BYLAWS OF

GRAND VICTORIAN HOTEL CONDOMINIUM ASSOCIATION

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BYLAWS OF THE GRAND VICTORIAN HOTEL CONDOMINIUM ASSOCIATION

ARTICLE I.
CREATION AND APPLICATION

Section 1.01 Creation. This corporation is organized under the Maine Nonprofit Corporation Act in connection with the submission of Property known as the Grand Victorian Hotel Condominium (the "Condominium") located in the Town of Old Orchard Beach, Maine to the Maine Condominium Act pursuant to the Grand Victorian Hotel Condominium Declaration (the "Declaration") as recorded in the York County Registry of Deeds. The name of the corporation is the Grand Victorian Hotel Condominium Association (the "Association").

The term "Property" as used herein shall include the land, the building and all other improvements thereon (including the Units, the Common Elements and all easements, rights and appurtenances belong thereto) and all other property, personal or mixed, intended for use in connection therewith now or hereafter submitted to or governed by the Declaration.

Capitalized terms not otherwise defined in these Bylaws shall have the meanings as specified in the Condominium Act or the Declaration.

Section 1.02 Application. All present and future Unit Owners, mortgagees, lessees, licensees and occupants of the Units, their employees, agents and customers, and any other persons who may enter upon the Property in any manner are subject to these Bylaws and to the Rules and Regulations, all as adopted, amended or altered from time to time by the Executive Board of the Association (the "Executive Board").

Section 1.03 Office. The principal office of the Association shall be at the Condominium.

Section 1.04 Interpretation. In the event of any conflict or discrepancy between this Declaration, the Bylaws, the Rules and Regulations, and the Plat and Plans, the provisions of the Declaration shall govern.

ARTICLE II.
PURPOSES AND POWERS OF THE ASSOCIATION

Section 2.1 Purposes. The purposes of the Association are to establish an association of Unit owners pursuant to the Maine Condominium Act for the government, operation and maintenance of the Condominium established under the Declaration; and

Section 2.2 Powers. In addition to all the powers, authority and responsibilities granted to or imposed upon this Association by the laws of the State of Maine, specifically including those set forth or referred to in the Maine Condominium Act or the Maine Non-Profit Corporation Act all of which the Association shall have to the extent permitted by law and by the Declaration, the Association shall have the specific powers to:

A. Adopt and amend Bylaws and Rules and Regulations;

B. Adopt and amend budgets for revenues, expenditures and reserves, and to collect assessments for Common Expenses and Service Charges from Unit owners;

C. Hire and terminate managers and other employees, agents, and contractors;

D. Institute, defend, or intervene in litigation, arbitration, or administrative proceedings in its own name on behalf of itself or two (2) or more Unit owners on matters affecting the Condominium, and the Association shall be deemed to be the attorney-in-fact of each Unit owner for such purposes;

E. Make contracts and incur liabilities;

F. Regulate the use, maintenance, repair, replacement and modification of Common Elements, provided, however, that the use and allocation of the Limited Common Elements may not be changed without the consent of those Unit owners affected;

G. Cause additional improvements to be made as a part of the Common Elements, subject to the restrictions set forth herein;

H. Acquire, hold, encumber and convey in its own name any right, title, or interest to real or personal property;

I. Grant easements, leases, concessions, and licenses for public utilities servicing or benefiting the Property through or over the Common Elements;

J. Impose and receive payments, fees, or charges for the use, rental, or operation of facilities located on the Common Elements;

K. Impose charges and interest for late payment of assessments and Service Charges and, after notice and an opportunity to be heard, impose reasonable penalties for violations of the Declaration, Bylaws, and Rules and Regulations;

L. Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Common Charges and assessments or resale certificates furnished in accordance with the Maine Condominium Act;

M. Provide for the indemnification of its officers and Executive Board Members and maintain Executive Board Members' and officers' liability insurance;

N. Exercise any other powers conferred by Declaration or Bylaws; and

O. Exercise all other powers that may be exercised pursuant to the Maine Nonprofit Corporation Act.

The Executive Board of the Association shall manage the Condominium and exercise such powers on behalf of the Association, subject to the terms of these Bylaws, the Declaration and the Maine Condominium Act.

Section 2.3 Non-Profit Status. The Association is not organized for profit and no property or profit thereof shall inure to the benefit of any person except in furtherance of the nonprofit-making purposes of the Association or in the course of acquiring, constructing or providing management, maintenance and care of the Condominium Property, or by virtue of a rebate of excess membership dues, fees, assessments, or Common Charges.

ARTICLE III.
ASSOCIATION OF OWNERS.

Section 3.1 Membership. The members shall consist exclusively of all owners of Units in the Condominium now or hereafter created in accordance with the Declaration or, following termination of the Condominium, of all former Unit owners entitled to the distribution proceeds or their heirs, successors and assigns. Membership is transferable only as provided in the Declaration or these Bylaws. The membership of a Unit owner shall terminate upon the conveyance, transfer or other disposition of his interest in the Unit accomplished in accordance with the Declaration, whereupon his membership and any interest in the assets of the Association shall automatically transfer to and be vested in the successor in ownership. Membership is otherwise non-transferable. A mortgage of a Unit or the grant of a security interest therein as security for an obligation shall not operate to transfer membership until a foreclosure of the mortgage or security agreement. The Association may but is not required to issue certificates of membership.

Section 3.2 Annual Meeting. Meetings of the members shall be held annually each successive year on the first Saturday of June, or in the event that day is a legal holiday, then on the first day thereafter which is not a holiday, provided that the Executive Board shall have the authority to alter the annual meeting date in its discretion if it determines that another meeting date is more convenient. The annual meeting and any special meetings shall be held at the Condominium's principal office or such other place as may be designated in the Notice of Meeting.

Section 3.3 Special Meetings. Special meetings of the members may be held at any time upon the call of the Executive Board, or upon the call of Twenty percent (20%) or more in interest of the owners, which call shall state the purpose of the meeting. Upon receipt of such call, the Secretary shall promptly send out notices of the meeting to all members of the Association.

Section 3.4 Notice of Meetings. A written notice of each meeting of the Association, stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place and time of the meeting, and the items on the agenda (including the general nature of the proposed declaration or bylaw amendment, any budget charges and any proposal to remove an officer or Executive Board Member) shall be sent by the President or Secretary or Assistant Secretary, if any, at least ten (10) days, but not more than Sixty (60) days, before the

date set for the meeting. Such notice shall be given to each member listed with the records of the Association as set forth below and to each Eligible Mortgage Holders if and as required by the Declaration:

A. By hand delivering it to him, or

B. By mailing it, postage prepaid, addressed to the member at the address of the Unit or any other address designated in writing by that member with the records of the Association.

The notice of any meeting shall state the time and place of the meeting, and the items on the agenda, including the general nature of any proposed Declaration or Bylaw amendments, any budget changes and any proposal to remove an officer or Executive Board Member. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall not invalidate the meeting.

Section 3.5 Waiver of Notice. The presence of all the members in person or by proxy, at any meeting shall conclusively establish the meeting's validity, unless any member shall object at the meeting to the noncompliance with this Article. Any meeting so held without objection shall be valid for all purposes, and at any annual meeting any general business may be transacted and any action may be taken.

Section 3.6 Order of Business. The order of business at all meetings of the members shall be generally as follows, if applicable:

A. Roll call.

B. Proof of notice of meeting or waiver of notice.

C. Reading of minutes of preceding meeting.

D. Reports of Officers.

E. Report of Executive Board.

F. Report of committees.

G. Election of the Executive Board.

H. Unfinished business.

I. New business.

J. Adjournment.

Section 3.7 **Parliamentary Procedure**. At all meetings of the Members or of the Executive Board, Robert's Rules of Order as then amended shall be followed, except in the event of conflict these Bylaws or Declaration as the case may be shall prevail.

Section 3.8 **Quorum**. The presence at the beginning of any meeting of the Association, in person or by proxy of Unit owners whose aggregate voting interest constitutes more than fifty percent (50%) in interest of the total interest therein shall constitute a quorum for the transaction of all business. If the matter to be determined only affects members of a certain Class, then the presence of a quorum shall be measured based on the members of that class.

Section 3.9 **Voting.**

A. Any person, partnership, limited liability company, corporation, trust, or other legal entity or a combination thereof, owning any Unit (other than an interest held as security for an obligation) duly recorded in his or its name, which ownership shall be determined from the records of said Registry of Deeds, shall be a member of the Association, and either, in person or by proxy, shall be entitled to vote for each Unit so owned at all meetings of the Association. Persons representing such entity owners of Unit shall upon request of the Secretary or other authorized officer provide satisfactory evidence that they are duly authorized to act on behalf of such entity.

B. Multiple owners of a Unit shall be deemed one owner. If only one of the multiple owners of a Unit is present in person or by proxy at a meeting of the Association, he is entitled to cast all the votes allocated to that Unit. If more than one of the multiple owners is present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is presumed to be a majority agreement if any one of the multiple owners present casts the votes allocated to that Unit unless any of the other owners of the Unit promptly protests to the person presiding over the meeting.

C. Votes allocated to a Unit may be cast pursuant to a written proxy duly executed by a Unit owner and filed with the Secretary. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed written proxy signed and dated by such owner. A Unit owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is not valid if it is not dated or purports to be revocable without notice, as determined by the Secretary of the Association. A proxy shall automatically terminate eleven (11) months after its date, unless it specifies a shorter term.

D. An executor, administrator, personal representative, 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 of record by a duly recorded conveyance. If the Unit has not been so transferred, he shall satisfy the secretary that he so holds the Unit.

E. The Declarant may exercise the voting rights pertaining to any Unit to which it retains title. No vote pertaining to a Unit owned by the Association may be cast, and the voting interest of such a Unit shall not be deemed to be outstanding in determining the presence of a quorum or the percentage of approval needed to act.

F. Each Unit shall have the percentage vote in the Association as specified in the Declaration. Any specified percentage vote refers to the aggregate percentage of such votes.

G. At any meeting at which a quorum is present, the affirmative vote of a majority of the voting interest of those present and entitled to vote shall determine any question except the election of Directors, unless a greater percentage vote is required by law, by the Declaration or by these Bylaws and further subject to the Class voting requirement of the Declaration or Article of Incorporation if applicable. In the election of Directors, those receiving the greatest number of votes, though less than a majority shall be elected. To the extent required by the Act, for the purposes of amending the Declaration or these Bylaws, the percentage in interest shall be measured against the total voting interest regardless of whether or not such Unit owners are present.

Section 3.10 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, without further notice of the time and place of adjournment beyond that given at the meeting. 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.

Section 3.11 Unanimous Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of the members (to the extent not otherwise precluded by law) may be taken without a meeting if written consents, setting forth the action so taken, are signed by all the members entitled to vote on such action and are filed with the Secretary of the Association as part of the corporate records. Such written consents shall have the same effect as a unanimous vote of the members.

ARTICLE IV.
EXECUTIVE BOARD

Section 4.1 Number and Qualifications. The affairs of the Association shall be governed by an Executive Board initially composed of three (3) Executive Board Members initially appointed by the Declarant. The Declarant shall have the right during the Declarant Control Period to appoint, remove and replace from time to time any and all members of the Executive Boards and officers of the Associations, without the necessity of obtaining resignations. The appointees of the Declarant need not be Unit Owners and may be the same persons on both Boards.

Section 4.2 Election and Term of Office. Upon the expiration of the Declarant Control Period as defined in the Declaration, the members shall elect eight (8) Executive Board Members, of which half shall initially have a term of one (1) year and the remaining for a term of two (2) years. The Residential Class Units voting as a Class shall elect five (5) Executive Board Members (three for 2 year terms and the balance for 1 year terms), the Commercial Class Units voting as a group for two (2) Executive Board Members (one for a two year term and the other for a 1 year term) and the Plaza Class Member, for the election of one Executive Board member (one year term).

All Executive Board Members (other than those appointed by the Declarant) shall be an occupant of a Unit, or the owner or the spouse of an owner of a Unit, or if a Unit owner is a corporation, limited liability company, partnership, trust or estate, then an officer, members, manager, partner, trustee, beneficiary, or personal representative thereof. After the expiration of said initial terms, the terms of the Executive Board Members shall then be two (2) years each.

Section 4.3 Powers and Duties. The Executive Board shall generally act on behalf of the Association, shall have all powers and duties necessary or appropriate for the administration of the affairs of the Association, and shall have all powers referred to in the Declaration, the Bylaws or otherwise provided under the Maine Condominium Act or the Maine Nonprofit Corporation Act, as either may be amended from time to time, except those matters which by law, by the Declaration or by these Bylaws specifically reserved to the members. Notwithstanding the generality of the foregoing, except for legal actions involving: (i) the removal of tenants as set forth below; (ii) the collection of common charges and special assessments; or (iii) where the amount in controversy is less than $10,000.00, the Executive Board shall not be authorized to commence legal action on behalf of the Unit Owners, or in the name of the Association, without the affirmative vote of fifty-one percent (51%), or more, of the Unit Owners.

Section 4.4 Other Duties. In addition to other duties imposed by these Bylaws or by duly adopted resolutions of the members of the Association, the Executive Board shall be responsible for the following:

A. Election of the officers of the Association;

B. Management and administration of the Condominium, the Association's property and the Common Elements, including the maintenance, repair and replacement thereof;

C. Determination and collection of assessments for Common Expenses, and Service Charges from the owners and the regulation of its fiscal affairs;

D. Establishment of reserves for the maintenance, repair and replacement of Common Elements and for contingencies.

E. Appointment and dismissal of the personnel and agents for the maintenance and operation of the Condominium, including without limitation the Common Elements, and to fix the terms of their engagement and their compensation and authority; and

F. Designation of executive and other committees.

Section 4.5 Manager or Management Agent, Employees, Generally. The Executive Board may employ on behalf of 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 Sections 4.4 and 6.2 of these Bylaws. All management contracts entered into during the Declarant Control Period shall permit termination without a penalty on thirty days notice at any time with or without cause after the expiration of such period. .

Section 4.6 Appointment and Vacancies. Vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining Executive Board members of that Class, if any, at a special meeting of the Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. If there are no other Executive Board Members of that Class, then the Unit Owners of that Class entitled to vote shall vote to fill the vacancy. Any member so elected must be either (i) an owner of a Unit in that Class if so required by the Declaration, or (ii) an officer or authorized agent of a corporation, member or manager of a limited liability company, partner of a partnership, trustee of a trust, or agent of an estate which owns a Unit in that Class. Each person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association at which such Seat is to be filled upon expiration of the term of his predecessor. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest remaining term.

Section 4.7 Removal of Executive Board Members. At any regular meeting or special meeting duly called, any one or more of the members of the Executive Board may be removed with or without cause by the majority in interest vote of the Class of Units which elected the Member. Any Executive Board Member whose removal has been proposed shall be given an opportunity to be heard at the meeting, but the members' decision shall be final.

Section 4.8 Compensation. No compensation shall be paid to Executive Board Members for their services or in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Unit Owners before or after the services are undertaken.

Section 4.9 Annual Meeting. The annual meeting of the Executive Board shall be held immediately following the annual meeting of the Association and at the same place; no further notice shall be necessary in order legally to constitute such meeting.

Section 4.10 Regular Meetings. Regular meetings of the Executive Board (other than the annual meeting) may be held at such time and place as shall be determined, from time to time, by the Board. Notice of regular meetings of the Executive Board shall be given to each Member, personally or by delivery to his Unit, or by telephone, at least Ten (10) days prior to the day named for such meeting.

a Board member can waive

Section 4.11 Special Meetings. Special meetings of the Executive Board may be called by the President on ten (10) days' notice to each Executive Board Member, given personally or by delivery to his Unit, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice upon the written request of Two (2) or more Executive Board Members.

must have waiver in writing

Section 4.12 Waiver of Notice. Before, during or after any meeting of the Executive Board, any Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an Executive Board Member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Executive Board Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.13 Executive Board Quorum. At all meetings of the Executive Board, at the presence of at least four Executive Board Members at the beginning of a meeting shall constitute a quorum for the transaction of business. If the matter to be addressed is one to be decided by a vote of only a certain Class of Executive Board Members, then there must be a majority of the Executive Board Members of that Class present. The acts of the majority of the Members present, or if applicable, of that Class of Members, shall be the acts of the Executive Board. If, at any meeting of the Executive Board, a quorum is not 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.

Members of the Executive Board may be present in person or by telephone with a speaker phone so that all members of the Board may hear and be heard.

Section 4.14 Unanimous Action. Unless otherwise expressly provided by law, any action which may be taken at a meeting of the Executive Board may be taken without a meeting if all of the Members sign written consents, 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 Executive Board meetings and shall have the same effect as a unanimous vote.

ARTICLE V.
OFFICERS.

Section 5.1 Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, of whom only the President and Vice President need be elected from among the Members of the Executive Board. The Executive Board may

in its discretion appoint an Assistant Treasurer, an Assistant Secretary, and such other officers, none of whom need be Members, as in the Board's judgment may be necessary.

Section 5.2 Election of Officers. The principal officers of the Association shall be elected annually by the Executive Board at the annual meeting and shall hold office at the pleasure of the Board.

Section 5.3 Removal of Officers. Upon a majority vote of the Executive Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for such purpose. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting, but the Board's decision shall be final.

Section 5.4 President and Vice President. The President shall be the chief executive officer of the Association and shall be a Director. He shall preside at all meetings of the Association and of the Executive Board. The Vice President shall fill the role of the President when the President is unavailable. The President and Vice President shall be members of different Classes of owners.

Section 5.5 Treasurer. The Treasurer shall be responsible for keeping financial records and accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall also, in the absence of the President and Vice President, exercise the powers and perform the duties of the President. He shall be responsible, subject to the direction of the Executive Board, 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 5.6 Secretary. The Secretary shall keep and certify the minutes of all meetings of the Executive Board or 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 offices of Secretary, given him by these Bylaws or assigned to him from time to time by the Executive Board. If the Secretary or any assistant 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 5.7 Auditor. The Executive Board, may from time to time at any scheduled meeting appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association and to perform such audits and fiscal duties as may be requested by the Association.

Section 5.8 Amendments to Declaration. The Secretary shall prepare amendments to the Declaration and the President and Secretary shall execute the certificate for recording on behalf of the Association.

ARTICLE VI.
FISCAL AFFAIRS AND ADMINISTRATION.

Section 6.1 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 Ninety (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. All financial records shall be available for examination by Unit owners, mortgagees and their duly authorized agents and accountants at reasonable times.

Section 6.2 Budget and Common Charges.

A. The Executive Board shall cause a proposed annual budget to be prepared based on its estimate of annual income and expenses. Within thirty (30) days of the adoption of the proposed budget, the Board shall send a summary of such budget to each member. The Board shall call a meeting of the members to review the budget; unless at that meeting the budget is rejected by a vote of Sixty-Seven percent (67%) in interest of all members, the budget shall be deemed to have been ratified. If a portion of the budget uniquely affects only one Class of Members, then the budget will be deemed to be adopted unless the budget is rejected by a vote of Sixty-Seven percent (67%) in interest of all members of the Class affected thereby. Unless the budget is rejected, the members shall pay the amounts specified in the proposed budget adopted by the Board.

B. The budget shall include the amount required by the Association to meet its expenses for each fiscal year or such other fiscal period as it deems appropriate, including but not limited to the following items:

i. Management and administration expenses;

ii. The cost of operation, repairs, maintenance, replacement, and improvements of the Common Elements and such Limited Common Elements and such parts of the Units which the Association is responsible for the maintenance repair and replacement of;

iii. The cost of such insurance, bonds, services and utilities as may be furnished by the Association, other than such items for which a service charge is assessed;

iv. The establishment and maintenance of adequate working capital and reserves including general operating reserves, reserves for contingencies, for losses not covered due to insurance deductibles, and reserves for periodic maintenance, repair and replacement of the common areas and limited common areas the Association is obligated to maintain, all to be held in a segregated fund in a Maine financial institution; and

v. Such other expenses of the Association as may be approved by the Executive Board, including without limitation, operating deficiencies, if any, for prior periods.

C. Until an annual budget is adopted by the Board, the members shall continue to pay that monthly amount which had been previously established; any delay or failure to estimate, to deliver or to adopt such budget shall not waive or release such obligation. The Association may send periodic statements to members showing the amount of assessments due, but each member shall pay his assessment promptly when due regardless of whether such a statement is sent.

D. (i) All Common Expenses which are not otherwise assessed as Limited Common Expenses or assessed to a specific class, or to specific classes, of Units as set forth below shall be assessed against all Units in proportion to their relative Common Expense Liabilities.

(ii) The Residential/Hotel Class Units shall be assessed in accordance with their relative Common Expense Liability for the expenses of maintenance, repair, reconstruction, and reserves for the Limited Common Elements identified as Residential/Hotel Class Limited Common Elements, or which exclusively serve the Residential/Hotel Class Units, as more fully appears in the Declaration. The Residential/Hotel Class expenses may include, but not be limited to, the cost of: 1) electricity serving the Residential/Hotel Class Limited Common Elements; 2) water furnished to the Residential/Hotel Class Units through a common meter; 3) Residential/Hotel trash removal; 4) snow removal from the parking lot and other Residential/Hotel Class Limited Common Elements; 5) maintenance and repairs of the Residential/Hotel Class Limited Common Elements; 6) security for the Residential/Hotel Class Units; 7) cleaning services for the Residential/Hotel Class Limited Common Elements; and 8) the reserves for the Residential/Hotel Class Limited Common Elements The funds received by the Association from such assessments shall be exclusively used for such purposes.

The Executive Board Members elected by the Residential/Hotel Class Units voting as a Class shall have exclusive authority to adopt and amend the budget, Limited Common Charges and assessments affecting only such Units or the Limited Common Elements appurtenant thereto, and such portion of the budget shall be deemed to be accepted unless rejected by a 67% or greater in interest vote of the Residential/Hotel Class Units.

(iii) The Commercial and Plaza Class Units shall be assessed in accordance with their relative Common Expense Liability for the expenses of maintenance, repair, reconstruction, and reserves for the Limited Common Elements identified as Commercial and/or Plaza Class Limited Common Elements, or which exclusively serve the Commercial and Plaza Class Units, as more fully appears in the Declaration. The Commercial/Plaza expenses may include, but not be limited to, the cost of: 1) electricity serving the Commercial and Plaza Class Limited Common Elements; 2) water furnished to the Commercial and Plaza Class Units through a common meter; 3) Commercial and Plaza trash removal; 4) snow removal from the Commercial or Plaza Class Limited Common Elements; 5) maintenance and repairs of the Commercial and Plaza Class Limited Common Elements; 6) security for the Commercial and Plaza Class Units; 7) cleaning services for the Commercial and Plaza Class Limited Common Elements; and 8) the reserves for the Commercial and Plaza Class Limited Common Elements. Provided, however, that the Plaza Class Unit shall not be assessed for the cost of furnishing

heat to the Commercial Class Unit(s) and the Common Element reserves associated with replacements on or in the Buildings. The funds received by the Association from such assessments shall be exclusively used for such purposes.

The Executive Board Members elected by the Commercial and Plaza Class Units voting as a Class shall have exclusive authority to adopt and amend the budget, Limited Common Charges and assessments affecting only such Units or the Limited Common Elements appurtenant thereto, and such portion of the budget shall be deemed to be accepted unless rejected by a 67% or greater in interest vote of the Commercial and Plaza Class Units.

E. Each member shall pay his share of assessments as defined in the Declaration without setoff or deduction in an amount equal to the total Association budget, net of other income and Service Charges as defined herein, multiplied by his respective common expense liability. Each member shall become liable to the Association, and a lien shall arise against his Unit for his entire fractional share of the assessments at the commencement of the pertinent fiscal period. Each member may pay his share of the Common Charges in monthly installments on or before the first day of each and every month during such period.

F. If any member shall fail or refuse to pay to the Association when due his share of the assessments or any other Service Charges, user fees and penalties, thereafter the amount thereof shall bear interest at the rate of Eighteen percent (18%) per annum or such other interest rate as may be set by vote of the Board prior to the date on which the payment came due. Such assessments and Service Charges with such late charges as may be determined by the Executive Board, interest and all costs of collection, including reasonable attorneys' fees, shall constitute a lien on the Unit of such member. Recording of the Declaration constitutes record notice and perfection of the lien for assessments, Service Charges, user fees, including penalties, late charges, interest and costs of collection. The Association may record a notice from time to time stating the amount and nature of the lien signed by an officer or Executive Board Member of the Association or by an agent authorized by the Executive Board, but such recorded notice is not necessary to establish or perfect the lien.

G. If such payments are not received within thirty (30) days after they become due, the Board shall exercise and enforce any and all rights and remedies provided in the Act, the Declaration or these Bylaws or otherwise available at law or in equity for the collection of all unpaid amounts and, if available, all possessory remedies against the delinquent owner's Unit. The delinquent owner shall be required to pay to the Association a reasonable rental for such Unit until sale or foreclosure. In any action to foreclose the lien for Common Charges, assessments, Service Charges, user fees, late charges, penalties, interest, and costs of collection including reasonable attorneys' fees against any owner of a Unit, the Association may act through its manager or Executive Board in the same manner as any mortgagee of real property. The manager or Executive Board acting on behalf of the Unit owners shall have the power to acquire such Unit at a foreclosure sale and to lease, convey, or otherwise deal with the Unit. Suit to recover unpaid Common Charges, assessments, Service Charges, user fees and penalties due to the Association, with interest and all costs and reasonable attorneys' fees, may be maintained without foreclosing upon or waiving the lien securing the same. The lien is extinguished unless action to enforce the lien is started within Three (3) years after the full amount of the assessment becomes due.

Section 6.3 Service Charges. Service charges (other than common expenses) may be assessed separately to each Unit or group of Units benefited thereby and shall be paid by the Unit owner within Fifteen (15) days of deposit in the U. S. Mail or hand delivery, and shall constitute a lien on the Unit of the same status as a lien for Common Charges set forth in Section 6.2.

Section 6.4 Revised and Special Assessments.

A. If at any time the Condominium Board shall determine the amount of the Common Charges to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Board may adopt and deliver to the Unit Owners at least thirty days prior to the date on which it becomes effective, a revised estimated annual budget for the balance of such fiscal year and thereafter monthly Common Charges shall be determined and paid on the basis of such revision.

The Board may, upon determining that circumstances exist which requires immediate assessment of the Unit Owners, make special assessments, not to exceed an amount equal to one current monthly assessment for each Unit unless approved by the Unit Owners, which shall be due and payable when delivered to the Unit Owners.

B. If at any time the Residential/Hotel Class Board members shall determine the amount of the Limited Common Charges affecting only the Residential/Hotel Class Units to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Residential/Hotel Class Board members may adopt and deliver to the Residential/Hotel Class Unit Owners, at least thirty days prior to the date on which it becomes effective, a revised estimated annual budget for the balance of such fiscal year and thereafter monthly Limited Common Charges for the Residential/Hotel Units shall be determined and paid on the basis of such revision.

The Residential/Hotel Class Board members may, upon determining that circumstances exist which requires immediate assessment of the Unit Owners, make special assessments, not to exceed an amount equal to one current monthly assessment for Limited Common Charges affecting only the Residential/Hotel Class Units for each Unit unless approved by the Unit Owners, which shall be due and payable when delivered to the Residential/Hotel Class Unit Owners.

C. If at any time the Commercial and Plaza Class Board members shall determine the amount of the Limited Common Charges affecting only the Commercial and Plaza Class Units to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Commercial and Plaza Class Board members may adopt and deliver to the Commercial and Plaza Class Unit Owners, at least thirty days prior to the date on which it becomes effective, a revised estimated annual budget for the balance of such fiscal year and thereafter monthly Limited Common Charges for the Commercial and Plaza Class Units shall be determined and paid on the basis of such revision.

The Commercial/Plaza Class Board members may, upon determining that circumstances exist which requires immediate assessment of the Unit Owners, make special assessments, not to exceed an amount equal to one current monthly assessment for Limited Common Charges affecting only the Commercial and Plaza Class Units for each Unit unless approved by the Unit Owners, which shall be due and payable when delivered to the Commercial and Plaza Class Unit Owners.

Section 6.5 Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Executive Board.

Section 6.6 Capital Improvements. The approval of a majority in interest of all the members shall be required to make a capital improvement to the Common Elements in an amount in excess of Thirty-five percent (35%) of the aggregate Common Charges against all the members over the prior fiscal year, exclusive of Service Charges and user fees, and in such event the cost thereof shall be assessed to all Unit owners as an assessment. If such capital improvement affects only a Limited Common Element relating to a particular Class or Classes of Units, and is to be paid for only by members of that Class or Classes, then the vote shall be approved by only a majority in interest of members of that Class or those Classes.

Section 6.7 Use of Units. All Units shall be utilized in accordance with the provisions of the Bylaws, Declaration, and Rules and Regulations.

Section 6.8 Enforcement of Declaration and Bylaws. Every Unit Owner shall pay to the Association promptly on demand all costs and expenses, including reasonable attorneys' fees and expenses incurred by or on behalf of the Association, in collecting any delinquent Common Charges, assessments, Service Charges, damages or fees due from such Unit, foreclosing its lien for assessments, collecting any penalties imposed hereunder, or enforcing any provisions of the Declaration, these Bylaws, or the Rules and Regulations against such owner or any occupant of such Unit.

Section 6.9 Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the buildings and Common Elements of the Condominium, the Executive Board may from time to time adopt, modify, and revoke, in whole or in part, such further reasonable rules and regulations governing the Condominium 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 upon adoption, and every amendment, modification, and revocation thereof, shall be sent promptly to each Unit and shall be binding upon all members of the Association and all persons present on the Condominium.

Rules and Regulations which uniquely affect only one Class of Units must be adopted, amended and revoked by a majority vote of each the Executive Board Members from such Class of Units, and no amendments to the Rules and Regulations which are more restrictive than the provisions of Article VII of the Declaration shall be effective unless approved as an amendment of the Declaration under Article X thereof.

Section 6.10 Restrictions. As an amendment to these Bylaws and subject to the Declaration, the members may from time to time adopt, modify and amend such further restrictions on and requirements respecting the use and maintenance of Units and the use of Common Elements designed to prevent unreasonable interference with the use and enjoyment of the Condominium. No amendment to these Bylaws which uniquely affect only one Class of Units are effective unless approved by a majority vote of the Owners of such Class of Units, and any amendment to these Bylaws which are more restrictive than the provisions of Article VII of the Declaration shall be effective unless approved as an amendment of the Declaration under Article X thereof. The following restrictions shall apply initially in addition to those expressed elsewhere in these Bylaws or in the Declaration:

A. Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time in accordance with rules and regulations established by the Executive Board. No articles of personal property belonging to any Unit owners shall be stored in any portion of the Common Elements.

B. No member shall overload the electrical wiring in the building or operate any machinery, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Executive Board, any unreasonable disturbance of, or make any alterations to or connections with, the heating, plumbing, or sewage disposal systems without the prior written consent of the Executive Board.

C. Each Unit shall deposit only ordinary waste in the sewerage system, and

D. No Unit owner shall play or permit to be played any musical instrument or operate or permit to be operated any stereo system, phonograph, radio, television set, or other electronic device in or outside his Unit between the hours of 1 a.m. and 9:00 a.m., if such playing or operation shall disturb or annoy the occupants of any other Unit. No Unit owner shall erect or maintain an outside television or radio antenna.

Section 6.11 Right of Entry. Upon such prior notice as is possible under the circumstances, the manager and any person authorized by the Executive Board shall have the right to enter any Unit in case of any emergency originating in or threatening such Unit or adjoining Units or Common Elements, whether or not the owner or occupant is present at the time, and upon prior notice to enter any Unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the Common Elements thereon or accessible therefrom.

Section 6.12 Title. Every Unit owner shall promptly record in the York County Registry of Deeds the deed, assignment, or other conveyance to him of his Unit or other evidence of his title thereto and file such evidence of his title with the Association, and the Secretary shall maintain such information in the records of the Association.

Section 6.13 Insurance and Fidelity Bonds.

A. The Association shall maintain insurance as required by the Declaration and such other insurance as the Executive Board of the Association may determine is appropriate.

B. The Executive Board shall require all officers and employees of the Association handling or responsible for corporate funds to furnish adequate fidelity bonds in the amount of the maximum funds that will be in the custody of the Association or any management agent at any time but not less than three (3) months Common Charges, and Limited Common Charges, plus the amount of the Association's reserve account balance. The premiums on such bonds shall be paid by the Association. All such policies shall require at least twenty (20) days notice of cancellation.

C. It shall be the responsibility of each Unit owner to procure adequate insurance covering the contents of his Unit and any deductible for damage to the Unit interior, and any appliances, fixtures, betterments or improvements thereto installed by the owner unless that owner has elected to procure insurance under the Association's policy as provided in the Declaration.

ARTICLE VII.
SALE, LEASE, RENTAL OR OTHER TRANSFER OF A UNIT

Section 7.1 Binding Effect. All subsequent sales, leases or other transfers of a Unit by a Unit owner shall be subject in all respects to the Declaration, Bylaws, and Rules and Regulations of the Condominium.

Section 7.2 Leasing Restrictions.

A. No portion of any Unit (other than the entire Unit) shall be leased for any period. No Unit owner shall rent or lease a Unit other than in accordance with a written form of lease, rental agreement, or occupancy agreement which contains the following provisions:

(i) requiring the tenant to comply with the Declaration, these Bylaws, and Rules and Regulations;

(ii) providing that failure to comply constitutes a default under the lease or rental agreement;

(iii) providing that the Executive Board has the power to terminate the lease or rental agreement or to bring summary proceedings to evict the tenant in the name of the Unit owner after Thirty (30) days' prior written notice to the Unit owner, in the event of a default by the lessee in the performance of the lease or rental agreement, and

(iv) in the event that the payment of Common Charges and/or Service Charges or other amounts due to the Association becomes more than 30 days past due, authorizing the Association to require the Tenant to pay directly to the Association the rent on the Unit in an amount of up to the balance of current and

delinquent Common Charges and other unpaid amounts outstanding, subject to the rights of any recorded first mortgage or Eligible Mortgage Holder which has exercised an assignment of rents. The Association's notice to the Tenant shall be conclusive and binding on the Tenant as to the Tenant's obligation to pay the rent directly to the Association and as to the amount of Common Charges and other fees due. The Unit owner shall have ten days after such notice is sent to file any objection, which objection must be in writing and signed under oath under the pains and penalties of perjury, must contain a short and plain statement of any alleged errors by the Association, and shall include copies of cancelled checks or other written evidence of objection or miscalculation of the amounts due. The Unit owner must state what amounts, if any, which the owner admits is owed to the Association.

Any lease, tenancy, or occupancy shall be in writing. The foregoing provisions shall be deemed to be automatically incorporated into any lease, rental agreement or occupancy agreement and into the terms of any tenancy or other agreement for the occupancy of a Unit.

B. In the event a guest or tenant of a Unit fails to comply with the provisions of this Declaration, the Bylaws, Rules and Regulations or the lease, then, in addition to all other remedies which it may have, the Association may notify the Owner of such violation(s) and demand that the same be remedied through the Owner's efforts within a reasonable time after such notice in the judgment of the Directors.

If such violation(s) is(are) not remedied within said period, then the Owner shall thereafter, at his own cost and expense, immediately institute and diligently evict his tenant or guest on account of such violation(s). In the event the Owner fails to so act promptly, then the Board shall have the right, but not the duty, to institute and prosecute such election as attorney-in-fact for the Owners and at the Owner's sole cost and expense, including all legal fees incurred. Said costs and expenses shall be due and payable upon demand by the Association and shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Executive Board in the same manner as the Board is entitled to enforce collection of Service Charges and common charge assessments.

Section 7.3 Liability for Assessments, Etc. In the transfer of a Unit, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments and Service Charges, interest and costs of collection outstanding at the time of the grantor's transfer, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee or proposed purchaser under a purchase and sale contract upon written request and upon payment of such fee as may be set by the Directors may obtain a statement from the Executive Board setting forth the amount of unpaid, assessments, and Service Charges against the Unit, and the grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any, assessments, and Service Charges arising before the statement date in excess of the amount therein set forth.

Section 7.4 Common Elements. No Unit owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the interests in Common Elements appurtenant thereto, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interest so omitted, even though the latter shall not be expressly mentioned or described therein.

ARTICLE VIII.
EXECUTION OF INSTRUMENTS.

Section 8.1 Instruments Generally. All checks, drafts, notes, vouchers, bonds, acceptances, contracts, deeds, lien notices, certificates, and all other instruments shall be signed or approved by the President or the Secretary or Treasurer, and in addition by any one or more officer(s), agent(s) or employee(s), all as the Executive Board may designate, unless otherwise unanimously voted by the Executive Board.

ARTICLE IX.
GENERAL ADMINISTRATION

Section 9.1 Easements, Etc. The Association is authorized and empowered to grant such easements, rights-of-way, leases and licenses for sewer lines and sewage disposal facilities, water lines, electrical cables, telephone cables, television cables and antennas, gas lines, storm drains, underground conduits, fire escapes and alarms and such other purposes related to the provision of public services, and utilities to the Condominium as may be considered desirable, necessary or appropriate by the Executive Board for the orderly maintenance, improvement and preservation and enjoyment of the Common Elements or for the preservation of the health, safety, convenience and welfare of the owners of the individual Units upon at least thirty (30) days' notice to the members unless a special meeting of the members is called within such period and the members vote to reject such grant. No such rights may be created through any Unit without the written consent of the owners thereof and that no such easement shall materially impair the use and enjoyment of the Condominium.

Section 9.2 Utility Services. The Association shall not be liable for the failure of electricity, telephone, water supply, or other services to be obtained by the Association or paid for out of the common expense or service charge funds, or for injury or damages to persons or property caused by the elements or by the owner of any Unit or by any other person, or resulting from electricity, water, snow or ice which may leak, fall or flow from any portion of the Common Elements or limited Common Elements or from any roof, wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the owner of any Unit for loss or damage, by theft, or otherwise, of property which may be stored upon or in any individual Unit or in any of the Common Elements or facilities. No set-off, diminution or abatement of assessments for common expenses or Service Charges, shall be claimed or allowed for the expense, damage or discomfort arising from the making of repairs or improvements to the Common Elements or facilities or to any Unit, or from any action taken by the Association to comply with any law, ordinance, or order of any other governmental authority.

ARTICLE X.
LIABILITY OF DIRECTORS AND OFFICERS.

Section 10.1 Exculpation. No Executive Board Member or officer shall be liable for his acts or defaults or any other officer or member, or for any loss sustained by the Association or any member, unless the same has resulted from his own willful misconduct or gross negligence.

Section 10.2 Indemnification. The Association shall indemnify any person who was or is threatened to be made a party against any actual, threatened, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact he is or was an officer, Executive Board Member, agent or employee of the Association against all expenses including reasonable counsel fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection therewith, excepting, however, such matters in which such person is finally adjudged to have acted with willful misconduct or gross negligence towards the Association or absent a final adjudication thereof, excepting such matters in which the Executive Board determines such person acted with willful misconduct or gross negligence. This right to indemnification shall be in addition to any other power of the Association to indemnify as permitted by law. The Association may also maintain insurance on behalf of any person who is or was an Executive Board Member, officer, agent or employee against any liability asserted against or incurred by him in such capacity, whether or not the Association would otherwise have the power or duty to indemnify him.

Section 10.3 Claims. Claims against the Association, the Executive Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the Eligible Mortgage Holders and the Mortgagees of Units, and such complaints shall be defended by the Association. The Unit Owners shall have no right to participate in such defense other than through the Association.

ARTICLE XI.
AMENDMENT

Section 11.1 Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by vote of Sixty-Seven percent (67%) or more in interest of the members of the Association at a meeting duly called for the purpose, and if the Bylaw amendment uniquely affects only the rights and/or obligations of one Class of members, then by the vote of Sixty-Seven percent (67%) or more in interest of the members of that Class, PROVIDED, HOWEVER, that no amendments to these Bylaws which are more restrictive than the provisions of Article VII of the Declaration shall be effective unless approved as an amendment of the Declaration under Article X thereof; and PROVIDED, FURTHER, that these Bylaws shall always contain those particulars which are required by the Maine Condominium Act, as amended from time to time to the extent applicable by law to this Condominium; and PROVIDED, STILL FURTHER, that no modification of or amendment to the Bylaws shall be valid, until a certificate of the amendment is executed to evidence the propriety of such amendment or modification by the Secretary and President of the Association. Such certificate shall be recorded in the York County Registry of Deeds.

ARTICLE XII
MISCELLANEOUS

Section 12.1. Severability. The invalidity of any provisions of these Bylaws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these Bylaws, and, in such event, all of the other provisions of these Bylaws shall continue in full force and effect as if such invalid provision had never been included herein.

Section 12.2. Conflict. In the event of any conflict between these Bylaws and the provisions of the Declaration, the latter shall apply. Further, the provisions of the Act shall apply to the operation of the Condominium except that contrary provisions contained in the Declaration, not otherwise prohibited by the Act, shall control.

Section 12.3. Gender. The use of the singular number in these Bylaws shall be deemed to include the plural, the plural the singular, and the use of any one gender shall be deemed applicable to all gender.

Section 12.4. Captions. The headings preceding the various sections of these Bylaws and the Table of Contents are intended solely for the convenience of readers of the Bylaws and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions thereof.

Section 12.5. Notices. All notices, demands, bills, statements or other communications affecting the Condominium shall be given to Unit Owners by the Association, in writing, and shall be deemed to have been duly given if delivered personally securing a receipt therefor or sent by United States Mail, postage prepaid, if such notification is of a default or lien, sent by registered certified United States Mail, return receipt requested, postage prepaid, addressed to the Unit Owner at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association or, if no such address is so designated, at the address of the Unit of such Unit Owner who is the record owner thereof. Similarly, all notices, demands, statements or other communications affecting the Condominium given by the Unit Owners to the Association shall be in writing and shall be deemed to have been duly given to the Association if delivered personally securing a receipt therefor, or sent by United States Mail, postage prepaid, return receipt requested, addressed to the Association at the principal office of the managing agent or, if there is no managing agent, to the Secretary. All notices, demands, statements or other communications affecting the Condominium given by the Association to any Eligible Mortgage Holder and Eligible Insurer shall be in writing and shall be deemed to have been duly given by the Association if delivered personally securing a receipt therefor, or sent by United States Mail, postage prepaid, addressed to the Eligible Mortgage Holder at the address identified pursuant to Article I of the Declaration by virtue of which it became an Eligible Mortgage Holder, and to the Eligible Insurer at the address identified pursuant to Article I of the Declaration by virtue of which it became an Eligible Insurer.

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RULES AND REGULATIONS
OF THE COMMERCIAL/PLAZA CLASS UNITS
GRAND VICTORIAN HOTEL CONDOMINIUM ASSOCIATION

I. INTRODUCTION AND PURPOSE

1. The Commercial/Plaza Class Executive Board of Grand Victorian Condominium Association (hereinafter the "Commercial Association") has adopted the following Rules and Regulations (hereinafter the "Regulations") applicable to the Commercial/Plaza Class units at the Grand Victorian Hotel Condominium. These Regulations may be amended from time to time by vote of the Commercial/Plaza Class Executive Board or Commercial/Plaza Class Unit Owners (herein as the "Commercial Unit Owners") as provided in the Bylaws or Declaration.

2. The Commercial Unit Owners shall comply with all of the Regulations hereinafter set forth governing the buildings, public areas, terraces, decks, drives, recreational areas, grounds, parking areas and any other appurtenances of the Commercial/Plaza Class Units and the Commercial/Plaza Class Limited Common Elements. The Commercial Unit Owners shall also comply with the Condominium Rules and Regulations applicable to the Common Areas and the Condominium generally.

3. The Commercial Association reserves the right to alter, amend, modify, repeal or revoke these Regulations, and any consent or approval given hereunder, at any time, by vote of the Commercial Association or the Commercial/Plaza Class Executive Board.

4. Wherever in these Regulations reference is made to Commercial Unit Owners, such term shall apply to the owner of any Commercial/Plaza Class Unit, and to any of his employees, agents, family members, visitors, guests, invitees or licensees, or any tenant of such Commercial/Plaza Class Unit Owner.

5. Wherever in these Regulations reference is made to the Commercial/Plaza Class Executive Board, such term shall include, where the context so permits, the designee of the Commercial/Plaza Class Executive Board.

II. USE OF UNITS AND COMMON AREAS

1. No part of the Commercial/Plaza Class Units (hereinafter the "Commercial Units") shall be used for any purpose except retail, business and professional office, food service, hotel activities, and such other uses and purposes as may be permitted under the Declaration.

2. There shall be no obstruction of the Common Elements. Nothing shall be stored on the Common Elements, without the prior consent of the Condominium Executive Board, except as expressly provided herein, or in the Declaration, or in the Condominium Association Bylaws.

3. Nothing shall be done or kept in any of the Common Elements which will increase the rate of insurance for the buildings or contents thereof applicable for uses permitted for the Commercial Units without the prior written consent of the Commercial/Plaza Class Executive Board. No Commercial Unit Owner shall permit anything to be done or kept in his unit, or on the Common Elements, or on the Commercial/Plaza Class Limited Common Elements which will result in the cancellation of insurance on the buildings or contents

thereof or which would be in violation of any public law, ordinance or regulation. No strip or waste shall be committed on the Common Elements or the Commercial/Plaza Class Limited Common Elements.

4. All garbage and trash must be placed or deposited in the proper receptacles designated for refuse collection.

5. Each Commercial Unit Owner shall keep his unit in a good state of preservation, repair and cleanliness.

6. Nothing shall be done in any Commercial Unit or on the Common Elements or Limited Common Elements which may impair the structural integrity of the buildings or which may structurally change the buildings, nor shall anything be altered or constructed on or removed from the Common Elements or Limited Common Elements, except upon the prior written consent of the Condominium Executive Board or Commercial/Plaza Class Executive Board, as appropriate.

7. No noxious, offensive, or unlawful activity shall be carried on in any Commercial Unit or on the Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Commercial Unit Owner shall make or permit any disturbing noises in the buildings or do or permit anything which will unreasonably interfere with the rights, comforts or convenience of other Unit Owners, and no Commercial Unit Owner shall operate or permit to be operated any sound producing devices in a unit between one o'clock a.m. and nine o'clock a.m. if such operation shall disturb or annoy other occupants of the Condominium.

8. No Commercial Unit Owner shall construct, maintain, or display any signs utilizing flashing lights, strobe lights, flashing signs, internally lighted signs or awnings, or neon lights visible from outside a Unit, and no Commercial Unit Owner shall construct, maintain, or display any signage on the outside of a Unit except for signage permitted by the Town of Old Orchard Beach, which signage shall be of a quality comparable to the Building's construction and shall utilize a Victorian appearance, and which signage shall have been approved in advance by the Commercial/Plaza Class Executive Board.

9. Gas or kerosene heaters, whether vented or unvented, are not permitted without the prior consent in writing of the Condominium Executive Board.

10. Each Commercial Unit Owner shall be responsible for the maintenance and repair of his unit as well as the utilities and sewer servicing such unit. Any damage occasioned by the Unit Owner's misuse thereof shall promptly be repaired by the Unit Owner, and, if he shall fail to undertake such repair, the Commercial Association or the Condominium Association may repair the damage and assess such cost to the Unit Owner.

III. PARKING

1. Except for commercial delivery vehicles temporarily standing in the driveway for purposes of loading and unloading, Commercial Unit Owners shall not be entitled to the use of any of the Condominium parking areas or driveways.

2. All Commercial Unit Owners shall observe and abide by all parking and traffic regulations as approved and posted by the Residential/Hotel Class Executive Board or by municipal authorities. Vehicles parked in violation of any such regulations may be towed away at the Unit Owner's sole risk and expense.

3. Parking vehicles so as to block sidewalks or driveways shall not be permitted. If any vehicle owned or operated by a Commercial Unit Owner, any member of his family, tenants, guests, invitees or licensees, shall be illegally parked at the Condominium, the Residential/Hotel Class Executive Board, Commercial Association, and the Condominium Association shall be held harmless by such Unit Owner for any and all damages or losses that may result therefrom, and any and all rights in connection therewith that the owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived.

IV. RECREATIONAL FACILITIES

1. Commercial Unit Owners shall not be entitled to make use of any of the recreational facilities provided for, by, or through the Residential/Hotel Class Units.

V. ACCESS TO UNITS

1. The Commercial Association and Condominium Association shall have the right to emergency access to units in the Condominium, and each Unit Owner shall provide to the Condominium Association a working copy of any key(s) required to gain entry to any unit. These key(s) shall be coded in such a way as to prevent identification by unauthorized persons and kept by the Condominium Association in a secure location for use only if entry to such unit is necessitated by the fact or threat of fire, flood, or any other condition which may adversely affect the Common Elements or other units. In no event shall such key(s) be used to facilitate entry to a Unit for purposes other than those indicated above. No Unit Owner shall alter any lock or install additional locks on any doors of his unit without the prior written consent of the Condominium Executive Board.

2. The agents of the Condominium Executive Board or the Commercial/Plaza Class Executive Board, and any contractor or workman authorized by such Boards, may enter any room or unit in the buildings with the permission or consent of the Unit Owner at any reasonable hour of the day (except in case of emergency in which case entry may be immediate and without such permission) for the purpose of inspecting, maintaining or repairing the unit, including without limitation inspecting such unit for the presence of any vermin, insects or other pests and for the purpose of taking measures as may be necessary to control or exterminate any such vermin, insects or other pests.

VI. PETS

1. No animals or reptiles of any kind shall be bred, raised, or kept by any Commercial Unit Owner, in any Commercial Unit or on the Common Elements, or on the Commercial/Plaza Limited Common Elements.

VII. MISCELLANEOUS

1. All personal property placed in any portion of the buildings or any place appurtenant thereto, shall be at the sole risk of the Unit Owner; and neither the Commercial Association nor the Condominium Association shall be liable for the loss, destruction, theft or damage to such property.

2. Complaints regarding the management of the Condominium or regarding actions of other Unit Owners shall be made in writing to the Commercial/Plaza Class Executive Board.

RULES AND REGULATIONS
OF THE RESIDENTIAL/HOTEL CLASS UNITS
GRAND VICTORIAN HOTEL CONDOMINIUM ASSOCIATION

I. INTRODUCTION AND PURPOSE

1. The Residential/Hotel Class Executive Board of Grand Victorian Hotel Condominium Association (hereinafter the "Hotel Association") has adopted the following Rules and Regulations (hereinafter the "Regulations") applicable to the Residential/Hotel units at the Grand Victorian Hotel Condominium. These Regulations may be amended from time to time by vote of the Residential/Hotel Class Executive Board or Residential/Hotel Class Unit Owners (herein as the "Hotel Unit Owners") as provided in the Bylaws or Declaration.

2. The Hotel Unit Owners shall comply with all of the Regulations hereinafter set forth governing the buildings, public areas, terraces, decks, drives, recreational areas, grounds, parking areas and any other appurtenances of the Residential/Hotel Class Units and the Residential/Hotel Class Limited Common Elements. The Hotel Unit Owners shall also comply with the Condominium Rules and Regulations applicable to the Common Areas and the Condominium generally.

3. The Hotel Association reserves the right to alter, amend, modify, repeal or revoke these Regulations, and any consent or approval given hereunder, at any time, by vote of the Hotel Association or the Residential/Hotel Class Executive Board.

4. Wherever in these Regulations reference is made to Hotel Unit Owners, such term shall apply to the owner of any Residential/Hotel Class Unit, and to any of his employees, agents, family members, visitors, guests, invitees or licensees, or any tenant of such Hotel Unit Owner.

5. Wherever in these Regulations reference is made to the Residential/Hotel Class Executive Board, such term shall include, where the context so permits, the designee of the Residential/Hotel Class Executive Board.

II. USE OF UNITS AND COMMON AREAS

1. No part of the Residential/Hotel Class Units (hereinafter the "Hotel Units") shall be used for any purpose except the transient or permanent lodging of individuals, whether with or without meals, as well as temporary or vacation lodging, and such other purposes as may be permitted under the Declaration.

2. There shall be no obstruction of the Common Elements. Nothing shall be stored on the Common Elements, without the prior consent of the Condominium Executive Board, except as expressly provided herein, or in the Declaration, or in the Condominium Association Bylaws.

3. Nothing shall be done or kept in any of the Common Elements which will increase the rate of insurance for the buildings or contents thereof applicable for uses permitted for the Hotel Units without the prior written consent of the Residential/Hotel Class Executive Board. No Hotel Unit Owner shall permit anything to be done or kept in his unit, or on the Common Elements, or on the Residential/Hotel Class Limited Common Elements which will result in the cancellation of insurance on the buildings or contents thereof or which would

be in violation of any public law, ordinance or regulation. No strip or waste shall be committed on the Common Elements or the Residential/Hotel Class Limited Common Elements.

4. All garbage and trash must be placed or deposited in the proper receptacles designated for refuse collection.

5. Except in any recreational areas designated as such by the Condominium Executive Board or Residential/Hotel Class Executive Board, no playing or lounging shall be permitted, nor shall baby carriages, bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property be left unattended in parking areas, sidewalks, or lawns or elsewhere on the Common Elements or Residential/Hotel Class Limited Common Elements not associated with a particular Hotel Unit and designed or arranged for such purpose.

6. Each Hotel Unit Owner shall keep his unit in a good state of preservation, repair and cleanliness and shall not dispose of dirt or other substances by sweeping, shaking or throwing from the doors or windows of his unit.

7. Nothing shall be done in any Hotel Unit or on the Common Elements or Limited Common Elements which may impair the structural integrity of the buildings or which may structurally change the buildings, nor shall anything be altered or constructed on or removed from the Common Elements or Limited Common Elements, except upon the prior written consent of the Condominium Executive Board or Residential/Hotel Class Executive Board, as appropriate.

8. No noxious, offensive, or unlawful activity shall be carried on in any Hotel Unit or on the Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises in the buildings or do or permit anything which will interfere with the rights, comforts or convenience of other Unit Owners. All Unit Owners shall keep the volume of any radio, television or musical instrument in their units sufficiently reduced at all times so as not to disturb other Unit Owners. Despite such reduced volume, no Unit Owner shall operate or permit to be operated any such sound producing devices in a unit between eleven o'clock in the evening and eight o'clock in the morning if such operation shall disturb or annoy other occupants of the buildings.

9. Except for lodging, or as otherwise specifically set forth in the Declaration, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit or otherwise, shall be conducted, maintained or permitted in any of the Hotel Units or on any part of the Residential/Hotel Class Limited Common Elements, nor shall any "For Sale", "For Rent", or "For Lease" signs or other window displays or advertising be maintained or permitted in any Hotel Unit, without the prior written consent of the Residential/Hotel Class Executive Board.

10. No Unit Owner shall cause or permit anything to be hung, displayed or exposed on the exterior of a Hotel Unit or the Limited Common Elements appurtenant thereto, whether through or upon windows, doors or masonry of such unit. The prohibition herein is intended to include without limitation laundry, clothing, signs, awnings, canopies, radio or television antennas, dishes, or any other similar items. Further, no clothes line, clothes rack, or any other device may be used to hang any items on any window nor may such devices be used anywhere on the Common Elements. Terraces or decks shall not be used as storage areas. No terrace or deck shall be enclosed or covered, or awnings installed, by a Unit Owner without the prior consent in writing of the Residential/Hotel Class Executive Board. Barbeque grills shall not be permitted on the Limited Common

Element decks, and gas or kerosene heaters, whether vented or unvented, are not permitted without the prior consent in writing of the Residential/Hotel Class Executive Board.

11. Each Hotel Unit Owner shall be responsible for the maintenance and repair of his unit as well as the utilities and sewer servicing such unit. Any damage occasioned by the Unit Owner's misuse thereof shall promptly be repaired by the Unit Owner, and, if he shall fail to undertake such repair, the Hotel Association may repair the damage and assess such cost to the Unit Owner.

III. PARKING

1. Unless otherwise authorized by the Hotel Association, the parking areas may not be used for any purpose other than parking automobiles, vans, or pickup trucks designed and intended for personal use. No buses, trucks, other than pickup trucks as above set forth, trailers, boats, recreational or commercial vehicles (except commercial delivery vehicles temporarily standing in the driveway for purposes of loading and unloading) shall be parked in the parking areas or in driveways except in such areas, if any, specifically designated for such parking by the Residential/Hotel Class Executive Board. All vehicles must have current license plates and be in operating condition. No vehicles shall be parked on the Condominium with conspicuous "For Sale" signs attached. Further, Hotel Unit Owners shall use and occupy those parking areas and spaces designed or set aside for their respective units.

2. All Hotel Unit Owners shall observe and abide by all parking and traffic regulations as approved and posted by the Hotel Association or by municipal authorities. Vehicles parked in violation of any such regulations may be towed away at the Unit Owner's sole risk and expense.

3. Parking vehicles so as to block sidewalks or driveways shall not be permitted. If any vehicle owned or operated by a Hotel Unit Owner, any member of his family, tenants, guests, invitees or licensces, shall be illegally parked at the Condominium, the Hotel Association and the Condominium Association shall be held harmless by such Unit Owner for any and all damages or losses that may result therefrom, and any and all rights in connection therewith that the owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The Unit Owner shall indemnify the Association against any liability which may be imposed on the Hotel Association as a result of such illegal parking and the consequences thereof.

IV. RECREATIONAL FACILITIES

1. All persons using any of the recreational facilities provided for, by, or through the Hotel Association do so at their own risk and sole responsibility. The Hotel Association does not assume responsibility for any occurrence, accident, or injury in connection with such use. No Hotel Unit Owner, any member of his family, tenants, guests, invitees or licensees, shall make any claim against the Hotel Association, its servants, agents, employees, lessors, licensees, or any other person, firm or entity, for or on account of any loss or damage to life, limb, or property sustained as a result of or in connection with any such use of any such recreational facilities. Each Hotel Unit Owner shall hold the Hotel Association, its servants, agents, employees, lessors, licensees, or any other person, firm or entity, harmless from any and all liabilities and any action by any tenants, guests, invitees or licensees of such Unit Owner, growing out of the use of the recreational facilities, except where such loss, injury, or damage is caused by the direct negligence of the Hotel Association or its agents, servants or employees, or the direct negligence of such lessor, licensee, other person, firm or entity, in the operation, care or maintenance of such facilities.

2. Any damage to the buildings, recreational facilities, or other Common Elements, including any Residential/Hotel Class Limited Common Elements, or equipment caused by a Hotel Unit Owner, his guests, tenants, invitees or licensees, shall be repaired promptly at the expense of the Unit Owner.

V. ACCESS TO UNITS

1. The Hotel Association and Condominium Association shall have the right to emergency access to units in the Condominium, and each Unit Owner shall provide to the Hotel Association a working copy of any key(s) required to gain entry to any unit. These key(s) shall be coded in such a way as to prevent identification by unauthorized persons and kept by the Hotel Association in a secure location for use only if entry to such unit is necessitated by the fact or threat of fire, flood, or any other condition which may adversely affect the Common Elements or other units. In no event shall such key(s) be used to facilitate entry to a Unit for purposes other than those indicated above. No Unit Owner shall alter any lock or install additional locks on any doors of his unit without the prior written consent of the Condominium Executive Board.

2. The agents of the Condominium Executive Board or the Residential/Hotel Class Executive Board, and any contractor or workman authorized by such Boards, may enter any room or unit in the buildings with the permission or consent of the Unit Owner at any reasonable hour of the day (except in case of emergency in which case entry may be immediate and without such permission) for the purpose of inspecting, maintaining or repairing the unit, including without limitation inspecting such unit for the presence of any vermin, insects or other pests and for the purpose of taking measures as may be necessary to control or exterminate any such vermin, insects or other pests.

VI. PETS Does not apply to tenants

1. No animals or reptiles of any kind shall be bred, raised, or kept in any unit or on the Common Elements, except that well-behaved dogs and cats, aquarium fish and caged birds, not to exceed two in number, may be kept in the units.

2. A pet may be maintained in a unit so long as it is not a nuisance. Actions which will constitute a nuisance include, but are not limited to, unreasonable crying, barking, scratching, and the like.

3. All pets must be registered and inoculated as required by law.

4. Each owner is fully responsible for personal injuries and/or property damage caused by his pet.

5. Except in designated areas, if any, pets must be leashed and leashes may not exceed six feet in length.

6. Owners of pets walked upon the Common Elements must promptly clean up and properly dispose of their pets' droppings.

VII. MISCELLANEOUS

1. In addition to all other rights which the Condominium Executive Board has for nonpayment of assessments, the Hotel Association shall have the right to bar the use by a Hotel Unit Owner of any of the recreational facilities for failure to make payment of any assessments or fees due as provided for in the Bylaws of the Condominium.

2. All personal property placed in any portion of the buildings or any place appurtenant thereto, shall be at the sole risk of the Unit Owner; and the Association shall in no event be liable for the loss, destruction, theft or damage to such property.

3. Complaints regarding the management of the Condominium or regarding actions of other Unit Owners shall be made in writing to the Residential/Hotel Class Executive Board.

GRAND VICTORIAN HOTEL CONDOMINIUMS

RESIDENTIAL/HOTEL CLASS UNITS
PROJECTED BUDGET

(Based on 51 Units)

Operating Expenses	Annual Cost
R/H LCE Electricity	14,200.00
R/H Water	6,000.00
R/H Gas/Heat	11,000.00
R/H Trash Removal	7,500.00
R/H LCE Snow Removal	2,000.00
R/H LCE Maintenance/Repairs	14,000.00
R/H Security	7,000.00
R/H LCE Cleaning	10,200.00
Elevator Maintenance	6,000.00
	$ 77,900.00
Reserve/Replacement	
R/H LCE Reserves	2,100.00
R/H Total Annual Operating and Reserve Expense	$ 80,000.00
R/H Total Monthly Operating and Reserve Expense	$ 6,666.67

2. **Bylaw Amendment 1**-To amend the By Laws section 3.9 Voting-
   a. To Add Section *"3.9 H"*

Any unit owner that is more than 60 days delinquent to the Association shall forfeit their right to run for or serve on the Board of Directors. Any Director that falls delinquent shall be notified and have ten (10) days to rectify the delinquency. If a unit owner pays in full at the time of the meeting then their right to run for or serve on the Board of Directors shall be restored.