ALDEN'S WALK OWNERS ASSOCIATION

BYLAWS

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BYLAWS OF ALDEN'S WALK OWNERS ASSOCIATION

ARTICLE I. OFFICE

Section 1. Principal Office. The principal office of the Alden's Walk Owners Association (hereinafter referred to as "the Association") shall be maintained in the State of Maine.

Section 2. Place of Meetings. All meetings of the Association shall be held at its principal office unless some other place is stated in the call.

ARTICLE II. ASSOCIATION OF OWNERS

Section 1. Membership. The members shall consist of all unit owners of Alden's Walk, a Condominium, a property submitted to the provisions of the Maine Condominium Act and located in Portland, Cumberland County, Maine. Membership shall be in accordance with the Declaration or these Bylaws. The membership of each unit owner terminates upon a sale, transfer or other disposition of his ownership interest in the unit as provided in the Declaration, whereupon the membership and any interest in the funds of the Association shall automatically transfer to and be vested in the successor in ownership. A conveyance in mortgage of the unit, however, shall not operate to transfer membership until the mortgage is foreclosed or the property sold in lieu of foreclosure. The Association may, but is not required to, issue certificates of membership.

Section 2. Annual Meeting. An annual meeting of the Association shall be held each year no later than December 1.

Section 3. Special Meetings. Special meetings of the members may be held at any time upon the call of the President or upon the call of any two owners. Upon receipt of the call, the Secretary shall send out notices of the meeting to all members of the Association.

Section 4. Notice of Meetings. A notice of every meeting of the Association, stating whether it is an annual meeting or special meeting, shall be given by the President or Secretary not less than ten (10) nor more than 60 days before the date set for the meeting. Such notice shall be hand delivered, sent by United States mail to the mailing address designated in writing by the unit owner or sent by electronic mail to any other address, including an e-mail address, specifically designated by the unit owner. The notice must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendments to the declaration or bylaws, any budget changes and any proposal to remove a director or officer. If notice is given pursuant to provisions of this section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat. Upon written request for notices mailed by registered mail addressed to the Secretary of the Association at the address of the Manager, the holder of any duly recorded mortgage against any unit may promptly obtain a copy of any and all notices permitted or required to be given to the members from and after receipt of the request until the request is withdrawn or the mortgage is discharged of record.

Section 5. Waiver of Notice. The presence of all the members in person or by proxy, at any meeting shall render the same a valid meeting, unless any member shall, at the opening of the meeting, object to the holding of the same for noncompliance with the provisions of Section 4 of this Article II. Any meeting so held without objection shall, notwithstanding the fact that no notice of meeting was given, or that the notice given was improper, be valid for all purposes, and any general business may be transacted and any action may be taken.

Section 6. Quorum. The presence at any meeting of the Association in person or by proxy of unit owners whose aggregate voting rights constitute more than 33% of the total voting rights shall constitute a quorum. A quorum is deemed present throughout any meeting of the Association if more than 33% of those entitled to cast are present in person or by proxy at the beginning of the meeting. At any meeting at which a quorum is present, the affirmative vote of a majority of those present shall decide any question except the election of Directors presented to the meeting, unless a greater percentage vote is required by law, by the Declaration or by these Bylaws. In the election of Directors, those receiving the greatest number of votes, though less than a majority, shall be elected.

Section 7. Voting. Any person, firm, corporation, trust, or other legal entity or a combination thereof, owning any unit other than as a mortgagee in the condominium duly recorded in his or its name, the ownership whereof shall be determined by the records of the Cumberland County Registry of Deeds, shall be a member of the Association, and either in person or by proxy entitled to vote for each unit so owned at all meetings of the Association. Any provisions to the contrary notwithstanding, co-owners or joint owners shall be deemed one owner. The authority given by a member to another person to represent such member at meetings of the Association shall be in writing, signed by such member or if a unit is jointly owned then by all joint owners, or if such member is a corporation, by the proper officers thereof, and shall be filed with the Secretary, and unless otherwise stated therein, such authority shall be valid until revoked in writing. An executor, administrator, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any unit owned or held by him in such a capacity, whether or not the same shall have been transferred to his name by a duly recorded conveyance. In case such unit shall not have so been transferred to his name, he shall satisfy the Secretary that he is the executor, administrator, guardian, or trustee holding such unit in such capacity. Whenever any unit is owned by two or more jointly according to the records of said Registry, the owners thereof may designate in writing one or more of the owners to cast the vote for all such owners, and such designation, unless otherwise limited by its terms, shall be valid once filed with the Secretary until revoked by any such owner by notice in writing filed with the Secretary. No vote pertaining to a unit owned by the Association may be cast.

Any specified percentage of owners refers to the aggregate voting rights and not to the number of units or owners.

Section 8. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the members present, whether a quorum *be* present or not. If the adjournment is for less than thirty (30) days and the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, no further notice need be given. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE III. BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors elected by the members, composed of not less than three nor more than five persons. Each such director shall be the owner or the spouse or registered domestic partner of an owner of a unit in the project; or if a unit owner shall be a corporation, partnership, trust or estate, then an officer, partner, trustee or beneficiary thereof.

Section 2. Powers and Duties. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association and may do all such acts and

things as are not by law or by these Bylaws directed to be exercised and done by the owners.

Section 3. Other Duties. In addition to other duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

3.1. Care, upkeep, and surveillance of the project and the common areas and facilities.

3.2. Determination and collection of the monthly assessments from the owners.

3.3. Designation and dismissal of the personnel necessary for the maintenance and operation of the project and the common areas and facilities.

Section 4. Manager or Management Agent, Employees, Generally. The Board of Directors may employ for the Association a management agent or manager, at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Any agreement for professional management shall not exceed a term of three years and shall be cancellable by either party without cause and without a termination fee upon not less than 60 nor more than 90 days written notice. The Board of Directors may employ any other employees or agents to perform such duties and at such salaries as the Board of' Directors may establish. Any first mortgagee of a unit may file a written request with the Board of Directors that it be notified of a change of management agent or manager and the Board of Directors shall, upon making such change, give such notification as requested.

Section 5. Election and Term of Office. The directors shall be elected by the owners at the annual meeting of the Association for a term of office of three years. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the members shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 7. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority of the members and a successor or successors may then and there be elected to fill the vacancy or vacancies thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 8. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before or after the services are undertaken. A director may not be an employee of the Association.

Section 9. Annual Meeting. The annual meeting of the Board of Directors shall be held within thirty (30) days following the annual meeting of the Association, and no notice shall be necessary in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Timely notice of meetings of the Board of Directors shall be hand delivered, sent by United States mail to the mailing address designated in writing by the unit owner, or sent by electronic mail to any other address, including an e-mail address, specifically designated by the unit owner. The notice must state the time and place of the meeting and the topics proposed to be discussed. If notice is given pursuant to provisions of this section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat.

Section 11. Special Meetings. Upon written request of at least two directors, a special meeting of the Board of Directors shall be called by the President or Secretary on no less than three days' notice to each director by hand delivery, by telephone, or by electronic mail to an email address specifically designated by the director. Upon the request of any director made within 30 days after a meeting, the person giving notice of the meeting shall execute a sworn affidavit setting forth the specific manner in which notice of the meeting was given to and received by each unit owner.

Section 12. Waiver of Notice. Before or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof.

Section 13. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting in which a quorum is present shall be the acts of the Board of Directors. A quorum is deemed present throughout any meeting of the Board if a majority of the directors are present in person or by proxy at the beginning of the meeting. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Unanimous Action. Unless otherwise provided by law, the Declaration, or these Bylaws, any action which may be taken at a meeting of the directors may be taken without a meeting if all of the directors sign written consents delivered by hand or electronic mail, setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of directors' meetings and shall have the same effect as a unanimous vote.

Section 15. Bonds of Officers and Employees. The Board of Directors may require that all officers and employees of the Association handling or responsible for corporate funds shall furnish adequate bonds. The premiums on such bonds shall be paid by the Association.

Section 16. Committees. The Board of Directors may establish such standing or other committees, with such powers and duties, as it deems advisable.

Section 17. Starting in 2024, The Corporate Transparency Act requires that all board members, as beneficial owners, must submit their names, birth dates and a clear copy of a passport, driver's license or state ID to the Financial Crimes Enforcement Network as part of required filing.

ARTICLE IV. OFFICERS

Section 1. Designation. The officers of the Association shall be a President, a Secretary, and a Treasurer. The directors may in their discretion appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers, as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at its annual meeting and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Removal as an officer does not constitute removal as a director, such removal being governed by Article III, Section 7 of these Bylaws.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. In his absence, a chairman pro tempore from the Board of Directors may be chosen by the President or directors, as the case may be, to preside at a meeting. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint ad hoc committees from among the owners or their spouses or registered domestic partner from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Treasurer. The Treasurer shall have the responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. Such books shall be available for examination by unit owners during reasonable weekday hours. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible, subject to the direction of the Board of Directors, for the preparation and dissemination to the members of all financial reports, budgets and notices required, and for the preparation and signing, if necessary, of all financial reports or tax returns required to be filed by the Association.

Section 6. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board of Directors and of the Association, shall give all notices as provided by these Bylaws, and shall have other powers and duties, as may be incidental to the office of Secretary, given by these Bylaws or assigned from time to time by the directors. If the Secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose. The Secretary shall be responsible for the filing of all reports and documents required to be filed by the Association with any governmental agency.

Section 7. Compensation. The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Board of Directors.

Section 8. Auditor. At the discretion of the Board or upon vote by the Association, some person, firm or corporation engaged in the business of auditing may be appointed to act as auditor of the Association and to audit the financial statements of the Association.

ARTICLE V. FISCAL MANAGEMENT

Section I. Accounting. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principles and practices. Within 90 days after the close of each fiscal year, the Association shall furnish its members with a statement of the income and disbursements for such prior fiscal year and a balance sheet as of the close of that year.

Section 2. Assessments. With respect to each fiscal year, the Board shall estimate the amount required by the Association to meet its expenses for such year, including but not limited to the following items:

2.1. Management and administration expenses;

2.2. The estimated cost of repairs, maintenance and replacement of common areas and facilities;

2.3. The cost of such insurance and utilities as may be furnished by the Association;

2.4. The amount of such reserves as may be reasonably established by the Board, including general operating reserves, reserves for contingencies, and reserves for maintenance and replacements; and

2.5. Such other expenses of the Association as may be approved by the Board of Directors including operating deficiencies, if any, for prior periods.

Electricity, telephone, and television cable add on services shall be assessed and billed to each unit separately by the service provider.

Within 90 days of the commencement of each fiscal year, the Board shall cause an estimated annual budget to be prepared based on its estimations of annual expenses, and copies of such budget shall be furnished to each member. The Board shall call a meeting of the members not less than 10 nor more than 30 days after such budget is furnished to the members for the purpose of considering ratification of such budget. Unless at that meeting 60% or more of the unit owners vote to reject the budget, the budget shall be deemed ratified, whether or not a quorum is present at the meeting. In the event the budget is rejected, the budget last ratified by the members shall be continued until such time as the unit owners ratify a subsequent budget proposed by the Board.

On or before the first day of each month of the fiscal year covered by such estimated annual budget, each member shall pay as his respective monthly assessment one-twelfth (1/12) of his proportionate share of the amount designated in the estimated annual budget as membership assessments. Each member's proportionate share of membership assessments shall be an amount equal to the total membership assessment multiplied by his respective percentage interest in the common elements provided, however, that with respect to certain common elements, the operation, maintenance and replacement costs and reserves may be allocated among the members according to the respective use and benefit of the particular facility to each unit rather than according to the percentage interest of each unit.

Until the annual budget for a fiscal year is ratified by the members, each member shall continue to pay that amount which had been established on the basis of the previous annual budget.

If any member shall fail or refuse to make payment of his proportionate share of the common expenses or any other amount payable to the Association when due, the amount thereof shall bear interest at a rate per annum of 18%, and, together with such interest, shall constitute a lien on the unit of such member. The Association and the Board shall have the authority to exercise and enforce any and all rights and remedies provided in the Condominium Act, the Declaration or these Bylaws, or otherwise available at law or in equity for the collection of all unpaid amounts including the right to accelerate payment on the full assessment for the year- and, if available, all possessory remedies under the Forcible Entry and Detainer laws of Maine.

Section 3. Revised and Emergency Assessments. If at any time prior to or during the course of any fiscal year the Board shall deem the amount of the membership assessments to be inadequate by reason of a revision in its estimate of either expenses or other income, the Board shall prepare and cause to be delivered to the members a revised estimated annual budget for the balance of such fiscal year and shall call a meeting of the members to ratify such budget in the same manner as for an annual budget. After ratification, monthly assessments shall be determined and paid on the basis of such revision.

The Board may, upon finding that an emergency exists which requires immediate assessment of the members, make an emergency assessment not to exceed an amount equal to 2 months' current monthly assessment for each unit, which shall be due and payable when communicated to the members.

Section 4. Maintenance and Repair. Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the project in its entirety or in a part belonging to other owners, and shall be expressly responsible for any damages or liabilities resulting from his failure to do so. If any owner fails to perform such maintenance or repair after reasonable notice from the Association, the Association, through its officers or manager, shall have the right and duty to enter the unit and perform such maintenance or repair in the name of the owner and shall be entitled to reimbursement from the owner for any expenditures incurred.

All the repairs of internal installations of the unit such as light, power, telephones, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit area shall be maintained at the owner's expense.

An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common areas and facilities damaged through negligence, misuse or neglect.

Every unit owner must at his own expense maintain heat at levels sufficient to protect the common elements (sprinkler, water pipes, etc.) from damage.

All other maintenance and repair of the common areas and facilities shall be performed at the direction of the Board of Directors, and shall be a common expense. Payment of maintenance and repair costs shall be approved by the manager or Board of Directors before payment.

Section 5. Improvements. The Board of Directors may make improvements to the common areas and facilities and assess the cost thereof to all Unit Owners as a common expense. In addition, if an improvement is requested by one or more unit owners and is, in the opinion of the Board, exclusively or substantially exclusively for the benefit of those who requested it, the cost shall be assessed against such owner or owners in such proportion as the Board shall determine as fair and equitable. Nothing contained herein shall prevent the unit

owners affected by such improvement from agreeing, in writing, either before or after the assessment is made, to be assessed in different proportions.

Section 6. Use of Units. All units shall be utilized in accordance with the provisions of the Bylaws, Declaration and Rules and Regulations.

Every unit owner shall pay to the Association promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association in collecting any delinquent assessments or fees against such unit, foreclosing its lien therefor, collecting any penalties imposed hereunder, or enforcing any provisions of the Declaration or these Bylaws against such owner or any occupant of such unit.

Upon any violation of the Declaration, Bylaws, or Rules and Regulations, no less than 10 days' notice of the violation committed and the necessary corrective action that is required shall be given by the Board to the owner (including any owner, tenant, lessee, licensee, guest or invitee and the owner of any unit in which the violation is occurring or has occurred). Such notice shall be hand delivered, sent by United States mail to the mailing address designated in writing by the unit owner, or sent by electronic mail to any other address, including an e-mail address, specifically designated by the unit owner. If such violation continues beyond the ten (10) day period, the owner shall pay a penalty in the amount of 10% of the then monthly assessment of the unit per day to the Association until the violation is corrected. The delivery in hand or mailing of the notice shall constitute the commencement of the ten (10) day period. Any person against whom a penalty is asserted under the preceding paragraph of this section shall be entitled to a hearing before the Board of Directors upon such reasonable notice and in accordance with such reasonable procedures as the Board of Directors may determine, but a request for such a hearing shall not interrupt or stay the time for correcting the violation or the continued penalty assessment.

Section 7. Rules and Regulations. In order to assure the peaceful and orderly use and enjoyment of the buildings and common areas and facilities of the Association (the Property), the Board of Directors 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 the Property as it may deem necessary, including, but not limited to, methods and procedures for enforcing compliance with the' Declaration and Bylaws. Such Rules and Regulations adoption, and every amendment, modification, and revocation thereof, shall, upon adoption be delivered promptly to each owner and shall be binding upon all members of the Association and occupants of the Property.

Section 8. Foreclosure of lien. In any action to foreclose the lien against any owner of a unit, the Association may represent itself through its manager or Board of Directors in like manner as any mortgagee of real property. The manager or Board of Directors acting on behalf of the unit owners shall have the power to bid on and acquire such unit at a foreclosure sale. The delinquent owner shall be required to pay to the Association a reasonable rent for such unit until the sale or foreclosure, together with all costs and reasonable attorney's fees. Suit to recover money judgment for unpaid common expenses shall be maintained with all costs and reasonable attorney's fees without foreclosing or waiving the lien securing the same.

Section 9. Title. Every unit owner shall promptly cause to be duly recorded in the Cumberland County Registry of Deeds the deed, lease, assignment, other conveyance or other evidence of title thereto.

Section 10. Mortgages. Any mortgagee of a unit may file a copy of its mortgage with the

Board of Directors through the manager, and the Secretary shall maintain such information in the record of ownership of the Association. After the filing of the mortgage, and upon the request of the mortgagee, the Board of Directors, through its manager, shall be required to notify the mortgagee of any matters for which notice to eligible mortgage holders is required under the Maine Condominium Act.

Section 11. Insurance.

The Board of Directors shall obtain and maintain, to the extent available in accordance with general business practices, insurance on the Condominium buildings and all other insurable improvements upon the land, including but not limited to, all of the units, together with the service machinery and equipment and all other personal property as may be held and administered by the Board of Directors for the benefit of the unit owners covering the interest of the Condominium organization, the Board of Directors and all unit owners and their mortgagees as their interest may appear. The insurance shall be purchased from recognized insurance companies duly licensed to operate in the State of Maine. Such insurance shall be primary even if unit owners obtain other insurance covering the same loss. It must show the named insured as "Association of the Owners of Alden's Walk, A Condominium, for the use and benefit of the individual owners."

The Board of Directors shall obtain master policies of insurance which shall provide that the loss thereunder shall be paid to the Board of Directors as insurance trustees under the Declaration. Under the said master policies, certificates of insurance shall be issued which indicate on their face that they are a part of such master policies of insurance covering each and every unit of the Condominium and its common elements. A certificate of insurance with proper mortgagee endorsements shall be issued to the owner of each unit and the original thereof shall be delivered to the mortgagee, if there be one, or retained by the unit owner if there is no mortgagee. The certificate of insurance shall show the relative amount of insurance covering the unit and the interest in the common elements of the Condominium property. Such master insurance policies and certificates shall contain provisions that the insurer waives its right to subrogation as to any claim against the Board of Directors, its agent and employees, unit owners their respective employees, agents and guests, and of any defense based on the invalidity arising from the acts of the insured, and providing further that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual unit owners as hereinafter permitted. The original master policy of insurance shall be deposited with the Board of Directors as insurance trustee and a memorandum thereof shall be deposited with any first mortgagee who may require the same. The Board of Directors must acknowledge that the insurance policies and any proceeds thereof will be held in accordance with the terms hereof. The Board of Directors shall pay, for the benefit of the unit owners and each unit mortgagee, the premiums for the insurance hereinafter required to be carried at least thirty (30) days prior to the expiration date of any such policies and will notify each unit mortgagee of such payment within twenty (20) days after the making thereof.

The property shall be covered by:

11.1. Casualty or physical damage insurance in an amount equal to not less than 100% of the full replacement value of the condominium buildings as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage, containing provisions designed to protect against inflationary increases in value. Such coverage shall afford protection against the following:

11.1.1. Loss or damage by fire, lightning, sprinkler leakage, vandalism and malicious mischief, boiler coverages and other hazards covered by the standard extended coverage endorsement together with coverage for the payment of common expenses with respect to damaged units during the period of reconstruction.

11.1.2. Such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use to the Condominium buildings, including but not limited to, vandalism, malicious mischief, windstorm and water damage, collapsed boiler and machinery explosion or damage, and such other insurance as the Board of Directors may determine.

The policies providing such coverage shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the approval of the Board of Directors or where in conflict with the terms of this Declaration, and shall further provide that the coverage thereof shall not be terminated or substantially changed by the insurer without twenty (20) days' notice to all of the insured including each unit mortgagee.

All policies of casualty or physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least (20) days' prior written notice to all of the insured, including all mortgagees of the units, and certificates of such insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all unit owners and their mortgagees at least twenty (20) days prior to the expiration of the then current policies.

11.2. Public liability insurance in such amounts, but not less than $1,000,000 Bodily Injury and Property Damage, and in such forms as shall be required by the Board of Directors, including but not limiting the same to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage. The policy shall provide that the insurer may not cancel or substantially modify it without twenty (20) days' notice to all of the insurers including each unit mortgagee.

11.3. Workmen's Compensation insurance to meet the requirements of law.

11.4. Fidelity insurance covering those employees of the Board of Directors and those agents and employees hired by the Board of Directors who handle Condominium funds, in amounts as determined by the Board of Directors but not less than the sum of three months' assessments on all units plus the Association's reserve funds. The bond shall provide that the insurer may not cancel or substantially modify it without twenty (20) days' notice to all of the insurers including each unit mortgagee.

Each unit owner may obtain additional insurance at his own expense affording coverage upon his personal property and for his personal liability, but all such insurance shall contain the same waiver of subrogation as that referred to in the preceding paragraph (2) hereof. Each unit owner may obtain casualty insurance at his own expense upon his unit but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the

Board of Directors or shall be written by the same carrier. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Board of Directors pursuant to the preceding section due to proration of insurance purchased by the unit owner under this section, the unit owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Board of Directors to be distributed as herein provided.

Premiums upon insurance policies purchased by the Board of Directors shall be paid by it and charged as common expenses.

All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Board of Directors hereinabove set forth shall be paid to it. The Board of Directors shall act as the insurance trustees. In the event that the Board of Directors have not posted surety bonds for the faithful performance of their duties as such managers or if such bonds do not exceed the funds which will come into its hands, and there is a damage to part or all of the Condominium property resulting in a loss, the Board of Directors shall obtain and post a bond for the faithful performance of its duties as insurance trustee in an amount equal to 100% of the insurance proceeds payable before it shall be entitled to receive the proceeds of the insurance payable as a result of such loss. The sole duty of the insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the unit owners and their respective mortgagees.

Each unit owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under policies purchased by the Board of Directors.

When a loss occurs within the common elements or within the boundary of the individual unit, claims shall be made to both the Association's casualty and physical damage insurance and, where the unit owner has, at their own expense, obtained additional homeowner's casualty and physical damage insurance, the homeowner's insurance. Pursuant to the Maine Condominium Act, when there is a loss covered under both the Association's and the homeower's insurance policies, the Association's insurance policy shall provide primary insurance. When the maintenance and repair are the responsibility of the Association, the Association shall be responsible for any applicable deductibles. When the maintenance and repair are the responsibility of the unit owner, the unit owner shall be responsible for any applicable deductibles.

In no event shall any distribution of proceeds be made by the Board of Directors directly to a unit owner where there is a mortgagee endorsement on the certificate of insurance. In such event any remittance shall be to the unit owner and his mortgagee jointly. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him.

Section 12. Reconstruction or repair of casualty damage.

Except as hereinafter provided, damage to or destruction of the buildings shall be promptly repaired and reconstructed by the Board of Directors, using the proceeds of insurance, if any, on the building for that purpose, and any deficiency shall constitute common expenses; provided, however, that if at least 80% of the unit owners vote not to proceed with repair or restoration, then and in that event (1) the insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the condominium; (2) the insurance proceeds attributable to units and limited

common elements which are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those limited common elements were allocated or to their respective lien holders as their interests may appear; and (3) the remainder of the proceeds shall be distributed to all the unit owners or lien holders as their interests may appear in proportion to the common element interests of all the unit owners. If the unit owners vote not to rebuild any unit, that unit's allocated interests are automatically reallocated upon the vote as if the unit had been condemned and the Association promptly shall prepare, execute and record an amendment to the declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, section 1602-118 of the Maine Condominium Act governs the distribution of insurance proceeds if the condominium is terminated.

Immediately after a casualty causing damage to property for which the Board of Directors has the responsibility of maintenance and repair, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires.

The proceeds of insurance collected on account of casualty, and the sums received by the Board of Directors from collections of assessments against unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair.

Encroachments upon or in favor of units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by unit owner upon whose property such encroachment exists. Such encroachments shall be allowed to continue in existence for so long as the building stands.

In the event that there is any surplus of monies in the construction fund after the reconstruction or repair of the casualty damage has been fully completed and all costs paid, such sums may be retained by the Board of Directors as a reserve or may be used in the maintenance and operation of the Condominium property, or, in the discretion of the Board of Directors, it may be distributed to the unit owners and their mortgagees who are the beneficial owners of the fund. The action of the Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against a member for committing willful or malicious damage.

ARTICLE VI. EXECUTION OF INSTRUMENTS

Section 1. Instruments Generally. All checks, drafts, notes, bonds, acceptances, contracts, deeds, and all other instruments shall be signed by the President or the Treasurer, or by such other officer or agent as the Board of Directors may designate.

ARTICLE VII. LIABILITY OF OFFICERS

Section 1. Exculpation. No director or officer of the Association shall be liable for acts or defaults of any other officer or members or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own-willful misconduct or gross negligence.

Section 2. Indemnification. Every director, officer, and member of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with any

claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been an officer or member of the Association whether or not he continues to be such director, officer or member of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or gross negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of the legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitle as a matter of law and shall inure to the benefit of the legal representatives of such person.

ARTICLE VIII. FISCAL YEAR

Section 1. Fiscal year. The fiscal year of the Association shall be such as may from time to time be established by the Board of Directors.

ARTICLE IX. BYLAWS

Section 1. Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by vote of the members of the Association whose aggregate interest in the common areas and facilities constitutes 67 percent, at a meeting duly called for the purpose, and any vote of Eligible Mortgage Holders required under the Declaration, PROVIDED, HOWEVER, that the contents of these Bylaws shall always contain those particulars which are required to be contained herein by the Maine Condominium Act.

Section 2. Conflict. In the event of any conflict between these Bylaws and the provisions of the Declaration or the Maine Condominium Act, the latter shall govern and apply.

Adopted: November 1987
Amended: November 17, 2015
Amended: November 28, 2017
Amended: November 29, 2018
Amended: November 17, 2021