RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MEADOWBROOK RIDGE [A Planned Unit Development]

This Restated Declaration of Covenants, Conditions and Restrictions is made this 10th day of October 2017 by **MEADOWBROOK RIDGE ASSOCIATES**, a Maine non-profit corporation (hereinafter referred to as "Association"), with a place of business in Bangor, County of Penobscot, State of Maine.

MEADOWBROOK RIDGE, LLC, a Maine limited liability company created the following planned unit developments for certain property in Bangor, Penobscot County, Maine referenced in, and subject to, the following declarations of covenants, conditions and restrictions:

- a. Amended and Restated Declaration of Covenants, Conditions and Restrictions for Meadowbrook Ridge dated June 13, 2007 and recorded in Book 10993, Page 176 of the Penobscot County Registry of Deeds, as amended ("Initial Declaration"); and
- b. Declaration of Covenants, Conditions and Restrictions for Meadowbrook Ridge Phase III dated October 17, 2011 and recorded in Book 12628, Page 40 of the Penobscot County Registry of Deeds, as amended ("Subsequent Declaration").

The Initial Declaration related to certain Property and Units (as defined in the Initial Declaration) which are depicted on the plan for Meadowbrook Ridge, prepared by Shyke, Sheppard & Garster, Land Surveyors, dated April 30, 2007 and recorded in the Penobscot County Registry of Deeds in Map File No. 2007-80 ("Initial Phase");

The Subsequent Declaration related to certain Property and Units (as defined in the Subsequent Declaration) which are depicted on the plan for Meadowbrook Ridge Phase III, prepared by Shyka, Sheppard & Garster, Land Surveyors, recorded March 16, 2011 in the Penobscot County Registry of Deeds in Map File No.2011-42 ("Subsequent Phase")

Meadowbrook Ridge Associates, a Maine non-profit corporation, through its board of directors, oversaw certain aspects of the Initial Phase;

Meadowbrook Ridge Phase III Associates, a Maine non-profit corporation, through its board of directors, oversaw certain aspects of Subsequent Phase;

The Members (as defined in the Initial Declaration and Subsequent Declaration) have merged the two Associations and substitute this instrument as the single Declaration of Covenants.

On October 30, 2015, the board of directors for the association related to the Initial Phase, Meadowbrook Ridge Associates, and the board of directors for the association related to Subsequent Phase, Meadowbrook Ridge Phase III Associates, approved and executed a Merger Agreement to merge Meadowbrook Ridge Phase III Associates into Meadowbrook Ridge Associates.

The Members (as defined in the Initial Declaration and Subsequent Declaration) approved the merger of the two associations and the terms and conditions of this Restated Declaration of Covenants, Conditions and Restrictions at a meeting of the Owners on October 10, 2017.

This Restated Declaration of Covenants, Conditions and Restrictions does not and is not intended to create a Condominium within the meaning of the Maine Condominium Act, Title 33 M.R.S.A. Section 1601 et seq. It is intended to create a so-called Planned Unit Development pursuant to the Planned Group Development provisions of the Bangor Zoning Ordinance.

ARTICLE I Definitions:

- <u>Section 1. "Area of Common Responsibility"</u> shall mean and refer to the Common area, together with those areas, if any, which by the terms of this Declaration or by contract or agreement become the responsibility of the Association.
- Section 2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Meadowbrook Ridge Associates, as amended and as filed with the Secretary of State of the State of Maine.
- Section 3. "Association" shall mean and refer to Meadowbrook Ridge Associates, a Maine non-profit corporation, its successors or assigns. The "Board of Directors" or "Board" shall all be the elected body having its normal meaning under Maine corporate law.
- <u>Section 4. "Base Assessment"</u> shall mean and refer to assessments levied against all Units in the Property to fund Common Expenses.
- <u>Section 5. "By-Laws"</u> shall mean and refer to the By-Laws of Meadowbrook Ridge Associates, incorporated herein by reference, as they may be amended from time to time.
- Section 6. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Unit Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration and the By-Laws.
- <u>Section 7. "Community-Wide Standard"</u> shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the Property. Such standard may be more specifically determined by the Board of Directors.
- Section 8. "Common Area" shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners.
- Section 9. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.
- <u>Section 10. "Mortgage"</u> shall mean and refer to a permanent or construction mortgage, including any collateral security documents executed in connection therewith.

- Section 11. "Mortgagee" shall mean and refer to a holder of a Mortgage.
- Section 12. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.
- Section 13. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Unit which is part of the Property, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded land installment contract and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner. If a Unit is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the lease with the Board of Directors the lessee (rather than the fee owner) will be considered the Owner.
- <u>Section 14. "Person"</u> means a natural person, a corporation, a partnership, a trustee, or other legal entity.
- <u>Section 15. "Property"</u> shall mean and refer to the real property described in "Exhibit A" attached to the Initial Declaration and the Subsequent Declaration.
- <u>Section 16. "Special Assessment"</u> shall mean and refer to assessments levied in accordance with Article X, Section 3 of this Declaration.
- Section 17. "Unit" shall mean a portion of the Property used as a residence for a single family.

This definition shall include the structure, both inside and out, including all siding, windows, doors, shutters, roofing and other outside attachments, including decks. It shall also include the land beneath the structure, but not the land beneath the deck.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for such parcel on the Subdivision Plan.

Section 18. "Subdivision Plan" shall mean the following: (i) plan for Meadowbrook Ridge, prepared by Shyka, Sheppard & Garster, Land Surveyors, dated April 30, 2007 and recorded in the Penobscot County Registry of Deeds in Map File No. 2007-80; and (ii) plan for Meadowbrook Ridge Phase III, prepared by Shyka, Sheppard & Garster, Land Surveyors, recorded March 16, 2011 in the Penobscot County Registry of Deeds in Map File No.2011-42.

ARTICLE II - Property Rights:

Section 1. Owners' Easements of Enjoyment Every Owner shall have a right of access, ingress and egress over and across the Common Area and a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

- (a) the right of the Association to charge reasonable assessments for the use, maintenance and repair of any facility, road, sidewalk or other improvements situated upon the Common Area.
- (b) the right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against his Unit remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations, but the Association may not deny any owner access to the Owner's Unit.
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members.
- (d) the right of individual Owners to the exclusive use of parking spaces as provided in this Article.

<u>Section 2. Delegation of Use.</u> Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, guests or contract purchasers who reside on the property.

Section 3. Parking Right. Ownership of each residential Unit shall entitle the Owner or Owners thereof to the use of the driveway, which shall be located directly in front of each Unit, and to the walkway to the front door of the unit. Snow removal, repair and maintenance of the driveway and walkway shall be the responsibility of the Association.

Section 4. Ownership & Liability. Should the Association grant permission for any addition by the unit owner, including a patio, that is constructed on Association common area, the maintenance and repair of that structure becomes the responsibility of the unit owner. In addition, all liability associated with the use and enjoyment of that additional structure is the responsibility of the unit owner, and not the Association. If the Association has granted permission for said structure an easement for the use and enjoyment of that structure shall be granted to the unit owner, subject to the terms and conditions issued by the Board of Directors. In all cases, the land beneath said structure, if outside the aforementioned boundaries of the unit, shall remain common area of the Association.

Section 5. Shared Utilities.

(a) Each line for electricity, sewer, water, cable, telephone and other utility lines which serve more than one Unit shall constitute a shared utility line, and each Unit shall be subject to an easement for the benefit of each other Unit as required for repair and maintenance of shared utility lines. The cost of reasonable repairs and maintenance of shared utility lines shall be paid by the Association as a common expense. Damages caused by a Unit Owner, his guests, employees, or invitees shall be assessed against such Unit. All work done in connection with a shared utility line shall be done in a good and workmanlike manner and in accordance with all regulations and requirements of the then existing ordinances and building codes of the City of Bangor, and the laws of the State of Maine applicable thereto.

(b) There is also reserved to the Association an easement for the purposes of repair and maintenance of utility lines as specified in Section 4(a). If electrical, sewer, water, telephone, cable or other utility lines are not, in the sole judgment of the Board of Directors, kept in good maintenance and repair, the Association shall cause such lines to be repaired and maintained in accordance with all regulations and requirements under the then existing ordinances and building codes of the City of Bangor and the laws of the State of Maine applicable thereto. The costs of any repairs, replacements or maintenance incurred by the Association under the easement herein granted shall be payable by the Owners benefited by such utility line on a pro rata basis, may be added to the annual assessment against each Owner of any Unit so benefited, shall be payable with interest, costs and reasonable attorney's fees for collection of the same and shall be a charge on the land and the personal obligation of the benefited Unit Owner or Owners in accordance with this Declaration. The Association's exercise of its rights under the easement shall be at the sole option of the Board of Directors and all Owners or other Association members, as defined in Article IV hereof, shall be deemed to have given their consent to the Association to incur expenses in the name of the respective Owners for any and all maintenance, repair and replacement of utility lines pursuant to the Association's exercise of its rights under the easement.

Section 6. General Easement For Maintenance and Repair. Each Unit shall be subject to an easement for the benefit of other Units and the Common Area as required for repair or maintenance of utility lines, structures and improvements on each Unit or of the Common Area.

The easement may be exercised by the Unit Owner for purposes of repairing and maintaining improvements on such Owner's Unit or by the Association in all cases where the Association is authorized under the Declaration to undertake repairs and maintenance. The easement shall include the rights to enter with workers and equipment for the purposes of cleaning, maintaining, repairing and replacing all utility lines, structures, portions of structures or any other improvements wherever located.

Section 7. Intentionally Omitted.

<u>Section 8. Title to Units.</u> Title to a Unit may be held, owned, transferred, mortgaged, or pledged by any Unit Owner in any manner in which title to any real property may be held, owned, transferred, mortgaged or pledged in the State of Maine.

<u>Section 9. Lease or Rental of Unit.</u> No Unit Owner may enter into any lease or rental agreement for a Unit unless such agreement shall be in writing and provide for a term of not less than one (1) year.

All tenants, in addition to the owners, shall be subject to the obligations of this declaration.

ARTICLE III - Party Walls:

Section 1. General Rules of Law To Apply. Each wall which is built as a part of the original construction of the homes upon the Property and placed on the dividing line between the residential Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing Of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire Or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

<u>Section 4. Weatherproofing.</u> Notwithstanding any other provision of this Article, an Owner who, by his negligent or willful act causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

<u>Section 6. Arbitration.</u> In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator and such arbitrators shall choose one additional arbitrator and the decision shall be by a majority of all the arbitrators.

ARTICLE IV - Membership and Voting Rights:

<u>Section 1. Membership.</u> Every Owner, as defined in Article I, shall be deemed to have a membership in the Association.

No Owner, whether one (1) or more Persons, shall have more than one (l) membership per Unit owned. In the event the Owner of the Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or any Person whom the Member has designated to act in the Member's place in a written instrument provided to the Board, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Board, subject to the provisions of this Declaration and the By-Laws.

Every Owner of a residential Unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any residential Unit which is subject to assessment.

Section 2. Voting Rights. The Owners shall be entitled to one vote for each residential Unit owned. When more than one person holds an interest in any residential Unit, all such Persons shall be members. The vote for such residential Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any residential Unit, nor may any single vote be divided.

ARTICLE V – Maintenance:

Section I. Association's Responsibility. The Association shall maintain and keep in good repair the Common Area. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Area including, but not limited to, drainage systems, recreation areas, utilities, and such portions of any additional property included within the Common Area as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of Common Area shall be a Common Expense to be allocated among all Units as part of the Base Assessment.

The association may maintain property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Section 2. Owner's Responsibility. Each Owner shall maintain his or her Unit and all Structures and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the Unit and the Owner thereof in accordance with this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

ARTICLE VI - Insurance:

Section 1. The Association shall, to the extent reasonably available, obtain and maintain:

- (a) Comprehensive Liability Insurance policies, including medical payments insurance, insuring the Association; the Unit Owners, in their capacity as Unit Owners and Association members and any managing agent retained by the Association, against any liability to the public or to other Unit Owners, their tenants or invitees, for death, bodily injury and property damage relating in any way to the ownership operation, maintenance and/or use of the Common Areas, and any part thereof, and any other areas under the Association's supervision.
- (b) Limits of liability shall be at least One Million Dollars (\$1,000,000.00) covering all claims for death, personal injury and/or property damage arising out of a single occurrence.
- (c) Coverage under this policy shall include legal liability arising out of lawsuits related to employment contracts of the Association.

Section 2. Unit Owner's Insurance.

(a) Each Unit Owner may obtain additional insurance at his own expense; provided, however, that (i) such policies shall not be invalidated by the waivers of subrogation contained in the Planned Unit Development Documents; and (ii) no Unit Owner shall be entitled to exercise

his right to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which the Association may have in force on the Property at any particular time.

- (b) Any Unit Owner who obtains individual insurance policies covering any portion of the Property, other than: (i) personal property belonging to such Owner; or (ii) the individual Unit of such Owner, shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after purchase of such insurance.
- (c) The Association shall have the power to require all Unit Owners to carry such types of insurance on their Units as the Association may reasonably require, including, without limitation, insurance on all portions of the Unit.
- (d) Each Unit Owner must obtain and maintain insurance for the unit against loss or damage from fire or other casualty in an amount equal to the full replacement value of the structure, and appropriate liability insurance, and must provide proof of such insurance to the Association upon request.

ARTICLE VII - No Partition:

Common Areas. Except as is permitted in this Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Property or any part thereof seek any judicial partition unless the Property has been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Association from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VIII - Condemnation:

Section 1. Condemnation. Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least two-thirds (2/3) of the total Association vote) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Members representing at least seventy- five (75%) percent of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

ARTICLE IX - Rights and Obligations of the Association;

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration. shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard. It shall have the powers set forth in the Articles, the By-Laws and this Declaration.

<u>Section 2. Personal Property and Real Property for Common Use.</u> The Association through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the Common Area. The Board shall, in addition have the power to seek relief in any court for violations or to abate nuisances, and shall be entitled to all costs and attorney fees.

<u>Section 4. Implied Rights.</u> The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE X - Assessments:

Section 1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth in Section 6 of this Article. There shall be two (2) types of assessments:

(a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association; and (b) Special Assessments as described in Section 3 below.

Base Assessments shall be levied equally on all Units except as provided below. Special Assessments shall be levied as provided below. Each Owner, by acceptance of a deed or recorded land installment contract to any portion of the Property, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest at a rate of eighteen (18%) percent per year as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each assessment is made. Each such assessment, together with interest costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the owner of such Unit at the time the assessment arose.

No first Mortgagee, nominee of the Mortgagee, or third party purchaser who obtains title to a Unit pursuant to a public sale following foreclosure of a first Mortgage shall be liable for unpaid assessments which accrued prior to the date of such public sale.

The Association shall, upon demand at any time furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer or management agent of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include without limitation, acceleration of the annual Base Assessment for delinquents. Unless the Board otherwise provides, the Base Assessment shall be paid in quarterly installments.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 2. Computation of Base Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared.

The Base Assessment to be levied for the coming year against each Unit subject to assessment shall be computed by dividing the budgeted Common Expenses by the total number of Units shown on the Subdivision Plan. The Board shall cause a copy of the Common Expense budget and notice of the amount of Base Assessment to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Association by the vote of Members or their proxies representing at least a majority of the votes in the Association. There shall be no obligation to call a meeting for the purpose of developing the budget except on petition of Members representing at least 25% of the votes in the Association.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Special Assessments. In addition to the assessments authorized in Section 1 of this Article, the Association may levy a Special Assessment or Special Assessments from time to time; provided, such assessment shall have the affirmative vote or written consent of Members or their proxies representing at least fifty-one (51%) percent of the votes in the Association. The obligation to pay Special Assessments shall be computed on the same basis as for Base Assessments. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which this Special Assessment is approved, if the Board so determines.

The Association may also levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments, thereto, the Articles, the By-Laws, and the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

Section 4. Lien for Assessments. Upon recording of a notice of lien on any Unit, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens, except (1) all taxes, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any institutional first Mortgage of record (as defined in section 7 below) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and/or foreclosure by any method available to foreclose mortgages in the State of Maine.

Suit to recover a money judgment for unpaid Common Expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 5. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board, included within and distributed with the budget and assessment, and approved therewith, as provided in this Article.

<u>Section 6. Date of Assessments.</u> Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide.

Section 7. Subordination of the Lien to Institutional First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Maine law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any institutional first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to foreclosure of an institutional first Mortgage, or transfer to an institutional first Mortgage or third party pursuant to a deed in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due.

Where the Mortgagee holding an institutional first Mortgage of record or other purchaser of a Unit is the successful bidder at the public sale following foreclosure of the Mortgage, its successors and assigns shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such public sale. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

Section 8. Intentionally Omitted.

Section 9. Maximum Annual Assessment. The annual assessment may be increased by more than 10% over the previous year only by a vote of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose.

ARTICLE XI - Architectural Control:

Nothing shall be done to alter the exterior appearance of any Unit without the prior approval of the Board of Directors. No building, fence, wall or other structures shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location, or fails to notify the applicant of a delay, within thirty days after said plans and specifications have been received by the board, such application shall be deemed to have been approved.

ARTICLE XII - Use Restrictions:

The Property shall be used only for residential, recreational, and related purposes. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Property in addition to those contained herein. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of Members representing a Majority of the total votes in the Association.

Section 1. Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Unit. Every Owner shall cause all occupants of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas and caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

Section 2. Nuisance. No portion of the Property shall be used in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any danger, noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property.

Section 3. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on or about his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devises which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Property.

<u>Section 4. Subdivision of Unit.</u> No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Association. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

ARTICLE XIII - General Provisions:

<u>Section 1. Term.</u> The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the owner of any Property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns.

Section 2. Amendment. This Declaration may be amended by an instrument signed by Members representing not less than sixty-seven percent (67%) of the total votes in the Association. Any amendment must be recorded in the Penobscot Registry of Deeds.

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled.

The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Easements or Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion or portions of the Common Area adjacent thereto or as between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, tenant, or the Association.

Section 5. Intentionally Omitted.

<u>Section 6. Severability.</u> Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 7. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Unit for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

ARTICLE XIV - Mortgagee Provisions:

The following provisions are for the benefit of holders of institutional first Mortgages on units in the Property. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the unit number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the property or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder.
- (b) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days.
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.
- (d) Any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first Mortgagees and Members representing at least two-thirds (2/3) of the total Association vote consent, the Association shall not:

- (a) By act or omission seek to abandon, partition. subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);
- (b) Change the method of determining the obligations, assessments due, or other charges which may be levied against an Owner of a Unit;
- (c) By act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Area;
- (d) Fail to maintain insurance, as required by this Declaration; or
- (e) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

<u>Section 3. No Priority.</u> No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of a First Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or taking of the Common Area.

<u>Section 4. Notice to Association.</u> Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

Section 5. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 6. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

Section 7. Law Governing. This Declaration shall be governed and construed according to the laws of the State of Maine.

ARTICLE XV - Declarant Rights:

All Declarant rights of Meadowbrook Ridge, LLC have been terminated.

ARTICLE XVI - Priority/Intent:

It is the specific intent of all the parties that the terms and conditions of this Restated Declaration of Covenants, Conditions and Restrictions supersedes and replaces the Initial Declaration and the Subsequent Declaration. In the event of conflict between any of said documents and this Restated Declaration of Covenants, Conditions and Restrictions, the terms of this Restated Declaration of Covenants, Conditions and Restrictions shall control. Further, it is the specific intent of all parties that the Initial Phase and the Subsequent Phase, including any Units and Property related thereto, shall be governed and controlled by a single association, Meadowbrook Ridge Associates, and all provisions herein should be interpreted as to further this intent.