



**Penobscot Shores
Residency Agreement - Purchase
Document #3**

This Residency Agreement is entered into between Penobscot Shores Association, a Maine corporation (“Cooperative”) and the following Resident(s) (“Resident”):

NAME(S):	
ADDRESS:	
Unit address	

PREAMBLE

The Cooperative owns a retirement community located in Belfast, Maine known at **Penobscot Shores**. The Resident is the owner of the share of stock in the Cooperative represented by the certificate number listed below. As the owner of such stock, Resident is obligated and entitled to enter in to this Residency Agreement with respect to the residential unit at **Penobscot Shores** listed below (the “Unit”).

STOCK CERTIFICATE NUMBER	COTTAGE OR APARTMENT UNIT NUMBER

This Agreement grants Resident (or Resident’s permitted subtenants) the exclusive right to occupy the Unit during the term of the Agreement. Each long term occupant of the Unit must be a party to this agreement.

1. Lease; Amenities - Resident leases from the Cooperative the Unit described above. The site plan of the Unit and its location are described in the attached **Exhibit A**. The Unit is leased without furnishings, but will contain the following amenities:

1.1 All Units - All units will contain flooring which may be wall-to-wall carpeting, wood laminate, hardwood, or vinyl; self-defrosting refrigerator/freezer; stove and self-cleaning oven; microwave; dishwasher; washer and dryer; telephone and television hook-ups; individual thermostats to control heat; and an emergency response system (the “Basic Furnishings”).

1.2 Apartment Units - If Resident will occupy an apartment unit, the Unit will contain all the Basic Furnishings and, in addition, Resident will be allocated a designated storage area for personal use and will have the right with other residents to use the uncovered parking spaces surrounding the project.

1.3 Cottage Units - If Resident will occupy a cottage unit, the Unit will contain all of the Basic Furnishings and an attached garage designated for Resident's exclusive use.

1.4 Additional Parking - Fourteen (14) covered carports are available, on a first-come first-served basis, to be separately rented by residents of **Penobscot Shores**. Ocean House residents will have first priority for covered parking. Additional uncovered parking spaces will be available for the general use of all residents and their guests.

1.5 Common Areas - In addition, Cooperative grants Resident the right, together with other residents of Penobscot Shores, to use the common areas and the grounds surrounding the retirement community. The common areas will include a lobby, central dining room, mail area, activity room, health coordinators office, hair salon, library, and fitness room. The grounds will contain outside seating areas, garden spaces, and a maintained path to the shore front.² Services - Cooperative agrees to provide Resident with services based on the following options:

2.1 All Units - Core Services - The Cooperative must maintain certain Core Services for its residents unless there is consent by the Management and a Super Majority vote to terminate those services. These Core services include: (a) emergency response system, (b) property and grounds maintenance, (c) meal plan availability, (d) health screening and assessments, (e) water and sewer, and (f) scheduled transportation services for residents.

2.2 Apartment Units - In addition to the services available to all residents, a resident of an apartment unit will receive heat.

2.3 Cottage Units - In addition to the services available to all residents, a resident of a cottage unit will receive grounds maintenance.

2.4 A la Carte Services - In addition all residents may purchase from the Cooperative additional services, such as housekeeping services or additional dining services, on a fee-for-service basis. A more complete description of services is contained in attached **Exhibit B**. Cooperative retains the right to modify the services package from time to time to respond to resident needs and to maintain the monthly fees at affordable levels.

3 Fees

3.1 Monthly Fees - Resident agrees to pay the Cooperative the monthly fee applicable to the Unit, in advance, on the first day of each month. Fees for the first and last months of the Agreement will be prorated on a daily basis.

3.2 Amount - The monthly fee for each unit will be set annually by the Board of Directors of the Cooperative and will vary based on the level of services provided. Such fees may be increased or decreased by the cooperative at any time during the year to cover unanticipated shortfalls or excesses in the Cooperative's budget upon thirty (30) days' notice to Resident.

3.3 Meal Program – All residents are required to participate in the meal program. Meal program fees are established by the Board of Directors and charges appear on resident's monthly invoice.

3.4 Additional Service Fees - Resident agrees to pay Cooperative all charges for any additional services requested by Resident from time to time in accordance with a schedule of charges established regularly by the Board of Directors.

4. Billing - Monthly fees are due on the first day of each month. In addition, Cooperative will bill Resident monthly for any additional services fees incurred during the preceding month. Payment by Resident is due within ten (10) days of the date of the bill.

4.1 Late Charges - Resident will be assessed a late charge of one and one half percent (1.5%) per month (or the maximum amount allowed by law, if less) of the amount due if not paid in full when due.

4.2 Collection Cost - Resident shall be responsible for all costs incurred by Cooperative in enforcing the terms of the Agreement, including attorneys' fees and all other costs of collection.

4.3 Liability - Each Resident who is a party to this Agreement is jointly and severally liable for all amounts due to Cooperative from Resident under this Agreement. The release by Cooperative of any party to this Agreement shall not operate as a release of any remaining party.

5. Pledge of Stock.

5.1 Grant of Security Interest - Resident hereby pledges to Cooperative and grants to Cooperative a first security interest in the Cooperative stock held in Resident's name as security for Resident's obligations under this Agreement. Cooperative agrees to consent to the secondary pledge of the cooperative stock to any lender from whom Resident obtains financing with respect to Resident's acquisition of the stock.

5.2 Delivery of Certificate - To give full effect to the foregoing pledge, Resident herewith delivers to Cooperative the original stock certificate bearing the number set forth in the table in the Preamble to this Agreement and an undated, blank stock power relative to such certificate, duly endorsed by Resident. Resident further agrees to execute and deliver such additional documents as Cooperative reasonably deems necessary to give effect to the foregoing pledge.

5.3 Rights Prior to Default - Unless Resident is in default under this Agreement, Resident shall be entitled to vote the share represented by the certificate and to exercise all other rights relative to Cooperative stock, including the right to quiet enjoyment and occupancy of the Unit. Any lender holding a mortgage on Cooperative's assets will agree to recognize Resident's right to occupancy of the Unit so long as Resident is not in default under this Agreement.

5.4 Remedies Upon Default - In the event Resident is in default under this Agreement and such default has not been cured during any applicable cure period, Cooperative shall have the rights and remedies of a secured party under the Maine Uniform Commercial Code with respect to the stock,

including the right, without prior demand, to sell the stock at public or private sale at such price and upon such terms as Cooperative deems appropriate. Cooperative shall give at least five (5) days' prior written notice of its intent to sell the stock.

6. Alterations and Modifications - Resident may, at Resident's expense, make nonstructural alterations to the Unit (including painting, wallpapering, building of attached bookcases, and similar typical home improvements) with the prior written approval of the Manager. For safety reasons Resident agrees not to replace or add any locking devices to the Unit.

Resident will be permitted, at Resident's own expense, to make reasonable modifications to the Unit if the proposed modifications may be necessary to afford Resident or an approved occupant of the Unit the full enjoyment of the premises. Permission to make any such modification may be conditioned on Resident's agreement to restore the Unit to the condition it existed before the modification, reasonable wear and tear excepted. Resident must provide the Manager with a reasonable description of the proposed modifications as well as reasonable assurances that the work will be done in a workmanlike manner and that any required building permits will be obtained.

7. Maintenance - Cooperative will maintain the structural and mechanical components of the buildings which comprise the Penobscot Shores community, including foundations, siding, roofs, electrical, and other utility systems. In addition, Cooperative will maintain, repair and replace the appliances furnished by the Cooperative, but Resident will be liable for the cost of any work necessitated by Resident's misuse or negligence. Resident agrees to report promptly to the Manager any conditions in need of repair.

Other than those items described in the preceding paragraph which Cooperative will maintain, Resident is responsible for keeping the Unit clean and in good repair, and for conserving energy. Manager's personnel will be available for an additional charge to assist Resident in performing maintenance or repairs for which Resident is responsible.

8. Insurance - Resident acknowledges that the insurance maintained by Cooperative does not cover Resident's personal property or damages for injuries occurring in the Unit. Resident agrees to purchase personal property (i.e., tenant's insurance) and liability insurance covering the contents of, and occurrences within, the Unit or as a result of Resident's actions.

9. Resident's Obligations - The apartment and cottage units at **Penobscot Shores** are designed primarily to accommodate residents who desire the services to be provide by the Cooperative, but who do not anticipate needing special nursing or home health care services for their normal daily living. Every Resident and occupant of the Unit must comply at all times with the Rules of Residency attached as **Exhibit D**. Every occupant of the Unit, other than short term guests, must execute a Residency Agreement in the form approved by the Cooperative.

9.1 Additional Health Care Services - In the event Resident's health requires health care beyond the level provided relative to Resident's Unit, the Manager Population Health can will assist Resident in locating selected home health services from independent or affiliate providers. Future phases of **Penobscot Shores** may include construction of assisted living units. Upon completion of those units, in appropriate circumstances, and if space is available, the Resident will have the option of moving to an

assisted living unit located at **Penobscot Shores**. The assisted living units will be designed for residents who require only limited home health care or assistance with their normal daily living. If one of those units is not available or Resident requires more extensive nursing care than can reasonably be provided by or at **Penobscot Shores**, the Resident may elect to move to an appropriate alternative facility for such period of time as Resident's health requires. Although Manager will be available to counsel and advise Resident on the selection of additional health providers, it is Resident's obligation to locate and arrange for any recommended alternative or additional health care.

9.2 Additional Cost - The cost of all additional health care services not specifically included in Resident's monthly fee, including the cost of any occupancy of an assisted living unit at **Penobscot Shores** or elsewhere, long term care insurance and nursing home care, shall be the full responsibility of Resident.

9.3 Obligation to Sell Stock in Penobscot Shores - If the Unit is occupied by two persons, the permanent transfer of one occupant to another facility will not affect Resident's ownership of stock in the Cooperative or the remaining Resident's right to occupy the Unit. However, if the Unit is occupied by only one person, at the time a Resident makes a permanent transfer to another facility Resident will be obligated to offer the stock held in Resident's name for sale in accordance with Sections 10 and 11. If Resident subsequently is able to return to **Penobscot Shores**, Resident will be given priority on the appropriate waiting list maintained by the Manager.

10. Termination - The term of this Agreement is perpetual, except that this Agreement automatically terminates upon the sale of the Resident's stock in the Cooperative to another person. In addition, Cooperative may terminate this Agreement upon ten (10) days' written notice to Resident under any of the following circumstances.

- a. Upon the permanent transfer of the last remaining Resident or permitted subtenant of the Unit to another health care facility. For purposes of this provision any transfer for the foreseeable future shall be deemed "permanent".
- b. Upon Resident's repeated failure to pay any amount due hereunder when due.
- c. Upon Resident's breach of any term of this Agreement or repeated violation of any Rules of Residency or regulations established by the Cooperative, which breach or series of violations remains uncured thirty (30) days after written notice to Resident.
- d. Upon determination by the Manager that Resident's continued occupancy of the Unit presents a direct threat to the health or safety of other individuals or would result in substantial physical damage to the property of others.
- e. Upon the death of the last remaining Resident or permitted subtenant of the Unit.
- f. Upon Cooperative's election not to rebuild **Penobscot Shores** in the event of a catastrophic loss or taking, as provided in Section 17.

10.1 Effect of Termination - Upon termination of the Agreement, if Resident is still the owner of stock in the Cooperative, Resident shall be obligated to offer such stock for sale at the resale price then applicable to the Unit and Resident shall remain obligated to pay the monthly fee associated with the Unit and all other amounts due under this Agreement until the stock is sold and a new Residency Agreement entered into with the new owner. In addition, notwithstanding any sale of Resident's stock, Resident shall remain liable for any unpaid fees or cost incurred by Resident through the date of such sale. Resident's Pledge of the Cooperative Stock shall survive any termination to the Agreement.

10.2 Removal of Personal Belongings - Upon termination of this Agreement, Resident (or their personal representatives) shall promptly (not to exceed 45 days) remove all personal belongings from the Unit.

10.3 Waiver of Sale Requirement - Upon reasonable request, Cooperative may grant Resident the right to retain the stock for a defined period of time, despite the occurrence of an event which gives rise to Cooperative's right to terminate this Agreement. It shall be condition of any such approval that monthly fees and other amounts due under this Agreement are current and continue to be paid in full as they become due.

11. Stock Sale Procedures - Resident may sell the Cooperative stock held by Resident at any time in accordance with the procedures outlined in this Section. Manager shall be the exclusive sales agent of all shares of Cooperative stock. Accordingly, any resale of Resident's Cooperative stock, for whatever reason, must be handled through Manager.

11.1 Cooperative to Establish Resale Prices - The Cooperative Board of Directors will set the maximum and minimum resale prices of all shares of stock for all units at **Penobscot Shores** on a semi-annual basis. Resident may provide information from time to time about special features of the Unit for consideration in establishing the resale price. The resale price decision of the Board of Directors is final.

11.2 Waiting List; Qualified Buyers - Manager will maintain a waiting list of persons desiring entrance to **Penobscot Shores** and will give priority to residents who may wish to move to a different unit. Resident's Cooperative stock may be resold by Manager only to a purchaser who at the time of occupancy of the Unit meets the standards for admission to Penobscot Shores and intends to reside in the Unit, or to a purchaser who has agreed to assign occupancy rights under this Agreement to a permitted subtenant.

11.3 Stock Transfer Fee - Upon resale of Resident's Cooperative stock and execution of a new Residency Agreement for the Unit by the purchaser, Resident is obligated to pay the Manager a stock transfer fee. The stock transfer fee is equal to one percent (1%) for each month this Agreement is in effect up to a maximum of eight percent (8%) of the resale price of the Cooperative stock. In addition, the buyer and the seller will make a one percent (1%) contribution to the Replacement Reserve at the time of the sale.

11.4 Move to Alternate Unit - In lieu of a stock transfer fee when Resident is purchasing another share of Cooperative stock and moving to a different unit in **Penobscot Shores**, Resident shall be obligated to reimburse Manager for its costs of refurbishing the Unit vacated.

11.5 Payment Terms - Proceeds from the resale of the Cooperative stock, less the stock transfer fee and other amounts due and owing to Cooperative, will be paid to Resident within thirty (30) days after receipt by Manager.

12. Management

12.1 The Manager - Waldo County Healthcare Management Company (“Manager”) is under contract with the Cooperative to serve as exclusive management agent for **Penobscot Shores**.

The Management Agreement is intended to be long term and may only be terminated with the consent of the Manager and stockholders owning at least seventy-five (75%) percent of the Cooperative’s outstanding shares of stock. References to the Manager shall mean **Waldo County Healthcare Management Company** or any successor professional manager engaged by the Cooperative.

12.2 Delegation of Authority to Manager - Resident consents to the broad delegation of authority to Manager to act on the Cooperative’s behalf in the ways described in this Agreement and in Cooperative’s Articles of Incorporation and bylaws, including the right of Manager to determine Resident’s eligibility to reside at **Penobscot Shores**, to nominate a majority of Cooperative’s Board of Directors, to approve subtenants, to act as exclusive sales agent for the sale of Resident’s Cooperative Stock, and to receive a fee for such services.

12.3 House Rules - The Cooperative’s Board of Directors, with the advice of the Manager, will establish rules and regulations for the orderly operation and management of **Penobscot Shores** and the health, safety, welfare, peace and comfort of the residents of **Penobscot Shores**. Resident agrees to abide by such rules and regulations. For yours’ and your neighbors’ health and safety, tobacco products are not allowed to be used on the property.

13. Stockholder Rights and Obligation - Resident is a stockholder in the Cooperative. All of Resident’s rights and obligations as a stockholder shall be subject to the Cooperative’s Articles of Incorporation and bylaws, and this Agreement. In the case of any inconsistency, the Articles of Incorporation and the bylaws will take precedence.

13.1 Limitation of Resident’s Rights as Stockholder - The following restrictions are among those which shall apply to Resident’s exercise of voting rights as a stockholder:

a. Each share of the Cooperative’s stock shall be entitled to one vote. If more than one person shall be the record owner of the stock owned by Resident, the owners of the stock must jointly agree on the manner in which to vote their single share.

b. Each stockholder may vote in person or by proxy; a proxy duly signed by one Resident shall be binding upon each occupant in the Unit, unless contested prior to or at the stockholders meeting.

c. The Cooperative’s stockholders shall be entitled to nominate only a minority of the Board of Directors; the majority of the Board of Directors shall be nominated by the Manager.

d. Actions by the stockholders shall be by majority vote except that certain actions affecting the management, operation and ownership of the community may only be approved by agreement of the Manager and the holders of at least seventy-five (75%) percent of the outstanding shares of the Cooperative’s stock (a “Super Majority Vote”). The following are among the actions requiring a Super Majority Vote:

(i) Cessation of, or substantial charge in, the operation of **Penobscot Shores** as a retirement community, or termination of all, or a substantial portion, of the core services described in the Residency Agreements.

(ii) Amendments to the stockholder eligibility criteria set forth in the bylaws.

(iii) Termination of Waldo County Healthcare Management Company as the Manager.

- (iv) Amendment to the method of electing Directors or removal of any Director nominated by the Manager.
- (v) Termination of the Manager's rights to act as exclusive sales agent for the sale of Cooperative stock or any reduction in the stock transfer fee payable to the Manager for such services.
- (vi) Any encumbrance, pledge, hypothecation, sale, transfer or other disposition of all or substantially all the assets of the Cooperative, except in connection with the construction or renovation of the facilities which comprise **Penobscot Shores** where the mortgage holder has entered into a non-disturbance agreement protecting the occupancy right of non-defaulting stockholders of **Penobscot Shores**.
- (vii) Amendment to the Articles of Incorporation.
- (viii) Approval of a consolidation or merger involving the Cooperative.
- (ix) Amendment to any section of the bylaws requiring a vote of the owners of at least seventy-five (75%) percent of the outstanding shares of the Cooperative's stock.

13.2 Enforcement - Every stockholder of the Cooperative and the Manager are deemed third party beneficiaries of this Agreement and as such may seek enforcement, at law or in equity, of all obligations and restrictions applicable to Resident under this Agreement at any time.

13.3 Legend - The existence of this Agreement shall be conspicuously noted on the stock certificate evidencing Resident's share and shall be binding on Resident and all other stockholders in accordance with Sections 617 and 618 of the Maine Business Corporation Act, as the same may be amended from time to time.

14. Permitted Subtenants; Guest; Use - Resident represents that the purchase of the Cooperative Stock is being made for personal or family reasons and not for an investment. Resident may assign occupancy rights under this Agreement to a permitted subtenant with the Manager's prior approval. Except as may be authorized by Manager, Resident's right to occupy the Unit is personal and may not be assigned. All subtenants must meet occupancy standards set by Manager and execute a form of sub-tenancy agreement acceptable to Manager. Manager's consent to allow a subtenant to occupy the Unit does not relieve Resident of Resident's obligations under this Agreement. Guests occupying the Unit for more than fourteen (14) days during any calendar quarter may do so only with the Manager's permission. Resident is responsible for the conduct of any persons occupying the Unit as the subtenant, invitee or guest of the Resident including any charges incurred by them. Limited professional or commercial use is allowed only with the prior written approval of Manager.

15. Right of Entry - Resident hereby authorizes employees and agents of the Manager and Cooperative to enter Resident's Unit at reasonable times and upon reasonable notice for the purpose of providing services, repairs, maintenance, alterations, pest control and inspection, showing to prospective purchasers, and in the event of perceived medical or other emergency.

16. Indemnification by Resident - Resident will defend, indemnify, protect and hold harmless the Manager and the Cooperative, its agents and employees for any loss, damage, liability, injury or expense incurred by any of them as a result of the careless, negligent or willful acts of Resident or Resident's subtenants, invitees or guests. This obligation shall survive any termination of this Agreement.

17. Damage to Penobscot Shores; Taking - If a portion of **Penobscot Shores** is damaged by fire, flood, storm or other casualty or cause, Cooperative will proceed diligently to repair and restore the same if practicable. If Cooperative deems such repair or restoration impractical or if more than fifty (50%) percent of **Penobscot Shores'** buildings (based on a calculation of useable square feet) is damaged or subject to a condemnation or taking by eminent domain, cooperative has the option of rebuilding **Penobscot Shores** or terminating this Agreement.

18. Right to Cure Defaults - Cooperative, upon such written notice to Resident as is reasonable under the circumstances, may, but is not under any obligation to, cure any failure by Resident to perform any of Resident's obligations under this Agreement. If Cooperative chooses to do so, all costs and expenses, including reasonable legal fees and costs, and interest on the amount of any sums at the prime rate of interest as published from time to time in the Wall Street Journal, will be deemed a charge against Resident.

19. Process to Resolve Disputes - The parties agree that they shall first seek to resolve any dispute under this Agreement informally by consultation among Resident, Manager, and, if appropriate, members of the Resident's family. Any dispute that cannot be resolved informally shall be submitted to the Board of Directors. The decision of the Board of Directors shall be final.

20. Miscellaneous

20.1 Amendment - This Agreement may be amended by written agreement of the parties, except that Section 13.1 may only be amended with the consent of Manager and a Super Majority Vote of the stockholders.

20.2 Binding Effect - This Agreement is binding upon the successors and assigns of Cooperative and the heirs, successors, assigns, and personal representatives of Resident.

20.3 Severability; Waiver - Each provision of this Agreement will be deemed separate from each other provision and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the remainder of this Agreement. Waiver by Cooperative of any right to remedy under this Agreement in any instance shall not constitute a waiver of any future right or remedy.

20.4 Non-Discrimination - Penobscot Shores will be operated to provide the facilities and services described in this Agreement to individuals regardless of race, color, sex, religion, ancestry, or national origin.

20.5 Notices - Any notice to Cooperative shall be given in writing and mailed or delivered to Cooperative at its administrative office or at such other address as Cooperative may designate in writing. Any notice to Manager will be given in writing and mailed or delivered to its administrative office or at such other address as the Manager may designate in writing. Any notice to Resident shall be given in writing and mailed or delivered to Resident's Unit or at such other address as Resident may designate in writing.

20.6 Governing Law - This Agreement is governed by and shall be construed in accordance with the laws of the state of Maine.

IN WITNESS WHEREOF, Penobscot Shores Association and Resident(s) have signed this Agreement under seal on this _____ day of _____, 2021.

WITNESS:

PENOBSCOT SHORES ASSOCIATION

BY: _____
Its President

WITNESS:

RESIDENT (S)

Name: Buyers name

WITNESS:

Name: Buyers name

NOTE: See attached Stock Power to be executed by Resident(s).

Check here if Resident(s) are entering into a separate Carport License Agreement with Manager.



SITE PLAN



ENGELBRECHT AND GRIFFIN ARCHITECTS P.C. ©

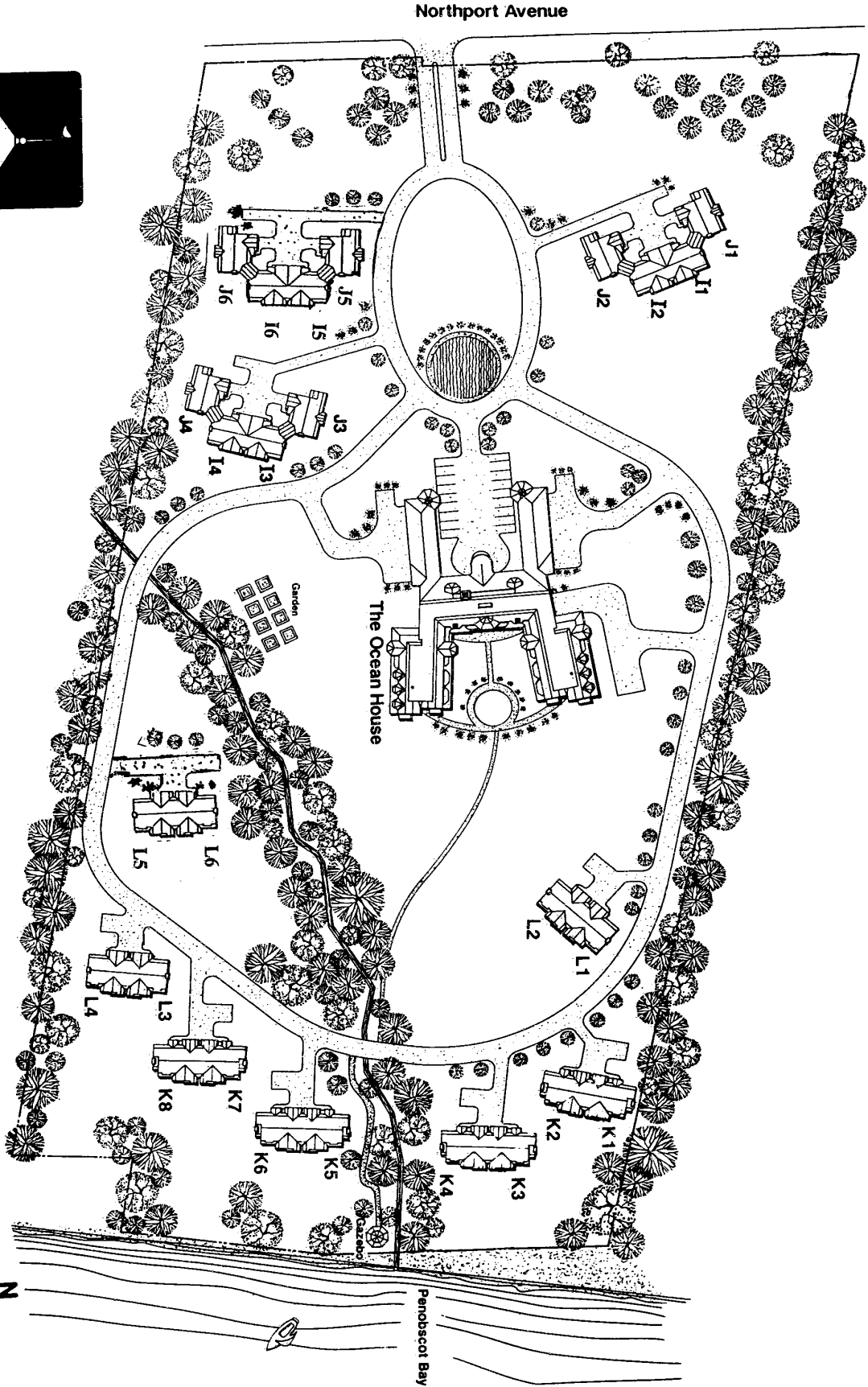
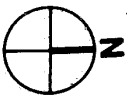


Exhibit A - Ocean House

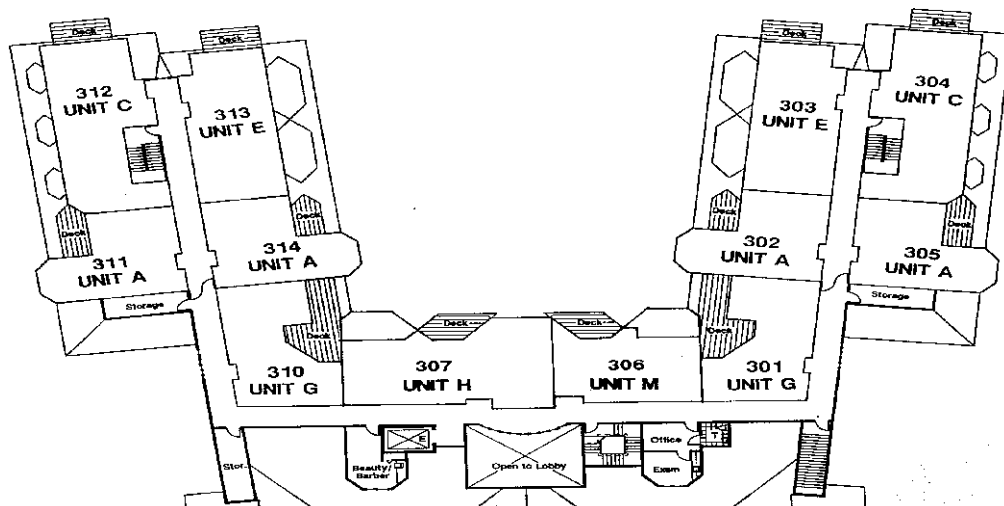
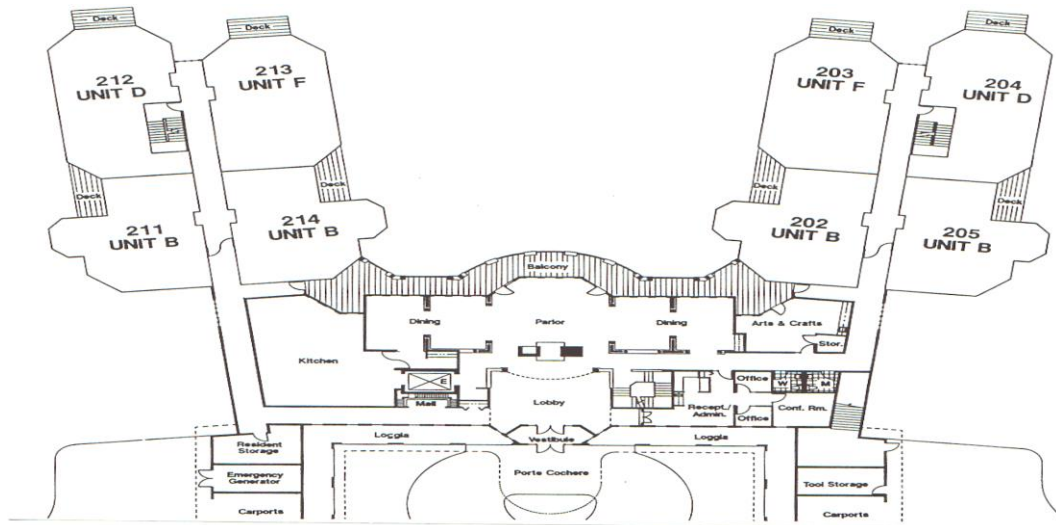
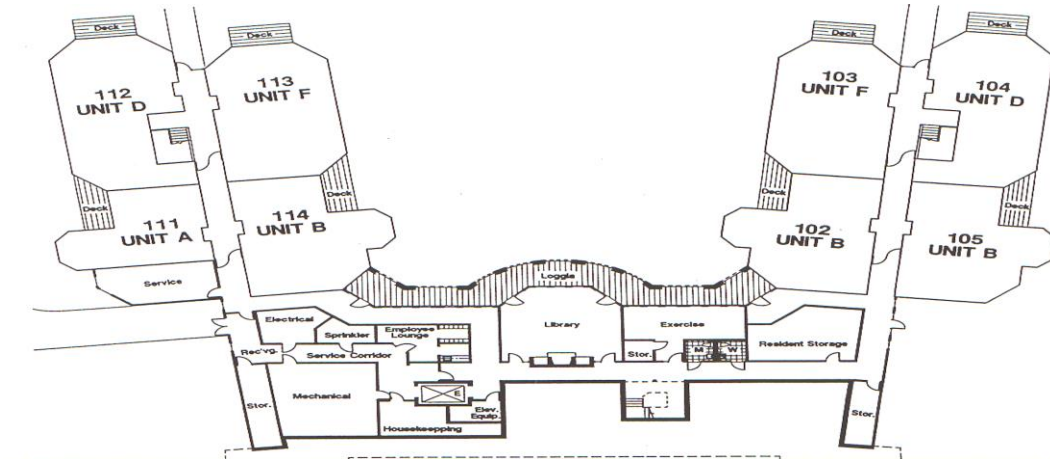


Exhibit B

Services for all Penobscot Shores Units

The services described below are currently included for all units at Penobscot Shores.

Utilities: Sewer and water for the Units are provided. The unit is centrally wired for cable television and telephone hook-up. Installation and monthly cable charges will be paid by the Resident if those services are desired. Electricity charges are not included in the Monthly Fee.

Emergency Response System: The Manager will be responsible for providing the emergency response system for residents.

Security: The Ocean House has a security access system to allow residents the ability to open the main door for their visitors. Waldo County General Hospital security does regular daily rounds of the community and Ocean House.

Maintenance: Cooperative will maintain all grounds and community areas, and will be responsible for repairs, maintain and replacement of the Unit's appliances provided by the Cooperative and the Unit's mechanical systems as necessary due to normal wear and tear. Residents are responsible for the cost of repairs and/or replacements due to the Resident or their guest misuse or negligence.

Transportation: Transportation to designated shopping, social events, medical facilities, and other local destinations are available on a regularly scheduled basis.

Health Services - Population Health: Waldo County General Hospital provides wellness and preventative health maintenance including scheduled exercise programs and blood pressure screenings. The service is available at no cost to residents for general consultation and advice and can coordinate the provision of home health services by independent providers.

Meals: All residents are required to participate in the meal program Ocean House apartment renters will generally be provided with 20 meals per month as part of their lease agreement.

Apartment Units

Residents of the apartments units will have the following services in addition to the services available to all residents.

Utilities: Residents of apartments will have heat included in their monthly fee. Shareholders are responsible for their electricity. For renters, up to \$50 per month for electricity expenses will be covered by management; any amount over \$50 will be charged to the resident.

Cottage Units

Residents of the cottages units will have the following services in addition to the services available to all residents.

Lawn & Garden: Cottage residents will have lawn and garden services provided on a scheduled basis.

Snow Removal: Snow removal after a storm is provided to the cottages; we even shovel up to the front door.

Exhibit C

Additional a La Carte Services

The following additional services are anticipated to be available to residents on a fee-for-service basis:

- . Housekeeping
- . Additional transportation
- . Additional meals and guests meals (on a reservation basis)
- . Maintenance personnel

The services offered by the Cooperative are subject to change from time to time by Cooperative's Board of Directors or in some cases by vote of the stock holders with Manager's approval.

Exhibit D

Rules of Residency

Resident and all occupants of the Unit shall be obligated at all times to comply with the following rules:

1. **Not to provide accommodations to boarders or lodgers.**
2. To use the Unit solely as a private dwelling for Resident and approved occupants, and not to permit its use for any other purpose.
3. To abide by necessary and reasonable regulations promulgated by the Cooperative for the benefit and well-being of **Penobscot Shores** and the other residents.
4. To comply with all obligations imposed by applicable provisions of building and housing codes materially affecting health and safety.
5. To keep the Unit in a clean and safe condition. For safety reasons, the storing of boxes and encroaching clutter as to block windows and exits for easy exiting is not permitted. Management has the right to hire qualified organizers, at the shareholder or renter's expense, to correct clutter or hoarding issues. If this cannot be resolved, the shareholder or tenant will be required to vacate the unit.
6. To dispose of all ashes, garbage, rubbish, pet waste and other waste from the Unit in a timely, sanitary and safe manner.
7. To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities.
8. To refrain from, and to cause other occupants and guests to refrain from, destroying, defacing, damaging, or removing any part of the Unit.
9. To pay reasonable charges (other than for wear and tear) for the repair of damages to the Unit, or to **Penobscot Shores**, caused by Resident, pets or any other occupant of the Unit.
10. To act, and to cause all other occupants and guests of the Unit to act, in a manner which will not disturb other residents' peaceful enjoyment of their Units and will be conducive to maintaining **Penobscot Shores** in a decent, safe and sanitary condition.
11. To assure that Resident and any other occupant of the Unit shall not engage in any criminal activity that threatens the health, safety, or right of peaceful enjoyment of **Penobscot Shores** by other residents or employees.
12. To comply with the Penobscot Shores smoke free campus policy, and to refrain from smoking in all interior and exterior areas.

13. To keep pets in a clean and sanitary manner, refrain from disturbing other residents, and leashed at all times when outside of the unit, and in accordance with the pet policy established by the cooperative.

Exhibit G

Pet Policy

PENOBSCOT SHORES

In order to make community living at Penobscot Shores a pleasant experience for everyone, we have established the following pet policy. The purpose of this policy is to establish a guideline that will recognize the safety and comfort of all of the members of Penobscot Shores.

GENERAL

1. All pets must be neutered or spayed.
2. All pets must have current rabies and distemper shots.
3. Pets must be licensed in accordance with local law.
4. Owners are responsible for the behavior of their pets at all times, and bear sole liability for any consequences of that behavior.
5. Pets must be kept within the confines of the owner's unit or on a leash at all times.
6. Pets must not interfere with the safety and comfort of other members of the Penobscot Shores Community.
7. Members are fully responsible for cleaning up after their pets, both in and outside the unit.
8. Members agree to keep their pets clean and free of fleas, mites, etc.
9. Members agree to provide the management of Penobscot Shores with verification of shots, licensing, and neutering.
10. Members acknowledge that the presence of pets may necessitate periodic pest control precautions. Pet owners agree to cooperate with these efforts and accept responsibility for additional cost which may be incurred.
11. There will be no more than two (2) pets per unit.

COTTAGES RESIDENTS

1. The following common domestic pets shall be allowed in the cottage units; dogs, cats, caged birds, hamsters, and gerbils.

OCEAN HOUSE RESIDENTS

1. The following common domestic pets shall be allowed in the apartments; dogs (under 25 lbs), cats, caged birds, hamsters and gerbils.

Dated: _____ Approved by: _____

Exhibit H

Building & Grounds Guidelines

The residents of Penobscot Shores want this to be an attractive and friendly community. To achieve this, the following guidelines were proposed by the Building & Grounds Committee and approved by a vote of the membership. In the interest of simplicity, the list is short and not comprehensive. **Residents shall consult the manager prior to making any modification that will affect the exterior appearance of the buildings or the grounds.**

Exterior Lights

The only exterior lighting that may be added to cottage units is a sensor light, for security purposes. Temporary lights, such as Christmas lights, are permissible if not intrusive to neighbors. Floodlights should not be used. All seasonal lights and decorations are to be removed no later than six weeks after celebration.

Parking

Licensed passenger vehicles, if frequently used, may be parked on the community driveways in front of the garage door or on other paved parking areas in such a way as to allow easy entrance and egress of neighbors.

Residents' RVs, boats, trucks, trailers, etc. are to be stored elsewhere, except that these may be brought onto the property for short periods with management approval.

A guest traveling in a recreational vehicle may park up to five days in any consecutive two-week period in a resident's driveway. Such vehicles must park so that entrance and egress by residents is not impeded.

Chairs, Tables and Other Portable Items

When placed on lawns they should be moved periodically to prevent damage to grass, and should be removed by residents for mowing, etc.

If deck and lawn furniture are left on the decks during the winter months, it should be stored neatly. If covered, neat and tight fitting covers should be used and these should be of a color that will blend with the buildings. Winter storage is the responsibility of the owner.

Awnings, Pentawings, Umbrellas

These may be used within the deck and adjacent areas. The color material, and style must be compatible with the building and are subject to management approval. Winter storage is **the resident's responsibility. Screened decks are not permitted.**

Signs

Cottage residents may place a small freestanding name sign in front of their unit within a mulched plant bed. (Refer to sign specifications adopted 8/99).

Antennae: Wire or Dish

TV satellite dishes, maximum 18" in diameter, and other types of antennae may be used within the deck area. Style, size and installation of all exterior antennae are subject to prior approval by management.

Fences and Living Screens

Decorative plant containers may be used on decks and within cottage private garden and cottage main entrance areas. Containers may not be permanently attached to the building. Residents are responsible for maintenance and winter storage of containers. Free standing trellises and other plant supports may be used within private bed areas. (Refer to trellis specifications adopted 8/98).

Flags

Individual flagstaffs may be attached to residences, subject to management approval.

Wind Chimes

Wind chimes are permissible with management approval and providing they are not objectionable to neighbors.

Outdoor Grills

For safety reasons, only propane, containerized natural gas, and electric grills are permitted on decks. It is recommended that gas tanks not be stored inside.

Landscaping

Maintenance of plants and beds, lawns, native trees and shrubs, and other natural vegetation is the responsibility of management, however, shrubs, trees and flowers around the cottages may be watered, when needed, by residents. Lawns should not be watered during hot, dry periods when grasses become naturally dormant, since such watering is neither helpful nor cost effective.

Areas around cottages designated within the master landscape plan as "private bed" areas may be planted by residents. Maintenance of these areas, if planted, is the resident's responsibility. The planting of trees, shrubs and perennials outside private bed areas is not permitted, however low growing annuals may be used with discretion.

Colors and quantity should be compatible with the permanent landscape planting.

Statuary garden ornaments and birdbaths may be used with discretion within plant bed areas and should be harmonious with the surroundings. Planting boxes in the community garden area near the Ocean House are available to residents without charge, by applications to management.

Pets, Trash and Other Items

There are additional items included in your Penobscot Shores Documents, which are not included in this list of guidelines.