent of the Association.

15.2.9 Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would result in cancellation of the insurance on the Property or any part thereof, nor shall anything be done or kept in any Time-Share Estate Unit which would increase the rate of insurance on the Property or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would be in violation of any statute or rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas and Facilities or any part thereof shall be committed by any Owner or guest, lessee, licensee or invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his guests, lessees, licensees or invitees.

15.2.10 No Owner shall violate the Maine Unit Ownership Act, this Declaration, the Bylaws or the Rules and Regulations for the use of Time-Share Estates Units and Common Areas and Facilities as adopted from time to time by the Association.

15.3 During the course of actual construction of any permitted structures or improvements, the provisions, covenants, conditions and restrictions contained in this Declaration shall be deemed waived to the extent necessary to permit such construction, provided that during the course of such construction, nothing is done which will result in a violation of any of said provisions, covenants, conditions or restrictions upon completion of construction.

16. ASSOCIATION OF UNIT OWNERS; BOARD OF DIRECTORS.

16.1 The persons or entities who are at the time of reference the Owners constitute an unincorporated association and not a legal entity, the characteristics and nature of which are determined by the Act, the Declaration and the Bylaws. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in and disposed of, bank accounts shall be opened and suits shall be brought and defended by the Board of Directors or officers thereof on behalf of, or as agent for the Owners in the manner specified by the Act, this Declaration and/or the Bylaws, is: "Vacationland Estates Association of Unit Owners" ("Association").

16.2 The management and maintenance of the Property and the administration of the affairs of the Association shall be conducted by a Board of Directors consisting of not fewer than three (3) and not more than seven (7) natural persons who are also Owners, the exact number to be determined by a separate vote at each annual meeting of the Association. The Board of Directors shall be elected as provided in the Bylaws. The rights, duties and functions of the Board of Directors may be exercised by Declarant until December 31, 1989, unless it should, at its sole option, turn over such rights, duties and functions to the Board of Directors at an earlier date.

16.3 The Board of Directors shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and the Bylaws, including but not limited to the following:

16.3.1 To make and enforce all rules and regulations covering the operation and maintenance of the Property and the Units. Such rules and regulations shall include provisions for check-in and check-out times relative to use of Time-Share Estates Units.

16.3.2 To engage the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefor.

16.3.3 To operate, maintain, repair, improve and replace the Common Areas and Facilities, provided however, that any single expenditure for capital improvements in excess of a sum equal to the number of Buildings subject to this Declaration multiplied by \$10,000 must receive the prior approval of a majority of the Owners.

16.3.4 To determine and pay the expenses of maintenance, repair and replacement of the Common Areas and Facilities ("Common Expenses"), as well as all expenses related to Time-Share Estate Unit Furnishings and maintenance of Time-Share Estates Units ("Furniture and Maintenance Expenses").

16.3.5 To assess and collect the proportionate share of Common Expenses and Furniture and Maintenance Expenses from the Owners, as provided in Section 24 hereinafter.

16.3.6 To enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

16.3.7 To open bank accounts on behalf of the Association and to designate the signatures therefor.

16.3.8 To purchase, hold, sell, convey, mortgage or lease any one or more Condominiums in the name of the Association or its designee.

16.3.9 To bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall make no settlement which results in a liability against the Board of Directors, the Association or the Property in excess of a sum equal to the number of Buildings subject to this Declaration multiplied by \$5,000 without the prior approval of a majority of Owners.

16.3.10 To obtain insurance for the Association with respect to the Units and the Common and Limited Common Areas and Facilities, as well as workmen's compensation insurance.

16.3.11 To repair or restore the Property following damage or destruction or a permanent taking by the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation not resulting in the removal of the Property from the provisions of the Act.

16.3.12 To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Board of Directors and in the operation of the Property, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

16.3.13 To keep adequate books and records.

16.3.14 To form a non-profit corporation to conduct the affairs of the Association in lieu of the unincorporated association constituted under paragraph 16.1 hereof.

16.3.15 To do all other acts necessary for the operation and maintenance of the Property, including the maintenance and repairing of any Unit if the same is necessary to protect or preserve the Property.

16.4 The Board of Directors may delegate to a manager or managing company all of the foregoing powers, duties and responsibilities referred to in paragraph 16.3 except the final determination of estimated expenses, annual budgets and assessments based thereon; the promulgation of rules and regulations; the power to enter into any contract involving more than a sum equal to the number of Buildings subject to this Declaration multiplied by \$5,000 in any one fiscal year; the opening of bank accounts; the power to purchase, hold, sell, convey, mortgage or lease any Time-Share Estates Units in the name of the Association; the authority to bring, prosecute and settle litigation or the power to form a non-profit corporation.

16.5 Members of the Board of Directors, the officers and any assistant officers, agents and employees of the Association (1) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (2) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (3) shall have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such; and (4) shall have no personal liability arising out of the use, misuse or condition of the Property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

16.6 The Owners shall indemnify and hold harmless any person, his heirs and personal representatives, from and against all personal liability and all expenses, including attorneys' fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Owners, or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board of Directors or an officer or assistant officer, agent or employee of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided that in the case of any settlement, the Board of Directors shall have approved the settlement, the approval is not to be unreasonably withheld. Such right of

indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement, vote of Owners or the Board of Directors or otherwise. The indemnification by the Owners as contained herein shall be paid by the Board of Directors on behalf of the Owners and shall constitute a Common Expense and shall be assessed and collected as such.

17. MAINTENANCE, ALTERATION AND IMPROVEMENT.

17.1 The maintenance, replacement and repair of the Common Areas and Facilities shall be the responsibility of the Board of Directors and the cost thereof shall be a Common Expense. The Board of Directors shall also maintain and replace and repair all parking areas, porches and decks and all conduits, ducts, plumbing and wiring and other facilities for the furnishing of heat, light, power, water and sewer service. All incidental damages caused to a Unit by the maintenance, replacement and repairs of the Common Areas and Facilities or utility services shall be repaired promptly and the cost thereof charged as a Common Expense.

17.2 Some of the Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the cleaning, repair or replacement of any Common Areas or Facilities or for making any emergency repairs at any time and when necessary to prevent damage to the Common Areas and Facilities or to any Unit. The Association shall also have the irrevocable right to have access to any Unit when necessary in connection with any maid service, cleaning, maintenance, repair, replacement, painting, landscaping, construction or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as is practicable under the circumstances and any damage caused thereby shall be repaired by the Association with funds from the Furniture and Maintenance Fund provided for hereinafter.

18. INSURANCE.

18.1 The Board of Directors shall obtain and maintain at all times insurance of the type and kind as provided herein and including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other properties similar to the Property in use. The Board of Directors shall make every reasonable effort to obtain insurance with the following provisions or endorsements:

18.1.1 Exclusive authority to adjust losses shall be vested in the Board of Directors as insurance trustee;

18.1.2 The insurance coverage shall not be brought into contribution with insurance purchased by individual Owners or their respective mortgagees;

18.1.3 Each Owner may obtain additional insurance covering his real property interest at his own expense;

18.1.4 The insurer waives its right of subrogation as to any claims against each Owner;

18.1.5 The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any one or more individual Owners or their respective tenants, employees, agents, contractors or guests;

18.1.6 The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any officer or employee of the Association or Board of Directors or their employees, agents or contractors, without prior demand in writing that the Board of Directors cure the defect, and then only if the defect is not cured within fifteen (15) days after receipt of said demand by the Board of Directors.

18.2 The Board of Directors, for the benefit of the Property and the Owners, shall maintain a policy or policies of casualty and multi-risk "all peril" insurance on the Property, with the provisions and endorsements as set forth in paragraph 18.1, if obtainable, and with extended coverage endorsements for the full insurable replacement value of the Units, Common Areas and Facilities, Time-Share Estate Unit Furnishings, common personal property and fixtures, payable to the Board of Directors as insurance trustee to be disbursed in accordance with the terms of this Declaration. The limits and coverage of said insurance shall be reviewed at least annually by the Board of Directors and shall include an appraisal of the Property. Said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, if any, of each Time-Share Estate Unit.

18.3 The Board of Directors shall obtain a policy or policies of insurance insuring the Board of Directors, the Owners and their respective tenants, servants, agents or guests against any liability to the public or to the Owners, members of the households of Owners and their respective invitees or tenants arising out of and incident to the ownership and/or use of the Property, including the personal liability exposure of the Owners incident to the ownership and/or use of the Property.

Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) for any one person injured in any one occurrence, and shall not be less than Three Hundred Thousand Dollars (\$300,000) for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Board of Directors and increased or decreased at its discretion, provided that such limits shall not fall below the minimums specified in this paragraph. Said policy or policies shall be issued on a comprehensive liability basis, and if possible, shall provide cross-liability endorsements for possible claims of any one or more or group of insureds against any one or more or group of insureds without prejudice to the right of a named insured under the policies to maintain an action against another named insured.

18.4 Each Owner shall be required to notify the Board of Directors of all improvements, if allowed, made to his Unit, the value of which is in excess of One Thousand Dollars (\$1,000) and shall be liable for any increased insurance premium for insurance maintained by the Board of Directors occasioned thereby. Each Owner shall bear the risk of loss for all improvements made to his Unit that were not the subject of notice to the Board of Directors.

18.5 Any Owner who obtains individual insurance coverage covering any portion of the Property, other than personal property belonging to such Owner, shall be required to file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after obtaining such insurance coverage.

18.6 No Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount that the Board of Directors on behalf of all the Owners may realize under any insurance policy that the Board may have in force covering the Property or any part thereof at any time.

19. DESTRUCTION OR DAMAGE.

19.1 In case of fire or any other disaster which causes damage or destruction to all or part of the Property, the Board of Directors, with the help of an independent appraiser, shall determine the percentage that was destroyed or substantially damaged. If less than two-thirds (2/3) of the Property was destroyed or substantially damaged, the Board of Directors shall arrange for the prompt repair and restoration thereof, using the proceeds of insurance on the Property for that

purpose, and the Owners shall be liable for assessment for any deficiency in proportion to their respective percentages of ownership interest in the Common Area and Facilities. Reconstruction of the Property shall mean restoring to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas and Facilities having the same vertical and horizontal boundaries as before, unless the destruction or damage is by reason of eminent domain, in which event the provisions of Section 21 hereof shall apply.

19.2 If two-thirds (2/3) or more of the Property is destroyed or substantially damaged, the Board of Directors shall, within one hundred (100) days after such destruction or damage, call a special meeting of the Association for the purpose of deciding whether or not the Property shall be repaired and restored. If Owners holding three-fourths (3/4) or more of the ownership interests in the Property, in person or by proxy, vote to repair or restore the Property, the Board of Directors shall promptly arrange for the reconstruction of the Property using the proceeds of insurance therefrom for that purpose, and the Owners shall be liable for assessment for any deficiency in proportion to their respective percentages of ownership interest in the Common Areas and Facilities. If the destruction or damage is by reason of eminent domain, the provisions of Section 21 hereof shall apply. At such election, if Owners holding three-fourths (3/4) or more of the ownership interests in the Property do not vote either in person or by proxy to make provision for reconstruction, the Board of Directors shall record in the Registry of Deeds for Aroostook County a notice setting forth such facts, and upon the recording of such notice (1) the Property shall be deemed to be owned in common by the Owners as tenants in common, each Owner owning an undivided interest in the Property equal to his percentage ownership in the Common Areas and Facilities; (2) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owners in the Property, and (3) the Property shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Property, shall be considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of ownership interest owned by each Owner in the Property, after first paying out of the respective shares of the Owners, to the extent sufficient for such purposes, all sums necessary to satisfy liens on the undivided interest in the Property owned by each Owner.

19.3 For purposes of this Section 19, the terms "disaster", "destruction" or "substantial damage" shall also mean and include a temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation.

20. TERMINATION.

20.1 In the event that such fraction or percentage of the Property is destroyed or substantially damaged so as to bring into effect the provisions of paragraph 19.2 and the Owners do not vote to reconstruct the Property as provided therein, the Property shall be removed from the provisions of the Act without further agreement one hundred and one (101) days after such destruction or damage.

20.2 Ninety percent (90%) of the Owners may remove the Property from the provisions of the Act by an instrument duly recorded to that effect, provided that the holders of all liens affecting any of the Units consent or agree by instruments duly recorded that their liens be transferred to the percentage of ownership interest of the Owners in the Property.

20.3 After removal of the Property from the Act, the Owners shall own the Property and all assets of the Association as tenants in common and the respective mortgagees and lienors shall have mortgages and liens upon the respective undivided interests of the Owners. Such undivided interests of the Owners shall be the same as the percentage of ownership interest in the Common Areas and Facilities appurtenant to the Units prior to removal from the Act.

20.4 This Section 20 cannot be amended without consent of all Owners and all record owners of mortgages on Units.

21. EMINENT DOMAIN.

21.1 Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation, the Board of Directors and each Owner shall be entitled to notice thereof and the Board of Directors shall, and the Owners at their respective expense may, participate in the proceedings incident thereto.

21.2 With respect to the Common or Limited Common Areas and Facilities, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein. After such determination, each Owner shall be entitled to a share in the damages in the same proportion as his percentage of ownership interest in the Common Areas and Facilities. This provision does not prohibit a majority of the Owners from authorizing the Board of Directors to use such damages or awards for replacing or restoring the Common Areas and Facilities so taken on the remaining land or on other acquired land, provided that this Declaration and the Plans are duly amended.

21.3 With respect to one or more Units or portions thereof, the damages or awards for such taking shall be deemed to be proceeds from insurance on account of damage or destruction pursuant to Section 19 and shall be deposited with the Board of Directors as trustee. Even though the damage or awards may be payable to one or more Owners, the Owners shall deposit the damages or awards with the Board of Directors as trustee. In the event an Owner refuses to so deposit his award with the Board of Directors, then at the option of the Board of Directors either a special assessment shall be made against the defaulting Owner and his Unit in the amount of this award or the amount of such award shall be set off against the sum hereafter made payable to such Owner.

21.4 In the event the Property is removed from the provisions of the Act pursuant to Section 20, the proceeds of the damages or awards shall be distributed or used in accordance with and the Owners of the affected Units shall have the rights provided in paragraph 19.2.

21.5 If one or more Units are taken, in whole or in part, and the Property is not removed from the provisions of the Act, the taking shall have the following effects:

21.5.1 If the taking reduces the size of a Unit and the remaining portion of the Unit may be made tenantable, the Unit shall be made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owners of the Unit. The balance of the award, if any, shall be distributed to the mortgagee to the extent of the unpaid balance of its mortgage and the excess, if any, shall be distributed to the Owners. If there is a balance of the award distributed to the Owners or a mortgagee, the Unit's percentage of ownership interest in the Common Areas and Facilities shall be equitably reduced. This shall be done by reducing such interest in the proportion by which the floor area of the Unit is reduced by the taking and then recomputing the percentages of ownership interest of all Units in the Common Areas and Facilities.

to the same number of votes as the percentage of ownership interest in the Common Areas and Facilities appurtenant to his Condominium. If there is more than one Owner with respect to a particular Condominium, any or all of such Owners may attend any meeting of the Association, but it shall be necessary for all such Owners present, in person or by proxy, to act unanimously in order to cast the votes appertaining to their Condominium.

26. NOTICES.

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered twenty-four (24) hours after a copy of the same has been deposited in the U. S. postal service, postage prepaid, return receipt requested. Notice to Owners shall be addressed to each Owner at the address given by such Owners to the Management Committee for the purpose of service of such notice or to the Unit of such Owner if no such address has been given to the Committee. Such address may be changed from time to time by notice in writing to the Management Committee addressed to:

Board of Directors
Association of Unit Owners
Vacationland Estates
P. O. Box 398
Island Falls, Maine 04747

27. NO WAIVER.

The failure of the Board of Directors or its agents or designees to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or the Bylaws, to exercise any right or option herein contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Board of Directors or its agent or designee of the payment of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Board of Directors of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors.

32. CAPTIONS.

The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

33. LAW CONTROLLING.

This Declaration, the Plans and the Bylaws shall be construed and controlled by and under the laws of the State of Maine

34. EFFECTIVE DATE.

This Declaration shall take effect when recorded.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 27 day of August, 1984.

Vacationland Estates, Inc.

By: Clement P. Thorne
President

By: John S. Walker
Clerk

STATE OF MAINE)
COUNTY OF AROOSTOOK) : ss.

On the 27th day of August, 1984, personally appeared before me Clement P. Thorne and John S. Walker, who being by me duly sworn did say each for himself, that he the said Clement P. Thorne is President of Vacationland Estates, Inc. and he the said John S. Walker is the clerk of Vacationland Estates, Inc., and that Vacationland Estates, Inc. is the sole ownership of this time share project and that they executed the foregoing instrument on behalf of Vacationland Estates, Inc..

Patrick E. Hunt
Patrick E. Hunt, NOTARY PUBLIC
Residing at Island Falls, Maine

My Commission Expires:
9-19-1990

21.5.2 If the taking destroys or so reduces the size of a Unit that it cannot be made tenantable, the award shall be distributed to the mortgagee of the Unit to the extent of the unpaid balance of its mortgage and the excess, if any, shall be distributed to the Owners thereof. The remaining portion of such Unit, if any, shall become a part of the Common Areas and Facilities and shall be placed in condition for sue by all Owners in the manner approved by the Board of Directors. The percentages of ownership interest in the Common Areas and Facilities appurtenant to the Units that continue as part of the Property shall be equitably adjusted to distribute the ownership of the Common Areas and Facilities among the reduced number of Owners.

21.6 Changes in Units, in the Common Areas and Facilities and in the ownership of the Common Areas and Facilities that are affected by the taking referred to in this Section 21 shall be evidenced by an amendment to this Declaration and the Plans, which need not be approved by the Owners.

22. MORTGAGEE PROTECTION.

22.1 The term "mortgage" as used herein shall mean any recorded mortgage having priority over other mortgages and shall include a recorded deed of trust. The term "mortgagee" shall mean the owner and holder of a mortgage and shall include a beneficiary under a deed of trust. The term "Unit" shall include a Time-Share Estate Unit, where applicable.

22.2 The Board of Directors shall maintain a roster of Owners from the evidence of change of ownership furnished to the Association, which roster shall include the mailing addresses of all Owners. The Board of Directors will also maintain a roster containing the name and address of each mortgagee of a Unit if the Board is provided notice of such mortgage by way of a certified copy of the recorded instrument evidencing the mortgage and containing the name and address of the mortgagee. The mortgagee shall be stricken from the roster upon request by such mortgagee or upon receipt by the Board of Directors of a certified copy of a recorded release or satisfaction of the mortgage. Notice of such removal shall be given to the mortgagee unless the removal is requested by the mortgagee.

22.3 The Board of Directors shall give to any mortgagee on the roster written notification of any default by the mortgagor of the respective Units in the performance of such mortgagor's obligations under the Declaration which is not cured within thirty (30) days.

22.4 A mortgagee of any Unit who comes into possession of the Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage, or by way of deed or assignment in lieu of foreclosure shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrued prior to the time such mortgagee comes into the possession of the Unit except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessment or charges to all Units, including the mortgaged Unit.

22.5 Any liens created under the Act or pursuant to this Declaration or the Bylaws upon any Unit shall be subject and subordinate to and shall not affect the rights of a mortgagee under a mortgage on such Unit made in good faith and for value; provided, however, that any lien created after a foreclosure sale shall have the same effect and be enforced in the same manner as provided in the Act, the Declaration and/or the Bylaws.

22.6 No amendment to this paragraph shall adversely affect a mortgagee who has recorded a valid mortgage prior to the recordation of any such amendment.

23. AMENDMENT.

Except as otherwise provided in this Declaration and except as prohibited by the Act, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by Owners who own three-fourths ($\frac{3}{4}$) or more of the ownership interests in the Common Areas and Facilities, which amendment shall be effective upon recording.

24. ASSESSMENTS.

24.1 The making and collection of assessments from Owners for their share of Common Expenses shall be pursuant to the Bylaws and subject to the following provisions:

24.1.1 Each Owner shall be liable for a proportionate share of the Common Expenses, such share being the same as the percentage of ownership interest in the Common Areas and Facilities appurtenant to the Time-Share Estate Unit owned by him.

24.1.2 Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the minimum rate of twelve percent (12%) per annum, or at such higher rate of interest as may be set by the Board of Directors, from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due.

24.1.3 There shall be a lien upon the applicable Time-Share Estate Unit for unpaid assessments which shall also secure reasonable attorneys' fees and all costs and expenses, including taxes, if any, incurred by the Board of Directors because of such a lien. The lien for assessments shall be prior to all other liens and encumbrances except assessments, liens and charges in favor of the state or any political subdivision thereof, for taxes past due and unpaid on the Unit, and amounts due under duly recorded mortgages.

24.2 The Board of Directors may include in the monthly assessments amounts representing contributions to the capital of the Association to be used for the replacement of or additions to capital items or improvements in the Property. Said amounts shall be set up as capital accounts for each Time-Share Estate Unit. In the event of transfer of a Time-Share Estate Unit, the capital account shall be deemed transferred to the transferee of the Time-Share Estate Unit.

24.3 In assessing the Owners for capital improvements to the Common Areas and Facilities, there shall be no single improvements exceeding a sum equal to the number of Buildings subject to this Declaration multiplied by Ten Thousand Dollars (\$10,000) made by the Board of Directors without the same having been first voted on and approved by a majority vote in percentage ownership interest of those present in person or by proxy at a meeting of the Association duly called for that purpose. The foregoing shall not apply in connection with damage or destruction referred to in Section 19 hereof or to such structural alterations of capital additions or capital improvements to the Common Areas and Facilities as are necessary in the Board of Directors' reasonable judgement to preserve or maintain the integrity of the Common Areas and Facilities.

24.4 In addition to the Assessments authorized by this section, Furniture and Maintenance Assessments shall be computed and levied against all Time-Share Estates Units as follows:

24.4.1 Furniture and Maintenance Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maid service for and cleaning, maintenance, repair and replacement of Time-Share Estates Units and of Time-Share Estates Unit Furnishings in such Units. Such estimated expenses may include, among other things, the following: Expenses of maid service for all Time-Share Estates Units; expenses for cleaning, maintaining, repairing and replacing Time-Share Estates Units Furnishings in all Units;

any deficit from a previous period; creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses or liabilities which may be incurred in accordance with the provisions of this Declaration by the Association for the benefit of all Owners of Time-Share Estates Units. Such estimated expenses shall constitute the estimated Furniture and Maintenance Expense, and all funds received from assessments under this paragraph 24.4 shall be part of the Furniture and Maintenance Fund.

24.4.2 Expenses attributable to the Furniture and Maintenance Expense shall be apportioned among and assessed to all Owners based on the percentage of ownership interest appurtenant to the Time-Share Estates Units owned by each Owner. Declarant, or its successors and assigns, shall be liable for all such assessments against completed Time-Share Estates Units owned by it.

24.4.3 In the event that the Furniture and Maintenance Fund proves inadequate during any fiscal year for whatever reason, including nonpayment of any Owner's assessment, the Association may, at any time and from time to time, levy additional assessments, in the proportions set forth in subparagraph 24.4.2 hereof and payable over such reasonable periods as the Association may determine. Notice in writing of the amount of such assessment and the time for payment thereof shall be given promptly to each appropriate Owner, and no payment shall be due less than thirty (30) days after such notice shall have been given.

24.5 If an Owner shall at any time lease his Time-Share Estate Unit and shall default in the payment of assessments, the Board of Directors may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due, and the payment of such rent to the Board of Directors shall be sufficient payment and discharge of such tenant and the Owner for such assessments to the extent of the amount so paid.

24.6 The Board of Directors shall handle all assessments hereunder, whether for Common Expenses or as capital contributions, so as to comply with applicable provisions of the Internal Revenue Code and the regulations adopted thereunder as well as applicable state and local tax laws and to avoid undue adverse tax consequences that might result to the Association or individual Owners.

25. VOTING.

At any meeting of the Association, each Owner, including Declarant, either in person or by proxy, shall be entitled