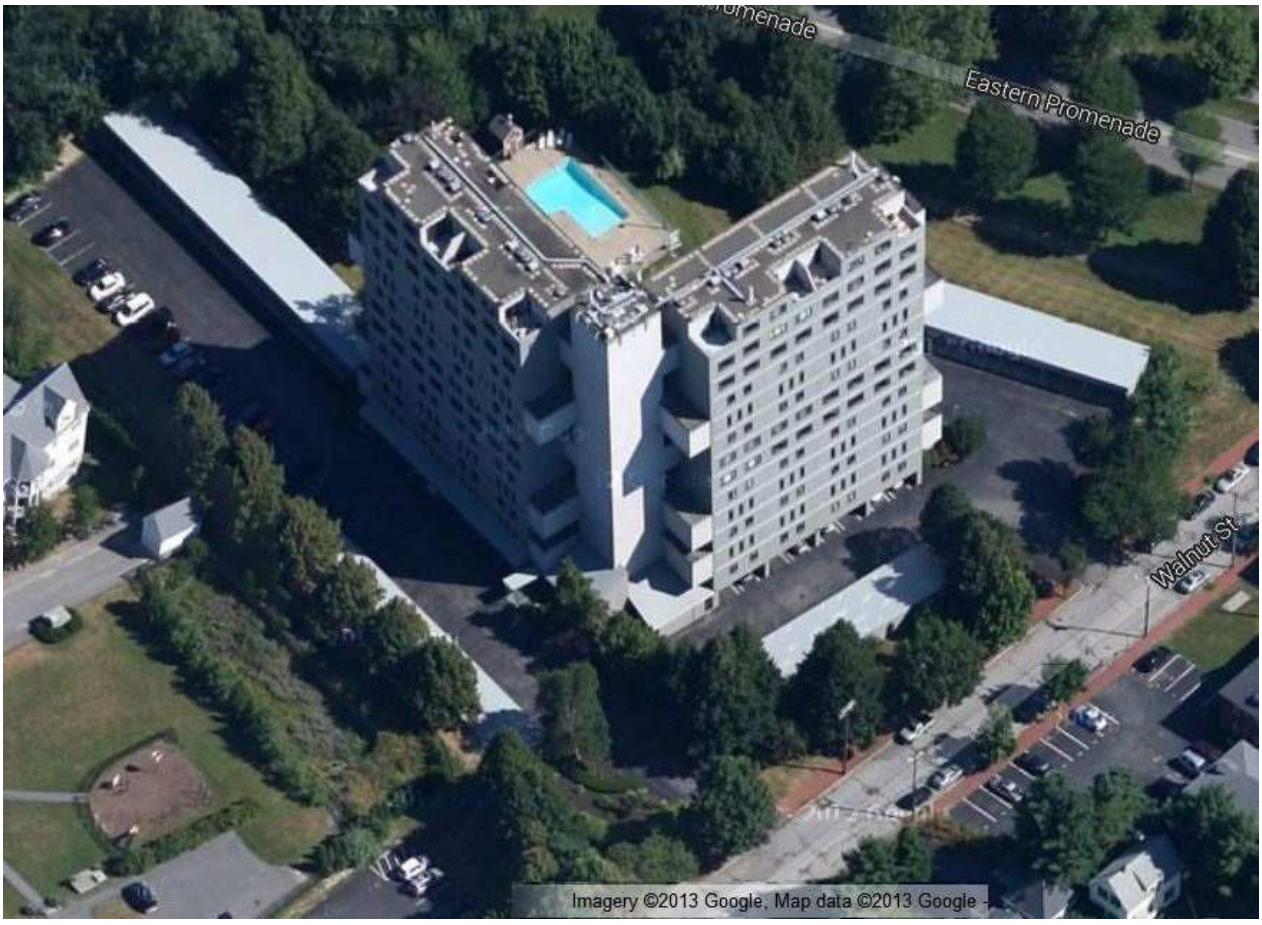
PROMENADE EAST CONDOMINIUM ASSOCIATION



Declaration and By-Laws

With Amendments to September 14, 2016

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DECLARATION AND BY-LAWS OF
PROMENADE EAST CONDOMINIUM ASSOCIATION

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PROMENADE EAST CONDOMINIUM
AMENDED AND RESTATED DECLARATION

ARTICLE I. SUBMISSION.

Section 1.1: The land, improvements and easements with all buildings and improvements thereon located within the City of Portland, Cumberland County, Maine, more particularly described in Exhibit A attached hereto (the "Property") are submitted to the Maine Condominium Act, Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, as amended (the "Act" or "Condominium Act") and said Property shall be the Promenade East Condominium (the "Condominium"). The Property is that shown on the survey and floor plans filed in the Cumberland County Registry of Deeds in unit ownership File No 9, and is the same property that was the subject of a previous Condominium Declaration dated November 12, 1975, recorded in the Cumberland County Registry of Deeds in Book 3769, Page 123, as amended, which previous Condominium Declaration is repealed, superseded and replaced by this Declaration. The land, buildings, and improvements of the Condominium which are subject to the Maine Condominium Act are situated on the southerly side of Eastern Promenade in the City of Portland, County of Cumberland and State of Maine. Said land is more particularly described in Exhibit A attached hereto and made a part hereof. The Unit Owners Association shall be known as "Promenade East Condominium Association, Inc." (the "Association").

Section 1.2: Definitions. The terms used in the Declaration or in the By-Laws of the Promenade East Condominium Association, Inc. (the "Association") or in the plat and plans shall generally have the meanings specified in the Condominium Act except as otherwise defined herein.

ARTICLE II. BUILDINGS ON THE LAND; UNIT BOUNDARIES.

Section 2.1: Location and Dimension of Building. The location and dimensions of the buildings are depicted on the aforementioned survey and floor plans.

Section 2.2: Units. For each unit the identification number and approximate area are shown on the aforementioned survey and floor plans of the Property and are described in Exhibit B. Any internal room configuration shown on the floor plan is illustrative only and is not binding on an owner except that the structural support of the building must be preserved.

Each unit includes the following items:

A. All interior partitions (excepting those portions thereof which are load-bearing), interior doors and interior stairways wholly within the unit;

B. Finish flooring, floor coverings, carpeting and the like, and finish wall and ceiling coverings (including paint, wallpaper, furring, gypsum board and any other materials constituting any part of the finished surfaces thereof);

C. Windows and doors providing access to the common elements including their locks and hardware but excluding their frames, thresholds, and sills;

D. Bathroom fixtures, water heaters, and kitchen appliances servicing only a single unit;

E. Electrical wiring, equipment outlets, and lighting devices from the point where the feed wire enters the unit's circuit breaker distribution box inwards, and portions of electrical heating, water and sewer utility lines, pipes and equipment serving only that unit and located within its general boundary lines as herein described;

F. The attic areas; and

G. Attached garages.

Section 2.3: Unit Boundaries. The boundaries of each unit are as shown on the aforementioned survey and floor plans and are generally as follows:

A. Upper and Lower (horizontal) Boundaries: the upper and lower boundaries of each unit are generally the following boundaries extended to an intersection with the vertical (perimeter) boundaries:

1. Upper Boundary: The planes at the sloping lower surfaces of the roof or dormer rafter lines, including the upper (outside) side of the gypsum board of the ceiling and any other materials constituting any part of the finished surfaces thereof, if any, extending to the intersection with the vertical boundaries.

2. Lower Boundary: The horizontal plane at the upper surface of the concrete floor slab.

B. Vertical (perimeter) Boundaries: The vertical boundaries of the units are generally the vertical planes at the interior edge of the stud line, but which including the exterior surfaces of the gypsum board, of all walls bounding the unit, extending to intersections with each other and with the upper and lower boundaries. The vertical boundary lines also specifically include, the exterior surface of doors, windows, storm windows, and glass walls, but excludes their frames, hardware, sills and thresholds.

Except as specified in this ARTICLE, all spaces and improvements within a unit's boundaries are a part of that unit. No Unit Owner shall permit or suffer any impairment

of any sound deadening or fire material between units. No subdivision of a unit into two or more units is permitted. An easement for access to the unit through the common elements in common with other Unit Owners is appurtenant to each unit.

A unit generally does not include: the exterior walls, the roof, the rafters, and the foundation, land; the pipes, wires, conduits, flues, ducts, pipes, or other heating and utility lines running through a unit which serves more than one unit or which serve the common elements or which serve another unit.

Section 2.4: Relocation of Unit Boundaries and Subdivision of Units. Relocation of boundaries between units is permitted by amendment to the Declaration in compliance with the provisions of the Condominium Act.

Section 2.5: Allocated Interests.

A. The allocations of common element interest and common expense liability appurtenant to each unit are set forth in Exhibit B.

B. Each unit has an undivided interest in the common element. This undivided interest is stated as a fraction and is referred to in the Declaration and By-Laws as the "percentage interest".

C. The percentage interest of each unit is calculated in accordance with the terms of the Declaration. The percentage interest of each unit in said common element is set forth in Exhibit B.

ARTICLE III. COMMON ELEMENTS.

Section 3.1: Common and Limited Common Elements.

A. Common elements consist of the entire Property and generally include:

1. The land, with the benefit of and subject to all the accompanying rights and easements described in Exhibit A; and

2. The foundations, roof, exterior walls, chimneys, and all load bearing portions of the buildings.

3. All pipes, wires, electrical and transmission wires and conduits, any life safety systems, distribution pipes and water and sewer utility lines which serve more than one unit or which serve one unit only but are located outside its boundary line (excepting equipment owned by public and municipal utilities); and

4. All other parts of the property necessary or convenient to its existence, maintenance and safety or normally in common use, except as otherwise expressly provided in this Declaration.

B. Limited common elements, the exclusive use of which is reserved to the use of a particular unit, to the exclusion of other units, consist of the following:

1. Water, sewer or other utility lines, water heaters, electrical circuit breaker boxes, and other fixtures designed to serve a single unit but not a defined part of the unit are limited common elements allocated exclusively to that unit.

2. The outside deck area as shown and assigned on the floor plan.

3. Any door steps, stoops, thresholds, door and window frames and sills and any other fixture designed to serve a single unit but located outside its boundary.

4. The air space above a unit.

5. The chimney and flue servicing a unit.

6. Detached garage assigned to a particular unit.

7. Driveways assigned to a unit.

8. The ground area beneath a unit.

Section 3.2: Connection of Adjoining Units and Limited Common Areas. If the record owners of the subject units affirmatively elect, with the written approval of the Board of Directors of the Association based on each owner's compliance with the standards set forth hereinafter, all to be evidenced by a recorded instrument duly executed and acknowledged, that portion of the elements located between the boundary lines of adjoining units or located between a unit and an adjoining limited common element (with the consent of any other units sharing the same), may be thereby subjected to an easement in favor of each such unit respectively running to the midpoint of the space between each unit or to the limited common element for the removal and alteration of any intervening partition and the creation of apertures therein for passage back and forth between the two units or to the limited common element, and for the installation of stairs, doors, windows and frames appurtenant thereto. The owners shall be strictly liable for any resulting damage. At all times after such election each Unit Owner shall preserve and maintain the structural integrity and architectural style, the mechanical and utility systems, and the support of all portions of the property, and shall strictly comply with all fire, building code and other governmental laws, ordinances and requirements. Any such Unit Owner or said Unit Owner's respective heirs, mortgagees or assigns, may at any time revoke

such election by instrument duly executed and acknowledged served on the other such owners; and duly recorded, and thereafter may seal up passageways and/or remove the stairs, doors and their frames, and/or install a permanent wall, floor ceiling or other partitions, at all times preserving the structural integrity, the mechanical and utility systems and support of all portions of the Property. Nothing contained herein shall be deemed to merge or otherwise affect the separate identity, configuration or the boundaries of said units.

ARTICLE IV. AMENDMENT TO CONDOMINIUM INSTRUMENTS; REQUIRED CONSENT.

Section 4.1: Amendment of Declaration. This Declaration including the plats and plans may be amended or modified generally in accordance with the following procedure except as otherwise provided herein or in the Condominium Act:

A. The notice of any regular or special meeting of the Association at which a proposed amendment to this Declaration is to be considered shall contain a statement of the proposed amendment, including the proposed text thereof. Such a statement must be included in the notice of any meeting if a written request therefore is made by the person or persons calling such a meeting or by any two Unit Owners.

B. At the meeting the resolution shall be adopted if it receives the affirmative vote or written consent of sixty-seven percent (67%) or more of the total votes in the Association in all cases and such Unit Owners may express their approval in writing or by proxy.

C. No amendment may change the uses to which a unit may be put without the unanimous consent of the owners of units affected.

D. An amendment shall be effective when recorded. Copies of the amendment shall be sent to each Unit Owner in the manner elsewhere provided for the giving of notices but the same shall not constitute a condition precedent to the effectiveness of such amendment.

E. The Association shall comply with the provisions of 33 M.R.S.A. §1602-119(b), and any amendment thereof, respecting notice to be provided to eligible mortgage holders in certain circumstances.

ARTICLE V. DAMAGE OR DESTRUCTION.

Section 5.1: Repair. Any portion of the Property damaged or destroyed shall be repaired or replaced promptly by the Association unless: (i) the Condominium is terminated under ARTICLE VI; (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) One Hundred percent (100%) in interest of the Unit Owners vote not to rebuild, including every owner of a unit or limited

common area which would not be rebuilt. The cost of repair or replacement in excess of insurance proceeds and reserves or not covered by any deductible shall be a common expense, provided however that notwithstanding any other provision of this Declaration, each owner of a unit shall be responsible for the payment of the costs of repair or replacement to his or her unit not covered due to the amount of any insurance deductible under the Association's insurance policy. The Association shall not be responsible for the costs of repair or damage to the unit in the amount of the insurance deductible for damage to the unit.

Section 5.2: Application of Insurance Proceeds. If the entire Condominium is not completely repaired or replaced: (i) the insurance proceeds attributable to the damaged units and common elements shall be used to restore the damaged areas to a condition compatible with the remainder of the Condominium, with the proceeds being applied first to the common areas, and then to the units; (ii) the insurance proceeds attributable to units which are not rebuilt, including without limitation the interest in the common elements and in limited common elements, shall be distributed to such Unit Owners and their mortgagees; and (iii) the remainder of the proceeds shall be held in trust to be distributed to the Unit Owners and their mortgagees in accordance with the Condominium Act. Any loss covered by such insurance shall be adjusted with the Association, which shall exclusively represent all Unit Owners in any proceedings, negotiations, settlements or agreements. The insurance proceeds shall be paid to the Association as trustee for the Unit Owners and lien holders as their interests may appear. Any affected Unit Owner shall have ten (10) days after receiving notice of the Association's proposed settlement with an insurance carrier in which to dispute the amount and terms of settlement with respect to his or her unit; if the Unit Owner objects then the Association may elect to assign such unit damage claim to the objecting Unit Owner and its mortgagee without further liability to the Unit Owner so that the Association may settle the balance of the claim and fund repairs for the benefit of the non-objecting Unit Owners. Mortgagees' liens shall transfer in order of priority to the insurance proceeds. Notwithstanding the provisions of this Section, ARTICLE VI of the Declaration governs the distribution of insurance proceeds if the Condominium is terminated. If the members vote not to rebuild any unit, that unit's percentage interest in the common elements shall be automatically reallocated to the then remaining units in proportion to their percentage interests prior to the reallocation, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocation. Unless a Unit Owner has requested and received written confirmation from both the Association and the Association's hazard insurance carrier of optional insurance coverage for the owner's permanent improvements and betterments within the unit, the Unit Owner shall be responsible for the expense of repair or replacement.

ARTICLE VI. REMOVAL FROM THE CONDOMINIUM ACT.

Section 6.1: The submission of the Property to the Condominium Act herein shall not be terminated unless eighty percent (80%) in voting interest of all of the then Unit Owners in accordance with the Condominium Act shall agree to such revocation or removal of the property from the provisions of the Condominium Act, their agreement to be established by written instrument duly recorded. In the event that such termination is sought, eligible mortgage holders shall have those rights specified in 33 M.R.S.A. §1602-119(b)(c)(d), as amended.

Section 6.2: The Association is authorized and empowered to contract for the sale of, and convey, real estate in the Condominium according to the provisions of 33 M.R.S.A. §1602-118, as amended. If such a contract for the sale of, or conveyance of, real estate in the Condominium receives the requisite approval of the Unit Owners as provided in this Declaration and in 33 M.R.S.A. §1602-118, as amended, the documents evidencing such contract or conveyance shall be signed or approved by the President or the Secretary or Treasurer, and in addition by any one or more officer(s), agents(s) or employee(s), all as the Board of Directors may designate, unless otherwise unanimously voted by the Board of Directors.

Section 6.3: Upon removal of the Property from the Condominium Act, the Unit Owners shall hold the Property and any proceeds thereof as tenants in common in accordance with the Condominium Act and subject to the Condominium Act with any mortgages or liens affecting a unit to attach in order of priority against the resulting interest. Removal shall not bar the subsequent resubmission of the Property to the Condominium Act.

ARTICLE VII. EMINENT DOMAIN.

Section 7.1: If a unit is acquired by eminent domain, to the extent the award is paid to the Association or is controlled by this Declaration or the Association, the award shall be applied to compensate the Unit Owner and his mortgagee(s), if any, for the unit and its percentage interest in the common elements, whether or not any common elements are acquired. Upon acquisition of the unit, the unit's allocated interests shall be automatically reallocated to the remaining units in proportion to their respective allocated interests before the taking, and the Association shall promptly prepare, execute, and record an instrument reflecting the reallocations.

Section 7.2: If part of a unit is acquired by eminent domain, to the extent the award is paid to the Association or is controlled by this Declaration or the Association, the award shall be applied to compensate the Unit Owner and his mortgagee(s), if any, for the reduction in value of the unit and its interest in the common elements, whether or not any common elements are acquired. Upon such acquisition, (i) that unit's allocated interests shall be reduced in proportion to the reduction in the size of the unit, and (ii) the portion of the allocated interest divested from the partially acquired unit shall automatically be reallocated to that unit and the remaining units in proportion to their

respective allocated interests of those units with the partially acquired unit participating in the reallocation of the basis of its reduced allocated interests.

Section 7.3: If part of the common elements are acquired by eminent domain, the Association shall be entitled to payment of the award, subject however, to the Maine Condominium Act, generally the portion of the award attributable to the common elements taken shall be distributed to the Unit Owners and their mortgagee(s) in accordance with the Condominium Act, unless the Association rebuilds or acquires comparable elements. Any portion of an award attributable to the acquisition of a limited common element or as may otherwise benefit the Condominium as determined by a Court of competent jurisdiction must be equally divided among the owners of the units to which that limited common element allocated at the time of acquisition in proportion to their interests in the common elements.

Section 7.4: In the event of a proposed acquisition by eminent domain, the Association shall have the right but not the obligation to act and to intervene on behalf of Unit Owners. Nothing contained in this Section or this Declaration, however, shall entitle any Unit Owner or other person to priority over a first mortgagee of a unit pursuant to its mortgage instrument in the right to receive eminent domain awards for the taking of units and/or common elements.

ARTICLE VIII. GENERAL ADMINISTRATIVE PROVISIONS.

Section 8.1: Easement for Access and Support.

A. Each unit includes a perpetual right of ingress and egress.

B. The Association and the managing agent and/or any other person authorized by the Board of Directors shall have a right of access to any unit and any limited common element as provided in the Condominium Act and the By-Laws. In case of emergency, such entry may be gained immediately whether or not the Unit Owner is present at the time.

C. Each unit and common element shall have an easement for support from every other unit and common elements.

Section 8.2: Encroachments. To the extent that any unit or common element encroaches on any other unit or common element, a valid easement for the encroachment exists. This easement shall not relieve a Unit Owner of liability in case of his willful misconduct.

Section 8.3: Use. Each unit may be used subject to all restrictions contained in this Declaration, the By-Laws of the Association, and the Rules and Regulations of the Association, as amended from time to time. The Units are restricted to residential use by the owner and the owner's immediate family, or by a person to whom the owner has

leased a Unit, together with that person's immediate family; other reasonable temporary nonresidential uses may be permitted in the discretion of the Board of Directors of the Association.

Section 8.4: Pets. The Association shall have the power to regulate the keeping of pets and animals under the By-Laws or Rules and Regulations of the Association as promulgated or amended from time to time and may expel any offending pets and animals from the Property.

Section 8.5: Sales, Leases and Mortgages of Units.

A. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his unit without including therein the Appurtenant Interests, 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 interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all units.

B. Notwithstanding any other provision of this Declaration or the By-Laws, a Unit Owner may, without the consent of the Board of Directors, license to another Unit Owner or resident the use of any parking space with respect to which said Unit Owner has the exclusive right, such license to be upon such terms and conditions as the Unit Owner shall desire, provided that it expires automatically upon the sale of their unit and provided further that notice of such license is promptly given to the Board of Directors.

C. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease said Unit Owner's unit unless and until said Unit Owner shall have paid in full to the Board of Directors all unpaid common charges theretofore assessed by the Board of Directors against said Unit Owner's unit and until said Unit Owner shall have satisfied all unpaid liens against such unit, except the lien of a mortgage.

ARTICLE IX. RIGHTS OF MORTGAGEES.

Section 9.1: Any first mortgagee of a unit may file a request identifying itself as a first mortgage holder and the unit number of its mortgage with the Association by United States mail, return receipt requested or by delivery in hand securing a receipt therefore and shall thereby become an "Eligible Mortgage Holder"; the Secretary of the Association shall maintain such information. After the filing of the request by the Eligible Mortgage Holder, the Board shall cause notice to be sent to the Eligible

Mortgage Holders as required by the provisions of 33 M.R.S.A. §1602-119(b), as amended, if so requested.

If in said request to the Association forwarded by an "Eligible Mortgage Holder" the mortgage is identified as being subject to the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration or other recognized institutional mortgage programs, then the Association shall maintain such hazard and other insurance policies and coverage required under said mortgage programs and identified in said notice from the institutional mortgage holder, to the extent such insurance is available to the Association.

Section 9.2: In the event of any proposed actions described in 33 M.R.S.A. §1602-119(b), paragraphs (1), (2), (3), (4), or (5), an Eligible Mortgage Holder shall have the right but not the obligation in place of the Unit Owner to cast the votes allocated to that unit or give or withhold any consent required of the Unit Owner for such action pursuant to the provisions of 33 M.R.S.A. §1602-119(c). Failure of the Eligible Mortgage Holder to exercise such rights shall constitute a waiver thereof and shall not preclude the Unit Owner from exercising said right. In the event of any default described in 33 M.R.S.A. §1602-119(b)(7), as amended, the Eligible Mortgage Holder shall have the right but not the obligation, to cure such default.

In addition, an Eligible Mortgage Holder, or its representative, shall have the right to attend association and executive board meetings for the purpose of discussing matters described in 33 M.R.S.A. §1602-119(b), paragraphs (1) through (6), as amended.

Section 9.3: Records. A mortgagee may examine the books, records and accounts of the Association at reasonable times. Any Eligible Mortgage Holder may be provided with an audited statement of the Association's fiscal affairs prepared by an independent certified public accountant prepared at the Eligible Mortgage Holder's expense.

Section 9.4: Dispositions by Mortgagees. In the event the Association adopts any right of first refusal or purchase option arising in the event of the sale or transfer of a unit, it shall not impair the right of an institutional mortgage lender to foreclose its mortgage, to accept a deed in lieu of foreclosure after written notice of default which deed identifies the circumstances classifying it as such a deed, or to dispose or lease a unit acquired under the procedures set forth above.

ARTICLE X. FISCAL MANAGEMENT, ASSESSMENT FOR COMMON CHARGES AND SERVICE CHARGES.

Section 10.1: Each unit is subject to a lien in favor of the Association for the unpaid common charges, interest and costs of collection as provided in the Condominium

Act and also is subject to a lien for service charges and penalties, interest and costs of collection as provided in the Declaration and the By-Laws.

Section 10.2: Fiscal Management and Operation of the Property.

A. The fiscal year of the Association shall begin on the first day of January each year, except the first fiscal year of the Association shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors.

B. 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 a reasonable time after the close of each fiscal year, the Association shall furnish its members, a statement of the income and disbursements of the corporation for such prior fiscal year.

C. With respect to each fiscal year, the Board of Directors shall estimate the amount required by the Association to meet its expenses for such year, including but not limited to the following terms:

1. Management and administration expenses;

2. The estimated cost of repairs, maintenance and replacements of common areas and facilities;

3. The cost of such utilities as may be furnished by the Association;

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

5. The common expenses shall also include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to ARTICLE XIII. The common expenses may also include such amounts as the Board of Directors may deem proper for working capital of the Association, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Directors, on behalf of all Unit Owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale; and

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

Within ninety (90) days from the commencement of each fiscal year, the Board of Directors shall cause an estimated annual budget to be prepared based on its estimation of annual expenses, and a copy of such budget shall be furnished to each member.

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 the same as his respective percentage ownership in the common areas and facilities.

Until the annual budget for a fiscal year is sent to each member by the Board of Directors, the member shall continue to pay that amount which had been established on the basis of the previously estimated annual budget.

If any member shall fail or refuse to make payment of his proportionate share of the common expenses when due, the amount thereof shall constitute a lien on the interest of such member in his unit, his interest in the common areas and facilities and those limited common areas and facilities which are appurtenant to such unit. The Association and the Board of Directors shall have the authority to exercise and enforce any and all rights and remedies provided in the Condominium Act, the Declaration or By-Laws, or that are otherwise available at law or in equity for the collection of all unpaid assessments.

No Unit Owner shall be liable for the payment of any part of the common expenses assessed against his unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Condominium Act, Declaration and By-Laws) of such unit. In addition, any Unit Owner may, subject to the terms and conditions specified in the Condominium Act, Declaration and By-Laws, provided that his unit is free and clear of liens and encumbrances other than the statutory lien for unpaid common charges, convey his unit, to the Association, and in such event be exempt from common charges thereafter assessed. A purchaser of a unit shall be liable for the payment of common charges assessed and unpaid against such unit prior to the acquisition by him of such unit, except that a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for, and such unit shall not be subject to, a lien for the payment of common charges assessed prior to the foreclosure sale.

D. If at any time during the course of any fiscal year the Board of Directors shall deem the amount of the membership assessments to be inadequate by reason of a revision in its estimate of either expenses or income, the Board of Directors shall prepare

and cause to be delivered to the members a revised estimated annual budget for the balance of such fiscal year and thereafter monthly assessments shall be determined and paid on the basis of such revision.

E. In the event of damage or destruction of the building or buildings containing the units, the common areas and facilities, and the limited common areas and facilities, as a result of fire or other casualty, (unless, pursuant to the provisions of the Condominium Act, Declaration and By-Laws, it is determined not to proceed with repair or restoration) the Board of Directors shall arrange for the prompt repair and restoration of the buildings containing the units (including any damaged units, and any kitchen or bathroom fixtures initially installed therein by the Grantor, but not including any fixtures, furniture, furnishings or other personal property supplied to or installed by Unit Owners), the common areas and facilities, and the limited common areas and facilities, and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Directors may assess all the Unit Owners for such deficit and for a completion bond for such deficit as part of the common expenses.

If there shall have been a repair or restoration pursuant to the preceding paragraph and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds, if any, shall be added to the Association's reserve fund or, at the option of the Board of Directors, divided among all the Unit Owners in proportion to their respective interests in the common areas and facilities after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on such unit in the order of priority of such liens.

F. Upon a determination that circumstances exist, which require additional funds to be raised beyond the amounts generated by the regular monthly assessments, the Board of Directors may levy a special assessment as an additional common charge on such terms and conditions as the Board may establish, including without limitation, the due date(s), terms of payment, late charges, interest and costs of collection, including reasonable attorneys' fees and expenses. The process for approving or ratifying a special assessment shall be as set forth in the Bylaws consistent with the Maine Condominium Act. The special assessment shall be allocated to and due from each Unit in accordance with its percentage liability for common expenses, shall constitute a lien against each Unit which may be foreclosed in the same manner as a mortgage, and shall be the personal obligation of each Unit Owner. Upon the sale of any Unit, the seller shall be responsible for informing the purchaser of the existence of any pending or outstanding special assessment.

G. If any Unit Owner shall fail or refuse to pay any common charges, special assessments, service charges, fines, penalties or any other amount due to the Association when due, thereafter the amount thereof shall bear interest at the rate of eighteen percent

(18%) per annum or such lesser rate and with such late fees as may be set by vote of the Board prior to the date on which the payment came due. All such amounts with interest, late charges, and all costs of collection and foreclosure, including reasonable attorneys' fees, shall constitute a lien on the Unit.

Recording of the Declaration as amended constitutes record notice and perfection of the lien for common charges, special assessments, service charges, penalties, fines, or any other amount due to the Association, including late charges, interest and costs of collection and foreclosure, including reasonable attorneys' fees. The Association may from time to time record a notice stating the amount and nature of the lien signed by an officer or director of the Association or by an agent authorized by the Board of Directors, but such notice is not necessary to establish or perfect the lien.

H. The Board of Directors, subject to the approval of a majority in interest of the Unit Owners at a meeting of the Association, may pledge, grant a security interest in or assign the Association's right to future income, including the right to receive regular monthly common expense assessments, special assessments and other income.

Section 10.3: Service Charges. The Association shall have the express power to separately charge a unit and the owner thereof for services rendered to that unit. Such charges shall be a lien on the unit with the same status as a lien for common expense assessments under the Condominium Act, this Declaration and By-Laws, which lien for service charges may be foreclosed in like manner as a mortgage on real estate. The recordation of this Declaration constitutes record notice of the lien. Service charges shall include without limitation:

A. If a Unit Owner, members of his family, guests or tenants requests the Association or its agent to perform repair and maintenance work on his unit or damages the common elements or fails to perform maintenance and repair work required, the expense thereof as determined by the Board of Directors or its designee may be assessed a service charge.

B. Fees, if any, which may be established by the Board of Directors for the use and maintenance of water, sewer and/or other utility services and equipment. Likewise, water and sewage services supplied to each unit may be measured separately by such methods and systems established by the Board of Directors in their discretion. The expense of public utility charges for water and sewer services and of equipment maintenance and repair and reasonable reserve allowances may also be calculated by the Board of Directors in their discretion and assessed monthly as a service charge to each unit. For budgeting and working capital purposes, the Board of Directors may charge Unit Owners monthly in advance for such expenses based on its reasonable estimate thereof, subject, however, to such periodic reconciliation as the Board in its discretion may deem appropriate based on the measuring system adopted by the Board. At the election of the Board of Directors, the expense of capital improvements, major repairs or

renovations to the water and sewer supply systems may be assessed either as a common expense or as a service charge. The expense of water and sewer services for the common areas may be assessed as a common expense or as a service charge at the election of the Board of Directors.

C. Insurance premiums on permanent improvements to units installed by Unit Owners and insured by the request of the Unit Owner with the Association's hazard insurance carrier.

Section 10.4: Liability. Multiple owners of a unit shall each be jointly and severally liable with one another for all unpaid common charges, assessments, service charges, interest and costs of collection during their period of unit ownership up to the time of the grant or conveyance. A grantee shall not be prevented from exercising any right to recover from the grantor such amounts paid for those assessments, common charges, etc., arising prior to the conveyance. A grantee or proposed purchaser under a purchase and sale contract for a unit may obtain, upon request and the payment of such fee as may be established from time to time by the Board of Directors, a statement from the Association setting forth the amount of unpaid common charges, assessments and service charges, interest and costs of collection against the unit as of the date of grant or conveyance and such other items required by the Condominium Act. The grantee shall not be liable for, and the unit conveyed shall not be subject to a lien for any unpaid amounts due from the grantor before the statement date in excess of the amount set forth in the statement except interest and costs of collection accruing thereafter.

Section 10.5: Budget. The proposed budget and any revised budget adopted by the Association's Board of Directors shall be adopted unless rejected by two-thirds (2/3) vote of the Association.

Section 10.6: Violations. Any Unit Owner in default in the payment of any amount due the Association or in violation of any provision of the Condominium Act, this Declaration, the By-Laws, or the Rules and Regulations of the Association, which violation continues after reasonable notice to cure by the Association to the Unit Owner and an opportunity to be heard, may be prohibited by the Board of Directors from the use and enjoyment of any and all of the common elements not essential to access to the unit, in addition to all other remedies available to the Board of Directors. The Association may not withhold services provided to a unit or a Unit Owner by the Association if the effect of withholding the service would be to endanger the health, safety or property of any person. At the discretion of the Association, an interest charge may be assessed against a Unit Owner for past due amounts due to the Association for common expense assessments. However, any such interest charge is subject to the provisions of 33 M.R.S.A. §1603-115, as amended.

The Board of Directors shall have the power to levy fines against the Unit Owners, after affording the Unit Owner an opportunity to be heard, for violations of reasonable

Rules and Regulations established by it to govern the conduct of Unit Owners. The standard fine for a violation shall be $100, but for each day a violation continues, after notice, it shall be considered a separate violation. The Board shall have the authority to levy fines greater than $100 based on the circumstances of the violation. The circumstances to be considered in determining the amount of the fine may include, but shall not be limited to, the extent of the harm or disturbance to others caused by the violation, whether it is a first offense, and whether the same or similar violations have been committed by the Unit Owner or his tenants or guests within the twelve-month period preceding the new violation. Collection of fines may be enforced against the Unit Owner or owners involved as if the fines were common charges owed by the particular Unit Owner or owners. In the case of persistent violation of the Rules and Regulations by a Unit Owner, the Board of Directors shall have the power to require such Unit Owner to post a bond to secure adherence to the Rules and Regulations.

ARTICLE XI. MAINTENANCE AND REPAIR.

Section 11.1: Maintenance and Repair of Units.

A. Generally the maintenance of the Units and Limited Common Elements shall be allocated between the Unit Owners and the Association in accordance with Section 1603-107(a) of the Maine Condominium Act. Every owner shall perform promptly all maintenance and repair work on his unit which if omitted would affect the Condominium in its entirety, the common elements, or other unit(s), including work which may be required by any law, ordinance, or regulation, and he 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 repairs after reasonable notice from the Association, the Association through its officers or manager shall have the right but not the obligation to enter the unit and perform such maintenance or repair in the name of the owner; the Association, after notice to the owner and opportunity to be heard before the Board of Directors, shall be entitled to assess the expense thereof as a service charge due in full at the time of the next regular monthly payment.

B. All the maintenance and repairs to the water heater, bathroom and kitchen fixtures and appliances, window glass, doors, and installations of the unit, if any, including without limitation carpeting, finish flooring, utility lines, light, power, sewage, telephones, and all other accessories considered a part of the unit shall be maintained at the Unit Owner's expense.

C. The Association shall have the powers and duties necessary for the administration of the affairs of the Association and Condominium, which powers shall include, but not be limited to, the power to promulgate such Rules and Regulations concerning the operation and use of the Condominium or of the common areas and facilities as may be consistent with the Declaration, By-Laws and Condominium Act.

Section 11.2: Maintenance and Maintenance Contracts. The Association and its designees shall maintain, repair and replace the common elements including the limited common elements (except as otherwise specifically provided herein) and shall establish reasonable reserves for such purposes. No Unit Owner shall do any of the foregoing without the prior permission of said Board of Directors in each instance. No management contract may be for a term exceeding three (3) years and any such contract shall be terminable for cause upon thirty (30) days' notice. Any professional management contract entered into by the Association prior to the expiration of the period of Declarant's Control may be terminated without cause and without penalty at any time after the expiration of such control upon ninety (90) days' notice.

Section 11.3: Exterior Appearance. The Association may adopt reasonable Rules and Regulations regulating signs, canopies, antennas, awnings, window shades and blinds, clothes lines or any other structures or things which affects the appearance from the exterior of the buildings. The Association may adopt reasonable Rules and Regulations establishing Rules of Residency and responsibilities of Unit Owners which regulations may include, but which are not limited to, regulation of the following topics: use of units, noise levels, pets, storage, deliveries, garbage collection, fire and safety procedures, elevator procedures, parking, use of pool, use of game rooms, use of tennis courts, use of sauna, disposal of trash, use of outside servicemen, security, thermostats, and hot water tanks. Unit Owners shall not erect fences, signs, structures, canopies, sheds or other structures, plants or remove trees or shrubs or materially alter the landscape or grading or do anything to alter the exterior or the unit, except as permitted by the Rules and Regulations of the Association.

Section 11.4: Preservation of Property. No Unit Owner shall in any manner jeopardize the soundness or safety of the Property, create a nuisance, reduce the value thereof, or impair any easements, rights and appurtenances or the use and benefit of common elements, as determined in the judgment of the Board of Directors of the Association.

Section 11.5: Liability for Damage. Each Unit Owner shall be liable for the expense of maintenance, repair or replacement of any damage to the common elements or to another unit caused by such Unit Owner's act, neglect or carelessness or by that of any member of such Unit Owner's family, or such Unit Owner's guests, customers, licensees, employees, agents, contractors, lessees, or their pets. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy, or abandonment of any unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation against such Unit Owner.

ARTICLE XII. ASSOCIATION.

Section 12.1: Owners Association and By-Laws. Each Unit Owner and/or owners shall be a member of the Association, a non-profit and non-stock corporation organized under the laws of the State of Maine and to be known as the "Promenade East Condominium Association, Inc." Membership shall be appurtenant to the units, and the transfer of title to a unit shall automatically transfer the membership appurtenant to that unit to the transferee or transferees. A mortgage, however, shall not transfer membership until foreclosure or sale in lieu of foreclosure. The By-Laws of the Association are attached hereto as Exhibit C. The Association shall have all the powers set forth in the By-Laws as if fully set forth herein.

ARTICLE XIII. MISCELLANEOUS.

Section 13.1: Interpretation. In the event of any conflict or discrepancy between this Declaration and the survey and floor plans, this Declaration shall govern.

Section 13.2: Conflict. If any provision of this Declaration, the By-Laws or the Rules and Regulations, or any section, sentence, clause, phrase or word therein, or the application thereof in any circumstances be judicially held in conflict with any applicable laws, including, but not limited to, the Condominium Act, then the laws shall be deemed controlling; but the validity of the remainder of this Declaration, the By-Laws and Rules and Regulations, and the application of any such provision, section, clause, phrase, or word in other circumstances shall not be affected thereby.

Section 13.3: General Provisions.

A. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provisions hereof.

B. The use of the singular number in this Declaration shall be deemed to include the plural, the plural the singular, and the use of any one gender shall be deemed applicable to all genders.

C. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

Section 13.4: Interpretation. Any dispute or disagreement between Unit Owners with respect to interpretation or application of this Declaration or the By-Laws or Rules and Regulations shall be determined by the Board of Directors, which determination shall be final and binding on all parties.

Section 13.5: Invalidity. If any term, covenant, provision, phrase, other element of this Declaration, the By-Laws, any deed to a unit, or the rule and regulations is held to be invalid or unenforceable for any reason whatever, such holdings shall not affect,

modify or impair in any manner, any other term, covenant, or provision, phrase, or other element of such documents.

Section 13.6: Lease and Rentals. The By-Laws may provide for the regulation of leasing and rental of units.

Section 13.7: Disputes. In any dispute between one or more Unit Owners and the Declarant regarding the common area, the Board of Directors shall act for the Unit Owners and any agreement with respect thereto by the Board shall be conclusive and binding upon the Unit Owners.

Section 13.8: Notices. All Unit Owners shall be notified by mail regarding matters which affect the Condominium.

Section 13.9: Sales Offices. The Declarant reserves the right to use any unsold units as models or sales offices. Only one such unit at any given time shall be used for that purpose.

Section 13.10: Amendments to Documents. Amendments of a material nature must be agreed to by Unit Owners representing at least sixty-seven (67%) of the total allocated votes in the Association. If the Condominium Act, including 33 M.R.S.A. §1602-119, requires consent for any Amendment to be obtained from Eligible Mortgage Holders, then said consent shall be obtained as provided in said provisions of the Condominium Act.

Section 13.11: Assignment of Limited Common Elements.

A. Limited common areas and facilities shall mean and include that part of the common areas and facilities consisting of any garage space, terrace, balcony, and storage space as shown on said floor plan as to which a right of exclusive use has been reserved as appurtenant to an individual unit.

B. The Association shall be responsible for all maintenance and upkeep of all individual limited common elements.

Section 13.12: Rights of Mortgage Holders, Insurers or Guarantors. The holder, insurer or guarantor of the mortgage on any unit in the project is entitled to timely written notice as provided in the Condominium Act, including 33 M.R.S.A. §1602-119.

Section 13.13: Insurance.

A. General. The Association shall obtain and maintain as a Common Expense, the policies of insurance described below to the extent such policies shall be reasonably available. If such insurance is not maintained, then the Association shall give written notice thereof to the Unit Owners and the Eligible Mortgage Holders. To the extent that

such insurance subsequently becomes unavailable, the Association shall obtain as a substitution the most comparable insurance available.

The Board of Directors is hereby irrevocably appointed as attorney-in-fact for each Unit Owner and for each Mortgagee and Eligible Mortgage Holder and for each owner of any other interest in the Property, for purchasing and maintaining the insurance, for the collection and disposition of any insurance, including distribution pursuant to Section 1603-113(c) of the Condominium Act, for the negotiation of losses and execution of releases of liability, and for the execution of all documents, and performance of all other acts necessary to accomplish these purposes.

B. Property and Casualty Insurance for Units and Common Elements. The Association shall obtain and maintain in effect a broad "special form" insurance policy covering direct physical loss to the Property with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition and water damage endorsements, issued by an insurance company authorized to do business in the State of Maine (which company shall also meet the ratings requirements of the Federal National Mortgage Association), insuring as a single entity the entire Property including the Common Elements, the Limited Common Elements, Units, and the fixtures, supplies and common personal property belonging to the Association, *excepting* the land, foundations, excavations, and other similar items customarily excluded from property insurance policies and also *excepting* furniture, furnishings or other personal property supplied or installed by Unit Owners. The policy shall cover the interests of and name as insureds the Association, the Board of Directors, and all Unit Owners and their Mortgagees as their insurable interests may appear.

Such blanket or master insurance policy shall be in an amount equal to one hundred percent (100%) of the then current replacement cost of the insured Property (exclusive of the land, excavations, foundations and other similar items customarily excluded from such coverage), without deduction for depreciation, together with coverage for the payment of common expenses with respect to damaged Units during the period of reconstruction. Such insurance policy may, at the option of the Board of Directors, contain such deductible as the Board of Directors shall deem appropriate but not to exceed the lesser of $10,000 or one (1) percent of the policy's face amount. Unless otherwise established by the Board of Directors from time to time, a Unit Owner shall pay the expense of repair of damage to his Unit in the deductible amount not covered by the insurance; the Association shall not be responsible for the costs of repair of damage to the Unit in the amount of the insurance deductible for damage to the Unit. Such casualty insurance policy shall also include the following provisions:

1. The following endorsements or their equivalent: (a) “no control,” meaning that coverage shall not be prejudiced by any act or neglect of any occupant or Unit Owner or their agents, when such act or neglect is not within the control of the insured, or the Unit Owners collectively,

nor by any failure of the insured, or the Unit Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the Unit Owners collectively, have no control; (b) "Construction Code Endorsement" or "increased cost of construction," (c) "agreed amount" or elimination of co-insurance clause; and (d) "inflation guard," when it can be obtained;

2. That any "no other insurance" clause shall expressly exclude individual Unit Owners' policies from its operation, so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Unit Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees;

3. The recognition of any Insurance Trust Agreement whereby the Board of Directors may designate in writing an Insurance Trustee to hold any insurance proceeds in trust for disbursement, as provided in Section C below; and

4. A standard "mortgagee clause" which shall: (a) provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Unit, in their respective order and preference, whether or not named therein; (b) provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the owners or any persons under any of them; and (c) waive any provision invalidating such mortgagee clauses by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy.

C. Casualty Losses. Adjustment and Payment; Insurance Trustee. Any loss covered by the insurance policy described in Section B above shall be adjusted with the Association acting through its Board of Directors, but the insurance proceeds shall be payable to the Insurance Trustee designated for that purpose, if any, as provided in the Condominium Act and otherwise to the Association, and not to any Mortgagee. Any affected Unit Owner shall have ten (10) days after receiving notice of the Association's proposed settlement with an insurance carrier in which to dispute the amount and terms of settlement with respect to his Unit; if the Unit Owner objects then the Association may elect to assign such Unit damage claim to the objecting Unit Owner and its mortgagee without further liability to the Unit Owner so that the Association may settle the balance of the claim and fund repairs for the benefit of the non-objecting Unit Owners.

The Insurance Trustee or the Association as applicable shall hold any insurance

proceeds in trust for Unit Owners, Mortgagees and other lien holders as their interests may appear. The Board of Directors shall cause the Insurance Trustee or the Association to obtain a surety bond in 100% of the amount of the insurance proceeds for the faithful performance of the duties as insurance trustee before it shall be entitled to receive such proceeds. Subject to the provisions of this Article, the Bylaws and Section 1603-113(e) of the Condominium Act, the proceeds shall be disbursed first for the repair or restoration of the damage to the Common Elements and then to the Units forming a part of the Property. If only Units are affected by the insured casualty or if the insurance proceeds are insufficient to cover all damages to the Units, then the available insurance proceeds shall be divided in proportion to the total loss among the affected Units. Unit Owners, Mortgagees and other lien holders are not entitled to receive payment of any portion of the proceeds, unless either (i) there is a surplus of proceeds after the damaged Common Elements and Units have been repaired or restored, or (ii) the decision has been made not to repair or restore the damage as provided in Section 1603-113(h) of the Condominium Act, or (iii) the Condominium is terminated in whole or part.

D. Liability Insurance. The Board of Directors shall obtain and maintain, as a Common Expense, comprehensive general public liability insurance (including medical payments insurance) and property damage insurance in such limits as the Board may from time to time determine, insuring each Board of Directors member, the managing agent, and each Unit Owner against any liability to the public or to the Unit Owners (and their invitees, agents and employees) covering all occurrences commonly insured against for death, bodily injury or property damage, arising out of the maintenance, ownership or use of the Common Elements, and for any legal liability resulting from suits or actions related to employment contracts to which the Association is a party. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement, under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) a "severability of interest" endorsement, which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Association or of another Unit Owner; and (iv) a broad form liability extension endorsement including "personal injury," contractual liability, and other coverage commonly included in such broad form endorsement. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars ($1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence.

E. Additional Required Provisions. All insurance policies required to be carried by the Association under this Article shall in addition contain the following provisions or features:

1. The insurer waives any right to claim by way of subrogation against the Association, the Board of Directors, the managing agent or the Unit

Owners, and their respective agents, employees, guests and, in the case of the Unit Owners, the members of their households;

2. Each Unit Owner is an insured person under the policy with respect to liability arising out of the ownership of an undivided interest in the Common Elements or membership in the Association;

3. The insurer waives its right to subrogation under the policy against any Unit Owner or members of his household;

4. No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

5. If at the time of a loss under the Association's policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

F. Other Insurance. The Board of Directors shall obtain and maintain as a Common Expense:

1. To the extent reasonably available, "directors' and officers'" liability insurance, to satisfy the indemnification obligations of the Association;

2. Workers' compensation insurance, if and to the extent necessary to meet the requirements of law;

3. Flood insurance if any or all of the Property is located in a special flood hazard area equal to the greater of 100% of the insurable value of the Property or the maximum coverage available under the appropriate national Flood Insurance Administration program. A blanket or master policy shall be obtained which includes a maximum deductible of the lesser of $10,000 or one percent (1.00%) of the policy face amount; and

4. Such other insurance as the Board of Directors may determine, as may be requested by a majority of the Unit Owners, or as may be required by Federal National Mortgage Association Guidelines (including, without limitation, fidelity bond coverage).

G. Memoranda and Cancellation. All insurers that shall issue an insurance policy or policies under this Article shall issue certificates or memoranda of insurance to the Association, and, upon request, to any Unit Owner or Mortgagee.

All such insurers issuing the policy may not cancel (including cancellation for non-payment of premium), substantially modify, or refuse to renew such policy or

policies until twenty (20) days after notice of the proposed cancellation of non-renewal has been mailed to the Association, the managing agent, each Unit Owner and each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

H. Separate Insurance. Each Unit Owner should obtain at his own expense, a personal condominium insurance policy (form type HO-6 as established by Insurance Services Office, Inc.) for damage to his Unit and personal property for his own benefit and for his personal liability as well as upon any improvements made by him to his Unit under coverage normally called "improvements and betterments coverage;" provided, however, that no Unit Owner shall be entitled to exercise his right to acquire or maintain such insurance coverage which would decrease the amount which the Association on behalf of all Unit Owners may realize under any insurance policy maintained by the Association, or to cause any insurance coverage maintained by the Association to be brought into contribution with insurance coverage obtained by a Unit Owner. All such Unit Owner's policies shall contain waivers of subrogation in favor of the Association. The Association shall have no responsibility for ascertaining whether or not the Unit Owner maintains such insurance in effect.

Each Unit Owner shall notify the Board of Directors in writing of all structural improvements made by the Unit Owner to his Unit; provided, however, that this sentence shall not be construed as an authorization to Unit Owners to make structural improvements to Units otherwise than in accordance with this Declaration, the By-Laws and Rules and Regulations promulgated by the Board of Directors. Any premium increase caused by such improvements may be assessed to the Owner of the improved Unit. No Unit Owner shall be entitled to receive insurance proceeds for the repair, restoration or rebuilding of any such improvements not so reported to the Board of Directors, unless otherwise consented to by vote of the Board of Directors."

Section 13.14: Fidelity Bonds. The Owner's Association shall provide blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Owner's Association. The Owner's Association bonds shall name the Association as the obligee and the premiums shall be paid as a common expense by the Owner's Association. The management agent that handles funds for the Owner's Association shall be covered by its own fidelity bond which must provide the same coverage required of the Owner's Association. The Owner's Association shall be named as an additional obligee in the management agent's bond. The fidelity bond shall cover the maximum funds that will be in the custody of the Association or its management agent at any time which the bond is in force. The bond coverage shall be at least equal to the sum of three (3) months' assessment on all units, plus the Association's reserve funds. The bond must include a provision that calls for ten (10) days written notice to the Association or insurance trustee before the bond can be cancelled or substantially

modified for any reason. This same notice must also be given to each servicer that services FNMA owned mortgages.

END OF DECLARATION

IN WITNESS WHEREOF, I, James Zafirson, President of said Promenade East Condominium Association, duly authorized, has executed this Amended and Restated Declaration and By-Laws this 1 day of Oct., 2013.

PROMENADE EAST CONDOMINIUM ASSOCIATION, INC.

By:_____
James Zafirson, Its President

STATE OF MAINE
CUMBERLAND, SS: 10-1, 2013

Personally appeared the above-named James Zafirson, in his capacity as President of Promenade East Condominium Association, Inc., and acknowledged the foregoing instrument to be his free act and deed in said capacity and the free act and deed of said Promenade East Condominium Association, Inc. Before me,

BETHANY L. BOTELHO
Notary Public, Commonwealth of Massachusetts
My Commission Expires February 23, 2018

Bethany Botelho
Bethany Botelho
Name Typed or Printed
My Commission Expires: 2-23-2018

EXHIBIT A

That property referred to and described in a Declaration for Promenade East Condominium Association dated November 12, 1975, and recorded in the Cumberland County Registry of Deeds in Book 3769, Page 123, as amended by First Amendment of Declaration for Promenade East Condominium dated November 18, 1975 and recorded in said Registry of Deeds in Book 3772, Page 92; as further amended by Second Amendment of Declaration for Promenade East Condominium dated December 19, 1975 and recorded in said Registry of Deeds in Book 3786, Page 093; as further amended by Third Amendment of Declaration for Promenade East Condominium dated April 20, 1977 and recorded in said Registry of Deeds in Book 3999, Page 330; as further amended by Fourth Amendment of Declaration for Promenade East Condominium dated November 23, 1975 [sic] and recorded in the Cumberland County Registry of Deeds in Book 8076, Page 243; as further amended by Revised Fourth Amendment for Promenade East Condominium dated April 4, 1989 and recorded in said registry of Deeds in Book 8718, Page 076; as further amended by Fifth Amendment of Declaration of Promenade East Condominium dated November 12, 1991 and recorded in said Registry of Deeds in Book 9784, Page 323; as further amended by Sixth Amendment of Declaration of Promenade East Condominium, dated September 9, 1993 and recorded in the Cumberland County Registry of Deeds in Book 10951, Page 172; as further amended by the amended and restated Declaration and By-Laws dated August 31, 1995, recorded in said Registry of Deeds in Book 12092, Page 001; as further amended by amendments dated and recorded as follows: March 1997, recorded in said Registry of Deeds in Book 12978, Page 145; September 8, 1999, recorded in said Registry of Deeds Book 5060, Page 058; June 19, 2006, recorded in said Registry of Deeds in Book 24114, Page 118; April 5, 2007, recorded in said Registry of Deeds in Book 25127, Page 030; September 12, 2007, recorded in said Registry of Deeds in Book 25874, Page 164; and September 9, 2009, recorded in said Registry of Deeds in Book 27309, Page 197.

EXHIBIT B

EXHIBIT B

Designation							Limited Common Areas and Facilities Appurtenant to Unit		Percentage Interest in Common Areas and Facilities	
Bldg. No.	Level No.*	Legal Unit No.	Convenience Location No. for Unit	Approximate Area in Square Feet **	Number of Rooms (Excluding Baths)	Common Area for Access	Storage Space & Garage Legal Nos.	Terrace or Balcony	Phase I Only	Phase I & II
I	3	1	111	1567	5	Contiguous Hallway	62	Contiguous to Unit	1.13425	.60493
I	3	2	114	1567	5	Contiguous Hallway	31	Contiguous to Unit	1.16238	.61993
I	3	3	115	1567	5	Contiguous Hallway	54	Contiguous to Unit	1.19051	.63494
I	3	4	118	1567	5	Contiguous Hallway	53	Contiguous to Unit	1.24340	.66314
I	4	5	112	1017	4	Contiguous Hallway	19	Contiguous to Unit	.84393	.45010
I	4	6	113	1017	4	Contiguous Hallway	20	Contiguous to Unit	.86419	.46090
I	4	7	116	1017	4	Contiguous Hallway	21	Contiguous to Unit	.88444	.47170
I	4	8	117	1017	4	Contiguous Hallway	22	Contiguous to Unit	.92495	.49331
I	5	9	121	1567	5	Contiguous Hallway	61	Contiguous to Unit	1.15900	.61813
I	5	10	124	1567	5	Contiguous Hallway	59	Contiguous to Unit	1.16801	.62293
I	5	11	125	1567	5	Contiguous Hallway	70	Contiguous to Unit	1.21302	.64694
I	5	12	128	1567	5	Contiguous Hallway	74	Contiguous to Unit	1.24902	.66614
I	6	13	122	1317	5	Contiguous Hallway	28	None	1.12075	.59773
I	6	14	123	1317	5	Contiguous Hallway	63	None	1.12750	.60133
I	6	15	126	1317	5	Contiguous Hallway	56	None	1.17476	.62654
I	6	16	127	1317	5	Contiguous Hallway	17	None	1.21077	.64574
I	7	17	132	1317	5	Contiguous Hallway	27	None	1.07686	.57432
I	7	18	133	1317	5	Contiguous Hallway	65	None	1.08474	.57852

EXHIBIT B

Designation							Limited Common Areas and Facilities Appurtenant to Unit		Percentage Interest in Common Areas and Facilities	
Bldg. No.	Level No.*	Legal Unit No.	Convenience Location No. for Unit	Approximate Area in Square Feet **	Number of Rooms (Excluding Baths)	Common Area for Access	Storage Space & Garage Legal Nos.	Terrace or Balcony	Phase I Only	Phase I & II
I	7	19	136	1317	5	Contiguous Hallway	29	None	1.12975	.60253
I	7	20	137	1317	5	Contiguous Hallway	32	None	1.16576	.62173
I	8	21	131	1317	5	Contiguous Hallway	66	None	1.11399	.59413
I	8	22	134	1317	5	Contiguous Hallway	64	None	1.11850	.59653
I	8	23	135	1317	5	Contiguous Hallway	60	None	1.16576	.62173
I	8	24	138	1317	5	Contiguous Hallway	68	None	1.20401	.64214
I	10	25	141	1317	5	Contiguous Hallway	34	None	1.17701	.62774
I	10	26	144	1317	5	Contiguous Hallway	55	None	1.18601	.63254
I	10	27	145	1317	5	Contiguous Hallway	14	None	1.23102	.65654
I	10	28	148	1317	5	Contiguous Hallway	75	None	1.26478	.67455
I	11	29	142	1317	5	Contiguous Hallway	79	None	1.18826	.63374
I	11	30	143	1317	5	Contiguous Hallway	67	None	1.19501	.63734
I	11	31	146	1317	5	Contiguous Hallway	72	None	1.24227	.66254
I	11	32	147	1317	5	Contiguous Hallway	10	None	1.27603	.68055
I	12	33	152	1317	5	Contiguous Hallway	30	None	1.14550	.61093
I	12	34	153	1317	5	Contiguous Hallway	58	None	1.17251	.62533
I	12	35	156	1317	5	Contiguous Hallway	18	None	1.19951	.63974
I	12	36	157	1317	5	Contiguous Hallway	51	None	1.25353	.66854

EXHIBIT B

Designation							Limited Common Areas and Facilities Appurtenant to Unit		Percentage Interest in Common Areas and Facilities	
Bldg. No.	Level No.*	Legal Unit No.	Convenience Location No. for Unit	Approximate Area in Square Feet **	Number of Rooms (Excluding Baths)	Common Area for Access	Storage Space & Garage Legal Nos.	Terrace or Balcony	Phase I Only	Phase I & II
I	13	37	151	1919	6	Contiguous Hallway	43	Contiguous to Unit	1.82290	.97221
I	13	38	154	1919	6	Contiguous Hallway	2	Contiguous to Unit	1.73288	.92420
I	13	39	155	1919	6	Contiguous Hallway	42	Contiguous to Unit	1.75539	.93620
I	13	40	158	1919	6	Contiguous Hallway	46	Contiguous to Unit	1.84541	.98422
II	3	41	211	1628	5	Contiguous Hallway	44	Contiguous to Unit	1.28278	.68415
II	3	42	214	1628	5	Contiguous Hallway	41	Contiguous to Unit	1.28278	.68415
II	3	43	215	1628	5	Contiguous Hallway	40	Contiguous to Unit	1.28278	.68415
II	3	44	218	1628	5	Contiguous Hallway	37	Contiguous to Unit	1.28278	.68415
II	4	45	212	1017	4	Contiguous Hallway	23	Contiguous to Unit	.94296	.50291
II	4	46	213	1017	4	Contiguous Hallway	24	Contiguous to Unit	.94296	.50291
II	4	47	216	1017	4	Contiguous Hallway	25	Contiguous to Unit	.94296	.50291
II	4	48	217	1017	4	Contiguous Hallway	26	Contiguous to Unit	.94296	.50291
II	5	49	221	1567	5	Contiguous Hallway	7	Contiguous to Unit	1.29403	.69015
II	5	50	224	1567	5	Contiguous Hallway	9	Contiguous to Unit	1.27603	.68055
II	5	51	225	1567	5	Contiguous Hallway	8	Contiguous to Unit	1.29403	.69015
II	5	52	228	1567	5	Contiguous Hallway	5	Contiguous to Unit	1.27603	.68055
II	6	53	222	1317	5	Contiguous Hallway	3	None	1.26478	.67455
II	6	54	223	1317	5	Contiguous Hallway	73	None	1.24677	.66494

EXHIBIT B

Designation							Limited Common Areas and Facilities Appurtenant to Unit		Percentage Interest in Common Areas and Facilities	
Bldg. No.	Level No.*	Legal Unit No.	Convenience Location No. for Unit	Approximate Area in Square Feet **	Number of Rooms (Excluding Baths)	Common Area for Access	Storage Space & Garage Legal Nos.	Terrace or Balcony	Phase I Only	Phase I & II
II	6	55	226	1317	5	Contiguous Hallway	76	None	1.26478	.67455
II	6	56	227	1317	5	Contiguous Hallway	1	None	1.24677	.66494
II	7	57	232	1317	5	Contiguous Hallway	13	None	1.19276	.63614
II	7	58	233	1317	5	Contiguous Hallway	33	None	1.17476	.62654
II	7	59	236	1317	5	Contiguous Hallway	80	None	1.19276	.63614
II	7	60	237	1317	5	Contiguous Hallway	57	None	1.17476	.62654
II	8	61	231	1317	5	Contiguous Hallway	71	None	1.22877	.65534
II	8	62	234	1317	5	Contiguous Hallway	69	None	1.21077	.64574
II	8	63	235	1317	5	Contiguous Hallway	15	None	1.22877	.65534
II	8	64	238	1317	5	Contiguous Hallway	16	None	1.21077	.64574
II	10	65	241	1317	5	Contiguous Hallway	6	None	1.32104	.70455
II	10	66	244	1317	5	Contiguous Hallway	36	None	1.30304	.69495
II	10	67	245	1317	5	Contiguous Hallway	35	None	1.32104	.70455
II	10	68	248	1317	5	Contiguous Hallway	38	None	1.30304	.69495
II	11	69	242	1317	5	Contiguous Hallway	50	None	1.33454	.71175
II	11	70	243	1317	5	Contiguous Hallway	78	None	1.31654	.70215
II	11	71	246	1317	5	Contiguous Hallway	49	None	1.33454	.71175
II	11	72	247	1317	5	Contiguous Hallway	52	None	1.31654	.70215

EXHIBIT B

Designation							Limited Common Areas and Facilities Appurtenant to Unit		Percentage Interest in Common Areas and Facilities	
Bldg. No.	Level No.*	Legal Unit No.	Convenience Location No. for Unit	Approximate Area in Square Feet **	Number of Rooms (Excluding Baths)	Common Area for Access	Storage Space & Garage Legal Nos.	Terrace or Balcony	Phase I Only	Phase I & II
II	12	73	252	1317	5	Contiguous Hallway	4	None	1.26478	.67455
II	12	74	253	1317	5	Contiguous Hallway	12	None	1.26478	.67455
II	12	75	256	1317	5	Contiguous Hallway	77	None	1.26478	.67455
II	12	76	257	1317	5	Contiguous Hallway	11	None	1.26478	.67455
II	13	77	251	1919	6	Contiguous Hallway	39	Contiguous to Unit	1.86791	.99622
II	13	78	254	1919	6	Contiguous Hallway	48	Contiguous to Unit	1.77789	.94821
II	13	79	255	1919	6	Contiguous Hallway	47	Contiguous to Unit	1.77789	.94821
II	13	80	258	1919	6	Contiguous Hallway	45	Contiguous to Unit	1.86791	.99622

* Location of living room and dining room
**Includes areas of Balcony or Terrace

EXHIBIT C

BY-LAWS
OF
PROMENADE EAST CONDOMINIUM ASSOCIATION, INC.

ARTICLE I. CREATION AND APPLICATION**.**

Section 1.1: Creation. This corporation is organized under the Maine Non-profit Corporation Act in connection with the submission of premises known as the Promenade East Condominium (the "Condominium") located on the southerly side of Eastern Promenade in the City of Portland, County of Cumberland and State of Maine to the Maine Condominium Act, Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, as amended, pursuant to the Promenade East Condominium Declaration (the "Declaration") as recorded in the Cumberland County Registry of Deeds. The corporation is Promenade East Condominium Association, Inc.

The term "Premises" as used herein shall include the land, the buildings 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 submitted to or governed by the Declaration.

Section 1.2: Declaration. 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 own the Premises in any manner are subject to these By-Laws and to the Rules and Regulations, all as adopted, amended or altered from time to time by the Board of Directors of the Association (the "Board of Directors").

Section 1.3: Office. The principal office of the Association shall be located at Portland, County of Cumberland, and State of Maine.

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 and the Maine Nonprofit 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 By-Laws 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 independent contractors:

D. Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more Unit Owners on matters affecting the Condominium;

E. Make contracts and incur liabilities;

F. Regulate the use, maintenance, repair, replacement and modification of common elements provided, however, that the use 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, provided that common elements may be conveyed or subjected to a security interest only pursuant to Section 1603-112 of the Maine Condominium Act;

I. Grant easements, leases and licenses and concessions 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, other than limited common elements described in Section 1602-102, Paragraphs (2) and (4) of the Maine Condominium Act, and services provided to Unit Owners;

K. Impose charges and interest for late payment assessments and service charges and, after notice and opportunity to be heard, impose reasonable fines for violations of the Declaration, By-Laws and Rules and Regulations of the Association;

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 directors and maintain directors' and officers' liability insurance;

N. Exercise any other powers conferred by Declaration or By-Laws;

O. Assign its right to future income, including the right to receive assessments, but only if approval of a majority of Unit Owners is obtained.

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

Q. Suspend any right or privilege of a Unit Owner that fails to pay an assessment, but may not:

1. Deny a Unit Owner or other occupant access to the Unit Owner's unit; or

2. Withhold services provided to a unit or a Unit Owner by the Association if the effect of withholding the service would be to endanger the health, safety or property of any person.

The Board of Directors of the Association shall manage the Condominium and exercise such powers on behalf of the Association, subject to the terms of these By-Laws, 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 Premises, 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 transferrable only as provided in the Declaration or these By-Laws. 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-transferrable. A mortgage of a unit or the grant of a security interest not therein as security for an obligation shall not operate to transfer membership until a foreclosure of the mortgage or security agreement.

Section 3.2: Annual Meeting. Meetings of the members shall be held annually each successive year on the second Wednesday of the Month of September, or in the event that day is a legal holiday, then on the first day thereafter which is not a holiday. 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. At the annual meeting the members shall elect a Board of Directors in accordance with the provisions of Article IV of these By-Laws. The members may also transact such other business as may properly come before them.

Section 3.3: Special Meetings. Special meetings of the members may be held at any time upon the call of the Board of Directors, or upon the call of fifty percent (50%) 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 any proposed declaration or by-law amendment, any budget changes and any proposal to remove an officer or director) 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 Holder if and as required by 33 M.R.S.A. §1602-119, as amended:

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 or which the Association customarily communicates with the Unit Owner, or

C. By electronic means to any other address, including an e-mail address specifically designated by the Unit Owner.

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 By-Law amendments, any budget changes and any proposal to remove an officer or director. 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 Board of Directors
F. Report of committees
G. Election of the Board of Directors
H. Unfinished business
I. New business
J. Adjournment

Section 3.7: Parliamentary Procedure. At all meetings of the members or of the Board of Directors, Roberts' Rules of Order as then amended shall be followed, except in the event of conflict these By-Laws 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%) of the total interest therein shall constitute a quorum for the transaction of all business.

Section 3.9: Voting.

A. Any person, partnership, corporation, trust, 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 the Cumberland County Registry of Deeds, shall be a member of the Association, and either, in person or by proxy.

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 are 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 proxy duly executed by a Unit Owner. Prior to the exercise of a proxy by a proxy holder, the proxy holder shall deliver to the proxy to the Secretary of the Association. 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 proxy. 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 void if it is not dated or purports to be revocable without notice. 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. The aggregate number of votes for all units shall be one hundred (100) and shall be divided among the respective units in accordance with their respective percentages of ownership interest in the common element.

G. At any meeting at which a quorum is present, the affirmative vote of a majority of the voting interest of those present shall determine any question except the election of Directors, unless a greater percentage vote is required by law, by the Declaration or by these By-Laws. 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 By-Laws, 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 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. BOARD OF DIRECTORS.

Section 4.1: Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of seven (7) persons. Each such director shall be the owner or the spouse of an owner of a unit, or if a Unit Owner is a corporation, partnership, trust or estate, then an officer, employee, partner, trustee, personal representative or beneficiary of such Unit Owner. For a director who no longer so qualifies the Director's term of office shall cease upon written notice to such Director from the Secretary of the Association.

Section 4.2: Election and Term of Office. Initially, the directors who were serving the Association pursuant to the previous Declaration and By-Laws shall continue to serve as directors for the remainder of their unexpired terms. At the expiration of the said unexpired term of office of each respective director, his successor shall be elected to serve a term of three (3) years. The directors shall hold office until their successors have been elected and qualified. The terms of the directors will be adjusted (reduced) if necessary so that approximately one-third (1/3) of the persons on the Board of Directors shall have their term expire annually.

Section 4.3: Powers and Duties. The Board of Directors 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 By-Laws 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 By-Laws specifically reserved to the members.

Section 4.4: Other Duties. In addition to other duties imposed by these By-Laws or by duly adopted resolutions of the members of the Association, the Board of Directors 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, 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 Board of Directors 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 By-Laws. The Association shall not be charged with self-dealing or breach of duty in connection with such employment.

Section 4.6: Appointment and Vacancies. Except for directors elected by the members, vacancies in the Board of Directors caused by any reason other than the expiration of a Director's term or 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. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. A vacancy caused by the expiration of a Director's term or the removal of a Director by a vote of the members shall be filled by vote of the members. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4.7: Removal of Directors. At any regular meeting or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the class of members which elected that director and a successor may then and there be elected to fill the vacancy thus created. Any director 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 Directors for their services as Directors or in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Members before or after the services are undertaken. A Director shall be reimbursed for out-of-pocket expenses incurred for the

benefit of the Condominium upon presentation of receipts or other satisfactory evidence to the Treasurer.

Section 4.9: Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the members 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 Board of Directors (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 Board of Directors shall be given to each Director, personally or by delivery to his unit, by e-mail if authorized by the member, or by telephone, at least three (3) days prior to the day named for such meeting.

Section 4.11: Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by delivery to his unit, by e-mail if authorized by the member, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of two (2) or more Directors.

Section 4.12: 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. If all the Directors 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: Board of Directors' Quorum. At all meetings of the Board of Directors, the presence of a majority of the Directors at the beginning of a meeting shall constitute a quorum for the transaction of business. The acts of the majority of the Directors present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, 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.

Section 4.14: Unanimous Action. Unless otherwise expressly provided by law, 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, 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 4.15: Member Notice. The Board must give timely notice to members

reasonably calculated to inform them of the date, time, and place of, and topics to be discussed at, meetings of the Board. The notice may be given by a posting in a prominent place in the common elements or elsewhere, by e-mail or by other means, but actual notice need not be delivered to each member. Failure of a member to receive notice does not invalidate any action taken by the Board at the meeting.

Section 4.16: Member Participation. Members have the right to attend meetings of the Board, subject to reasonable rules established by the Board.

Section 4.17: Executive Sessions. The Board may restrict or prohibit attendance by members and others during executive sessions. A final vote or action may not be taken during an executive session. An executive session may be held only to:

A. Consult with the association's attorney concerning legal matters;

B. Discuss existing or potential litigation or mediation, arbitration or administrative proceedings;

C. Discuss labor or personnel matters;

D. Discuss contracts, leases and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the association at a disadvantage; or

E. Prevent public knowledge of the matter to be discussed if the executive board determines that public knowledge would violate the privacy of any person.

ARTICLE V. OFFICERS.

Section 5.1: Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, of whom only the President need be elected from among the Directors. The Directors may in their discretion appoint a Vice President, Assistant Treasurer, and an Assistant Secretary, and such other officers, none of whom need be Directors, as in their judgment may be necessary.

Section 5.2: Election of Officers. The principal officers of the Association shall be elected annually by the Board of Directors 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 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. 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. 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 Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a nonprofit corporation, including but not limited to the power to appoint committees from among the owners or their spouses 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 5.5: 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, exercise the powers and perform the duties of the President. He 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 5.6: Secretary. The Secretary shall keep and certify the minutes of all meetings of the Board of Directors or of the Association, shall give all notices as provided by these By-Laws, and shall have other powers and duties as may be incidental to the offices of Secretary, given him by these By-Laws or assigned to him from time to time by the Directors. 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 members may at any 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: Clerk. The Clerk shall be the registered agent of the Association and need not be a Unit Owner.

Section 5.9: Amendments to Declaration. The Secretary shall prepare amendments to the Declaration and the President or Secretary or any other second officer or director of the Association 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.

Section 6.2: Budget and Common Charges.

A. The 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 and shall set a date for a meeting of the members to ratify the budget not less than ten (10) nor more than thirty (30) days after the notice is sent. Unless at the meeting a vote of two-thirds of all members rejects the budget, the budget shall be deemed to be adopted whether or not a quorum is present.

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:

1 Management and administration expenses;

2 The cost of operation, repairs, maintenance, replacement, and improvements of common elements and facilities benefiting the Premises;

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

4 The amount of such working capital and reserves, as shall be established by the Board including general operating reserves, reserves for contingencies, and reserves for maintenance and replacements; and

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

C. Until an annual budget is adopted, 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 assessment due, but each member shall pay his assessment promptly when due regardless of whether such a statement is sent.

D. Each member shall pay his share of assessments 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 fractional ownership in the

common elements. 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, provided, however, that if any such installment is not paid when due, then if not paid upon twenty (20) days written notice of default, the entire remaining balance thereof shall immediately become due and payable in full.

E. 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, at the discretion of the Association, an interest charge may be assessed against a Unit Owner, subject to the provisions of 33 M.R.S.A. §1603-115. Such assessments and service charges with such late charges as may be determined by the Board of Directors, 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 director of the Association or by an agent authorized by the Board of Directors but such recorded notice is not necessary to establish or perfect the lien.

F. 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 Maine Condominium Act, the Declaration or these By-Laws 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 under the Forcible Entry and Detainer Laws of Maine, as amended from time to time. 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 Board of Directors in the same 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 and acquire such unit at a foreclosure sale and to lease, mortgage, convey, or otherwise deal with the unit. Suit to recover a money judgment for 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 five (5) 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. If at any time the 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 a revised budget, which shall be submitted to the members for ratification in accordance with the procedures in Section 6.2 (A) of these Bylaws. Thereafter monthly common charges shall be determined and paid on the basis of the ratified revised budget.

The Board may, upon determining that circumstances exist which require a special assessment of the members, make special assessments as follows:

A. The special assessment must be ratified by members in accordance with Section 6.2 (A) of these Bylaws, except that if payment of any portion of the proposed special assessment is due after the end of the association's current budget year, ratification requires approval of a majority in interest of all unit owners.

B. If the amount of the special assessment does not exceed two months' common charges and the board determines that the assessment is necessary to meet an emergency, the board may make the special assessment immediately in accordance with the terms of the board's vote, without ratification by 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 Board of Directors.

Section 6.6: Capital Improvements. The approval of the members shall be required to make a capital improvement to the common elements in an amount in excess of thirty-five (35%) of the aggregate assessments 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.

Section 6.7: Use of Units. All units shall be utilized in accordance with the provisions of the By-Laws, Declaration, and Rules and Regulations.

Section 6.8: Enforcement of Declaration and By-Laws. 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 assessments, service charges or fees due from such unit, foreclosing its lien for assessments, collecting any penalties imposed hereunder, or enforcing any provisions of the Declaration, these By-Laws, 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 Board of Directors 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 By-Laws. 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. Such Rules and Regulations may be amended by and be modified or rejected, in whole or part, at any time by a vote of three-fourths (3/4) in interest of the members present in person or by proxy at any meeting duly called for the purpose, which vote shall be binding upon the Board of Directors.

Section 6.10: Restrictions. As an amendment to these By-Laws 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. The following restrictions shall apply initially in addition to those expressed elsewhere in these By-Laws 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 Board of Directors. 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 Board of Directors, any unreasonable disturbance or make any alterations to or connections with the heating, plumbing, or sewage disposal systems without the prior written consent of the Board of Directors.

C. Each unit shall deposit only ordinary household type waste in the sewerage system.

D. No Unit Owner shall play or permit to be played any musical instrument or operate or permit to be operated a phonograph, radio, television set, or other electronic device in or outside his unit between the hours of 10:00 p.m. and 8:00 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 Board of Directors shall have the right to enter any unit in case of any emergency originating in or threatening such unit or adjoining 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 Cumberland 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.

A. General. The Association shall obtain and maintain as a Common Expense, the policies of insurance described below to the extent such policies shall be reasonably available. If such insurance is not maintained, then the Association shall give written notice thereof to the Unit Owners and the Eligible Mortgage Holders. To the extent that such insurance subsequently becomes unavailable, the Association shall obtain as a substitution the most comparable insurance available.

The Board of Directors is hereby irrevocably appointed as attorney-in-fact for each Unit Owner and for each Mortgagee and Eligible Mortgage Holder and for each owner of any other interest in the Property, for purchasing and maintaining the insurance, for the collection and disposition of any insurance, including distribution pursuant to Section 1603-113(c) of the Condominium Act, for the negotiation of losses and execution of releases of liability, and for the execution of all documents, and performance of all other acts necessary to accomplish these purposes.

B. Property and Casualty Insurance for Units and Common Elements. The Association shall obtain and maintain in effect a broad "special form" insurance policy covering direct physical loss to the Property with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition and water damage endorsements, issued by an insurance company authorized to do business in the State of Maine (which company shall also meet the ratings requirements of the Federal National Mortgage Association), insuring as a single entity the entire Property including the Common Elements, the Limited Common Elements, Units, and the fixtures, supplies and common personal property belonging to the Association, excepting the land, foundations, excavations, and other similar items customarily excluded from property insurance policies and also excepting furniture, furnishings or other personal property supplied or installed by Unit Owners. The policy shall cover the interests of and name as insureds the Association, the Board of Directors, and all Unit Owners and their Mortgagees as their insurable interests may appear.

Such blanket or master insurance policy shall be in an amount equal to one hundred percent (100%) of the then current replacement cost of the insured Property (exclusive of the land, excavations, foundations and other similar items customarily excluded from such coverage), without deduction for depreciation, together with coverage for the payment of common expenses with respect to damaged Units during the period of reconstruction. Such insurance policy may, at the option of the Board of Directors, contain such deductible as the Board of Directors shall deem appropriate but not to exceed the lesser of $10,000 or one (1) percent of the policy's face amount. Unless otherwise established by the Board of Directors from time to time, a Unit Owner shall pay the expense of repair of damage to his Unit in the deductible amount not covered by the insurance; the Association shall not be responsible for the costs of repair of damage to the Unit in the amount of the insurance deductible for damage to the Unit. Such casualty insurance policy shall also include the following provisions:

1. The following endorsements or their equivalent: (a) "no control," meaning that coverage shall not be prejudiced by any act or neglect of any occupant or Unit Owner or their agents, when such act or neglect is not within the control of the insured, or the Unit Owners collectively, nor by any failure of the insured, or the Unit Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the Unit Owners collectively, have no control; (b) "Construction Code Endorsement" or "increased cost of construction," (c) "agreed amount" or elimination of co-insurance clause; and (d) "inflation guard," when it can be obtained;

2. That any "no other insurance" clause shall expressly exclude individual Unit Owners' policies from its operation, so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Unit Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees;

3. The recognition of any Insurance Trust Agreement whereby the Board of Directors may designate in writing an Insurance Trustee to hold any insurance proceeds in trust for disbursement, as provided in Section C below; and

4. A standard "mortgagee clause" which shall: (a) provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Unit, in their respective order and preference, whether or not named therein; (b) provide that such insurance as to the interest of any mortgagee shall not be invalidated by

any act or neglect of the owners or any persons under any of them; and (c) waive any provision invalidating such mortgagee clauses by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy.

C. Casualty Losses. Adjustment and Payment; Insurance Trustee. Any loss covered by the insurance policy described in Section B above shall be adjusted with the Association acting through its Board of Directors, but the insurance proceeds shall be payable to the Insurance Trustee designated for that purpose, if any, as provided in the Condominium Act and otherwise to the Association, and not to any Mortgagee. Any affected Unit Owner shall have ten (10) days after receiving notice of the Association's proposed settlement with an insurance carrier in which to dispute the amount and terms of settlement with respect to his Unit; if the Unit Owner objects then the Association may elect to assign such Unit damage claim to the objecting Unit Owner and its mortgagee without further liability to the Unit Owner so that the Association may settle the balance of the claim and fund repairs for the benefit of the non-objecting Unit Owners.

The Insurance Trustee or the Association as applicable shall hold any insurance proceeds in trust for Unit Owners, Mortgagees and other lien holders as their interests may appear. The Board of Directors shall cause the Insurance Trustee or the Association to obtain a surety bond in 100% of the amount of the insurance proceeds for the faithful performance of the duties as insurance trustee before it shall be entitled to receive such proceeds. Subject to the provisions of this Article, the Bylaws and Section 1603-113(e) of the Condominium Act, the proceeds shall be disbursed first for the repair or restoration of the damage to the Common Elements and then to the Units forming a part of the Property. If only Units are affected by the insured casualty or if the insurance proceeds are insufficient to cover all damages to the Units, then the available insurance proceeds shall be divided in proportion to the total loss among the affected Units. Unit Owners, Mortgagees and other lien holders are not entitled to receive payment of any portion of the proceeds, unless either (i) there is a surplus of proceeds after the damaged Common Elements and Units have been repaired or restored, or (ii) the decision has been made not to repair or restore the damage as provided in Section 1603-113(h) of the Condominium Act, or (iii) the Condominium is terminated in whole or part.

D. Liability Insurance. The Board of Directors shall obtain and maintain, as a Common Expense, comprehensive general public liability insurance (including medical payments insurance) and property damage insurance in such limits as the Board may from time to time determine, insuring each Board of Directors member, the managing agent, and each Unit Owner against any liability to the public or to the Unit Owners (and their invitees, agents and employees) covering all occurrences commonly insured against for death, bodily injury or property damage, arising out of the maintenance, ownership or use of the Common Elements, and for any legal liability resulting from suits or actions related to employment contracts to which the Association is a party. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability

endorsement, under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) a "severability of interest" endorsement, which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Association or of another Unit Owner; and (iv) a broad form liability extension endorsement including "personal injury," contractual liability, and other coverage commonly included in such broad form endorsement. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars ($1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence.

E. Additional Required Provisions. All insurance policies required to be carried by the Association under this Article shall in addition contain the following provisions or features:

1. The insurer waives any right to claim by way of subrogation against the Association, the Board of Directors, the managing agent or the Unit Owners, and their respective agents, employees, guests and, in the case of the Unit Owners, the members of their households;

2. Each Unit Owner is an insured person under the policy with respect to liability arising out of the ownership of an undivided interest in the Common Elements or membership in the Association;

3. The insurer waives its right to subrogation under the policy against any Unit Owner or members of his household;

4. No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

5. If at the time of a loss under the Association's policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

F. Other Insurance. The Board of Directors shall obtain and maintain as a Common Expense:

1. To the extent reasonably available, “directors’ and officers’” liability insurance, to satisfy the indemnification obligations of the Association;

2. Workers' compensation insurance, if and to the extent necessary to meet the requirements of law;

3. Flood insurance if any or all of the Property is located in a special flood

hazard area equal to the greater of 100% of the insurable value of the Property or the maximum coverage available under the appropriate national Flood Insurance Administration program. A blanket or master policy shall be obtained which includes a maximum deductible of the lesser of $10,000 or one percent (1.00%) of the policy face amount; and

4. Such other insurance as the Board of Directors may determine, as may be requested by a majority of the Unit Owners, or as may be required by Federal National Mortgage Association Guidelines (including, without limitation, fidelity bond coverage).

G. Memoranda and Cancellation. All insurers that shall issue an insurance policy or policies under this Article shall issue certificates or memoranda of insurance to the Association, and, upon request, to any Unit Owner or Mortgagee.

All such insurers issuing the policy may not cancel (including cancellation for non-payment of premium), substantially modify, or refuse to renew such policy or policies until twenty (20) days after notice of the proposed cancellation of non-renewal has been mailed to the Association, the managing agent, each Unit Owner and each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

H. Separate Insurance. Each Unit Owner should obtain at his own expense, a personal condominium insurance policy (form type HO-6 as established by Insurance Services Office, Inc.) for damage to his Unit and personal property for his own benefit and for his personal liability as well as upon any improvements made by him to his Unit under coverage normally called "improvements and betterments coverage;" provided, however, that no Unit Owner shall be entitled to exercise his right to acquire or maintain such insurance coverage which would decrease the amount which the Association on behalf of all Unit Owners may realize under any insurance policy maintained by the Association, or to cause any insurance coverage maintained by the Association to be brought into contribution with insurance coverage obtained by a Unit Owner. All such Unit Owner's policies shall contain waivers of subrogation in favor of the Association. The Association shall have no responsibility for ascertaining whether or not the Unit Owner maintains such insurance in effect.

Each Unit Owner shall notify the Board of Directors in writing of all structural improvements made by the Unit Owner to his Unit; provided, however, that this sentence shall not be construed as an authorization to Unit Owners to make structural improvements to Units otherwise than in accordance with this Declaration, the Bylaws and Rules and Regulations promulgated by the Board of Directors. Any premium increase caused by such improvements may be assessed to the Owner of the improved Unit. No Unit Owner shall be entitled to receive insurance proceeds for the repair,

restoration or rebuilding of any such improvements not so reported to the Board of Directors, unless otherwise consented to by vote of the Board of Directors.

Section 6.14: Association Records. The Association must retain the following:

A. Records of receipts and expenditures affecting the operation and administration of the Association and other appropriate accounting records for the past six (6) years;

B. Minutes of all meetings of its members and Board of Directors, other than executive sessions, a record of all actions taken by the members or Board without a meeting and a record of all actions taken by a committee in place of the executive board on behalf of the association;

C. The names of current members in a form that permits preparation of a list of the names of all members and the addresses at which the Association communicates with them, in alphabetical order showing the number of votes each Unit Owner is entitled to cast;

D. Copies of its original or restated organizational documents and bylaws and all amendments to them and all rules currently in effect;

E. All financial statements and tax returns of the Association for the past three (3) years;

F. A list of the names and addresses of its current Board members and officers;

G. Its most recent annual report delivered to the Secretary of State;

H. Financial and other records sufficiently detailed to enable the Association to comply with Section 1604-108 of the Maine Condominium Act;

I. Copies of current contracts to which it is a party;

J. Records of Board or committee actions to approve or deny any requests for design or architectural approval from members; and

K. Ballots, proxies and other records related to voting by members for one (1) year after the election, action or vote to which they relate.

Section 6.15: Member Access to Records. Except as provided in the section 6.16, all records retained by the Association shall be available for examination and copying by a member or the member's authorized agent, during reasonable business hours or at a mutually convenient time and location, with ten (10) days advance notice in writing reasonably identifying the specific records of the association requested.

Section 6.16: Denial of Access. Records may be withheld from inspection and copying by members to the extent that they concern:

A. Personnel, salary and medical records relating to specific individuals;

B. Contracts, leases and other commercial transactions to purchase or provide goods or services currently being negotiated;

C. Existing or potential litigation or mediation, arbitration or administrative proceedings;

D. Existing or potential matters involving federal, state or local administrative or other formal proceedings before a governmental tribunal for enforcement of the Declaration, By-Laws or rules;

E. Communications with the Association's attorney that are otherwise protected by the attorney-client privilege or the attorney work-product doctrine;

F. Information the disclosure of which would violate law;

G. Records of an executive session of the executive board; or

H. Individual unit files other than those of the requesting Unit Owner.

Section 6.17: Copying and Use Restrictions. The Association may charge a reasonable fee for providing copies of records and for supervising the member's inspection. A right to copy records includes the right to receive copies by photocopying or other means, including copies through an electronic transmission if available upon request by the Member. The Association is not obligated to compile or synthesize information. Information provided to a member from Association records may not be used for commercial purposes or any other purpose not reasonably related to the management of the Association or the duties, rights or responsibilities of members, officers or Board members under the Maine Condominium Act or the Association's governing documents.

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, By-Laws, and Rules and Regulations of the Condominium.

Section 7.2: Leasing Restrictions.

A. No portion of any residential unit (other than the entire unit) shall be leased for any period. No furnished unit shall be leased for less than three (3) months. No unfurnished unit shall be leased for less than one (1) year. No Unit Owner shall rent or

lease a unit other than in accordance with a form of lease: (i) requiring the tenant to comply with the Declaration, these By-Laws, and Rules and Regulations; (ii) providing that failure to comply constitutes a default under the lease; and (iii) providing that the Board of Directors has the power to terminate the lease 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. All leases shall be in writing. Each Unit Owner of a condominium unit shall, promptly following the execution of any written lease of a condominium unit, forward a true copy thereof to the Board of Directors. The foregoing provisions of this paragraph shall not apply to an institutional lender in possession of a unit as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

In the event a guest or tenant of a unit fails to comply with the provisions of this Declaration, the By-Laws, 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 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. 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 Board of Directors in the same manner as the Board is entitled to enforce collection of service charges.

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 therefore. 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 Board of Directors 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 Board of Directors may designate, unless otherwise unanimously voted by the Board of Directors.

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 Board of Directors 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: Alienation of Common Elements. The Association is authorized and empowered to convey common elements or subject common elements to a security interest according to the provisions of 33 M.R.S.A. §1603-112, as amended. If such a conveyance of common elements or such a subjection of the common elements to a security interest receives the requisite approval of the Unit Owners as provided in 33 M.R.S.A. §1603-112, as amended, the documents evidencing such conveyance or security instrument 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 Board of Directors may designate, unless otherwise unanimously voted by the Board of Directors.

Section 9.3: Utility Services. The Association shall not be liable for the failure of electricity, telephone, water supply, sewage disposal systems, 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 or settle on 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 sell-off, diminution or abatement of assessments for common expenses for 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 director or officer of the Association shall be liable for acts or defaults of himself or any other officer or member, 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 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, director, 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 Board of Directors (excluding any interested Director) determines any 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 acts as a director, officer, agent or employee of the Association against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the Association would otherwise have the power or duty to indemnify him.

ARTICLE XI. BY-LAWS.

Section 11.1: Amendment. These By-Laws may be amended, modified, or revoked in any respect from time to time by affirmative vote of sixty-seven (67%) or more of the total votes in the Association at a meeting duly called for the purpose, PROVIDED, HOWEVER, that these By-Laws 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, FURTHER, that no modification of or amendment to the By-Laws 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 may be recorded.

Section 11.2: Conflict. In the event of any conflict between these By-Laws and the provisions of the Declaration or the Maine Condominium Act, the latter shall govern and apply.

PROMENADE EAST CONDOMINIUM ASSOCIATION

Portland, Maine

CERTIFICATE OF AMENDMENTS TO THE AMENDED AND RESTATED DECLARATION and BYLAWS

The undersigned hereby certify that the following Amendments to the Amended and Restated Declaration and the Bylaws of the **PROMENADE EAST CONDOMINIUM** located in City of Portland, County of Cumberland, Maine, which Amended and Restated Declaration is dated September 11, 2013, and recorded in the Cumberland County Registry of Deeds in Book 31090, Page 39, were duly adopted at a special meeting of the Unit Owners held on September 14, 2016 by the affirmative vote of 67% or more in interest vote of the Unit Owners.

1. Section 3.4 of the Bylaws is amended as follows regarding notice of association meetings:

a. Change the maximum number of days of notice in advance of a members meeting from twenty (20) to sixty (60), by deleting the words "not more than twenty (20) days, before the date set for the meeting" to be replaced with the words "not more than sixty (60) days, before the date set for the meeting."

b. Authorize an additional method of notice by deleting and restating subsections A and B, and adding new subsection C, as follows:

"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 or which the Association customarily communicates with the Unit Owner, or

C. By electronic means to any other address, including an e-mail address specifically designated by the Unit Owner."

2. Section 6.2 (A) of the Bylaws be amended changing the minimum number of days for notice in advance of a members meeting to ratify the budget from fourteen (14) to ten (10), by deleting the words "not less than fourteen (14)" to be replaced with the words "not less than ten (10)."

3. Section 10.5 of the Declaration is amended to clarify that ratification is required for revised budgets, as follows:

> "**Section 10.5: Budget.** The proposed budget and any revised budget adopted by the Association's Board of Directors shall be adopted unless rejected by two-thirds (2/3) vote of the Association."

4. Section 10.2 (F) of the Declaration is amended as follows to require conformance with Maine law in approving special assessments:

> "F. Upon a determination that circumstances exist, which require additional funds to be raised beyond the amounts generated by regular monthly assessments, the Board of Directors may levy a special assessment as an additional common charge on such terms and conditions as the Board may establish, including without limitation, the due date(s), terms of payment, late charges, interest and costs of collection, including reasonable attorneys' fees and expenses. The process for approving or ratifying a special assessment shall be as set forth in the Bylaws consistent with the Maine Condominium Act. The special assessment shall be allocated to and due from each Unit in accordance with its percentage liability for common expenses, shall constitute a lien against each Unit which may be foreclosed in the same manner as a mortgage, and shall be the personal obligation of each Unit Owner. Upon the sale of any Unit, the seller shall be responsible for informing the purchaser of the existence of any pending or outstanding special assessment."

5. Section 6.4 of the Bylaws is deleted and restated to specifically conform to the special assessment requirements in the Maine Condominium Act, as follows:

> **"Section 6.4: Revised and Special Assessments.** If at any time the 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 a revised budget, which shall be submitted to the members for ratification in accordance with the procedures in Section 6.2 (A) of these Bylaws. Thereafter monthly common charges shall be determined and paid on the basis of the ratified revised budget.
>
> The Board may, upon determining that circumstances exist which require a special assessment of the members, make special assessments as follows:
>
> A. The special assessment must be ratified by members in accordance with Section 6.2 (A) of these Bylaws, except that if payment of any portion of the proposed special assessment is due after the end of the association's current

budget year, ratification requires approval of a majority in interest of all unit owners.

B. If the amount of the special assessment does not exceed two months' common charges and the board determines that the assessment is necessary to meet an emergency, the board may make the special assessment immediately in accordance with the terms of the board's vote, without ratification by unit owners."

6. General. Capitalized terms shall have the meaning set forth in the Declaration and Bylaws.

Witness the hands and seal of undersigned in our capacities as the President and Secretary of the Promenade East Condominium Association as of September 14, 2016.

PROMENADE EAST CONDOMINIUM ASSOCIATION

By: _____
James Zafirson, its President

Received
Recorded Register of Deeds
Nov 10,2016 01:04:59P
Cumberland County
Nancy A. Lane

Attest:

By: _____
Megan Ladd, its Secretary

State of Maine
County of Cumberland, ss

November 5th, 2016

Then personally appeared before me the above named James Zafirson in his said capacity and acknowledged the foregoing to be his free act and deed and the free act and deed of said association.

SEAL

Before me,

_____
Notary Public/Attorney at Law

Name: Michael G Finn
My Commission Expires: 5/1/18