

DECLARATION OF COVENANTS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS
FOR
64 PINE HILL ROAD NORTH
A FIVE-LOT SUBDIVISION
YORK, MAINE

Amended October 1, 2006

This amended Declaration of Covenants, Restrictions, Easements, Charges and Liens (hereinafter "Declaration") made this 1st day of October, 2006, and recorded at York County Registry by PHN Homes LLC, a Maine limited liability company, having a mailing address of P.O. Box 424, Ogunquit, Maine 03907 (hereinafter the "Declarant"):

WITNESSETH:

WHEREAS, Declarant is the owner of a certain parcel of land located in the Town of York, State of Maine (hereinafter the "Subdivision"), as shown on the Subdivision Plan identified below, the boundaries of which are described in Exhibit 1; and

WHEREAS, Declarant desires to make the Subdivision subject to this Declaration in order to: (a) provide for the operation, maintenance, repair and replacement of certain common facilities and amenities located on the Subdivision Property; and (b) preserve the environment of the Subdivision and, to this end, desires to subject the Subdivision to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said Subdivision and each owner of a Lot therein; and

WHEREAS, Declarant has deemed it desirable to create a private, non-profit corporation to which should be delegated and assigned the authority to: (a) carry out certain responsibilities relating to the common facilities and amenities described herein and (b) administer and enforce the covenants, restrictions, easements, charges and liens set forth herein; and

WHEREAS, Declarant has established under the laws of the State of Maine a private, non-profit corporation, PHN Homeowners Association, for the purpose of exercising the aforesaid functions;

NOW, THEREFORE, the Declarant declares that the Subdivision is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE 1

DEFINITIONS

The following words, when used in this Declaration or any Amendment thereto (unless the context shall prohibit), shall have the following meanings:

- 1.01 "Architectural established Control Committee" shall mean and refer to the Committee pursuant to Article 10 of the Declaration.
- 1.02 "Articles" shall mean and refer to the Articles of Agreement which are or shall be filed in the Office of the Maine Secretary of State and which establish the Association.
- 1.03 "Assessment" shall mean a share of the funds required and which are to be assessed against an Owner and Lot for the payment of costs incurred by the Association for and including, but not limited to
 - (a) Costs of maintaining roadways, streetlights, sewer, water, drainage and other similar facilities to the extent these facilities are not accepted for maintenance by governmental jurisdictions,
 - (b) Cost of maintaining dedicated open space,
 - (c) Costs for goods and services determined by the Board to benefit the members,
 - (d) Reserves as determined by the Board,
 - (e) The maintenance and landscaping of roads and common areas in the Subdivision, and
 - (f) Incidental costs related to administration and enforcement of the covenants and restrictions described herein.
- 1.04 "Association" shall mean and refer to the PHN HOMEOWNERS ASSOCIATION, INC., a private, non-profit corporation organized and existing under the laws of the State of Maine.
- 1.05 "Board" shall mean and refer to the Board of Directors of the Association.
- 1.06 "By-Laws" shall mean and refer to the By-Laws of the Association and any amendments thereto.

- 1.07 "Common Expenses" Shall mean the expenses for which each such owner is liable, which shall include, but not be limited to
- (a) Costs of maintaining roadways, streetlights, sewer, water, drainage, and other similar facilities to the extent these facilities are not accepted for maintenance by governmental jurisdictions,
 - (b) Cost of maintaining dedicated open space,
 - (c) Costs for goods or services determined by the Board to benefit the members,
 - (d) Reserves as determined by the Board,
 - (e) The maintenance and landscaping of roads and common areas in the Subdivision, and
 - (f) Incidental costs related to administration and enforcement of the covenants and restrictions described herein.
- 1.08 "Common Properties" shall mean the certain real and personal property designated for ownership by the Association and dedicated to the common use of Owners, including, but not limited to, the road servicing the Subdivision, utility facilities not dedicated to governmental entities, and dedicated open space.
- 1.09 "Declarant" shall mean and refer to PHN Homes, LLC, a Maine limited liability company, and its successors and assigns, who may acquire all or a portion of the Subdivision for development purposes, or a mortgagee who acquires title to any portion of the Subdivision by foreclosure against a Declarant.
- 1.10 "Lot" shall mean and refer to an improved or unimproved residential lot, as shown upon one or more Subdivision Plans, together with any dwelling unit and other improvements located thereon.
- 1.11 "Member" shall mean and refer to all Owners who shall be members of the Association in accordance with the provisions of Article 6 hereof.
- 1.12 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but notwithstanding any applicable theory of title; the term Owner shall not include any mortgagee of a Lot until the mortgagee has acquired fee simple title pursuant to foreclosure or any proceedings in lieu of foreclosure.

1.13 "Subdivision Plan" shall mean and refer to the Plan of Land entitled, "Plan of 64 Pine Hill Road North in the Town of York, Maine, prepared by Attar Engineering, Inc.," recorded in the York County Registry of Deeds in Plan Book 309, Pages 18 and 19, together with such other plans and amended plans as may be hereafter recorded.

ARTICLE 2

TERM OF DECLARATION

2.01 Term. This Declaration shall run with, apply to, and bind the Subdivision in perpetuity and shall inure to the benefit of, and be enforceable by the Declarant and Owners, as appropriate, and their respective legal representative, heirs, successors and assigns, except that the covenants and restrictions in Article 3 shall have an initial term of fifteen (15) years from the date this Declaration is recorded in the York County Registry of Deeds, at the end of which such covenants and restrictions shall be automatically extended for successive periods of five (5) years, unless at least three-fifths (60%) Owners vote to terminate any or all of said covenants and restrictions at a duly noticed and held meeting in compliance with the provisions of the By-Laws of the Association.

2.02 Persons Bound. Unless otherwise indicated, all covenants, restrictions, easements, charges and liens herein are imposed on, charged on, and run with the land and bind not only the original purchaser of the Lots in the Subdivision, but also their assigns, grantees, legal representatives, heirs and mortgagees. Failure to specifically refer to and include or incorporate this Declaration in deeds to Lots in the Subdivision shall not in any manner affect the validity and effectiveness of this Declaration upon any Lot made subject thereto.

ARTICLE 3

GENERAL COVENANTS AND RESTRICTIONS ON SUBDIVISION LOTS

3.01 No Lot intended as an individual residential lot as shown on a Subdivision Plan shall be further subdivided, except that lot line revisions shall be permitted subject to the written approval of the Declarant.

3.02 No structure may be erected on any Lot other than a single detached residence, designed for the use and occupancy of a single family. All homes must also have at least a two-car automobile garage

3.03 Until December 31, 2015, or for so long as the Declarant owns any of the

Lots in the Subdivision, whichever is later, no residence, garage, or other structure or amenity shall be erected until architectural and site plans have been submitted to and approved in writing by the Declarant or his successors or assigns. Said plans shall include, but not be limited to the primary structure, landscaping, and exterior elevations, including exterior color and harmony of design with existing structures located in the Subdivision, including location with respect to topography and finish grade elevation.

3.04 Lot grades shall not be changed in such a way as to divert the natural flow of water onto adjoining Lots.

3.05 No building or structure shall be erected, except in conformity with the setback and other land use requirements of the Town of York.

Exceptions to the setback requirements set forth above may be granted within the sole discretion of the Declarant, but only to the extent permitted by Town of York ordinances.

3.06 Each residence erected or constructed on any Lot shall contain a minimum of three thousand (3,000) square feet floor area. The method for determining the area of proposed buildings and structures shall be to multiply the outside horizontal dimensions of the building or structure at each floor level, excluding garages, breezeways, basements, decks, porches, patios and terraces in the calculation of the minimum square foot area. Exceptions to this restriction may be granted within the sole discretion of the Declarant upon written application by an Owner or prospective owner.

3.07 No on-site septic system shall be constructed on any Lot. Upon the construction of any permitted structure on a Lot, such structure shall be connected to the Community sewage disposal system ("Community Sewer System") owned and operated by the Ogunquit Sewer District, or any successor. All sewage and wastewater generated by or within any structure or on any Lot shall be disposed of by and discharged into the Community Sewer System. Each owner shall be responsible for paying, to the operator of the Community Sewer System, all fees and charges assessed by the operator of the Community Sewer System.

3.08 Once construction is commenced upon a Lot, completion of all construction shall be accomplished as soon as is reasonable and, in no event, shall it be longer than one year from the time of commencement to complete construction. Completion shall include, but shall not be limited to exterior finishing, exterior landscaping, decorating and driveways. Driveways shall be finished with asphalt, concrete or other hard, dustless finished surface approved by the Declarant.

3.09 No temporary building, shed, trailer, vehicle or structure shall be erected or

placed on a Lot, except during the active phase of constructing a residence. For purposes of interpreting this clause, the "active phase of constructing" shall be limited to the period of one calendar year from the day work is commenced in clearing for the foundation of the residence.

- 3.10 No earth, stone or gravel removed from the site of a foundation shall be allowed to remain on a Lot in an unsightly manner.
- 3.11 No structure on a Lot shall be left with an unfinished exterior. The exterior of all structures shall be kept in a proper state of repair and maintenance.
- 3.12 All oil or gas fuel tanks shall be installed in the ground, installed on a concrete slab in either the garage or basement, or constructed with a permitted wall or structure so that they shall not be visible from adjoining properties, or Treetops Road. If above ground or outside the home or garage, the structure or wall must also be reasonably landscaped.
- 3.13 No incinerator shall be erected or maintained on any Lot.
- 3.14 All garbage and trash containers must be underground or placed in an adjoining attractive and suitable walled or screened area so that they shall not be visible from properties or Treetops Road.
- 3.15 No outdoor clothes drying areas shall be allowed except in the rear yard and shall be situated so as not to be visible from the adjoining properties or Treetops Road.
- 3.16 No trash, waste, filth, tools, or garden equipment shall be allowed to accumulate on a Lot or the exterior of any structure in such a manner as to give an unsightly appearance, to create a nuisance, or depreciate the Subdivision.
- 3.17 No private swimming pools, tennis courts, or similar areas for outdoor physical activities or games, shall be erected or constructed on a Lot without the written approval of the Declarant. Above ground swimming pools will not be permitted.
- 3.18 The Subdivision shall be used for private residential purposes only, and no commercial, manufacturing, or industrial use shall be permitted at any time, except for a professional home office; provided that
 - (a) In no instance shall the permitted professional home office occupy a space greater than ten percent (10%) of the entire floor area of the home in which it is contained; and
 - (b) No noise, odor, or disorderly appearance shall be created which is unreasonably offensive to the surrounding Lots.

3.19 An Owner, however, may, in his absence, rent his residence subject to the restrictions herein no more than twice in each calendar year. In such events, the Owner, his tenant and their families are subject to the restrictions herein.

3.20 An Owner shall be entitled to rent or lease his residence if

(a) There is a written rental or lease agreement specifying that

- (i) The tenant shall be subject to all provisions of this Declaration, the By-Laws and Rules and Regulations adopted by the Board; and
- (ii) A failure to comply with any provision of such Declaration, By-Laws and Rules and Regulations shall constitute a default under the agreement, permitting the commencement of eviction proceedings in accordance with Maine law;

(b) The Owner gives each tenant a copy of the Declaration, By-Laws and Rules and Regulations; and

(c) The Owner provides the Board with a copy of the lease agreement, together with written authorization to the Board to order the eviction of the tenant for violation of the terms of said lease or the Declaration, By-Laws or Rules and Regulations.

3.21 No mobile home, trailer, or other similar, temporary or movable product or structure used as living area shall be erected, placed, or caused to remain upon any Lot herein.

3.22 No vehicles shall be parked in driveways unless the length of the driveway is sufficient to hold the entire vehicle, and in no event shall vehicles be parked in such a manner as to inhibit or block access to Treetops Lane. All driveways shall be used solely for the parking and storage of motor vehicles used for personal transportation. Garage doors shall remain closed except when the garage is in use. No part of the Common Properties shall be used for repair, construction or reconstruction of any vehicle, boat or any other item or thing except in an emergency. As long as applicable ordinances and laws are observed, the Board may cause the removal of any vehicle that is in violation of this Declaration.

3.23 No obstruction of traffic on Treetops Lane and no blocking of entries to the various Lots by reason of the parking of vehicles and trailers are allowed. Lot Owners shall be responsible for any such obstruction by members of their households, their lessees, invitees, and guests.

3.24 No snow, ice, gravel, loam, compost, leaves, fertilizers, other mineral waste

products or commodities shall be piled or stored within ten (10) feet of lines of adjoining Lots; and snow and ice shall not be deposited on Treetops Lane so as to create an obstruction to traffic or interfere with the view of adjoining Lot Owners.

- 3.25 No noise or disturbance shall be made, suffered, or permitted on any Lot so as to constitute a nuisance to adjoining or neighboring Lots in the Subdivision.
- 3.26 Any purchaser of a Lot in the Subdivision shall be allowed to keep on his premises a maximum of two (2) common domestic household animals. In interpreting this clause, domestic animals shall be dogs, cats, birds, and related animals. Any and all other animals shall be considered non-domestic. Under no circumstances shall commercial dog kennels or veterinary facilities be allowed. The Board may adopt rules and regulations to govern the keeping of pets so as to insure that no pets of an Owner interfere with the rights of other Owners to quiet enjoyment of the Subdivision Property. Owners shall be responsible for the clean up of all waste matter of their pets. The Board may issue fines or order the removal of pets from the Subdivision for repeated violations of these restrictions.
- 3.27 Only one "For Sale" sign, not larger than five (5) square feet may be erected or displayed on any Lot or on any structure in the Subdivision. No other signs or displays, including, but not limited to commercial signs, shall be erected or displayed on the Lots or structures, except with the written permission of the Homeowners Association.
- 3.28 No trees may be removed from the setback portion of any Lot without the written consent of the Architectural Control Committee described in Article 9. Furthermore, no trees may be removed from the area outside the clearing limits as depicted on the subdivision recorded in the York County Registry.
- 3.29 Portions of Lots 3, 4, and 5 are located in a mapped flood hazard area. Construction or development within these areas must be in accordance with the Town of York Floodplain Management Ordinance.
- 3.30 All driveways exceeding one hundred feet in length will be constructed in accordance with the standards prescribed on Sheet 5 of the approved subdivision plan.

ARTICLE 4

COMMON PROPERTIES; EASEMENTS

- 4.01 Members' Easement of Enjoyment. Subject to the provisions of this Declaration and the By-Laws and Rules and Regulations of the Association,

every Owner of a Lot shall have a right and easement of use and enjoyment in and to use the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot.

4.02 Title to Common Properties. The title to the Common Properties shall be conveyed in fee simple to the Association by the Declarant no later than December 31, 2015.

4.03 Easements. The Subdivision and the rights and easement of enjoyment created hereby shall be subject to the following easements:

(a) Every Owner shall have an easement in the Common Properties to use the roads, walks and other common improvements located thereon, subject to the right of the Association to promulgate rules and regulations for the protection, use and enjoyment of the Common Properties or to suspend the voting rights of any Owner for any period during which any Assessment remains unpaid.

(b) The right of the Association to dedicate or transfer any part of the Common Properties to any municipal, county, state, federal, or other public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by majority vote of the Owners at a duly noticed and held meeting in accordance with the By-Laws.

(c) The Declarant reserves a perpetual, non-exclusive, transferable easement, without limitation or restriction, to facilitate development of property now owned.

(d) A blanket non-exclusive easement is reserved for the Declarant, its successors and assigns, in, upon, over, under, across, and through the Subdivision for the purpose of installation, maintenance, repair, and replacement of all utility lines and any other equipment and machinery necessary or incidental for the proper function of any utility systems serving the Subdivision or any other development on adjacent or nearby land, which easements may be specifically conveyed to a public utility or municipality supplying the service. The easements created by this section 4.03(d) shall include, without limitation, rights of the Declarant or the appropriate utility or service company or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, drainage ditches and pump stations, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits, equipment, ducts and vents over, under, through, along and on the Lots and Common Properties. Notwithstanding the foregoing, any such easement shall not be exercised as to materially interfere with the use or occupancy of any residence on a Lot.

(e) A blanket and non-exclusive easement is reserved for the Declarant, its

successors and assigns, in, upon, over, under, through and across the Subdivision as long as the Declarant, its successors and assigns shall be engaged in the construction, development, and sale of lots within the Subdivision.

- 4.04 Common Driveways. In certain cases, a single driveway may serve two or more of the Lots in the Subdivision. The Owner of each Lot served by any such common driveway shall have a non-exclusive right and easement to use the driveway and shall bear a proportionate share of the costs of maintaining, repairing, and replacing the common driveway.
- 4.05 Use and Maintenance of Subdivision Road. Each Lot shall be benefited with a non-exclusive right and easement to use the private roadway to be named "Treetops Lane" which provides access from Pine Hill Road North. The Common Expenses shall include the Owners' proportionate share of the costs (the "Road Costs") of maintenance, repair, and replacement of Treetops Lane.
- 4.06 Maintenance of Drainage Facilities. The Association shall maintain all stormwater drainage swales and culverts as described in the Easement Deed and Drainage Maintenance Agreement with the Town of York, a copy of which is attached to this Declaration as Exhibit 2.

ARTICLE 5

ASSESSMENTS

- 5.01 General. The making and collecting of Assessments against Members for Common Expenses shall be pursuant to the By-Laws of the Association.
- 5.02 Share of the Common Expenses. Each Member shall be liable for an equal share of the common expenses except that the Declarant shall pay all direct costs necessary to operate the Association and maintain its property until January 1, 2008.
- 5.03 Annual Assessment. The annual common expense incurred for operation, maintenance, improvement, and repair of the Common Properties shall be estimated in accordance with the By-Laws of the Association. The Annual Assessment will be payable in semi-annual installments based on the projected annual common expense.
- 5.04 Non-Waiver. The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Properties or by the abandoning of a Lot for which assessments are made.
- 5.05 Interest, Application of Payment. Owners paying assessments and

installments of such assessments more than thirty (30) days after date when due shall be assessed a late fee and/or additional interest established by the Board of Directors. All payments on accounts shall be first applied to interest and then to the assessment first due.

5.06 Lien for Assessments. The Association shall have a lien on each Lot for any unpaid assessments, together with interest thereon against the Owner of such Lot, together with a lien on all real property, improvements and tangible personal property located upon said Lot, except that such lien upon the aforesaid tangible personal property shall be subordinated to prior bona fide liens of record. Reasonable attorneys' fees incurred by the Association, to the extent allowable by law, incident to the collection of such assessments or the enforcement of such lien, together with all sums advanced, shall be payable by owner and secured by such lien. The Association's lien shall also include those sums advanced on behalf of each Owner in payment of his obligation for use.

5.07 Subordination of the Lien to Mortgages. The lien for assessments as hereinabove provided for shall be inferior to the lien of any institutional mortgage or mortgages. Sale or transfer shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to the mortgage of any institutional lender, pursuant to foreclosure proceedings under such mortgage or any proceeding or deed in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof, which became due prior to such sale or transfer.

5.08 Collection and Foreclosures. The Board of Directors may take such actions as they deem necessary to collect assessments of the Association by personal action or by enforcing the foreclosing interests of the Association.

ARTICLE 6

PHN HOMEOWNERS ASSOCIATION, INC.

6.01 Association. In order to provide for the proficient and effective administration of the Subdivision by the Lot Owners, a non-profit corporation known and designated as PHN Homeowners Association, Inc., has been organized under the laws of the State of Maine, and said corporation shall administer the operation and management of the Subdivision and undertake and perform all actions and duties incident thereto and in accordance with the terms, provisions, and conditions of this Declaration and in accordance with the terms of the Articles of Association, its By-Laws, and Rules and Regulations promulgated by the Association from time to time.

6.02 Articles of Association. A copy of the Articles of Association will be filed with the Maine Secretary of State.

- 6.03 Limitation upon Liability of Association. Notwithstanding the duty of the Association to maintain or repair portions of the Subdivision, the Association shall not be liable to any Owner for injury or damage, other than the costs of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.
- 6.04 Restraint upon Assignment of Shares and Assets. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Lot.
- 6.05 Approval or Disapproval of Matters. Whenever a decision of the Association is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed in accordance with the By-Laws of the Association.
- 6.06 Membership. The record Owners of Lots in the Subdivision shall be Members of the Association and no other persons or entities, except for Declarant shall be entitled to membership. Membership shall be established by acquisition of ownership of fee title or other interest in a Lot approved by the Association's Board of Directors whether by conveyance, devise, judicial decree, foreclosure or otherwise, subject to the provision of this Declaration and by the recordation in the York County Registry of Deeds of the deed or other instrument establishing the acquisition and designating the Lot affected thereby and by the delivery to the Association of a true copy of such recorded deed or other instrument. The new Owner designated in such deed or other instrument shall thereupon become a Member of the Association, and the membership of the prior Owner as to the Lot designated shall be irrevocably and automatically terminated.
- 6.07 Voting. Except as otherwise set forth in the Articles of Association or By-Laws regarding Declarant's voting rights, on all matters to which the members shall be entitled to vote, there shall be only one vote for each Lot.
- 6.08 Controls by Declarant. Notwithstanding the foregoing or anything contained in this Declaration to the contrary, Declarant shall have the sole and exclusive right to appoint officers and directors of the Association until the earliest to occur of the following:
- (a) December 31, 2015; or
 - (b) Declarant's written notice to the Association of its election to transfer control to the Association.

During the period of control as set forth herein, Members of the Association,

otherwise qualified hereunder, shall have non-voting membership, unless the provisions of this sentence expressly are waived relative to a particular issue by a writing signed by the Declarant. Upon Declarant turning control of the Association over to the Members as provided herein, it shall file appropriate documents in the York County Registry of Deeds. Thereafter, for so long as Declarant has any ownership interest in Subdivision property, it shall continue to have the right to appoint one Member of the Board of Directors as provided in the By-Laws.

ARTICLE 7

NOTICES TO ASSOCIATION

- 7.01 Notice of Lien. An Owner shall give notice to the Association of every lien upon his Lot other than for permitted mortgages, taxes, and special assessments within five (5) days after the attaching of the lien.
- 7.02 Notice of Suit. An Owner shall give notice to the Association of every suit or other proceeding which may affect the title to his Lot, such notice to be given within five (5) days after the Owner receives knowledge thereof.
- 7.03 Failure to Comply. Failure to comply with this Article 7 will not affect the validity of any judicial sale or foreclosure proceedings or deed in lieu of foreclosure.

ARTICLE 8

AMENDMENTS

- 8.01 General. The covenants, restrictions, easements, charges, and liens of this Declaration may be amended from time to time, but only by an instrument signed by not less than sixty percent (60%) of the Owners (including Declarant) or accompanied by a certificate of the Secretary of the Association that such a vote was cast at a duly called and held meeting of the Owners. However, until the Declarant has completed all of the contemplated improvements and closed the sales of all Lots within the Subdivision, or December 31, 2015, whichever occurs earlier, no amendment(s) to this Declaration shall be effective, unless joined by the Declarant. It is further provided that in order to be effective any amendment to the Declaration must be recorded in the York County Registry of Deeds.
- 8.02 Declarant's Rights. Notwithstanding anything herein to the contrary, the Declarant reserves the right to alter and amend this Declaration, as it deems necessary and /or appropriate for the protection and enhancement of the Subdivision or of any adjacent or contiguous land owned by the Declarant, and the Declarant shall not require or need the joinder of any Lot Owners, prior to such time as the Declarant conveys the last Lot of the Subdivision,

elects to terminate its control over the Association or December 31, 2015, whichever shall first occur, provided, however, that all such amendments shall be in compliance with the applicable laws of the State of Maine.

- 8.03 Restricted Amendments. No amendment and no rule or regulation shall discriminate against any Owner or against any Lot unless the Owner so affected and his institutional mortgagee shall consent; and no amendment or rule or regulation may change the method by which the Owner shares the Common Expenses unless the Owner and his institutional mortgagees join in the execution of the amendment, except as otherwise provided herein.

ARTICLE 9

ARCHITECTURAL REVIEW COMMITTEE

- 9.01 Applicability. The Architectural Review Committee shall be the Declarant until Declarant elects to terminate its control over the Association, or December 31, 2015, whichever shall first occur, after which it shall be the Board, or a committee appointed by the Board, in accordance with the provisions of this Article. If the Board appoints a committee to perform the architectural review functions, there shall be no less than two (2) members and no more than three (3) members, all of whom must be Lot Owners or officers of the Declarant. The terms of office shall be as designated by the Board. Any Owner who wishes to make any alteration or addition which will affect the exterior of any structure on his Lot is required to obtain the approval of the Architectural Review Committee pursuant to this Article prior to making any such alteration or addition. Any Owner who makes an alteration or addition without the prior approval of the Architectural Review Committee shall be deemed to be in violation of this Declaration; and the Architectural Review Committee, upon its own motion, shall proceed as though the Owner gave the notice of completion as specified in Section 9.08. Nothing in this Article shall be deemed to relieve any Owner from obtaining all necessary consents and permits and otherwise complying with all applicable State and local laws and ordinances.

- 9.02 Duties. The Architectural Review Committee shall consider and act upon proposals and/or plans submitted pursuant to this Article. The Architectural Review Committee, from time to time and in its sole discretion, may propose architectural and landscaping rules, regulations and guidelines ("Architectural Standard"). The Architectural Standard shall interpret and implement the provisions of this Declaration by setting forth the standards and procedures for architectural review and guidelines for architectural design, placement of buildings, color schemes, exterior finishes and materials and similar features which may be used in the Subdivision, provided, however, that the architectural Standards may be accepted as Rules when adopted in accordance with the provisions of the By-Laws.

- 9.03 Application for Approval of Improvements. Any Owner, except Declarant and its designated agents, who wants to perform any alteration or addition of which approval is required, shall notify the Architectural Review Committee in writing of the nature of the proposed work and shall furnish such information as may be required by the Architectural Review Committee.
- 9.04 Basis for Approval of Improvements. The Architectural Review Committee may approve the proposal only if the Architectural Review Committee finds that
- (a) The plans and specifications conform to this Declaration and to the Architectural Standards in effect at the time the proposal was submitted;
 - (b) The proposed alteration or addition will be consistent with the standards of the Subdivision and the provisions of this Declaration as to quality of workmanship and materials, harmony of exterior design, and visibility with respect to existing structures, environment location with respect to topography, and finished grade elevations; and
 - (c) The proposed alteration or improvement is in conformance with conditions imposed by the Town of York on the development of the Subdivision.
- 9.05 Form of Approvals and Denials. All approvals and denials shall be in writing. Any denial of a proposal must state the reasons for the decision to be valid. Any proposal which has not been rejected in writing within forty-five (45) days from the date of submission shall be deemed approved.
- 9.06 Proceeding with Work. Upon approval of the Architectural Review Committee, the Owner shall diligently proceed with the commencement and completion of all work so approved. Work must be commenced within one year from the date of the approval. If the Owner fails to comply with the provisions of this Section, the approval given shall be deemed revoked unless the Architectural Review Committee extends the time for commencement. Any request for an extension shall be in writing. No extension shall be granted unless the Architectural Review Committee finds that there has been no change in the circumstances under which the original approval was granted.
- 9.07 Failure to Complete Work. Completion of the work approved must occur in the twelve (12) month period following the approval of the work unless the Architectural Review Committee determines that completion is impossible or would result in great hardship to the Owner due to strike, fires, national emergencies, natural calamities, or other supervening forces beyond the

control of the Owner or his agents. If Owner fails to complete the work within the one-year period, the Architectural Review Committee shall proceed in accordance with the provisions of Section 9.08.2 below.

9.08 Determination of Compliance. Any work performed, whether or not the Owner obtained proper approvals, shall be inspected and a determination of compliance shall be made as follows:

9.08.1 Upon the completion of any work performed by an Owner for which approval was required, the Owner shall give written notice of completion to the Architectural Review Committee. If the Owner fails to give notice of completion of work performed for which approval was required, the Architectural Review Committee may proceed upon its own motion.

9.08.2 Within sixty (60) days the Architectural Review Committee shall inspect the work performed and determine whether it was performed in substantial compliance with the approval granted. If the Architectural Review Committee finds that the work was not performed in substantial compliance with the approval granted or if the Architectural Review Committee finds that the approval required was not obtained, the Architectural Review Committee shall notify the Owner in writing of the non-compliance and shall require the Owner to remedy the non-compliance.

9.09 Failure to Remedy the Non-Compliance. If the Architectural Review Committee had determined that an Owner has not constructed an Improvement consistent with the specifications of the approval granted and if the Owner fails to remedy such non-compliance in accordance with the provisions of the notice of non-compliance, then after the expiration of thirty (30) days from the date of such notification, the Board shall provide Notice and Hearing to consider the Owner's continuing non-compliance. At the Hearing, if the Board finds that there is no valid reason for the continuing non-compliance, the Board shall then require the Owner to remedy or remove the same within a period of no more than forty-five (45) days from the date of the Board's determination. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board may either remove the non-complying Improvement or remedy the non-compliance. The costs of such action shall be assessed against the Owner as a Reimbursement Assessment.

9.10 Waiver. Approval of any plan, drawings, or specifications for any work proposed or for any other matter requiring approval, shall not be deemed to constitute a waiver of any right to deny approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

9.11 Estoppel Certificates. Within thirty (30) days after written demand is delivered to the Architectural Review Committee by an Owner, the

Architectural Review Committee shall record an estoppel certificate, executed by any two (2) Directors, certifying that as of the date thereof, either

- (a) The work completed complies with this Declaration, or
- (b) The work completed does not comply.

In the latter situation, the certificate shall also identify the particulars of the non-compliance. Any successor in interest of the Owner shall be entitled to rely on the certificate with respect to the matters set forth. The certificate shall be conclusive as between the Association, Declarant, and all Owners and such persons deriving any interest through any of them.

9.12 Liability. If the Committee has acted in good faith on the basis of such information possessed by them, neither the Architectural Review Committee nor any Director shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed due to

- (a) The approval or disapproval of any plans, drawings and specifications, whether or not defective;
- (b) The construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications;
- (c) The development of any property within the Subdivision; or
- (d) The execution and filing of any estoppel certificate, whether or not the facts therein are correct.

9.13 Non-Applicability to Declarant. The provisions of this Article shall not apply to any Lot owned by Declarant or prior to his first conveyance of a Lot to an Owner.

ARTICLE 10

FIRST RIGHT OF REFUSAL TO BROKER

10.01 The Declarant hereby reserves for itself and for its affiliated companies the right of first refusal to provide brokerage services for any Lot Owner desiring to sell his Lot or to sell or lease his residence when completed. Any Owner so desiring to obtain the services of a real estate broker must first offer Declarant's related brokerage companies the right to provide these services upon terms and conditions similar to those prevailing in the industry. If Declarant's related brokerage does not desire to exercise this right, then Declarant's brokerage company shall provide the owner with a written

waiver of such right. This Article is not intended to act as a restraint of trade and if determined by a competent court to be so, will automatically be considered void; but in no event will Declarant be liable under any so-called restraint of trade law, nor will any other provision of this Declaration be affected.

ARTICLE 11

GENERAL

- 11.01 Severability. The invalidation in whole or in part of any section, subsection, sentence, clause, phrase, word or other provision of this Declaration shall not affect the validity of the remaining portions that shall remain in full force and effect.
- 11.02 Rule against Perpetuities. In the event any court shall hereafter determine that any provisions as originally drafted herein shall violate the rule against perpetuities, the period specified in this Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rules of the law.
- 11.03 Arbitration. Any dispute hereunder shall be submitted to arbitration under the rules of the American Arbitration Association or its successor in effect at the time a demand for arbitration is made. Any decision in arbitration may be filed in the Office of the Clerk, York County Superior Court, as a judgment, and shall be exclusive, final, and binding on the parties to the arbitration.

ARTICLE 12

RIGHTS AFFORDED LOT OWNERS AND INSTITUTIONAL LENDERS

- 12.01 Availability of Documents. The Association shall be required to make available to Owners and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, Articles, By-Laws, or other rules concerning the Subdivision and the books, records, and financial statements of the Association. "Available" means available for inspection, upon request, during normal hours or under other reasonable circumstances.

Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of

- (a) Any condemnation loss or any casualty loss which affects a material

portion of the project or any Lot on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days; or

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

12.03 Rights of Mortgagees. A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance by the Individual Owner of any obligation under the Declaration which is not cured within sixty (60) days. In addition, first mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may be or have become a charge against any Common Property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Property, and first mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this first day of October, 2006.

WITNESS: PHN HOMES, LLC

_____ By _____
Joan Satter, Manager

STATE OF MAINE
COUNTY OF YORK

The foregoing Declaration of Covenants, Restrictions, Easements, Charges, and Liens for 64 Pine Hill Road North, a Subdivision, was acknowledged before me this first day of October, 2006, by Joan Satter, Manager of PHN Homes, LLC.

Justice of the Peace/Notary Public

Exhibit 1

A certain lot or parcel of land situated on the westerly side of Pine Hill Road North, in York, County of York, and State of Maine, and being that parcel demarked as "AREA = 15.443 Acres" on "Standard Boundary Survey for Aaron Keehn, Pine Hill Road North, York, Maine" prepared by Anderson Livingston, Inc., dated July 1992 and recorded in the York County Registry of Deeds in Plan Book 209, Page 18.

Excepting and reserving that portion of the above-described premises taken by the State of Maine by its Department of Transportation, by Notice of Layout and Taking dated July 20, 1992, and recorded in the York County Registry of Deeds in Book 6186, Page 276.

Subject to all matters shown on said plan.

Also conveying (to the extent, if any, not shown on the previously referenced plan) all of that certain lot or parcel of land situated on the westerly side on Pine Hill Road North, in York, County of York, and State of Maine, and being that parcel identified in the perimeter description of "Subdivision Plan 64 Pine Hill Road North, York, Maine, for PHN Homes, LLC," prepared by Attar Engineering, Inc., dated February 15, 2005, revised through March 13, 2006, and recorded in said Registry in Plan Book 309, Page 18.