

Diamond Cove Homeowners Association
Diamond Cove, Great Diamond Island

June 1, 2014

Dear **Renter**:

Diamond Cove Homeowners Association (“**DCHA**”), and the owners of property at, and renters and their respective families and overnight guests and day visitors at, Diamond Cove, are subject to certain covenants and restrictions set forth in the so-called “**DCHA Declaration**,” and certain rules and regulations that govern (1) the rental of residential property at Diamond Cove (the “**DCHA Rental R&R**”) and (2) pets at Diamond Cove (the “**DCHA Pet R&R**”).

In order to **assist renters** and the other members of a renter family and the overnight guests and day visitors of a renter family (collectively, the “**renter group**”) to understand their rights and obligations while at Diamond Cove, DCHA has prepared a *redacted version* of (a) the DCHA Declaration (the “**Redacted DCHA Declaration**”), (b) the DCHA R&R (the “**Redacted DCHA Rental R&R**”), and (c) the DCHA Pet R&R (the “**Redacted DCHA Pet R&R**”), each of which contains solely the provisions that *govern members of the renter group* and/or certain related rights and obligations of the renting homeowner, the family of the renting homeowner and the overnight guests and day visitors of such family and DCHA.

The Redacted DCHA Declaration is attached as **Attachment I**.

A brief headline outline of certain of some of the principal provisions of the Redacted DCHA Rental R&R is set forth below.

***Headline Outline of Certain Principal Provisions
of the
Redacted DCHA Rental R&R***

1. A Renting Homeowner is Required to Deliver to the Renter a Copy of the Redacted DCHA Rental Governing Documents.¹ *See Paragraph 1(a) of the Redacted DCHA Rental R&R.*

¹ The Redacted DCHA Declaration, Redacted DCHA Rental R&R, Redacted DCHA Pet R&R and the DCHA Standard Lease collectively comprise the “DCHA Rental Governing Documents”.

2. A Renter is Legally and Financially Responsible and Liable for All Violations of the Redacted DCHA Rental Governing Documents by, and/or All Other Acts and Omissions of, the Other Members of the Renter Group. *See Paragraph 2 of the Redacted DCHA Rental R&R.*

3. A Renting Homeowner is Legally and Financially Responsible and Liable for All Violations of the Redacted DCHA Rental Governing Documents by, and/or All Other Acts and Omissions of, the Renter Group. *See Paragraph 3 of the Redacted DCHA Rental R&R.*

4. Rental Homes May Not Be Used to Conduct a Business, Trade or Profession. *See Paragraph 4 of the DCHA Rental R&R.*

5. Overnight Occupancy is Limited to Two (2) Persons Per “Permissible Bedroom”. *See Paragraph 5 of the DCHA Rental R&R.*

6. No More Than Six (6) Day Visitors at Any Time. *See Paragraph 6 of the Redacted DCHA Rental R&R.*

7. Three (3) Day Minimum Rental Period in June, July and August. *See Paragraph 7 of the Redacted DCHA Rental R&R.*

8. Lease Processing/ Impact Fee Payable to DCHA of Five Percent (5%) of Gross Rent. *See Paragraph 8 of the Redacted DCHA Rental R&R.*

9. A Renter is Required to Pay a Rental Security Deposit in a Specified Minimum Amount. *See Paragraph 9 of the Redacted DCHA Rental R&R.*

10. Solely Domestic Pets (Including One (1) Dog) Permitted. *See Paragraph 10 of the Redacted DCHA Rental R&R and the Redacted DCHA Pet R&R.*

11. A Renter Holding a Valid Driver’s License May Use a Renting Homeowner’s Golf Cart (With the Written Permission of the Renting Homeowner). *See Paragraph 11 of the Redacted DCHA Rental R&R.*

12. The Renter and the Renting Homeowner Must Sign and Deliver to DCHA the DCHA Standard Lease. *See Paragraph 13 of, and Attachment II to, the Redacted DCHA Rental R&R.*

13. Violations by a Member of a Renter Group of the Redacted DCHA Rental R&R Will Result in the Imposition by DCHA of Substantial Fines on, Provide DCHA with Other Remedies Against, the Renter. *See Paragraph 15(a) of the Redacted DCHA Rental Rules and Regulations.*

14. The DCHA Board of Directors Has the Right to Enforce the DCHA Rental Governing Documents. *See Paragraph 1(c) of the Introduction of the Redacted DCHA Rental R&R.*

15. Rental Procedures. *See Paragraph 16 of the Redacted DCHA Rental R&R.*

*The foregoing is merely a headline outline of some of the principal provisions of the DCHA Rental Governing Documents (other than the DCHA Standard Lease and the Redacted DCHA Pet R&R), and the **actual text** of the DCHA Rental Governing Documents shall take precedence over such headline outline and shall govern DCHA (and its members and such members' families and their respective overnight guests and day visitors) and a renter (and such renters' family, overnight guests and day visitors). In addition, to the extent that the actual text of DCHA Rental Governing Documents differ from the actual text reflecting them that is contained in the DCHA Standard Lease, the actual text in the latter shall take precedence.*

The portion of the Redacted DCHA Rental R&R entitled "Certain Diamond Cove Homeowners Association Rental Rules and Regulations" is attached as **Exhibit A**. Please read such Rules and Regulations carefully, among other reasons, because, *once again*, a renter will be **responsible and liable** for the compliance with them by all members of the renter group.

It is our hope that everyone at Diamond Cove will have a wonderful and safe vacation at Diamond Cove.

Sincerely, The Diamond Cove Homeowners Association Board of Directors

***End of Headline Outline of Certain Principal Provisions
of the
Redacted DCHA Rental R&R***

EXHIBIT A

DIAMOND COVE HOMEOWNERS ASSOCIATION

RENTAL RULES AND REGULATIONS

(AS REDACTED FOR RENTERS)

June 1, 2014

Introduction

1. Diamond Cove Homeowners Association Governing Documents.

(a) DCHA and all of its members are governed by the DCHA Declaration, and any and all Rules and Regulations promulgated by DCHA through its Board of Directors (the “**Board**”), including the “DCHA Pet Rules and Regulations”. However, the Board has created a redacted version of the DCHA Declaration which contains solely the provisions determined by the Board to be applicable to and govern the rental of homes at Diamond Cove (each, a “**Rental Home**”) and (i) (A) any and all renters of the Rental Home (collectively, the “**Renter**”), (B) the members of the family of the Renter (the Renter and such family members, collectively, the “**Renter Family**”) and (C) the overnight guests and day visitors of the Renter Family (the Renter Family and such guests and visitors, collectively, the “**Renter Group**”), (ii) the owner(s) of the Rental Home (collectively, the “**Renting Homeowner**”), the other members of the family of the Renting Homeowner (the Renting Homeowner and such family members, collectively, the “**Renting Homeowner Family**”) and the overnight guests and day visitors of the Renting Homeowner Family (the Renting Homeowner Family and such overnight guests and/or visitors, collectively, the “**Renting Homeowner Group**”) and (iii) DCHA (the “**Redacted DCHA Declaration**”). The Redacted DCHA Declaration is set forth in Attachment I hereto.

(b) The Redacted DCHA Declaration and such Rules and Regulations (including, without limitation, the “DCHA Standard Lease” and any other standard form agreements required thereby) are hereby incorporated by reference into, and comprise a part of, the “**Redacted DCHA Rental Rules and Regulations**”.

(c) The Board and/or its designee(s), including the Diamond Cove Property Manager (the “**Property Manager**”), shall have the power and authority to interpret and enforce the Redacted DCHA Rental Rules and Regulations.

2. **Right to Rent.** A Renting Homeowner may rent such Homeowner’s Rental Home:

(a) through The Great Diamond Rentals Program (the “**Rental Program**”), which is currently operated by Great Diamond Rentals, LLC, or otherwise indirectly through any other person or agent of such Homeowner (the “**Rental Agent**”), or

(b) **directly** by such Homeowner.

3. **Definition of Rental, Etc.**

(a) A Homeowner will be deemed to be renting such Homeowner’s home and, thereby, to be a “Renting Homeowner” and have a “Rental Home” where such Homeowner permits any person(s) to stay overnight in such Homeowner’s home in exchange for **anything of monetary value** (e.g., cash or its equivalent, goods, services and/or any combination).

(b) If any such overnight stay(s) are in exchange for any consideration (other than cash or its equivalent), the Board, in its sole and absolute discretion, shall have the right to determine the fair market value of the other consideration provided for the use of the Rental Home, including by reference to the amounts received for prior rentals of such Rental Home or, in the absence of same, of substantially equivalent Rental Homes. The term “**rent,**” as used in the Redacted DCHA Rental Rules and Regulations, shall include the value of consideration (other than cash and cash equivalents) determined in accordance with the foregoing.

4. **Applicability of the DCHA Rental Rules and Regulations.**

(b) A Homeowner’s home shall not be considered to be rented to a family member, friend or business associate of a Homeowner where any of such persons stay overnight in such Homeowner’s home, whether or not a Homeowner

is present, except where such friend or business associate pays rent or provides other consideration of monetary value to such Homeowner for such stay (in which case, such persons shall be considered a “Renter” hereunder).

However, even where a friend or business associate is not considered a “Renter” pursuant to the immediately preceding sentence, the DCHA Rental Rules and Regulations (other than the provisions in **Paragraphs 6, 7, 8, 9, 10** (but the Redacted DCHA Pet Rules and Regulations will be applicable to such persons), **11, 12, 13, 14** and **16** under “Certain Specific DCHA Rental Rules and Regulations” below) shall be applicable to all such persons as though they were “Renters”.

Certain Specific DCHA Rental Rules and Regulations

1. Renting Homeowner to Provide Redacted DCHA Rental Rules and Regulations to Renter and Related Matters.

(a) **Renting Homeowner Provision of Redacted DCHA Rental Rules and Regulations**. A Renting Homeowner will be responsible for bringing to the attention of, and *providing* to, each Renter a *copy of the so-called Redacted DCHA Rental Rules and Regulations (including the Redacted DCHA Declaration)*, whether in hard or soft copy, including via access to the DCHA Website, and informing the Renter that such Renter should do the same with respect to all of the members of the Renter Group.

(b) **Renter Obligation to Acknowledge Receipt and Understanding**. The Renter will be required to acknowledge the receipt and understanding of the such Rules and Regulations, as well as the power and authority of the Board and, its designee(s), including the Property Manager, to interpret and enforce such Rules and Regulations.

2. **Renter Responsibility and Liability for the Renter Group**. A Renter will be responsible and liable to DCHA (and/or any and all of its members) for, and will indemnify and hold harmless DCHA (and/or any and all of its members) from and against, any and all:

(a) *violations* of the Redacted DCHA Rental Rules and Regulations by any and all members of the Renter Group,

(b) other *acts and omissions* by any and all members of the Renter Group,

(c) *fin*es and other charges imposed by DCHA on the Renter and/or any of the other members of the Renter Group arising out of any and all violations of the Redacted DCHA Rental Rules and Regulations by any and all of them,

(d) *damages* (including property damages) incurred and/or sustained by DCHA (and/or any and all of its members) arising out of any such violations and/or other acts and omissions by any and all members of the Renter Group,

(e) *collection and other costs and expenses* incurred and/or sustained by DCHA (and/or any of its members) arising out of any such violations and/or other acts and omissions by any and all members of the Renter Group,

(f) (i) *claims, actions, suits and/or proceedings* by any and all members of the Renter Group against DCHA (and/or any and all of its members) arising out of the use of the common properties at Diamond Cove by any and all members of the Renter Group and (ii) any and all *damages, losses, liabilities, costs and expenses* (including attorneys' fees and expenses) incurred and/or sustained by DCHA (and/or any and all of its members) arising from any and all of the foregoing or otherwise related to such use, and

(g) (i) *claims, actions, suits and/or proceedings* by any and all members of the Renter Group against DCHA (and/or any and all of its members) arising out of the entry into any and all of the abandoned buildings, batteries and other structures at Diamond Cove by any and all members of the Renter Group and (ii) any and all *damages, losses, liabilities, costs and expenses* (including attorneys' fees and expenses) incurred and/or sustained by DCHA (and/or any and all of its members) arising from any and all of the foregoing or otherwise related to such buildings, batteries and structures,

in each case except for any such fines, charges, damages, costs, and expenses described in **subparagraphs (c), (d) and (e)** that are covered by the DCHA Pet Rules and Regulations.

(g) *DCHA shall be entitled (i) to collect* any and all of the fines, charges, costs, expenses and damages described in **Paragraphs 2(c) through (e)** above and (ii) (A) *to seek recourse* for any and all claims, actions, suits and proceedings and (B) to collect any and all damages, losses, liabilities, costs and expenses, in each case as described in **Paragraphs 2(f) and (g)** above, directly from the Renter, without having to seek recourse against any other member of the Renter Group or the Renting Homeowner.

3. **Renting Homeowner Responsibility and Liability for the Renter Group**

(a) **Renter Group.**

(i) A renting homeowner will be *responsible and liable to DCHA (and/or any and all of its members) for, and will indemnify and hold harmless DCHA (and/or any and all of its members)* from and against, any and all of the matters described in **Paragraphs 2(a)** through **(e)** above.

(ii) *DCHA shall be entitled (i) to collect* any and all of the fines, charges, damages, costs and expenses described in **Paragraph 2(c)** through **(e)** above and (ii) (A) *to seek recourse* for any and all claims, actions, suits and proceedings and (B) to collect any and all damages, losses, liabilities, costs and expenses, in each case as described in **Paragraphs 2(d)** and **(e)** above, *directly from the renting homeowner*, without having to seek recourse against the renter or any other member of the renter group.

(c) The declaration of any and all of the violations and/or other acts and omissions described in **Paragraph....(2)(a)** above will require the attestation by (i) the Property Manager, whether via a resident assistant or other representative of the Property Manager, or (ii) the Security Officer.

4. **Limitations on Use of Rental Homes.** All Rental Homes must be used solely as a private single family residence and not for the purpose of carrying on any business, profession or trade.

5. **Limitation on Occupancy.** The maximum overnight occupancy of a Rental Home shall be determined by the number of **permissible bedrooms** in such Home in that there may be **no more than two (2) overnight occupants per permissible bedroom.**

6. **Limitation on Visitors.** The number of permitted daytime visitors shall not exceed **six (6)** at any one time.

7. **Minimum Rental Period.** The minimum rental period shall be **three (3) days** for **June, July and August**. No minimum rental period is required for other months.

8. **Rental Fee.**

(a) A Renting Homeowner must pay, or cause the Renter to pay, to DCHA a fee for the rental of such Homeowner's Rental Home in consideration of the processing of the DCHA Standard Lease (and related documents) by the Property Manager and the impact of such rental on the resources of DCHA, which fee shall equal five percent (5%) of the gross rent (exclusive of any security deposits payable by the Renter, any lodging taxes payable to the State of Maine and any cleaning fee payable by the Renter) that is charged by such Homeowner for such rental (the "**Rental Fee**").

9. **Rental Security Deposit.**

(a) A Renting Homeowner will continue to be required to obtain from each Renter a security deposit covering the obligations of such Renter to such Homeowner and, at the discretion of such Homeowner, to certain of the obligations of such Renter to DCHA (and/or its members) (the "**Rental Security Deposit**").

(b) The Rental Security Deposit shall be in an amount equal to no less than the greater of \$500, ten percent (10%) of the gross rental amount (exclusive of the Rental Fee, any lodging taxes payable to the State of Maine and any cleaning fee payable by the Renter) or such other greater amount as may be specified by such Homeowner.

(c) The Rental Security Deposit is required to be delivered to and held by the Renting Homeowner or the Rental Agent, as applicable.

(d) The Renting Homeowner, in his/her/their/its discretion, shall be entitled to apply the Rental Security Deposit against (i) damages to the Renting Homeowner's home and other property, and (ii) fines, charges, damages, costs and expenses imposed, incurred and/or sustained by DCHA (and/or any and all of its members) set forth in **Paragraphs 2(c), (d) and (e)** above arising out of the violations and/or other acts and omissions described in such Paragraph of any and all members of the Renter Group, in the order of priority set forth therein, in each

case except any and all such fines, charges, damages, costs and expenses that are covered by DCHA Pet Rules and Regulations.

(e) The Rental Agent, in his/her/their/its discretion, shall be entitled to apply the Rental Security Deposit against (i) damages to the Renting Homeowner's home, and (ii) *with the written permission of the Renting Homeowner*, fines, charges, damages, costs and expenses imposed, incurred and/or sustained by DCHA (and/or any and all of its members) set forth in **Paragraphs 2(c), (d) and (e)** above arising out of the violations and/or other acts and omissions described in such Paragraph of any and all members of the Renter Group, in the order of priority set forth therein, in each case except any and all such fines, charges, damages, costs and expenses that are covered by DCHA Pet Rules and Regulations.

10. **Domestic Pet Rights and Requirements**. A Renting Homeowner may permit a Renter to have domestic pets (birds and cats and **solely one (1) dog**) that are owned by the Renter Family at the Rental Home, subject to delivery to the Property Manager of a written and signed statement by such Homeowner to such effect and the compliance by the Renter with the pre-arrival pet registration (including, in the case of a dog, the delivery of a rabies vaccination certificate) and other requirements of the Redacted DCHA Pet Rules and Regulations. However, *no other person* (i.e., overnight guest or day visitor) in the Renter Group will be so entitled.

11. **Use of Golf Carts**.

(a) A Renter will be permitted to use the Renting Homeowner's golf cart, subject to the written approval of the Renting Homeowner.

(b) A Renting Homeowner's golf cart may only be driven by a member of the Renter Family (and no other person in the Renter Group) who holds a **valid driver's license**.

(c) In the event that **three (3) or more complaints** against a Renter Group for violations of the foregoing golf usage DCHA Rental Rules and Regulations are made to the Property Manager or the Security Officer, a Renting Homeowner's right to permit a Renter Family to use a golf cart may be suspended

by the Board for a period determined by the Board, in each case in its sole and absolute discretion.

12. **Assumption of Risks.** Renters will be required to acknowledge and agree that they have familiarized themselves with the common and other properties that comprise Diamond Cove (including, without limitation, the abandoned buildings, batteries and other structures) and assume the risk of the use of such properties by the entire Renter Group and agree to indemnify and hold harmless DCHA (and its members) and the Renting Homeowner from any damages, losses, liabilities, costs and expenses incurred and/or sustained by any member of the Renter Group arising out of such properties.

13. **Lease Agreement.**

(a) A Renting Homeowner and a Renter will be required to execute and deliver to the Property Manager the applicable standard form lease attached as **Attachment II** (the “DCHA Standard Lease”).

(b) The Property Manager will not accept any modifications to such standard form *except (i) the terms governing the amount payable by the Renter pursuant to Paragraph 6 (Termination by Agent or Lessor, as Applicable, Before Commencement of the Rental Term) and Paragraph 7 (Termination by Lessee Before Commencement of the Rental Term) and (ii) as to other provision, only in extraordinary circumstances* and, in such case, the approval of a member of the Board who does not have a conflict of interest will be required.

15. **Fines for Violations of the Redacted DCHA Rental Rules and Regulations.**

(a) **Violations by the Renter Group.**

(i) In the event of the **violation** of any of the Redacted DCHA Rental Rules and Regulations by any member of a Renter Group, *which violation is **not curable***, fines will be imposed on the applicable renter in accordance with the following:

- 1st violation:** \$100 fine,
- 2nd violation:** \$250 fine, and
- 3rd violation:** and thereafter: \$500 fine.

(ii) In the event of the violation of any of the Redacted DCHA Rental Rules and Regulations by any member of a Renter Group, *which violation is curable* (e.g., “Limitation on Occupancy”), fines will be imposed on the applicable Renter in accordance with the following:

1st violation: \$100 fine, and

ongoing violation: if the Renter does not cure such violation within 24 hours after written notice is sent by the Property Manager (or other designee of DCHA) to the Renting Homeowner and delivered to the Rental Home addressed to the Renter, a fine of \$200 will be imposed on such Renter for each day (or part) that such violation continues.

This **subparagraph (ii)** shall be applied separately to each manner of violation of the Redacted DCHA Rental Rules and Regulations and shall be applied cumulatively with respect to all applicable manners of violation.

(iii) Notwithstanding the imposition on the Renter of any fine under the immediately preceding **subparagraphs (i) and (ii)**, as between DCHA and the Renting Homeowner, the Renting Homeowner shall be responsible and liable for the payments of such fine(s).

(c) **Violations That Constitute Violations of Both the DCHA Rental Rules and the DCHA Pet Rules and Regulations.** In the event any such violation is of both the Redacted DCHA Rental Rules and Regulations and the Redacted DCHA Pet Rules and Regulations, the fines and other remedies prescribed by the latter shall take precedence.

16. **Rental Procedures.**

(a) **Single Point of Contact.** The single point of contact for rentals of homes at Diamond Cove shall be the Property Manager. The Property Manager will, from time-to-time, designate one of its employees or individual independent contractors to be the contact person for both Renting Homeowners and Renters (the “**Property Manager Contact**”).

The contact information for the Property Manager is as follows:

Diamond Cove:

(On-Site Assistance Only)

Phoenix Management Company
Administration Building
Diamond Cove
Great Diamond Island, ME 04109
Attn: **Roger Shoemaker**
Phone: 207-766-5804
Fax: 207-766-5804

Main Office:

(Delivery of Leases, Rental Fee Checks and Contact for Questions)

Phoenix Management Company
40 Water Street
Saco, ME 04074
Attn: Michelle Bellino
Phone: 207-571-3061
Fax: 207-571-3066

(b) Pre-Rental Requirements.

(ii) A Renting Homeowner **must deliver** to the Property Manager with respect to ***each rental***, in each case ***at least five (5) days*** before the rental is to begin, a fully executed copy of the DCHA Standard Lease for approval in writing by the Property Manager. The Property Manager will not approve any modifications to the DCHA Standard Lease *except (i) the terms governing the amount payable by the Renter pursuant to Paragraph 6 (Termination by Agent or Lessor, as Applicable, Before Commencement of the Rental Term) and Paragraph 7 (Termination by Lessee Before Commencement of the Rental Term) and (ii) as to other provision, only in extraordinary circumstances* and, in such case, the approval of a member of the Board who does not have a conflict of interest will be required.

The Property Manager will approve or disapprove of such Lease within three (3) days after receipt.

(iii) The Renting Homeowner will, or will require a designated agent of such Homeowner (the “**Renting Homeowner Designated Agent**”), which may be the Rental Agent, to provide to the Property Manager in writing the **names** of all of the members of the Renter Group *on or before the day that the rental is to begin*.

(iv) The Renting Homeowner will, or will require the Renting Homeowner Designated Agent, to meet the Renter at the Diamond Cove Dock and introduce the Renter (and the other members of the Renter Group) to a Property Manager Contact and the Security Officer.

(v) The Renting Homeowner will, or will require the Renting Homeowner Designated Agent to, make clear to the Renter that the Renter will not be permitted to stay at Diamond Cove unless and until the foregoing conditions have been satisfied.

(vi) A DCHA Standard Lease shall not be deemed effective and permit a possible Renter to stay at Diamond Cove unless and until **ALL** of the foregoing occur the DCHA Standard Lease has been approved by the Property Manager.

(vii) The ***Renting Homeowner is responsible*** for contacting the Property Manager to confirm whether and when the conditions in subparagraphs (b)...(ii), (iii) and (iv) have been satisfied.

Accordingly, it is strongly suggested that a Renting Homeowner comply with all of the foregoing at least seven (7) days before the scheduled arrival date of the Renter.

(ix) The Property Manager will maintain a list of the names of the Renting Homeowners who have met the Pre-Rental Requirements and their respective Rental Homes and the names of their respective Renters and other members of the Renter Group (the “**Authorized Renters List**”).

(x) If any person(s) arrive at Diamond Cove and are not on the Authorized Renters List, and the Property Manager or the Security Officer determines that such person(s) constitute “members of the Renter Group,” the Property Manager may deny such person(s) access to the applicable “Rental Home” or send the applicable Homeowner a letter stating that (A) such persons

have arrived, (B) the Property Manager or the Security Officer has determined that such person(s) constitute members of the Renter Group and the basis for such determination, (C) such person(s) have been given such access and (D) the provisions under “Fines for Violations of the DCHA Rental Rules and Regulations,” as applicable to the Renting Homeowner, have become applicable.

(c) Rental Period Procedures.

(i) If the Property Manager or the Security Officer determines that any person(s) who arrive at Diamond Cove are not on the Authorized Renters List and constitute “members of the Renter Group,” the Property Manager will follow the procedures described in the immediately preceding **subparagraph (b)(x)**.

(ii) The Property Manager or the Security Officer will provide written notice to the Renting Homeowner of any violation of the Redacted DCHA Rental Rules and Regulations (including any provision of the DCHA Standard Lease that contains any of such Rules and Regulations), and/or any other act and omission, byany member of the Renter Group, and any associated fine and/or other charge imposed or to be imposed, any damages (including property damages) incurred and/or sustained by DCHA (and/or any of its members), as well as an estimate of any costs and expenses arising out of any such violation and/or other act and omission.

(c) Post-Rental Procedures.

(i) The Property Manager shall determine whether any fines have been imposed on any member of the Renter Group, as well as whether any damages (including property damages), costs and expenses have been incurred and/or sustained by DCHA (and/or any of its members) due to any such violation, act, and/or omission. The Property Manager, as agent of DCHA, will provide a written notice to the Renting Homeowner of any and all of the foregoing. The DCHA Standard Lease, as among, DCHA, the Renting Homeowner and the Renter, contains the rights and remedies of DCHA and the Renting Homeowner, with respect to the foregoing.

General DCHA Rental Rules and Regulations

1. Notwithstanding the assignment of responsibility and liability to a member of a Renter Group under the Redacted DCHA Rental Rules and Regulations, or, if applicable, the Redacted DCHA Pet Rules and Regulations, the related Renter shall be responsible and liable to DCHA for any acts, omissions and/or violations by any such other member and, as between DCHA and such Renter, the *primary obligor* to DCHA therefor, and the Board, in the exercise of its sole and absolute discretion, may demand payment directly from such Renter in respect of such violations and/or other acts and omissions simultaneously with, or in lieu of, the pursuit of payment from any such other member.

3. In the event of any conflict between any provision (including, without limitation, the fine and/or remedy provisions) of the Redacted DCHA Rental Rules and Regulations with respect to pets, and any of the provisions of the DCHA Pet Rules and Regulations, the Redacted DCHA Pet Rules and Regulations shall take precedence and govern, including any pet-related fine schedule in the Redacted DCHA Pet Rules and Regulations. Notwithstanding the foregoing a pet-related violation of the Redacted DCHA Rental Rules and Regulations shall constitute a violation of the Redacted DCHA Pet Rules and Regulations and *vice-versa*.

4. Any *fine* imposed under the Redacted DCHA Rental Rules and Regulations shall be *payable within 10 days* after the date of the letter or written notice or warning or other writing is sent by or on behalf of DCHA and, in the event the fine is not paid by its due date, interest at the rate of eighteen percent (18%) per annum shall accrue from the date that such letter, notice, warning or other writing was sent.

5. Except as otherwise expressly stated in the Redacted DCHA Rental Rules and Regulations, any letter or written notice or warning or other writing that is contemplated to be sent by or on behalf of DCHA (whether by the Property Manager, the Security Officer or the Board or any member thereof) shall be sent via regular mail to the person or entity that is supposed to receive it at the address on record at the Property Manager Office (if any), placed in any mailbox that such person or entity has at Diamond Cove and placed at or near the entrance to the residence at Diamond Cove that is owned, being visited by, or being rented by, such person or entity. Notwithstanding any obligation in the Redacted DCHA Rental Rules and Regulations to provide a person with a letter or written notice or

warning or other writing, DCHA shall have the right to impose fines and pursue any and all of its other rights and remedies, pursuant to the Redacted DCHA Rental Rules and Regulations or otherwise, without having to prove that such person actually received any such letter, notice or warning or other writing and irrespective of whether or not such person did receive same.

6. Except as otherwise expressly stated in the Redacted DCHA Rental Rules and Regulations, any letter or written notice or other writing (or any copy of the foregoing) required or suggested to be sent by any Renter, Renting Homeowner or other person to the Property Manager or the Board (or any member of the Board) pursuant to the Redacted DCHA Rental Rules and Regulations may be sent to Roger Shoemaker at rshoemaker@phoenixmanagementcompany.com or hand delivered to the Property Manager Office maintained in the DCHA Administration Building.

CONFLICT BETWEEN THE DCHA RENTAL RULES AND REGULATIONS AND OTHER DCHA GOVERNING DOCUMENTS

In the event of a conflict between any provision (including, without limitation, the fine and/or remedy provisions) of the Redacted DCHA Rental Rules and Regulations, and any of the provisions of the Redacted DCHA Declaration, the Redacted DCHA Declaration shall take precedence and govern. However, nothing in the Redacted DCHA Rental Rules and Regulations shall be viewed as restricting or limiting any or all of the rights and remedies of DCHA under the Redacted DCHA Declaration or any other documents that govern DCHA (and its members) (except as expressly set forth herein), and the rights and remedies stated herein and those in the aforementioned documents shall be considered cumulative.

Should you have any questions, please contact:
Michelle Bellino @ 207-571-3061 or via e-mail @
mbellino@phoenixmanagementcompany.com

or

Aaron Bateman@ 207-571 3061 or via e-mail @
abateman@phoenixmanagementcompany.com

ATTACHMENT I

REDACTED AMENDED AND RESTATED GENERAL DECLARATION OF COVENANTS AND RESTRICTIONS (DATED DECEMBER 23, 1993, AS AMENDED)

1. DECLARATION PURPOSES:

1.1 General Purposes: ... Diamond Cove Homeowners Association (the “**Association**”) is the owner of certain real property located in Great Diamond Island in Portland, Cumberland County, Maine, and desires to create therein a residential community.

Association desires to provide for the reservation of the values and amenities in said community and desires to subject the real property described in **Article 3** to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof. Among the values that ...the Association desires to preserve is the scenic character of Great Diamond Island. ...The Association also desires to establish a homeowners association as a method for the administration, maintenance, preservation, use and enjoyment of the real property described in **Article 3**.

1.2 Declaration: To further the general purposes herein expressed, ...the Association, for itself and its successors and its successors and assigns, hereby declares that all real property hereinafter described in **Article 3**, whether or not referred to in any deed of conveyance of such properties, at all times is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as “**covenants and restrictions**”) hereinafter set forth.

2. DEFINITIONS: The following words and terms when used in this Declaration or any supplemental declaration, and whether or not capitalized (unless the context indicates otherwise), shall have the following meanings:

2.1 “Association” shall mean the Diamond Cove Homeowners Association, a Maine non-profit corporation with a place of business at Great Diamond Island, Portland, Maine.

2.2 “Board” or “Board of Directors” shall mean the duly appointed or elected Board of Directors of the Association.

2.3 “Bylaws” shall mean the duly adopted bylaws of the Association, including any amendments thereto as may be adopted from time to time.

2.4 “Commercial Lot” shall mean Lots 29, 32, 34, 69 and 70 as shown on the Phase I Plan (as hereinafter defined).

2.5 “Common Expenses” shall mean the actual and estimated expenses of operating the Association, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board of Directors pursuant to this Declaration and the Bylaws of the Association.

2.6 “Common Properties” shall mean and refer to any real property, and improvements or portions of improvements thereon, within the properties which are not lots, and any personal property or equipment conveyed to the Association.

2.8 “Dwelling” shall mean and refer to any residential structure or any building or any part thereof designed and intended for use and occupancy as a residence by a single family whether it is a condominium unit, a rental apartment or a single family house.

2.11 “Lot” shall mean and refer to the individual lots indicated on the Phase I and Phase II Plans (as hereinafter defined). In the event that any sidewalk, pathway or roadway encroaches, now or in the future, on any lot, an easement for such encroachment exists.

2.12 “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title, or that estate or interest which is most nearly equivalent to a fee simple title, to any lot situated upon the properties, but shall not mean or refer to any mortgage holder thereof unless and until such holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

2.13 “Properties” shall mean and refer to the real estate described in Section 3.1 hereof.

2.14 “Residential Lot” shall mean all the lots shown on the Phase I and Phase II Plans except commercial lots.

2.15 “Single Family” shall mean one or more persons, each related to the other by blood, marriage or adoption, or a group of not more than four (4) persons not all

so related, together with his or their domestic servants, maintaining a common household in a dwelling.

2.17 “Structure” shall mean anything erected or constructed, the use of which requires more or less permanent location on or in the ground, or attached to something having a permanent location on or in the ground. A sign or other advertising device, attached or projecting, shall be construed to be a separate structure.

3. PROPERTIES: ...

3.1 Properties: The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located on Great Diamond Island in Portland, Cumberland County, Maine and is more particularly described in Exhibit A attached hereto and by this reference made a part hereof as fully as though recited in this **Section 3.1**. The property is also shown on the following plans:

(a) Plan showing Phase I of the Diamond Cove project (“Phase I”) entitled “Diamond Cove, Great Diamond Island, Portland, Maine, Plan of Diamond Cove” dated September 27, 1989, consisting of seven sheets, recorded in the Cumberland County Registry of Deeds in Plan Book 181, Page 36, as amended by plan dated August 30, 1990 and recorded in said Registry of Deeds in Plan Book 187, Page 37 (the “**Phase I Plan**”); and

(b) Plan showing Phase II of the Diamond Cove project (“Phase II”) entitled “Amended Recording Plat, Diamond Cove Phase II, Great Diamond Island, Portland, Maine” dated July 9, 1991, and recorded in said Registry of Deeds in Plan Book 191, Pages 143 through 145, inclusive, (the “**Phase II Plan**”).

4. GENERAL RESTRICTIONS:

4.1 Parking; Automobiles and Other Vehicles: Each owner shall have the right to own and operate one (1) golf cart on the properties. No automobiles, trucks, recreational vehicles, all-terrain vehicles, motorcycles, snowmobiles or other motorized vehicles will be parked or kept on the properties except by the Association or its agents for maintenance or service purposes, including the common-transportation of goods and passengers, fire protection, public safety and emergency purposes, or by contractors engaged in construction activities. No motorized vehicles of any kind, including golf carts, shall pass south of the

southerly boundary of the properties except for fire equipment, ambulances or public safety vehicles in the performance of their duties, and designated Association owned vehicles which transport persons and/or goods between the properties and the pier located at the southerly end of Great Diamond Island.

4.9 Home Occupations: No home occupation or profession shall be conducted in any dwelling or dwelling accessory building unless approved by ... the Association. ...The Association may lease or rent any lot or part of a lot owned by it. ...The Association’s authority hereunder shall include but not be limited to the operation of “bed and breakfast” establishments on lots owned by ... the Association. ... The Association shall remain responsible for any violations of the Design Guidelines and covenants and restrictions on any lot or part of any lot leased or rented by ... the Association or on which ... the Association authorizes the operation of a “bed and breakfast” establishment.

4.10 Temporary Structures: No trailer, tent, shack or other structure, except as otherwise permitted herein, and no temporary building or structure of any kind shall be used for a residence, either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling shall be in close proximity to the dwelling and in a location approved by Declarant and such buildings or structures shall be removed upon completion of construction.

4.12 Signs: No signs or advertising devices, including but without limitation, commercial, political, informational or directional signs or devices, or for sale or for rent signs, shall be erected or maintained on the residential lots, except signs which comply with the requirements of the Diamond Cove Sign Guidelines. Dwelling identification signage is limited to one sign no larger than 6” x 18” mounted on dwelling, by or on the door or at or near the driveway entrance or main entrance walkway to the lot.

4.13 Trees: It is the Association’s intention that the natural woodland and shoreland characteristics of the properties be preserved. Unless located within fifteen (15) feet of a dwelling or dwelling accessory building or within fifteen (15) feet of the approved site for such building, no trees measuring four (4) inches or more in diameter at breast height may removed without a written variance from the Design Review Board is defined in Section 5.5 herein. In the event of a violation hereof, a special fine of \$2000 per tree removed may be levied by the Declarant or the Association against the responsible owner and said owner shall, to the extent

practical, plant a new tree or trees of the same or different species in approximately the same location as the tree or trees wrongfully removed. Should said owner fail to replace such tree or trees, the Association, in addition to levying such fine, shall have the right to enter upon the property and plant a new tree or trees of the same or a different species in approximately the same location as the tree or trees wrongfully removed at a cost to be paid by the owner. Fines or charges pursuant to this **Section 4.13** shall be collected and enforced in the same manner as assessments under **Article 8**.

4.15 Maintenance of Lots: All lots and all improvements on the lots shall be kept and maintained by the owner thereof in clean, safe, attractive and slightly condition and in good repair.

4.16 No Noxious or Offensive Activity: No offensive or noxious activity shall be carried on upon the properties. “Offensive or Noxious” activity or behavior shall include but not be limited to a public nuisance or nuisance per se and shall also include any behavior which is inconsistent with both the reasonable pleasurable use of the properties by owners, their lessees and guests and their reasonable expectations of vacationing, year-round living, studying, working, recreating, or enjoying sports free of excessively noisy behavior grossly disrespecting the rights of others, flashing or excessively bright lights, racing vehicles, offensive displays of public sexuality, significantly loud electronic music distractions, or other similar unreasonable behavior or activity curtailing or likely to curtail the reasonable pleasure and use of the properties by others who are not participating in such offensive or noxious activity. Resort athletic events, concerts, festivals, competitions or shows primarily for the use and enjoyment of the properties by owners and their guests, conducted under permit from Declarant shall not constitute offensive or noxious activity or behavior unless such permit is withdrawn by Declarant, or its terms and conditions violated.

4.17 No Hazardous Activities: No activities shall be conducted on the properties and no improvements constructed on the properties which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the properties and no open fires shall be lighted or permitted on the properties except within a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed fireplace.

4.18 No Unsightliness: No unsightliness shall be permitted upon the properties. Without limiting the generality of the foregoing, (a) any unsightly structures, facilities, equipment, tools, objects or conditions shall be enclosed

within an approved building or appropriately screened from view, except equipment and tools when in actual use for maintenance or repairs; (b) no motor vehicle shall be constructed, reconstructed, repaired or abandoned upon the properties except in an enclosed garage or work space; (c) no lumber, grass, shrub or tree clippings, plant waste, metals, bulk materials or scrap shall be kept, stored or allowed to accumulate on the properties; (d) refuse, garbage and trash shall be placed and kept at all times in a covered container and such container shall be kept within an enclosed structure or appropriately screened from view; (e) hanging, drying or airing of clothing or household fabrics shall not be permitted on the properties; (f) garage doors shall not be left open for extended periods of time.

4.19 Restrictions on Animals: Usual and ordinary domestic pets may be kept on the properties, provided that dogs shall not be permitted outside of a dwelling except on a leash attended by a responsible adult.

4.20 No Annoying Lights, Sounds or Odors: No light shall be emitted from any portion of the properties which is unreasonably bright or causes unreasonable glare or does not comply with the Design Guidelines; no sound shall be emitted from any portion of the properties which is unreasonably loud or annoying including without limitation, speakers, horns, whistles, bells or other sound devices, except security and tire alarm devices used exclusively to protect any of the properties or buildings; and no odors shall be emitted from any dwelling or an portion of the properties which are noxious or offensive to others.

4.21 Rules and Regulations: In order to ensure the peaceful and orderly use and enjoyment of the properties, Declarant may from time to time adopt, modify and revoke in whole or in part, such reasonable rules and regulations, to be called Rules and Regulations, governing the conduct of persons on said properties as it may deem necessary, including, but not limited to, Design Guidelines, Sign Guidelines, and methods and procedures for enforcing compliance with the Declaration. In addition, the Board of Directors may from time to time adopt, modify and revoke in whole or in part, such reasonable Rules and Regulations governing conduct of persons on said properties as it may deem necessary. Said modification and revocations shall not apply to those Rules and Regulations adopted, modified or revoked by Declarant. Such Rules and Regulations upon adoption, and every amendment, modification and revocation thereof, shall be delivered promptly to each owner, the Association and the Design Review Board and shall be binding upon all owners. No such Rules or Regulations shall be established which violate the intention or provisions of this Declaration or the Design Guidelines or which shall unreasonably restrict the use of the properties by the owners thereof.

4.31 Registration: Owners and guests or tenants of owners are required to register and sign out each time they visit the properties in accordance with Rules and Regulations of ... the Association.

7. PROPERTY RIGHTS IN THE PROPERTIES AND OBLIGATION OF THE ASSOCIATION WITH RESPECT THERETO:

7.9 Lots Subject to Right of Entry: Each lot is subject to the right of the Association or its agents to enter thereon at all reasonable times and, in the case of an emergency, without notice, for the purpose of performing maintenance or repairs or for carrying out any of the rights or duties of the Association.

8. COVENANT FOR MAINTENANCE ASSESSMENTS:

8.1 Assessments By Declarant and The Association:

8.1.1 Creation of the Lien and Personal Obligation of Assessments: Each owner of a lot, by acceptance of a deed therefor (whether or not it shall be so expressed in any such deed) shall be deemed to covenant for himself, his heirs, representatives, successors and assigns, to pay ... the Association, assessments and charges as provided herein. All such assessments and charges shall be fixed, established and collected from time to time as hereinafter provided. All such assessments and charges, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall be a charge on the lot or dwelling with respect to which such assessments and charges are made and shall be a lien against such lot or dwelling. Each such assessment and charge, together with the interest thereon and costs of collection thereof, shall also be the personal obligation of the member who is the owner of such assessed lot as the time when the assessment fell due.

8.2 Effect of Non-Payment of Assessment or Other Charges; the Personal Obligation of the Owner; the Lien; Remedies: If any assessment or any other charges payable pursuant to this Declaration are not paid on the date when due as provided herein, then such assessments and charges shall become delinquent and shall, together with interest thereon and cost of collection thereof as provided

hereinafter, thereupon become continuing lien upon the lot against which such assessments are made and shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives, successors and assigns. Such lien shall be prior to all other liens except: (a) tax or assessment liens on the lot by the taxing subdivision of any governmental authority, including but not limited to State, County, town and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering the lot. The personal obligation of the then owner to pay such assessment or charges shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If any assessment or charges are not paid within thirty days after the delinquent date, the assessments or charges shall bear interest from the date of delinquency at the rate of 18% per annum and ... the Association...may bring an action at law against the person personally obligated to pay the same or to foreclose the lien against the lot, and there shall be added to the amount of such assessment or charges the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment or charges as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action.

10.RESTRICTIVE ZONES AND AREAS WITHIN PHASE I:

10.1 Porches: Those portions of the front and back torch areas and adjoining stairs adjacent to lots in Buildings 13, 15-18, 21 and 23-25 in Phase I are subject to an easement for the exclusive use and enjoyment thereof in favor of the lots with direct access thereto, subject to the following limitations:

10.1.1 Front Porch, Buildings 13, 15-17: A portion of the front porch area of Buildings 13 and 15-17 is part of Lots 13D, 15D, 16D and 17D and Lots 13E, 15E, 16E and 17E, as indicated on the Phase I Plan. That portion of the porch area which is part of a lot is to be used only for access to the building or porch areas accessible from it; it is not to have any furniture or property placed or stored on it. Each such lot shall have an easement for access as necessary over that portion of the porch area within the adjoining lot and the adjoining stairs.

10.1.2 Back Porch, Buildings 13, 15-17: That portion of the back porch and adjoining stairs which are adjacent to and available for the exclusive use and enjoyment of Lots 13B, 15B, 16B and 17B as indicated on the Phase I Plan are subject to an easement in favor of the adjoining lot (13D, 15D, 16D or 17D, as the

case may be) for access. Lots 13G, 15G, 16G and 17G do not include easements for the use of any porch areas adjacent thereto.

10.2 Courtyard, Buildings 13, 15-17: The courtyard area for each of Buildings 13, 15, 16 and 17, as indicated on the Phase I Plan, is limited to use by the owners, guests or tenants of lot owners within that building.

10.3 Front, Side and Rear Yards: Each lot in Buildings 13, 15-18, 21, 23-25 shall have as appurtenant to it a front yard and/or side yard and/or rear yard as indicated on the Phase I Plan. Front, side and rear yards are not part of the lot, but are subject to an easement for exclusive use and enjoyment in favor of the lot to which they are appurtenant. Front, side and rear yards of lots in Buildings 13, 15-17 are bounded by the extension of the side boundaries of the lot to which they are appurtenant and the side of the road right of way, edge of the road paving, or granite curbing along the road, whichever is closest to the lot. Front, side and rear yards of lots in Buildings 18, 21, 23-25 are bounded as indicated on the Phase I Plan, which boundaries include the side of the road right of way, edge of road paving, or granite curbing along the road, whichever is closest to the lot. Front, side and rear yards are subject to maintenance and landscaping by the Association.

10.4 Patios: Lots 13B, 15B, 16B, 17B, 13G, 15G, 16G and 17G in Phase I shall have an easement for the exclusive use and enjoyment of the 12 x 12 concrete patios adjacent thereto, as indicated on the Phase I Plan.

10.5 Buildings 1-9: Those portions of the front, side and back porch areas and adjoining stairs adjacent to lots in Buildings 1-9 in Phase I are subject to an easement for exclusive use and enjoyment thereof-in favor of the lots with direct access thereto. Each lot in Buildings 1-9 in Phase I shall have as appurtenant to it a front yard and/or side yard and/or rear yard as indicated on the Phase I Plan. Front, side and rear yards are not part of the lot, but are subject to an easement for exclusive use and enjoyment in favor of the lot to which they are appurtenant. Front, side and rear yards are subject to maintenance and landscaping by the Association. Rear yards are further subject to the rights of the Association, lot owners and others to use the access road within the yard areas as indicated on the Phase I Plan for the purpose of ingress, egress, installation of utilities and such other purposes as may be consistent with the provisions of this Declaration.

13. GENERAL PROVISIONS:

13.2 Notices: Any notice sent or required to be sent to any person under the provisions of this Declaration shall be deemed to have been properly given when mailed, postage prepaid, to the last known address of the person as shown on the records of ... the Association at the time of mailing. Each owner shall have the affirmative duty and obligation to inform ... the Association, whichever is applicable, in writing of any change of ownership of the properties, the owner's current address, and any failure of the owner to receive any information from ... the Association at the correct address of the owner.

13.3 Enforcement: Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction brought by ... any lot owner or the Association. Such action may include, but is not limited to, an action to restrain violation or to recover damages, or against the land, to enforce any lien created by these covenants. Such action may seek any remedy available at law or in equity including specific performance. Failure by ... the Association or any owner to enforce any covenant or restriction herein contained in no event shall be deemed a waiver of the right to do so hereafter.

13.5 Severability: Invalidation of any one of these covenants or restrictions by judgment or court order in no way shall affect any other provisions, which shall remain in full force and effect.

13.7 Construction: Whenever the singular number is used, the same shall include the plural shall include the singular and the masculine, feminine and neuter genders shall include each other, as the context may require.

13.8 Beneficiaries of Easements, Rights and Privileges: The easements, licenses, rights and privileges established, created and granted by this Declaration shall be for the benefit of, and restricted solely to, Declarant, the Association and the owners; and any owner may also grant the benefit of such easement, license, right or privilege to his tenants and guests and their immediate families for the duration of their tenancies or visits, subject in the case of the common properties to the Rules and Regulations of the Board, but the same is not intended to create nor shall it be construed as creating any rights in or for the benefit of the general public.

ATTACHMENT II
STANDARD FORM LEASE AGREEMENT
(DIAMOND COVE HOMEOWNERS ASSOCIATION)

FOR

THE LEASE OF RESIDENTIAL PROPERTY AT DIAMOND COVE

BY

A RENTAL AGENT

This Lease Agreement, dated as of the date below (this “**Lease**”), is made between [Great Diamond Rentals, LLC], as the agent for the owner of the “Leased Premises” (“**Agent**”), and the person(s) signing under the designation Lessee below (“**Lessee**”).

In consideration of the mutual promises and agreements herein set forth, Agent and Lessee covenant and agree as follows:

1. **Lease:** Agent hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Agent, unit _____ at Diamond Cove, Great Diamond Island, Maine (the “**Unit**”) and all the tangible personal property (furnishings, linens, towels, and the like) therein (collectively with the Unit, the “**Leased Premises**”).
2. **Term:** The rental term shall comprise _____ days and shall commence on _____, 20__, at 4:00 p.m., and end on _____, 20__, at 10:00 a.m. (such rental term, as it may be sooner terminated in accordance with the terms of this Lease or extended by mutual written agreement of the parties, the “**Rental Term**”).
3. **Rent:** The rent shall be the sum of (i) \$_____, (ii) 8% Maine Lodging Tax (\$_____), (iii) a 5% Rental Impact Fee assessed by, and payable to, the Diamond Cove Homeowners Association (\$_____) and a Cleaning Fee (\$_____) for a total of \$_____ (collectively, the “**Rent**”), payable as follows:
 - a. An initial payment of the Rent in the amount of \$_____ is due upon the signing of this Lease (the “**Initial Rent Payment**”).

- b. The final payment of the Rent in the amount of \$_____ is due no fewer than **14 days** prior to the beginning of the Rental Term (the “**Final Rent Payment**”).
4. **Rental Security Deposit:** Lessee agrees to provide Agent with a rental security deposit equal to \$_____ (the “**Rental Security Deposit**”) at the time the Final Rent Payment is made. The Rental Security Deposit shall be used solely for the purposes, and in accordance with, **Paragraph 19 of Exhibit A** (Additional Terms and Conditions) hereto. The Rental Security Deposit shall not constitute a limit on liability of Lessee.
5. **Pet Security Deposit:** If Lessee has been granted written permission by Agent to have a dog or other domestic pet at the Leased Premises, Lessee agrees to provide Agent with a pet security deposit equal to \$_____ (the “**Pet Security Deposit**”) at the time the Final Rent Payment is made. The Pet Security Deposit shall be used solely for the purposes, and in accordance with, **Paragraph 20 of Exhibit A** hereto. The Per Security Deposit shall not constitute a limit on liability of Lessee.
6. **Termination by Agent Before Commencement of Rental Term:** If Lessee fails to pay the Final Rent Payment and/or the Rental Security Deposit and, if applicable, the Pet Security Deposit by the times specified above and fails to do so within **five (5) days** after written notice from Agent, Agent may terminate this Lease by written notice to Lessee. In the event of such termination by Agent, Agent shall retain the Initial Rent Payment in partial consideration of the breach by Lessee of this Lease and Lessee shall continue to be liable for the Final Rent Payment plus a service fee of \$50.00; provided, however, that in the event Agent is able to re-lease the Leased Premises for the Rental Term (i) for an amount equal to, or in excess of, the Rent, Lessee shall not be liable for the Final Rent Payment or (ii) for an amount less than the Rent, Lessee shall be liable for the Final Rent Payment *minus* the difference between (A) the Final Rent Payment and (B) the amount of rent actually received pursuant to such re-lease *minus* the Initial Rent Payment.
7. **Termination by Lessee Before Commencement of Rental Term:** Lessee may terminate this Lease for convenience at any time by written notice to Agent. If Lessee terminates this Lease for convenience:
- a. more than **90 days** prior to the beginning of the Rental Term, Agent shall return to Lessee the Initial Rent Payment *minus* a \$50.00 service fee;

- b. at any time between **90 days and 15 days** before the beginning of the Rental Term, Agent shall be entitled to retain the Initial Rent Payment, provided that in the event Agent is able to re-lease the Leased Premises for the Rental Term (i) for an amount equal to, or in excess of, the Rent, Agent shall refund the Initial Rent Payment *minus* a \$50.00 service fee or (ii) for an amount less than the Rent, Agent shall be entitled to retain the Initial Rent Payment and Renter shall be obligated to pay Agent a \$50.00 service fee.

- c. at any time **14 or fewer days** before the beginning of the Rental Term, Agent shall be entitled to retain the Initial Rent Payment and Lessee shall continue to be liable for the Final Rent Payment plus a service fee of \$50.00; provided, however, that in the event Agent is able to re-lease the Leased Premises for the Rental Term (i) for an amount equal to, or in excess of, the Rent, Lessee shall not be liable for the Final Rent Payment or (ii) for an amount less than the Rent, Lessee shall be liable for the Final Rent Payment *minus* the difference between (A) the Final Rent Payment and (B) the amount of rent actually received pursuant to such re-lease *minus* the Initial Rent Payment.

Lessee agrees to the **Additional Terms and Conditions** attached hereto as **Attachment I**, all of which are incorporated into this Lease by this reference.

Agent: _____ **Lessee:** _____

[Great Diamond Rentals, LLC
 Diamond Cove
 Great Diamond Island, ME 04109
 (207) 766-3377 OR (207) 233-0033]

Signed: _____

Address: _____

Home Phone: _____

Signed: _____

Work Phone: _____

Date: _____

Cell Phone: _____

Payment: Please make check payable to
[GREAT DIAMOND RENTALS, LLC]

Email: _____

ATTACHMENT I

ADDITIONAL TERMS AND CONDITIONS

1. DCHA DOCUMENTS

The members of Diamond Cove Homeowners Association (“**DCHA**”), which includes the owner of the Leased Premises (“**Lessor**”), are bound by the Amended and Restated General Declaration of Covenants and Restrictions, dated December 23, 1993, as amended (the “**DCHA Declaration**”). DCHA has adopted, pursuant to the DCHA Declaration, “**The DCHA Rental Rules and Regulations**” and the “**DCHA Pet Rules and Regulations**”, both of which contain provisions that govern members of DCHA and renters from such members (i.e., a “**Lessee**”) and the families of renters (collectively with Lessee, the “**Lessee Family**”) and overnight guests and day visitors of the Lessee and the other members of the Lessee Family (collectively with the Lessee Family, the “**Lessee Group**”), which is referred to in such Regulations as the “**Renter Group**”.

DCHA has prepared redacted versions of the DCHA Declaration (the “**Redacted DCHA Declaration**”) and the DCHA Rental Rules and Regulations (the “**Redacted DCHA Rental Rules and Regulations**”) and the DCHA Pet Rules and Regulations (the “**Redacted DCHA Pet Rules and Regulations**”) that are relevant to a Lessee Group with respect to the rental of units, and pets, at Diamond Cove (collectively, the “**Redacted DCHA Governing Documents**”).

Lessee hereby acknowledges and agrees that Lessee has been provided hard copies of, and/or access via the DCHA Website to, the Redacted DCHA Governing Documents and that Lessee has read and understands the such Documents.

Lessee covenants and agrees to (i) comply with the Redacted DCHA Governing Documents, (ii) inform other members of the Lessee Group of the contents of such Documents and (iii) cause the other members of the Lessee Group to comply with such Documents.

Lessee acknowledges and agrees that the Redacted DCHA Governing Documents prescribe fines payable to DCHA, and provide other remedies to DCHA, for any and all violations of the Redacted DCHA Governing Documents, and/or any and all other acts and omissions, by any and all members of the Lessee Group.

Lessee further acknowledges and agrees that **LESSEE IS RESPONSIBLE AND LIABLE FOR ANY AND ALL VIOLATIONS OF THE REDACTED DCHA GOVERNING DOCUMENTS, AND/OR ANY AND ALL OTHER ACTS AND OMISSIONS, BY ANY AND ALL MEMBERS OF THE LESSEE GROUP.**

Without limiting the generality of the foregoing, Lessee covenants and agrees not to allow on the Leased Premises or elsewhere at Diamond Cove any excessive noise or other activity that disturbs the peace and quiet of neighbors or other units at Diamond Cove, and agrees to comply with the prohibition against noise - producing activities contained in the Redacted DCHA Governing Documents.

In the event of a conflict or inconsistency between any of the provisions in the Redacted DCHA Governing Documents and any of the provisions of this Lease, the provisions of the Redacted DCHA Governing Documents shall take precedence and govern.

2. CONDITION AND SURRENDER OF PREMISES

Lessee hereby acknowledges the good condition of the Leased Premises and agrees to maintain the Leased Premises in a clean condition and in good order, with all furniture maintained in its original location. At the expiration or sooner termination of this Lease, Lessee shall deliver up the Leased Premises in the same condition as they were in at the beginning of the Rental Term, reasonable wear and tear excepted.

3. GOODS AND CHATTELS

The Unit will be delivered to Lessee fully furnished, including sheets and towels.

Lessee agrees that he/she/they (i) shall not transfer the use or possession of the goods and chattels provided as part of the Leased Premises to any person or persons whomsoever, (ii) shall be responsible for the repair of and pay all damages that may happen or accrue to such goods and chattels, during the Rental Term but shall not make such repairs himself/herself/themselves, (iii) shall not remove or allow any of such goods and chattels to be removed from the Unit to any other place (removal from danger by fire excepted), and (iv) shall, at the expiration or sooner termination of this Lease, surrender the goods and chattels in the condition prescribed by **Paragraph 1** above.

4. USE OF LEASED PREMISES AND COMPLIANCE WITH LAWS

The Leased Premises shall be used and occupied by Lessee exclusively as a private single family residence and neither the Leased Premises nor any part thereof shall be used by Lessee at any time during the Rental Term for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a private single family residence. Occupancy consistent with “private single family residence” use is defined according to the maximum occupancy limit defined in **Paragraph 5** below, in combination with all other DCHA Governing Documents.

Lessee shall comply with all applicable laws, ordinances, rules, and orders of appropriate governmental authorities, including those affecting the cleanliness, occupancy, and preservation of the Leased Premises, and all common properties owned by DCHA (“**Common Properties**”), during the Rental Term.

5. MAXIMUM OCCUPANCY

Lessee agrees that the Leased Premises shall be occupied overnight by no more than _____ persons, representing no more than **two (2) persons per permissible bedroom**, including guests of the Lessee, but excluding babies in cribs (age 2 and under). “**Guests**” means persons who visit any member of the Lessee Family and stay overnight in the Leased Premises.

_____ (Lessee’s initials)

The overnight occupants of the Leased Premises during the Rental Term shall be _____ adults, _____ children, and _____ babies in cribs (age 2 and under).

_____ (Lessee’s initials)

PLEASE NOTE: To protect the quality of life at Diamond Cove, the occupancy limits must be strictly enforced. Noncompliance will result in eviction and forfeiture of all payments. _____ (Lessee’s initials)

Please indicate whether one or more of the overnight occupants of the Leased Premises is an owner of property at Diamond Cove or a family member of such an owner.

Circle one: YES / NO

6. USE OF DIAMOND COVE PREMISES

The Lessee and the other members of the Lessee Group may use the Common Properties, including the recreational facilities. However, in so doing, they must comply with the Redacted DCHA Governing Documents, and at their sole risk.

As a former military fort, Diamond Cove contains a number of abandoned buildings, batteries and other structures. Entry to these buildings, batteries and structures is forbidden. If Lessee or any other member of the Lessee Group enters any such building, battery or structure, it is at their sole risk.

_____ (Lessee’s initials)

7. VISITORS

The Lessee and the Lessee Family may have no more than **six (6) visitors** during any one day. “**Visitors**” means visitors of any and all members of the Lessee Family from anywhere outside of Diamond Cove who do not stay overnight at the

Leased Premises, including other persons who reside or are renting at or visiting Great Diamond Island but excluding owners of property at Diamond Cove and their families, guests and visitors.

_____ (Lessee's initials)

8. TRANSPORTATION, VEHICLES

Transportation that is provided by DCHA to its members and their families, guests and visitors to and from the piers on Great Diamond Island also will be provided to members of the Lessee Group. Lessee may bring and use bicycles. Lessee may not use any other form of mechanical propulsion, including but not limited to, golf carts (except with the **prior written approval of Agent** and otherwise in accordance with the requirements of the Redacted DCHA Governing Documents), mopeds or other motor vehicles, helicopters or other aircraft, at or on the property of Diamond Cove. Lessee's use and storage of boats is a matter between the Lessee and the management of the marina at Diamond Cove, and is not governed by this Lease.

9. ASSIGNMENT AND SUBLETTING

Lessee shall neither assign this Lease nor sublease the Leased Premises without the prior written consent of Agent, in its sole and absolute discretion. Any assignment or sublease in violation of the immediately preceding sentence shall be null and void *ab initio*.

10. DAMAGE TO PREMISES

If the Leased Premises or any part thereof becomes damaged by fire or other unavoidable casualty, either party may immediately terminate this Lease or the parties may continue this Lease with a mutually agreed upon abated Rent. If the Leased Premises are destroyed by fire or other unavoidable casualty, then this Lease shall terminate, and a *pro rata* share of the Rent shall be returned to the Lessee.

11. DANGEROUS MATERIALS

Lessee shall not keep or have on the Leased Premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the Leased Premises, or that might be considered hazardous or extra hazardous by any responsible insurance company.

No smoking is permitted within the Leased Premises. Lessee acknowledges the danger of fire on an island and shall immediately extinguish all matches, tobacco products, and other inflammables upon termination of their use.

12. ANIMALS

Lessee shall keep no domestic animals on or about the Leased Premises or elsewhere at Diamond Cove, except as expressly approved in writing by Agent and then subject to, and compliance by Lessee (and the other members of the Lessee Group) with, the Redacted DCHA Pet Rules and Regulations.

13. RIGHT OF INSPECTION

Lessor and his/her/their/its agents (including Agent) shall have the right at all reasonable times during the Rental Term to enter the Leased Premises for the purpose of inspecting the Leased Premises and all buildings and improvements thereon, and all associated goods and chattels.

14. HOLDOVER BY LESSEE

Should Lessee remain in possession of the Leased Premises after the natural expiration of the Rental Term without the prior written approval of Agent (in its sole and absolute discretion) or after the termination of this Lease by Agent in accordance with **Paragraph 15** below, a new tenancy from day to day shall be created between Agent and Lessee at a rental rate per day (or part thereof) of 200% of the rate per day of Rent payable under this Lease. In addition, Lessee's failure to vacate the Leased Premises upon such natural expiration or such termination shall subject Lessee to any damages suffered by Agent and/or Lessor from subsequent, contracted lessees. Lessee agrees to fully reimburse Agent and/or Lessor for all attorneys' fees, court costs, and any other costs necessary to evict and remove Lessee from the Leased Premises and any and all other amounts payable by Lessee.

_____ (Lessee's initials)

15. DEFAULT

If any default is made in the payment of any amount during the Rental Term, or if any default is made in the performance of or compliance with any other provision of this Lease, Agent shall be entitled to terminate this Lease, and Agent may re-enter the Leased Premises and remove all persons therefrom. Agent shall give Lessee written notice of any default and the intention of Agent to terminate this Lease. Except as provided in the next succeeding sentence, Lessee shall have 24 hours after receipt of such notice to cure such default or take action reasonably likely to effect such cure within a period not to exceed 48 hours (which period shall be determined in the sole and absolute discretion of Agent). The violation by Lessee or any other member of the Lessee Group of any of **Paragraphs 5, 7, and 9** above shall each constitute a default under this Lease, and shall result in the right

of Agent to terminate immediately this Lease. If such termination occurs, Agent shall be entitled to retain all Rents paid hereunder.

16. ABANDONMENT

If at any time during the Rental Term Lessee abandons the Leased Premises or any part thereof, Lessee shall not have any right to any Rent relief. If Agent's right of re-entry is exercised following abandonment of the Leased Premises by Lessee, then Agent may consider any personal property belonging to Lessee and left on the Leased Premises to also have been abandoned, in which case Agent may dispose of all such personal property in any manner Agent shall deem proper and is hereby relieved of all liability for doing so.

17. BINDING EFFECT

The covenants and conditions contained herein shall apply to and bind the parties and their respective heirs, legal representatives, and permitted assigns, and all covenants and agreements herein are to be construed as conditions of this Lease.

18. INDEMNITY

Lessee agrees to be responsible and liable to Agent, Lessor and DCHA (and/or any and all of its members) for, and to agrees to indemnify and hold harmless Agent, Lessor and DCHA (and any and all of its members) from and against, any and all:

(a) violations of the Redacted DCHA Declaration, the Redacted DCHA Rental Rules and Regulations and/or this Lease by Lessee and any and all members of the Lessee Group, and/or (ii) other acts and omissions of any and all members of the Lessee Group.

(b) (i) fines and/or other charges imposed by DCHA on (A) Lessor and (B) Lessee arising out of any and all violations of the Redacted DCHA Declaration, the Redacted DCHA Rental Rules and Regulations and/or this Lease by any and all members of the Lessee Group, (ii) damages (including property damages) incurred and/or sustained by Agent, Lessor and DCHA (and/or any and all of its members) arising out of any and all such violations and/or other acts and omissions of any and all members of the Lessee Group, and/or (iii) collection and other costs and expenses arising out of any and all such violations and/or other acts and omissions. The (x) violations and/or other acts and omissions described in **Paragraph 18(a)** above, and (y) the fines, charges, damages, costs and expenses described in this **Paragraph 18(b)**, collectively, the "**Lessee Rental-Related Liabilities**".

(c) (i) violations of the Redacted DCHA Pet Rules and Regulations and/or this Lease by Lessee and any and all other members of the Lessee Group in respect of a

pet at Diamond Cove, and/or (ii) other acts and omissions of any all members of the Lessee Group in respect of a pet at Diamond Cove.

(d) any and all (i) fines and/or other charges imposed by DCHA on (A) Lessor and (B) Lessee arising out of any and all violations of the DCHA Pet Rules and Regulations and/or this Lease by any and all members of the Lessee Group with respect to a pet and by their pet(s) at Diamond Cove, (ii) damages (including property damages) sustained by DCHA (and/or any of its members) arising out of any and all such violations and/or other acts and omissions by any and all members of the Lessee Group with respect to a pet and by their pet(s), and/or (iii) collection and other costs and expenses arising out of any and all such violations and/or other acts and omissions. The (x) violations and/or other acts and omissions described in **Paragraph 18(c)** above, and (y) the fines, charges, damages, costs and expenses described in this **Paragraph 18(d)**, collectively, the “**Lessee Pet-Related Liabilities**”.

(e) (i) claims, actions, suits and/or proceedings by any and all members of the Lessee Group against Agent, Lessor and/or DCHA (and any and all of its members) arising out of the use of the Common Properties by any and all members of the Lessee Group and (ii) damages, losses, liabilities, costs and expenses (including attorneys’ fees and expenses) incurred and/or sustained by Agent, Lessor and/or DCHA (and/or any and all of its members) arising from any and all of the foregoing or otherwise related to such use.

(f) (i) claims, actions, suits and/or proceedings by any and all members of the Lessee Group against Agent, Lessor and/or DCHA (and any and all of its members) arising out of the entry into any and all of the abandoned buildings, batteries and other structures at Diamond Cove by any and all members of the Lessee Group and (ii) any and all damages, losses, liabilities, costs and expenses (including attorneys’ fees and expenses) incurred and/or sustained by Agent, Lessor and/or DCHA (and/or any and all of its members) arising from any and all of the foregoing or otherwise related to such buildings, batteries and structures.

_____(Lessee’s initials)

19. APPLICATION OF RENTAL SECURITY DEPOSIT

The Rental Security Deposit shall be applied by Agent (a) against damages to the Leased Premises, and (b) in the event Lessor has provided Agent with the written permission, against the fines, charges, damages, costs and expenses that constitute Lessee Rental-Related Liabilities payable to DCHA (and/or any and all of its members) in the order of priority set forth in **Paragraph 18(b)** above.

_____(Lessee's initials)

20. APPLICATION OF PET SECURITY DEPOSIT

The Pet Security Deposit shall be applied by Agent (a) against damages to the Leased Premises, and (b) in the event Lessor has provided Agent with the written permission, against the fines, charges, damages, costs and expenses that constitute Lessee Pet-Related Liabilities payable to DCHA (and/or any and all of its members) in the order of priority set forth in **Paragraph 18(d)** above.

_____(Lessee's initials)

21. DISPUTE RESOLUTION

Lessee irrevocably agrees to submit to the exclusive jurisdiction of the Cumberland County Superior Court of the State of Maine, for the purposes of any dispute between Lessee and Agent, and/or Lessee and/or DCHA, with respect to the subject matter of this Lease. Lessee further agrees that service of any process, summons, notice or document by U.S. registered mail to Lessee's address set forth in this Lease shall be effective service of process for any dispute. Lessee irrevocably and unconditionally waives any objection to the laying of venue of any dispute, or the matters contemplated hereby, in the Cumberland County Superior Court of the State of Maine, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in such Court that any such dispute brought in such Court has been brought in an inconvenient forum.

Lessee and Agent hereby waive, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect to any dispute directly or indirectly arising out of, under, or in connection with, this Lease or any other matter contemplated hereby.

In the event of any action, suit or other proceeding by Lessee, Agent, Lessor and/or DCHA related to this Lease, the non-prevailing party shall be obligated to pay any and all legal fees and expenses incurred by the prevailing party.

_____(Lessee's initials)

22. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the internal laws of the State of Maine applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

23. DCHA RIGHT TO ENFORCE THIS LEASE

Lessee and Agent acknowledge and agree that DCHA shall constitute and be a third party beneficiary of this Lease and, as such shall be entitled (but shall not be obligated) to enforce this Lease against Lessee and Agent, in each case, except those provisions that pertain to the obligation of Lessee to pay Rent. The failure of Lessee to comply with any of the provisions of this Lease, including, without limitation, any of the provisions of the Redacted DCHA Governing Documents that pertain to the rental of units and pets at Diamond Cove, shall give DCHA and its authorized agents the same rights as Agent under this Lease, including the rights under **Paragraph 15** above.

_____ (Lessee's initials)

ATTACHMENT II
STANDARD FORM LEASE AGREEMENT
(DIAMOND COVE HOMEOWNERS ASSOCIATION)

FOR
**THE DIRECT LEASE OF RESIDENTIAL PROPERTY AT DIAMOND
COVE**

BY
HOMEOWNERS

This Lease Agreement, dated as of the date below (this “**Lease**”), is made between _____ (“**Lessor**”), and the person(s) signing under the designation Lessee below (“**Lessee**”).

In consideration of the mutual promises and agreements herein set forth, Lessor and Lessee covenant and agree as follows:

1. **Lease:** Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, unit _____ at Diamond Cove, Great Diamond Island, Maine (the “**Unit**”) and all the tangible personal property (furnishings, linens, towels, and the like) therein (collectively with the Unit, the “**Leased Premises**”).
2. **Term:** The rental term shall comprise _____ days and shall commence on _____, 20__, at 4:00 p.m., and end on _____, 20__, at 10:00 a.m. (such rental term, as it may be sooner terminated in accordance with the terms of this Lease or extended by mutual written agreement of the parties, the “**Rental Term**”).
3. **Rent:** The rent shall be the sum of (i) \$ _____, (ii) 8% Maine Lodging Tax (\$ _____), (iii) a 5% Rental Impact Fee assessed by, and payable to, the Diamond Cove Homeowners Association (\$ _____) and a Cleaning Fee (\$ _____) for a total of \$ _____ (collectively, the “**Rent**”), payable as follows:
 - a. An initial payment of the Rent in the amount of \$ _____ is due upon the signing of this Lease (the “**Initial Rent Payment**”).

- b. The final payment of the Rent in the amount of \$_____ is due no fewer than **14 days** prior to the beginning of the Rental Term (the “**Final Rent Payment**”).
4. **Rental Security Deposit:** Lessee agrees to provide Lessor with a rental security deposit equal to \$_____ (the “**Rental Security Deposit**”) at the time the Final Rent Payment is made. The Rental Security Deposit shall be used solely for the purposes, and in accordance with, **Paragraph 19** of **Exhibit A** (Additional Terms and Conditions) hereto. The Rental Security Deposit shall not constitute a limit on liability of Lessee.
5. **Pet Security Deposit:** If Lessee has been granted written permission by Lessor to have a dog or other domestic pet at the Leased Premises, Lessee agrees to provide Lessor with a pet security deposit equal to \$_____ (the “**Pet Security Deposit**”) at the time the Final Rent Payment is made. The Pet Security Deposit shall be used solely for the purposes, and in accordance with, **Paragraph 20** of **Exhibit A** hereto. The Per Security Deposit shall not constitute a limit on liability of Lessee.
6. **Termination by Lessor Before Commencement of Rental Term:** If Lessee fails to pay the Final Rent Payment and/or the Rental Security Deposit and, if applicable, the Pet Security Deposit by the times specified above and fails to do so within **five (5) days** after written notice from Lessor, Lessor may terminate this Lease by written notice to Lessee. In the event of such termination by Lessor, Lessor shall retain the Initial Rent Payment in partial consideration of the breach by Lessee of this Lease and Lessee shall continue to be liable for the Final Rent Payment plus a service fee of \$50.00; provided, however, that in the event Lessor is able to re-lease the Leased Premises for the Rental Term (i) for an amount equal to, or in excess of, the Rent, Lessee shall not be liable for the Final Rent Payment or (ii) for an amount less than the Rent, Lessee shall be liable for the Final Rent Payment *minus* the difference between (A) the Final Rent Payment and (B) the amount of rent actually received pursuant to such re-lease *minus* the Initial Rent Payment.
7. **Termination by Lessee Before Commencement of Rental Term:** Lessee may terminate this Lease for convenience at any time by written notice to Lessor. If Lessee terminates this Lease for convenience:
- a. more than **90 days** prior to the beginning of the Rental Term, Lessor shall return to Lessee the Initial Rent Payment;

- b. at any time between **90 days and 15 days** before the beginning of the Rental Term, Lessor shall be entitled to retain the Initial Rent Payment, provided that in the event Lessor is able to re-lease the Leased Premises for the Rental Term (i) for an amount equal to, or in excess of, the Rent, Lessor shall refund the Initial Rent Payment or (ii) for an amount less than the Rent, Lessor shall be entitled to retain the Initial Rent Payment.

- c. at any time **14 or fewer days** before the beginning of the Rental Term, Lessor shall be entitled to retain the Initial Rent Payment and Lessee shall continue to be liable for the Final Rent Payment; provided, however, that in the event Lessor is able to re-lease the Leased Premises for the Rental Term (i) for an amount equal to, or in excess of, the Rent, Lessee shall not be liable for the Final Rent Payment or (ii) for an amount less than the Rent, Lessee shall be liable for the Final Rent Payment *minus* the difference between (A) the Final Rent Payment and (B) the amount of rent actually received pursuant to such re-lease *minus* the Initial Rent Payment.

Lessee agrees to the **Additional Terms and Conditions** attached hereto as **Attachment I**, all of which are incorporated into this Lease by this reference.

Lessor: _____ **Lessee:** _____

[Homeowner Name]
[Homeowner Address]
 Phone: _____

Signed: _____

Address: _____

Home Phone: _____

Signed: _____

Work Phone: _____

Date: _____

Cell Phone: _____

Email: _____

Date: _____

ATTACHMENT I

ADDITIONAL TERMS AND CONDITIONS

1. DCHA DOCUMENTS

The members of Diamond Cove Homeowners Association (“DCHA”), which includes the owner of the Leased Premises (“Lessor”), are bound by the Amended and Restated General Declaration of Covenants and Restrictions, dated December 23, 1993, as amended (the “DCHA Declaration”). DCHA has adopted, pursuant to the DCHA Declaration, “The DCHA Rental Rules and Regulations” and the “DCHA Pet Rules and Regulations”, both of which contain provisions that govern members of DCHA and renters from such members (i.e., a “Lessee”) and the families of renters (collectively with Lessee, the “Lessee Family”) and overnight guests and day visitors of the Lessee and the other members of the Lessee Family (collectively the Lessee Family, the “Lessee Group”), which is referred to in such Regulations as the “Renter Group”.

DCHA has prepared redacted versions of the DCHA Declaration (the “Redacted DCHA Declaration”) and the DCHA Rental Rules and Regulations (the “Redacted DCHA Rental Rules and Regulations”) and the DCHA Pet Rules and Regulations (the “Redacted DCHA Pet Rules and Regulations”) that are relevant to a Lessee Group with respect to the rental of units, and pets, at Diamond Cove (collectively, the “Redacted DCHA Governing Documents”).

Lessee hereby acknowledges and agrees that Lessee has been provided hard copies of, and/or access via the DCHA Website to, the Redacted DCHA Governing Documents and that Lessee has read and understands the such Documents.

Lessee covenants and agrees to (i) comply with the Redacted DCHA Governing Documents, (ii) inform other members of the Lessee Group of the contents of such Documents and (iii) cause the other members of the Lessee Group to comply with such Documents.

Lessee acknowledges and agrees that the Redacted DCHA Governing Documents prescribe fines payable to DCHA, and provide other remedies to DCHA, for any and all violations of the Redacted DCHA Governing Documents, and/or any and all other acts and omissions, by any and all members of the Lessee Group.

Lessee further acknowledges and agrees that **LESSEE IS RESPONSIBLE AND LIABLE FOR ANY AND ALL VIOLATIONS OF THE REDACTED DCHA GOVERNING DOCUMENTS, AND/OR ANY AND ALL OTHER ACTS AND OMISSIONS, BY ANY AND ALL MEMBERS OF THE LESSEE GROUP.**

Without limiting the generality of the foregoing, Lessee covenants and agrees not to allow on the Leased Premises or elsewhere at Diamond Cove any excessive noise or other activity that disturbs the peace and quiet of neighbors or other units at Diamond Cove, and agrees to comply with the prohibition against noise - producing activities contained in the Redacted DCHA Governing Documents.

In the event of a conflict or inconsistency between any of the provisions in the Redacted DCHA Governing Documents and any of the provisions of this Lease, the provisions of the Redacted DCHA Governing Documents shall take precedence and govern.

2. CONDITION AND SURRENDER OF PREMISES

Lessee hereby acknowledges the good condition of the Leased Premises and agrees to maintain the Leased Premises in a clean condition and in good order, with all furniture maintained in its original location. At the expiration or sooner termination of this Lease, Lessee shall deliver up the Leased Premises in the same condition as they were in at the beginning of the Rental Term, reasonable wear and tear excepted.

3. GOODS AND CHATTELS

The Unit will be delivered to Lessee fully furnished, including sheets and towels.

Lessee agrees that he/she/they (i) shall not transfer the use or possession of the goods and chattels provided as part of the Leased Premises to any person or persons whomsoever, (ii) shall be responsible for the repair of and pay all damages that may happen or accrue to such goods and chattels, during the Rental Term but shall not make such repairs himself/herself/themselves, (iii) shall not remove or allow any of such goods and chattels to be removed from the Unit to any other place (removal from danger by fire excepted), and (iv) shall, at the expiration or sooner termination of this Lease, surrender the goods and chattels in the condition prescribed by **Paragraph 1** above.

4. USE OF LEASED PREMISES AND COMPLIANCE WITH LAWS

The Leased Premises shall be used and occupied by Lessee exclusively as a private single family residence and neither the Leased Premises nor any part thereof shall be used by Lessee at any time during the Rental Term for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a private single family residence. Occupancy consistent with “private single family residence” use is defined according to the maximum occupancy limit defined in **Paragraph 5** below, in combination with all other DCHA Governing Documents.

Lessee shall comply with all applicable laws, ordinances, rules, and orders of appropriate governmental authorities, including those affecting the cleanliness, occupancy, and preservation of the Leased Premises, and all common properties owned by DCHA (“**Common Properties**”), during the Rental Term.

5. MAXIMUM OCCUPANCY

Lessee agrees that the Leased Premises shall be occupied overnight by no more than _____ persons, representing no more than **two (2) persons per permissible bedroom**, including guests of the Lessee, but excluding babies in cribs (age 2 and under). “**Guests**” means persons who visit any member of the Lessee Family and stay overnight in the Leased Premises.

_____ (Lessee’s initials)

The overnight occupants of the Leased Premises during the Rental Term shall be _____ adults, _____ children, and _____ babies in cribs (age 2 and under).

_____ (Lessee’s initials)

PLEASE NOTE: To protect the quality of life at Diamond Cove, the occupancy limits must be strictly enforced. Noncompliance will result in eviction and forfeiture of all payments. _____ (Lessee’s initials)

Please indicate whether one or more of the overnight occupants of the Leased Premises is an owner of property at Diamond Cove or a family member of such an owner.

Circle one: YES / NO

6. USE OF DIAMOND COVE PREMISES

The Lessee and the other members of the Lessee Group may use the Common Properties, including the recreational facilities. However, in so doing, they must comply with the Redacted DCHA Governing Documents, and at their sole risk.

As a former military fort, Diamond Cove contains a number of abandoned buildings, batteries and other structures. Entry to these buildings, batteries and structures is forbidden. If Lessee or any other member of the Lessee Group enters any such building, battery or structure, it is at their sole risk.

_____ (Lessee’s initials)

7. VISITORS

The Lessee and the Lessee Family may have no more than six (6) visitors during any one day. “**Visitors**” means visitors of any and all members of the Lessee Family from anywhere outside of Diamond Cove who do not stay overnight at the Leased Premises, including other persons who reside or are renting at or visiting Great Diamond Island but excluding owners of property at Diamond Cove and their families, guests and visitors.

_____ (Lessee’s initials)

8. TRANSPORTATION, VEHICLES

Transportation that is provided by DCHA to its members and their families, guests and visitors to and from the piers on Great Diamond Island also will be provided to members of the Lessee Group. Lessee may bring and use bicycles. Lessee may not use any other form of mechanical propulsion, including but not limited to, golf carts (except with the **prior written approval of Lessor** and otherwise in accordance with the requirements of the Redacted DCHA Governing Documents), mopeds or other motor vehicles, helicopters or other aircraft, at or on the property of Diamond Cove. Lessee’s use and storage of boats is a matter between the Lessee and the management of the marina at Diamond Cove, and is not governed by this Lease.

9. ASSIGNMENT AND SUBLETTING

Lessee shall neither assign this Lease nor sublease the Leased Premises without the prior written consent of Lessor, in its sole and absolute discretion. Any assignment or sublease in violation of the immediately preceding sentence shall be null and void *ab initio*.

10. DAMAGE TO PREMISES

If the Leased Premises or any part thereof becomes damaged by fire or other unavoidable casualty, either party may immediately terminate this Lease or the parties may continue this Lease with a mutually agreed upon abated Rent. If the Leased Premises are destroyed by fire or other unavoidable casualty, then this Lease shall terminate, and a *pro rata* share of the Rent shall be returned to the Lessee.

11. DANGEROUS MATERIALS

Lessee shall not keep or have on the Leased Premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the Leased Premises, or that might be considered hazardous or extra hazardous by any responsible insurance company.

No smoking is permitted within the Leased Premises. Lessee acknowledges the danger of fire on an island and shall immediately extinguish all matches, tobacco products, and other inflammables upon termination of their use.

12. ANIMALS

Lessee shall keep no domestic animals on or about the Leased Premises or elsewhere at Diamond Cove, except as expressly approved in writing by Lessor and then subject to, and compliance by Lessee (and the other members of the Lessee Group) with, the Redacted DCHA Pet Rules and Regulations.

13. RIGHT OF INSPECTION

Lessor and his/her/their/its agents shall have the right at all reasonable times during the Rental Term to enter the Leased Premises for the purpose of inspecting the Leased Premises and all buildings and improvements thereon, and all associated goods and chattels.

14. HOLDOVER BY LESSEE

Should Lessee remain in possession of the Leased Premises after the natural expiration of the Rental Term without the prior written approval of Lessor (in its sole and absolute discretion) or after the termination of this Lease by Lessor in accordance with **Paragraph 15** below, a new tenancy from day to day shall be created between Lessor and Lessee at a rental rate per day (or part thereof) of 200% of the rate per day of Rent payable under this Lease. In addition, Lessee's failure to vacate the Leased Premises upon such natural expiration or such termination shall subject Lessee to any damages suffered by Lessor from subsequent, contracted lessees. Lessee agrees to fully reimburse Lessor for all attorneys' fees, court costs, and any other costs necessary to evict and remove Lessee from the Leased Premises and to collect any and all other amounts payable by Lessee.

_____ (Lessee's initials)

15. DEFAULT

If any default is made in the payment of any amount during the Rental Term, or if any default is made in the performance of or compliance with any other provision of this Lease, Lessor shall be entitled to terminate this Lease, and Lessor may re-enter the Leased Premises and remove all persons therefrom. Lessor shall give Lessee written notice of any default and the intention of Lessor to terminate this Lease. Except as provided in the next succeeding sentence, Lessee shall have 24 hours after receipt of such notice to cure such default or take action reasonably likely to effect such cure within a period not to exceed 48 hours (which period shall be determined in the sole and absolute discretion of Lessor). The violation by Lessee or any other member of the Lessee Group of any of **Paragraph 5, 7, and 9** above each shall constitute a default under this Lease, and shall result in the right of Lessor to terminate immediately this Lease. If such termination occurs, Lessor shall be entitled to retain all Rents paid hereunder.

16. ABANDONMENT

If at any time during the Rental Term Lessee abandons the Leased Premises or any part thereof, Lessee shall not have any right to any Rent relief. If Lessor's right of re-entry is exercised following abandonment of the Leased Premises by Lessee, then Lessor may consider any personal property belonging to Lessee and left on the Leased Premises to also have been abandoned, in which case Lessor may dispose of all such personal property in any manner Lessor shall deem proper and is hereby relieved of all liability for doing so.

17. BINDING EFFECT

The covenants and conditions contained herein shall apply to and bind the parties and their respective heirs, legal representatives, and permitted assigns, and all covenants and agreements herein are to be construed as conditions of this Lease.

18. INDEMNITY

Lessee agrees to be responsible and liable to Lessor and DCHA (and/or any and all of its members) for, and to indemnify and hold harmless Lessor and DCHA (and any and all of its members) from and against, any and all:

(a) violations of the Redacted DCHA Declaration, the Redacted DCHA Rental Rules and Regulations and/or this Lease by Lessee and any and all members of the Lessee Group, and/or (ii) other acts and omissions of any and all members of the Lessee Group.

(b) (i) fines and/or other charges imposed by DCHA on (A) Lessor and (B) Lessee arising out of any and all violations of the Redacted DCHA Declaration, the Redacted DCHA Rental Rules and Regulations and/or this Lease by any and all members of the Lessee Group, (ii) damages (including property damages) incurred and/or sustained by Lessor and DCHA (and/or any and all of its members) arising out of any and all such violations and/or other acts and omissions of any and all members of the Lessee Group, and/or (iii) collection and other costs and expenses arising out of any and all such violations and/or other acts and/or omissions. The (x) violations and/or other acts and omissions described in **Paragraph 18(a)** above, and (y) the fines, charges, damages, costs and expenses described in this **Paragraph 18(b)**, collectively, the “**Lessee Rental-Related Liabilities**”.

(c) (i) violations of the Redacted DCHA Pet Rules and Regulations and/or this Lease by Lessee and any and all other members of the Lessee Group in respect of a pet at Diamond Cove, and/or (ii) other acts and omissions of any all members of the Lessee Group in respect of a pet at Diamond Cove.

(d) (i) fines and/or other charges imposed by DCHA on (A) Lessor and (B) Lessee arising out of any and all violations of the DCHA Pet Rules and Regulations and/or this Lease by any and all members of the Lessee Group with respect to a pet and by their pet(s) at Diamond Cove, (ii) damages (including property damages) sustained by DCHA (and/or any of its members) arising out of any and all such violations and/or other acts and omissions by any and all members of the Lessee Group with respect to a pet and by their pet(s), and/or (iii) collection and other costs and expenses arising out of any and all such violations and acts and/or omissions. The (x) violations and/or other acts and omissions described in **Paragraph 18(c)** above, and (y) the fines, charges, damages, costs and expenses described in this **Paragraph 18(d)**, collectively, the “**Lessee Pet-Related Liabilities**”.

(e) (i) any and all claims, actions, suits and/or proceedings by any and all members of the Lessee Group against Lessor and/or DCHA (and/or any and all of its members) arising out of the use of the Common Properties by any and all members of the Lessee Group and (ii) damages, losses, liabilities, costs and expenses (including attorneys’ fees and expenses) incurred and/or sustained by Lessor and/or DCHA (and/or any and all of its members) arising from any and all of the foregoing or otherwise related to such use.

(f) (i) claims, actions, suits and/or proceedings by any and all members of the Lessee Group against Lessor and/or DCHA (and/or any and all of its members) arising out of the entry into any and all of the abandoned buildings, batteries and other structures at Diamond Cove by any and all members of the Lessee Group and

any and all damages, losses, liabilities, costs and expenses (including attorneys' fees and expenses) incurred and/or sustained by Lessor and/or DCHA (and/or any and all of its members) arising from any and all of the foregoing or otherwise related to such buildings, batteries and structures.

_____(Lessee's initials)

19. APPLICATION OF RENTAL SECURITY DEPOSIT

The Rental Security Deposit shall be applied by Lessor (a) against damages to the Leased Premises, and (b) in the sole and absolute discretion of Lessor, against the fines, charges, damages, costs and expenses that constitute Lessee Rental-Related Liabilities payable to DCHA (and/or any and all of its members) in the order of priority set forth in **Paragraph 18(b)** above.

_____(Lessee's initials)

20. APPLICATION OF PET SECURITY DEPOSIT

The Pet Security Deposit shall be applied by Lessor (a) against damages to the Leased Premises, and (b) in the sole and absolute discretion of Lessor, against the fines, charges, damages, costs and expenses that constitute Lessee Pet-Related Liabilities payable to DCHA (and/or any of its members) in the order of priority set forth in **Paragraph 18(d)** above.

_____(Lessee's initials)

21. DISPUTE RESOLUTION

Lessee irrevocably agrees to submit to the exclusive jurisdiction of the Cumberland County Superior Court of the State of Maine, for the purposes of any dispute between Lessee and Lessor, and/or Lessee and/or DCHA, with respect to the subject matter of this Lease. Lessee further agrees that service of any process, summons, notice or document by U.S. registered mail to Lessee's address set forth in this Lease shall be effective service of process for any dispute. Lessee irrevocably and unconditionally waives any objection to the laying of venue of any dispute, or the matters contemplated hereby, in the Cumberland County Superior Court of the State of Maine, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in such Court that any such dispute brought in such Court has been brought in an inconvenient forum.

Lessee and Lessor hereby waive, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect to any dispute directly or

indirectly arising out of, under, or in connection with, this Lease or any other matter contemplated hereby.

In the event of any action, suit or other proceeding by Lessee, Lessor, and/or DCHA related to this Lease, the non-prevailing party shall be obligated to pay any and all legal fees and expenses incurred by the prevailing party.

_____ (Lessee's initials)

22. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the internal laws of the State of Maine applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

23. DCHA RIGHT TO ENFORCE THIS LEASE

Lessee and Lessor acknowledge and agree that DCHA shall constitute and be a third party beneficiary of this Lease and, as such shall be entitled (but shall not be obligated) to enforce this Lease against Lessee and Lessor, in each case, except those provisions that pertain to the obligation of Lessee to pay Rent. The failure of Lessee to comply with any of the provisions of this Lease, including, without limitation, any of the provisions of the Redacted DCHA Governing Documents that pertain to the rental of units and pets at Diamond Cove, shall give DCHA and its authorized agents the same rights as Lessor under this Lease, including the rights under **Paragraph 15** above.

_____ (Lessee's initials)