# CUMBERLAND FORESIDE CONDOMINIUMS
## PUBLIC OFFERING STATEMENT

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| Name of Condominium: | Cumberland Foreside Condominiums |
| Address of Condominium: | Kings Highway, Cumberland, Maine 04110 |
| Name of Declarant:<br>Principal Address | Graiver Homes Condos LLC<br>40 Farm Gates Road<br>Falmouth, ME 04105 |

UNLESS A PURCHASER HAS RECEIVED A COPY OF THIS PUBLIC OFFERING STATEMENT PRIOR TO THE EXECUTION OF A CONTRACT FOR SALE OF A CONDOMINIUM UNIT, A PURCHASER MAY CANCEL ANY CONTRACT FOR PURCHASE OF THE UNIT FROM DECLARANT PRIOR TO THE CONVEYANCE OF THE UNIT.

IF PURCHASER ACCEPTS THE CONVEYANCE OF THE UNIT BEFORE RECEIVING THIS STATEMENT, HE MAY NOT CANCEL THE CONTRACT.

Effective date of this Public Offering Statement: _____, 2018.

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CUMBERLAND FORESIDE CONDOMINIUMS
Cumberland, Maine

## I. DESCRIPTION OF THE CONDOMINIUM

**A. Overview.**

**1. Public Offering Statement**. This public offering statement is provided by Graiver Homes Condos LLC (the "Declarant") to purchasers of Units in Cumberland Foreside Condominiums (the "Condominium") located off of Kings Highway in the Town of Cumberland, Maine.

This public offering statement is intended to provide a general overview and summary of the terms of the Condominium. The various exhibits to this Public Offering Statement contain the full text and detail of the controlling legal documents, and purchasers are strongly encouraged to review all exhibits in order to obtain a full understanding of the detailed structure of the Condominium. Since this is only a summary, the full text of the legal documents will control in the event of any omission or conflicts.

**2. Overall Condominium Structure**. The Condominium buildings are being constructed in stages and the Declarant anticipates that construction will proceed based on the general level of sales to buyers. Construction of the foundation is anticipated to begin in mid-August. Construction of the initial building will commence thereafter.

Units generally consist of the areas within the interiors of the buildings. The building exteriors, structural components and the land are part of the common areas.

As further set forth in the Limited Warranty Certificate which is a part of this Public Offering Statement, the Declarant is responsible for constructing the Units, building exteriors, infrastructure, roads, utility, and drainage improvements in a good and workmanlike manner in compliance with the building code and in accordance with the plans approved by the Town of Cumberland. The Condominium will be connected to the public water and sewer.

The proposed location of the Units and improvements are shown in the Condominium plat (survey).

**4. Phasing.** Initially a 1.5 acre portion of the land on which the Condominium may be built known as Land Phase 1 is to be subjected to the Condominium Declaration, on which the first 2 units may be built.

Sometime in the future based on the status of sales Land Phase 2 may be added, but such Land Phase NEED NOT BE ADDED. If fully constructed and Land Phase 2 is added, the Condominium may potentially consist of a total of up to 6 Units located in up to 3 wood-frame duplex buildings on a total of _____ acres.

Initially, the Declarant intends to construct 2 Units in Land Phase 1 with subsequent buildings being constructed based on Unit sales and market conditions. One of the Units may be

used as a model Unit for inspection by buyers and a sales office.

Land use approvals have been obtained from the Town of Cumberland to construct the initial building with a total of 2 Units, and the related infrastructure improvements. The Declarant may postpone the final decision as to the number of Units to be built until 10 years after the recording of the Declaration, which is anticipated to occur in the _____, 2018 immediately prior to the closing of the first sale.

**5. Governmental Restrictions and Easements**. The Condominium site is zoned "Low Density Residential District Zone" by the Town of Cumberland which permits residential developments such as the proposed condominium.

Unit owners are required to comply with and conform to all applicable laws and regulations of the State of Maine, and all ordinances, rules and regulations of the Town of Cumberland, and the terms of the Town's building permit. The violating Unit owner shall hold the Association and other Unit Owners harmless from all fines, penalties, costs and prosecutions for the violation thereof or noncompliance therewith.

The proposed locations of the Units and improvements are shown in the Condominium plat (survey). Depending on sales, the types and locations of Units may be changed with the approval of the Town.

The Declarant may to grant the Town of Cumberland and the Portland Water District easements, and may grant other utility easements.

## B. Condominium Declaration.

**1. Declaration**. The Declaration of Condominium is the central legal document which creates the Condominium. A copy of the proposed Declaration is included as a part of this Public Offering Statement, and it will become effective when recorded in the Cumberland County Registry of Deeds which the Declarant anticipates will occur shortly before the closing of the sale of the first Unit. The Declaration establishes the boundaries of the Condominium as a whole, the boundaries and Allocated Interests of each Unit, the special property rights within the Condominium such as Limited Common Elements and easements, and the restrictions on the Units.

Generally amendments to the Declaration may be made by a vote of 67% in interest of the Unit owners, however 100% approval is required to change the Unit boundaries and the restriction to residential uses. Certain amendments require the approval of the Declarant or lenders holding or insuring mortgages on the Condominium Units. The Declarant holds the right unilaterally to make amendments to the Declaration in connection with the creation of future Units and Common Elements, and holds various easements permitting the construction and marketing of Units. The Declarant anticipates that it will create each Unit shortly before or at the time of its sale to initial purchasers of each such Unit.

**2. Use Restrictions**. All the Units in the Condominium are restricted to residential use. An occupant of a Unit may conduct business activities within the confines of a Unit so long as no signs are displayed and the Unit is not used for meeting with customers or third parties.

The Declarant has the right to construct future buildings and infrastructure improvements, and may use unsold Units as models or sales offices. Other temporary, reasonable non-residential uses may be permitted by the Board of Directors.

**3. Pets**. Only ordinary household pets such as dogs, cats, birds and fish are allowed; the maintenance, keeping, boarding and/or raising of other animals, including without limitation laboratory animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited.

Dogs are only permitted outside of a Unit if on a leash under the direct supervision of a responsible person. Unit owners must clean up droppings from their pets. No pet may disturb other occupants, as determined by the Board of Directors.

The proposed initial Rules and Regulations of the Association limit the number of household pets to one dog (or two dogs if both dogs are less than 25 pounds in weight; up to two (2) cats; and a reasonable number of other ordinary household pets in a Unit such as fish or birds. Pet rules may be changed by the Board of Directors.

**4. Vehicles and Parking**. Only passenger vehicles and trucks less than 8,000 pounds in gross vehicle weight are allowed to be kept on the Condominium.

Generally parking of motor vehicles is permitted only within garages and the driveway parking areas allocated to a given Unit in front of the garage and in other areas permitted by the Board of Directors. The Board may regulate parking on the private streets forming a portion of the Condominium.

No inoperable or unregistered vehicles, nor any boats, recreational vehicles, snowmobiles, all-terrain vehicles or other similar vehicles or recreational equipment or similar items may be kept or parked on the Property except within a fully enclosed garage forming a part of the Unit. No motorized vehicles shall be used on the Property, except within the parking areas and on the streets as shown on the Condominium Plat.

**5. Trash and Nuisances**. Trash and garbage may be kept only in sanitary containers and properly stored. No Unit may be used so as to create a nuisance or an unreasonable interference with the peaceful possession and occupation or proper use of any other Unit or the Common Elements.

**6. Maintenance**. Every Unit owner must maintain his Unit, including the walls, ceiling, floors, floor coverings, appliances, plumbing, and electrical lines and fixtures that run within a Unit or which exclusively serve a Unit. In the event the Unit suffers a casualty covered by the Association's insurance, the Unit owner is required to pay the insurance deductible or such amount as may be established by the Association's Board of Director's, initially being the sum of $2,500.

A unit owner should separately insure the furniture and other contents of his Unit and obtain liability insurance, with the insurance industry form being known as "HO-6." Any insurance obtained by an owner must comply with the Declaration. It is recommended that each owner provide his insurance agent with a copy of the relevant portions of the insurance portions of the Declaration and seek the agent's advice as to coverage.

The Association is generally responsible for the maintenance of the exterior of the Units, the drives, parking areas, grounds and for snow plowing and trash collection. The Association shall be responsible for the maintenance of the roads and driveways within the Condominium providing access to Kings Highway, and the private sewer lines within the Condominium.

Water and sewer are separately billed to each Unit owner. The Town of Cumberland shall not be responsible for the maintenance or plowing of any driveways or entrance roads to the Condominium.

A Unit owner may not change the outside appearance of the Unit, whether changing the color of the Unit, adding any awnings or canopies or constructing any improvements, or using clothes lines, signs, television antennas and satellite dishes, etc. unless the Association's Board of Directors gives its approval in its discretion. However, Unit owners may be permitted to plant flowers and annuals with the approval of the Board of Directors, provided these are properly maintained.

## C. Development and Special Declarant Rights.

**1. Future Units**. The total number of Units which may be built is 6. All future Units within the Condominium must be reasonably consistent with the initial Units for quality of construction and principal building materials, but the Declarant may substitute materials and techniques of equal or better quality and may change the Unit location, configuration and size, and architectural style of Units. The time for physical construction if all possible Units are added is not definitely known and it will continue in phases.

The Declarant is not required to add more Units and may stop at any point short of the maximum number of 6 Units. The Condominium is legally self -sufficient, however, even if only the initial Units are built. Upon the addition of future Units to the Condominium, all new and old Units will then share in the common areas, voting rights and liability for the Condominium expenses as a group. Only residential Units may be added to the Condominium.

**2. Future Limited Common Elements**. Any Limited Common Elements created pursuant to the Development Rights reserved by the Declarant will be of the same general type as the Limited Common Elements within other parts of the Condominium. The proportion of Limited Common Elements to Units created pursuant to any development right reserved by the Declarant will be approximately equal to the proportion existing within other parts of the Condominium. The Declarant may alter the layout and configuration of the Limited Common Elements.

**3. Voting**. All Units will each have 1 vote in the Condominium Association, so that if all possible Units are added to the original Units then each Unit will have 1 vote out of up to 6 Units, instead of 1 vote out of 2.

**4. Common Expense Liability and Common Element Ownership**. The percentage of each Unit's Common Element Interest and Common Expense Liability is allocated by calculating (i) the number of Units to (ii) the total number, (iii) subject to rounding in order to permit ease of administration, provided however that (iv) the percentage stated in the Declaration (as it may be

amended) shall prevail in any event. This establishes equality among all Units even though their size may vary. For the first two Units, each Unit will have a 50% Common Element Interest and Common Expense Liability, which will be reduced to 16.66% if all 6 Units are built

Accordingly the percentage interests of each Unit will be diluted in proportion to the additional number of the newly added Units. As units are added the common expense budget for the Condominium as a whole is anticipated to increase, although the percentage liability of each Unit will shrink.

In the event a Unit owner fails to pay the common expense charges including the regular monthly assessment or any special assessments or service charges, the Association automatically has a lien on the Unit to secure the payment of such charges and all costs of collection, may record a notice of the lien and may foreclose the lien in the same manner as a mortgage.

**6. Declarant Rights**. The Declarant has the right to create and relocate public utility easements on the property servicing the Condominium, to connect into those public utility lines, to use the Condominium for the repair and construction of Units, and to operate a construction, sales, leasing, and management office until all Condominium Units including future Units have been sold.

The Declarant may appoint and remove the directors and officers of the Condominium Association and control the affairs of the Association until 75% of all the Units including all 6 potential future Units have been sold. It is anticipated that the Declarant will control the Condominium Association for some period of time until the Condominium has reached its final size, although there is no guaranty that the Condominium will include more than the initial Units in the first building. The Declarant may voluntarily give up these rights before it is required to do so by a written statement recorded in the Registry of Deeds.

As a part of the construction of future buildings, road extensions, utilities and new infrastructure may be built and additional landscaping undertaken.

The possible locations of future buildings, Units and improvements are depicted on the Condominium Plat included as a part of the Condominium Declaration. Said buildings, Units and improvements NEED NOT BE BUILT. The anticipated locations of additional buildings and improvements are shown on the Plat, BUT ARE SUBJECT TO CHANGE. The approval of the Town of Cumberland's Planning Board must be obtained to add future Units.

All restrictions in the Declaration affecting the use, occupancy, and alienation of Units will apply to any future Units. If future land phases are not added to the Condominium, these restrictions will not apply.

## D. Unit Boundaries

Generally, the Units in the Condominium include the interiors of the buildings extending outward to the exterior side of the sheet rock (gypsum board) of the exterior walls. Each Unit is contained within a Unit envelope shown on the Condominium Plans, and also includes all plumbing, electrical, heating, and HVAC systems, equipment, fixtures, and other similar improvements exclusively servicing the Unit, even if located outside of the boundaries of a Unit. The Declaration sets forth the definition of Unit boundaries in greater detail.

The building exteriors, roof, foundation, lawns, walks and other general building components contained outside of the Unit are not owned by the Unit owner individually but rather are generally Common Elements owned by all Unit Owners and administered and maintained by the Association.

The exterior deck – patio areas are Limited Common Elements owned by all Unit Owners but such areas may be used by the adjoining Unit exclusively.

The Declaration more precisely defines the boundaries and composition of the Units, Common Elements and Limited Common Elements.

## II. OTHER DOCUMENTS

### A. Bylaws.

The Bylaws contain rules for self-government of the Condominium by Cumberland Foreside Condominium Association, a nonprofit corporation. The Bylaws provide for a Board of Directors which directs the affairs of the Condominium, administers policies outlined in the Bylaws, sets the budget and generally oversees the upkeep and the administration of the Condominium. The Bylaws cover such other matters as the composition of the Board of Directors, officers of the Association and the method of their election, the requirements for meetings, voting, the manner in which the Condominium budget must be prepared, the determination and handling of assessments, the filing of assessment liens, the nature of insurance coverage. If a dispute arises between the Declarant and a Unit owner or the Association arising out of or relating to the Declaration, the Bylaws, or a deed to the Unit, the Declaration provides that such dispute must be submitted to arbitration.

### B. Rules and Regulations.

The Bylaws provide that the Board of Directors has the power, on behalf of the Association, to establish rules and regulations governing the use of the Condominium. The initial Rules and Regulations established as of the date of this Public Offering Statement are attached as an exhibit to this Offering Statement.

### C. Title Matters.

The list of liens, defects and encumbrances and matters of title which may affect the right, title or interest of the Declarant and the Condominium as of the date of the Public Offering Statement are set forth in the Declaration. Unit owners may purchase a title insurance policy at their expense to protect and insure title to their Units.

In addition, the Condominium may be subject to certain easements created by the Declaration and/or the Maine Condominium Act. These easements are:

(i) Easement for Encroachments. By virtue of this easement, Unit owners and the Association are protected in any event the Unit or Common Elements encroach on another Unit or the Common Elements.

(ii) Easement to Facilitate Construction and Sales. The Declarant, its agents and employees, may use any unsold Unit of the Condominium as models and sales offices or place advertising signs within the Condominium and cross the Condominium property for the purpose of maintaining and repairing Units and Common Elements and constructing future Condominium Units. The Declarant may further erect, and re-locate temporary sales or customer service offices on the Property from time to time. Further, the Declarant and its agents, contractors and prospective purchasers may cross the Property and may use parking spaces.

(iii) Easements for Access. Each Unit owner and the Declarant has a right to cross the Common Elements for access to his Unit subject to rules, regulations and restrictions adopted by the Unit Owners Association.

(iv) Utilities. The Bylaws permit the Association to grant easements for public utilities servicing the Condominium through the Common Elements. Further, the Declarant may connect with existing utilities for construction purposes on the Property, provided that it pays for the cost of services used.

**C. Restraints on Alienation and Leasing,**

The Maine Condominium Act prohibits the Declarant from offering any interest in a Condominium Unit until the Declarant has prepared and delivered to the purchaser the current Public Offering Statement. The Declarant knows of no other restraints which would preclude the free transferability of legal title to the Units pursuant to the terms of a purchase and sale agreement. The Condominium instruments do not grant the Declarant, the Association, lenders, or any other person a right of first refusal to purchase a Unit from a Unit owner.

The Bylaws provide that a Unit may not be leased or rented except on terms consistent with the provisions of the Declaration and Bylaws of the Condominium and for a period of no less than 6 months. A Unit must be leased as a Unit in its entirety and no lease of a portion of a Unit such as a single bedroom is permitted. The Board of Directors has the power to terminate leases or to evict a tenant in the event of a breach of the terms of the lease or the Condominium instruments in the event they are not complied with. All leases must be in writing and on a form requiring the tenant to comply with the Condominium documents, providing that the failure to so comply will constitute a default under the lease, and setting forth the Board of Director's termination rights. Each Unit owner must notify the Board of Directors of all tenants and provide it with a copy of the lease.

**D. Contracts or Leases Subject to Cancellation**. The Declarant may cause the Association to enter into a management agreement with a third party. If no agreement is entered into, then the Declarant will provide management services. For rendering these services, a fee will be paid as set forth in the Proposed Budget attached hereto. The management agreement runs from year to year subject to earlier termination on account of specified defaults. The agreement will be subject to termination by the Association pursuant to Section 1603-105 of the Maine Condominium Act.

## III. OPERATION OF THE CONDOMINIUM

## A. The Unit Owners Association.

**1. Self-Governing of the Condominium**. The Condominium is governed by Cumberland Foreside Condominium Association, a Maine nonprofit corporation. All of the Unit owners collectively constitute the members of the Association as an incident of ownership of a Unit. Each Unit owner is automatically a member of the Association and remains a member until his ownership of a Unit ceases. The Unit owners elect a Board of Directors of the Association after the period of Declarant control expires. Until then, the Declarant appoints Board of Directors members and officers.

At the date of this Public Offering Statement there are no unsatisfied judgments or, to the best of Declarant's knowledge and belief, no pending suits against the Association.

**2. Delegation of the Powers and Responsibilities of the Unit Owners Association**. The Bylaws provide that the powers and responsibilities of the Association are delegated to the Condominium's Board of Directors, some of which in turn may be delegated to a managing agent. Basically, the Board of Directors has the powers and responsibilities in administering the Condominium to, among other things:

(a) Adopt and amend rules and regulations;

(b) Elect officers of the Association;

(c) Adopt and amend budgets for revenues, expenditures and reserves and collect assessments for common expenses and service charges from Unit owners;

(d) Hire and terminate managing agents and other employees, agents and independent contractors;

(e) 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;

(f) Make contracts and incur liabilities;

(g) Regulate the use, maintenance, repair, replacement and modification of Common Elements, except as set forth in the Declaration;

(h) Cause additional improvements to be made as a part of the Common Elements, except as set forth in the Declaration;

(i) 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 Act;

(j) Grant easements, leases, licenses and concessions through or over the Common Elements;

(k) Impose charges for late payment of assessments and, after notice and an opportunity y to be heard, levy reasonable fines for violations of the Declaration, Bylaws 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 assessments;

(m) Provide for the indemnification of its officers and Board of Directors and maintain liability insurance for them; and

(n) Operate, maintain and repair the Common Elements and the Limited Common Elements.

**3. Allocation of Voting Power**. Each Unit is allocated one (1) vote in the Association. A Unit owner is entitled to cast the vote allocated to his Unit.

Following the expiration of the Declarant Control Period, there will be five directors. The number of directors may be changed between 3 and 5 by amendment to the Bylaws.

**4. Transfer of Declarant Control**. The Declaration authorizes the Declarant to appoint and remove members of the Board of Directors and all officers of the Association until the earlier of 7 years from the conveyance of the first Unit or 60 days from the date on which 75% of all Units have been conveyed, including Units which may be created in the future. At that time the Unit owners shall elect a Board of Directors. The Declarant at its option can relinquish this authority at any earlier time by recording a notice in the Registry of Deeds.

**B. Management of the Condominium.**

The Bylaws provide that the Board of Directors may employ professional managing agent for the Condominium at a level of compensation fixed by the Board of Directors. The Declarant may cause the Association to enter into a management agreement an independent management agent, or may manage the Property itself in exchange for payment of the fee set forth in the Budget. At the expiration of the period of Declarant Control the decision as to whether to retain the full services of any professional managing agent will be made by the Association. A management fee is provided for in the proposed budget.

The Bylaws contain provisions for reserves for capital expenditures. The Bylaws require the establishment of a reasonable reserve fund for capital improvements, replacements and major repairs. The Bylaws also provide that if for any reason such reserve fund is inadequate to defray the cost of a required capital improvement, replacement or major repair, the Board of Directors may levy further assessments against the Unit owners in proportion to the Allocated Interests of their respective Units.

A Unit owner will be personally liable for all common charges and assessments levied against his Condominium Unit which become due while he is the Unit owner. In addition the common expenses and service charges assessed against the Unit owner automatically constitute a lien on a Unit, which lien, if unsatisfied, may be enforced by foreclosure or other legal remedies.

The Declaration requires the purchaser to pay at closing an initial working capital/reserve contribution equal to two months common charges (in addition to any regular Condominium fee). The initial capital contribution will be allocated to the Condominium's working capital/reserve and is nonrefundable.

The Allocated Interest in the Common Elements of the Condominium will be set forth in the Declaration; the amount of the estimated monthly assessment (Condominium fee) for Condominium expenses is set forth on the attached budget. The Condominium fee is based on the Allocated Interest of the Unit. There are no current or expected fees or charges, other than such assessments, to be paid by the Unit owners for the use and maintenance of the Common Elements and other facilities related to the Condominium.

## IV. BUDGET

A projected annual budget for the initial portion of the Condominium's operation is attached to this Public Offering Statement. The budget was prepared by the Declarant based on the best estimates available to it in _____, 2018 and assumes (1) no inflation factor and (2) the completion of 2 Units in the Condominium. *Because the Condominium is new there is no history of operating expenses, and therefore it is impossible to estimate with assurance the amount of future costs.* The Association presently has no significant assets or liabilities. A replacement reserve is included in the Budget as described therein in the projected monthly assessment for each Unit.

Declarant provides no special services nor incurs any special expenses on behalf of the Unit owners that are anticipated to become common expenses, except that to the extent that portions of the Condominium premises will be under construction during the sale period, the Declarant will be responsible for Units, buildings, drives and lawn areas under construction until these Units and the areas around the Units are legally added to the Condominium. The Declarant may provide other maintenance services to the Condominium in lieu of cash payments and the value of such services shall be credited towards its Common Charges.

Real estate taxes will be billed directly to Unit owners by the Town of Cumberland once the Unit has been in existence on April 1st of a given year, per Maine statute. Until then the Declarant may bill owners for their proportionate share of taxes assessed against the Condominium as a whole. Real estate taxes are *not* included in the Association budget.

## V. UNIT PURCHASE

The obligations of the parties in connection with the purchase of a Unit are stated in detail in the sample purchase agreement. Each purchaser must also sign an agreement to limit the time in which to bring warranty claims to 2 years. Prices for Units are established by the Declarant and may be subject to change at any time at the Declarant's sole discretion prior to the execution of a purchase agreement. Different purchasers may pay different prices for similar Units in the sole discretion of the Declarant.

Unless a purchaser has received and reviewed a copy of this public offering statement prior to the execution of a contract for sale, a purchaser, before conveyance, may cancel any contract for

purchase of a Unit from the Declarant, but if a purchaser accepts the conveyance of a Unit, he may not cancel the contract.

At the closing on the purchase of the Unit, the purchaser will be required to pay, in addition to the purchase price of the Unit, those settlement costs identified in the purchase agreement, the prorated share of the current month's charges, and a sum equal to 2 months common charges as a capital contribution to the Association in order to provide working capital and reserves to the Association. It is not anticipated that the purchaser will be required to sign any other contracts or leases at the settlement.

A prospective Unit purchaser must arrange for his own financing and no financing has been offered or arranged by the Declarant. No representation is hereby made regarding the availability of such financing for any purchaser, and each purchaser must qualify independently for the same. Purchaser's non-refundable down payments will be placed in an escrow account under the control of Graiver Homes Condos LLC. Any down payment will be returned to prospective purchasers who cancel their purchase contract in accordance with Section 1604-107 of the Maine Condominium Act; generally, such down payments will be treated in accordance with the terms of the purchase contract.

## VI. INSURANCE

The Board of Directors will obtain liability insurance to protect the Association and, to a certain limited extent, the Unit owners as individuals. In general, the types and amounts of insurance to be obtained by the Association are described as follows:

(i) Each building, including the Units and Common Elements, will be covered by fire and property damage insurance. The coverage will be "all risk" and in an amount equal to the full replacement cost of the building. This coverage will not insure personal property belonging to a Unit owner nor special improvements to a Unit made by or at the request of the Unit owner. In the event the Unit suffers a casualty covered by the Association's insurance, the Unit owner is required to pay the amount of the insurance deductible or such lesser amount as may be established by the Association's Board of Director's, initially being the sum of $2,500.

(ii) The Association will obtain insurance covering liability arising from ownership or use of the Common Elements. This coverage will not insure Unit owners against liability arising from an accident or injury occurring within a Unit (or any porches or decks of a Unit) or liability arising from the act or negligence of a Unit owner. Each Unit owner should obtain separate liability insurance coverage to protect against such risks under the suggested HO-6 form, and should consult with his or her insurance agent regarding proper coverage.

(iii) The Board of Directors will also maintain appropriate insurance required by mortgage lenders.

The Declarant strongly recommends that each Unit owner obtain insurance coverage on his personal property, special improvements to a Unit and liability claims not covered by the

Association policy, such as claims arising from activities inside of a Unit. The Unit owner should be aware, however, that the condominium documents require special provisions in the policies providing additional insurance. IT IS RECOMMENDED THAT EACH OWNER PROVIDE HIS INSURANCE AGENT WITH A COPY OF THE DECLARATION IN ORDER TO DETERMINE THE INSURANCE COVERAGE NEEDED BY THE OWNER TO PROTECT AGAINST RISKS NOT COVERED BY THE ASSOCIATION'S INSURANCE.

## VII. FINANCIAL ARRANGEMENTS FOR IMPROVEMENTS

The Declarant is funding the construction of the Condominium from its own resources.

## VIII. WARRANTIES

Certain warranties are given to all Unit owners as described below, subject to certain exclusions and modifications made by the Declarant. The purchase and sale agreement requires that all buyers sign a Limited Warranty Certificate agreeing that any warranty claims be made and enforced within 2 years after the purchase.

With respect to the Condominium Units being sold and the Common Elements, the Maine Condominium Act provides as follows:

**A <u>Express Warranties of Quality</u>.**

1. Express warranties made by any seller to a purchaser of a Unit, if relied upon by the purchaser, are only created as follows:

(a) Any written affirmation of fact or promise which relates to the Unit, its use, or rights appurtenant thereto, area improvements to the Condominiums that would directly benefit the Unit, or the right to use or have the benefit of facilities not located in the Condominium, creates an express warranty that the Unit and related rights and uses will conform to the affirmation or promise;

(b) Any model or description of the quantity or extent of the real estate comprising the Condominium, including plans and specifications of or for improvements, creates an express warranty that the Condominium will substantially conform to the model or description;

(c) Any written description of the quantity or extent of the real estate comprising the Condominium, including plats or surveys, creates an express warranty that the Condominium will conform to the description, subject to customary tolerances; and

(d) A provision that a buyer may put a Unit only to a specified use is an express warranty that the specific use is lawful.

2. Neither formal words, such as "warranty" or "guarantee," nor a specific intention to make a warranty, are necessary to create an express warranty of quality, but a statement purporting to be

merely an opinion or commendation of the real estate or its value does not create a warranty.

3. Any conveyance of a Unit transfers to the purchaser all express warranties of quality made by previous sellers.

**B. Implied Warranties of Quality.**

1. A Declarant warrants that a Unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, reasonable wear and tear excepted.

2. A Declarant impliedly warrants that a Unit and the Common Elements in the Condominium are suitable for the ordinary uses of real estate of its type and that any improvements made or contracted for by him, or made by any person before the creation of the Condominium, will be:

(a) free from defective materials; and

(b) Constructed in accordance with applicable law, according to sound engineering and construction standards and -in a workman-like manner. Construction complying with the Town of Cumberland Building Code shall be deemed to satisfy such sound engineering or construction standards.

3. In addition, a Declarant warrants to a purchaser of a residential Unit that may be used for residential use that any coexisting use, continuation of which is contemplated by the parties, does not violate applicable law at the earlier of the time of conveyance or delivery of possession.

4. Warranties imposed by this section may be excluded or modified.

5. Any conveyance of a Unit transfers to the purchaser of the Declarant's implied warranties of quality.

**C. Exclusion of Modification of Implied Warranties of Quality.**

1. Except as limited by Subsection 2 with respect to a Unit that may be used for residential use, implied warranties of quality:

(a) May be excluded or modified by agreement of the parties; and

(b) Are excluded by expression of disclaimer, such as "as is," "with all faults," or other language which in common understanding calls the buyer's attention to the exclusion of warranties.

2. With respect to a purchaser of a Unit that may be occupied for residential use, no general disclaimer of implied warranties of quality is effective, but a Declarant may disclaim liability in an instrument signed by the purchaser, for a specified defect or specified failure to comply with applicable law, if the defect or failure entered into and became a part of the basis of the bargain.

The Declarant has limited such warranty to a 2 year period. The Declarant is liable only for the cost of repair or replacement or to compensate for the decline in the Unit's market value. The Declarant disclaims liability for special or consequential damages. On or before settlement of the purchase of a Unit, implied warranties of quality will be limited as set forth in the Limited Warranty Certificate issued by the Declarant, a photocopy of which certificate is attached as an Exhibit to this Public Offering Statement.

**D. Statute of Limitations for Warranties.**

1. A judicial proceeding for breach of any warranty obligation must be commenced within 6 years after the cause of action accrues, but the parties may agree to reduce the period of limitation to not less than 2 years. With respect to a Unit that may be occupied for residential use, an agreement to reduce the period of limitation must be evidenced by a separate instrument executed by the purchaser.

2. Subject to Subsection 3, a cause of action for breach of warranty of quality, regardless of the purchaser's lack of knowledge of the breach, accrues:

(a) As to a Unit, at the time the purchaser to whom the warranty is first made enters into possession if a possessory interest was conveyed or at the time of acceptance of the instrument of conveyance if a non-possessory interest was conveyed; and

(b) As to each common element, at the time the common element is completed or, if later: (i) As to a common element which may be added to the Condominium or portion thereof, at the time the first Unit therein is conveyed to a bona fide purchaser; or (ii) As to a common element within any other portion of the Condominium, at the time the first Unit in the Condominium is conveyed to a bona fide purchaser.

3. If a warranty of quality explicitly extends to future performance or duration of any improvement or component of this Condominium, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.

# Cumberland Foreside Condominium Association
## Annual Budget Assuming 2 units
## (Phase 1)

| EXPENSES: | Total Annual | Per Unit Annual |
|---|---|---|
| Snow Plowing | $3,000.00 | $166.67 |
| Snow Shoveling | $1,600.00 | $88.89 |
| Snow Removal | $1,000.00 | $55.56 |
| Salt & Sand | $400.00 | $22.22 |
| Lawn Mowing | $2,800.00 | $155.56 |
| Garden Maintenance | $1,200.00 | $66.67 |
| Insurance | $6,000.00 | $333.33 |
| Prof. Fees | $750.00 | $41.67 |
| Management Fees | $4,800.00 | $266.67 |
| Misc. | $1,200.00 | $66.67 |
| **SUBTOTAL** | | |
| **RESERVES:** | | |
| Roofing | $6,000.00 | $333.33 |
| Driveway | $2,400.00 | $133.33 |
| **SUBTOTAL** | **$8,400.00** | $466.67 |
| **GRAND TOTAL** | **$31,150.00** | $1,730.56 |
| | **Per month per unit** | **$144.21** |

Note: Because the Condominium is new there is no history of operating expenses, and therefore it is impossible to estimate with assurance the amount of future costs.

Household trash removal expenses are not included - Declarant intends to allow use of construction dumpster during the construction period

# BYLAWS OF CUMBERLAND FORESIDE CONDOMINIUM ASSOCIATION

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# BYLAWS OF CUMBERLAND FORESIDE CONDOMINIUM ASSOCIATION

## ARTICLE I.
## CREATION AND APPLICATION

Section 1.01 Creation. This corporation is organized under the Maine Nonprofit Corporation Act in connection with the submission of Property known as the Cumberland Foreside Condominiums (the "Condominium") located in the Town of Cumberland, Maine to the Maine Condominium Act pursuant to the Cumberland Foreside Condominium Declaration (the "Declaration") as recorded in the Cumberland County Registry of Deeds. The name of the corporation is the Cumberland Foreside Condominium Association (the "Association").

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

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

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

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

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

## ARTICLE II.
## PURPOSES AND POWERS OF THE ASSOCIATION

Section 2.1 Purposes. The purposes of the Association are to establish a nonprofit corporation pursuant to the Declaration, the Maine Nonprofit Corporation Act and the Maine Condominium Act for the government, funding, operation, regulation and maintenance of the Condominium established under the Declaration.

Section 2.2 Powers. In addition to all the powers, authority and responsibilities granted to or imposed upon this Association by the Declaration and the laws of the State of Maine, specifically including those set forth or referred to in the Maine Condominium Act or 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, subject to the reserved rights of the Declarant:

A. Adopt and amend Bylaws and Rules and Regulations;

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

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

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

E. Make contracts, borrow money and incur liabilities;

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

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

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

I. Grant easements, leases, concessions, and licenses for public utilities and other facilities servicing or benefiting the Property through or over the Common Elements upon notice to the Owners as set forth in Section 9.1;

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

K. Impose charges and interest for late payment of Common Expense Assessments, Service Charges, fees and, after notice and an opportunity to be heard, impose reasonable penalties and fines for violations of the Declaration, Bylaws, 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 Expense assessments and Service Charges 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. Pledge, assign and grant a security interest covering all revenues including regular and special assessments and service charges for the purpose of raising funds for repairs, renovations, improvements and associated costs and expenses with respect to the Common Elements, subject to the approval of a majority in interest vote of the Unit Owners;

O. Exercise any other powers conferred by the Declaration or these Bylaws;

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

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

Section 2.3 Nonprofit 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 non-profit-making purposes of the Association or in the course of acquiring, constructing or providing management, maintenance and care of the Condominium Property, or by virtue of a rebate of excess membership dues, fees, Common Expense assessments, or Service Charges.

## ARTICLE III.
## ASSOCIATION OF OWNERS.

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

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

Section 3.3 Special Meetings. Special meetings of the Unit Owners may be held at any time upon the call of the Board of Directors, or upon the call of twenty percent (20%) or more in voting interest of the Unit Owners, which call shall state the purpose of the meeting. Upon receipt of such call, the Secretary shall promptly cause notices of the meeting to be sent to all Unit Owners 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 bylaw amendment(s), any budget proposal(s) or change(s) and any proposal(s) to remove an officer or director) shall be sent at the direction of the Secretary, if any, at least Ten (10) days, but not more than Sixty (60) days, before the date set for the meeting, accompanied by a mailing of the budget summary if so required by Section 1603-102(c) of the Condominium Act as it may be amended. Such notice shall be given to each Unit Owner listed with the records of the Association as set forth below and to each Eligible Mortgage Holder, if any, and as required by the Declaration:

A. By hand delivering it to him or her, or

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

C. Notice may be given by email only if the Maine Nonprofit Act or the Maine Condominium Act is amended to permit email notices in the relevant circumstances and any conditions precedent are complied with.

If notice is given pursuant to the provisions of this section, the failure of any Unit Owner to receive actual notice of the meeting shall not invalidate the meeting.

Section 3.5 Waiver of Notice. The presence of all the Unit Owners in person or by proxy, at any meeting shall conclusively establish the meeting's validity, unless any Owner shall object at the meeting to the non-compliance 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 Unit Owners shall be generally as follows, if applicable:

A. Roll call.

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

C. Review and approval of the 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 Unit Owners or of the Executive Board, Robert's Rules of Order as then amended or any similar provisions as may be adopted by the Rules and Regulations shall be followed, except in the event of conflict these Bylaws or Declaration or any applicable provisions of the Rules and Regulations, 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 the Unit Owners whose aggregate voting interest constitutes not less than Thirty percent (30%) of the total voting interest therein shall constitute a quorum for the transaction of all business.

The Unit Owners present at a duly called or held meeting at which a quorum was once present may continue to do business at the meeting or at any adjournment thereof, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 3.9 Voting.

A. Any person, partnership, limited liability company, corporation, trust, or other legal entity or a combination thereof, owning any Unit (other than an interest held as security for an obligation) duly recorded in his or her or its name, which ownership shall be determined from the records of said Registry of Deeds, shall be a member of the Association, and either, in person or by proxy, shall be entitled to vote for each Unit so owned at all meetings of the Association.

B. Multiple owners of a Unit shall be deemed one member. If only one of the multiple owners of a Unit is present in person or by proxy at a meeting of the Association, he or she 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 written and dated proxy duly signed by a Unit owner and filed with the Secretary or the Secretary's designee. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed written proxy. A Unit owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is not valid if it is not dated or purports to be revocable without notice as determined by the Secretary of the Association. A proxy shall automatically terminate eleven (11) months after its date, unless it specifies a shorter term. Facsimile or scanned and emailed copies of a properly signed and dated proxy shall be valid, but emailed text proxies are not permitted.

Written proxies, ballots and other records pertaining to voting by owners shall be retained for one year after the election, action or vote to which they relate.

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 or her 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 or she shall satisfy the secretary that he or she so holds the Unit.

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

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

G. At any meeting at which a quorum is present, the affirmative vote of a majority of the voting interest of those present shall determine any question except the election of Directors, unless a greater percentage vote is required by law, by the Declaration or by these Bylaws. In the election of Directors, those receiving the greatest number of votes, though less than a majority, shall be elected. For the purposes of amending the Declaration or these Bylaws, the percentage in interest shall be measured against the total voting interest regardless of whether or not such Unit owners are present.

H. Upon reasonable advance notice, Unit Owners may elect to attend any meeting of the Association via a telephonic speakerphone at which they may hear and be heard by other Unit Owners, but Unit Owners wishing to attend in this manner shall be responsible for the costs of providing speakerphone services. The Association shall provide reasonable cooperation in arranging such services. The Executive Board's decision as to such matters shall be binding.

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 the President subject to change by majority vote of the Unit Owners present, whether a quorum be present or not, without further notice of the time and place of adjournment beyond that given at the meeting if adjourned to a date which is less than thirty (30) days

from the date of the meeting and if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken. When any meeting is adjourned, for whatever reason, for thirty (30) days or more, notice of the adjourned meeting must be given. At the adjourned meeting, the Association may transact any business that might have been transacted at the meeting at which the adjournment was taken.

Section 3.11 Unanimous Action by Unit Owners without a Meeting. Any action required or permitted to be taken at a meeting of the Unit Owners (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 Unit Owners 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 Unit Owners.

## ARTICLE IV.
## BOARD OF DIRECTORS.

Section 4.1 Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors initially composed of three (3) directors appointed by the Declarant. Upon the expiration of the Declarant Control Period as defined in the Declaration, the members shall elect five (5) directors, three (3) for a term of two (2) years and the remainder for a term of one (1) year; a majority of such directors shall be the owner or the spouse of an owner of a Unit, or if a Unit owner is a corporation, limited liability company, partnership, trust or estate, then an officer, director, member, manager, partner, trustee, beneficiary or appointed personal representative thereof. The number of directors shall equal the number of Units which have been created if fewer than 5 have been created. The number of directors may be changed by vote of the members at an annual meeting, subject to the minimum three (3) and the maximum seven (7) number of directors set forth in the Articles of Incorporation for the Association and further provided that a reduction in the number of directors shall not shorten the term of any incumbent directors.

Section 4.2 Election and Term of Office and Resignation. At the expiration of the initial term of office of each director, his or her successor shall be elected to serve a term of two (2) years; provided, however, that a director shall hold office until his or her successor has been elected and has taken office. A Director who replaces a Director before his or her or her term expires shall serve out the remaining term of such Director, with the intent and purpose being that the term of office of at least one-half of the Directors shall 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 Bylaws or otherwise provided under the Maine Condominium Act or the Maine Nonprofit Corporation Act, as either may be amended from time to time, except those matters which by law, by the Declaration or by these Bylaws are specifically reserved to the Unit Owners.

In accordance with the Maine Nonprofit Corporation Act, a Director shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and in a manner the Director reasonably believes to be in the best interests of the Association.

In discharging the Director's duties, a Board Member is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: one or more officers or employees of the Association or its management company whom the Director

reasonably believes to be reliable and competent in the matters presented; legal counsel or a public accountant or a manager or other person as to matters the director reasonably believes are within the person's professional or expert competence; or a committee of the Board of Directors of which the director is not a member, as to the matters within its jurisdiction, if the director reasonably believes the committee merits confidence.

Section 4.4 Other Duties. In addition to other duties imposed by these Bylaws or by duly adopted resolutions of the Unit Owners 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. Subject to the Declaration the determination and collection of assessments for Common Expenses, Limited Common Expenses, Special 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 (including without limitation the Limited 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 and appointment of committee members to serve at the pleasure of the Board.

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 Bylaws. All management contracts entered into during the Declarant Control Period shall permit termination without a penalty on thirty days notice at any time with or without cause after the expiration of such period.

Section 4.6 Appointment and Vacancies. Until the expiration of the Declarant Control Period, the Declarant shall appoint replacement directors in the event of vacancies in the Board of Directors. Thereafter, a vacancy caused by the expiration of a Director's term, resignation, or the removal of a Director by a vote of the Unit Owners, or by the expiration of the Declarant Control Period shall be temporarily filled by vote of the remaining directors until the replacement is elected by the Unit Owners at the then or next annual meeting and then takes office, and the replacement shall serve for the remainder of the unexpired term of the former Director. If a Director is absent from three (3) consecutive regular meetings of the Board of Directors, his or her position shall be considered vacant. Vacancies may be temporarily filled by vote of the remaining directors even though a quorum is lacking, all until the next annual meeting of the Members, at which time the Unit Owners shall elect a replacement Director for the balance of 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 two thirds (2/3) in interest vote of the members, with or without cause. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting, but the Unit Owners' decision shall be final.

Section 4.8 Compensation. No compensation shall be paid to Directors or officers for their services as Directors or in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Unit Owners before or after the services are undertaken. Directors and officers shall be reimbursed for their out of pocket expenses reasonably incurred in connection with their services on the Board, as approved by vote of the Board

Section 4.9 Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following or within ten (10) days after the annual meeting of the Association; 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 or her Unit or by telephone or by email, 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 or upon the written request of a majority of the Directors then in office. Three (3) days' notice of special meetings shall be given to each Director personally or by delivery to his or her Unit, or by telephone or by email, which notice shall state the time, place and purpose of the meeting.

Section 4.12 Waiver of Notice by Board Members. 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 without objection 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 Required Notice of Board Meetings to Unit Owners. In accordance with the Maine Condominium Act, the Board of Directors shall give timely notice reasonably calculated to inform unit owners of the date, time and place of and topics proposed to be discussed at meetings of the Board, including without limitation the general nature of any proposed amendment to the Declaration, the Bylaws, or the Rules and Regulations, any budget changes and any proposal to remove an officer. 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 unit owner. Failure of a unit owner to receive notice does not invalidate any action taken by the Board of Directors at a meeting.

Section 4.14 Attendance at Board Meetings by Unit Owners. Unit Owners have the right to attend meetings of the Board of Directors, subject to reasonable rules established by the Board of Directors. In the discretion of the presiding officer and on such terms as he or she may establish, individual Unit Owners may speak at meetings of the Directors.

The Board of Directors may restrict or prohibit attendance by Unit Owners and others during executive sessions. An executive session may be held only to:

(i) Consult with the Association's attorney concerning legal matters;

(ii) Discuss existing or potential litigation or mediation, arbitration or administrative proceedings;

(iii) Discuss labor or personnel matters;

(iv) 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

(v) Prevent public knowledge of the matter to be discussed if the Board of Directors determines that public knowledge would violate the privacy of any person.

A final vote or action may not be taken during an executive session.

Section 4.15 Board of Directors' Quorum/Attendance by Telephone/Internet. At all meetings of the Board of Directors, at the presence at the beginning of a meeting of at least three (3) Directors or of the majority of directors then in office, whichever is less, 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.

Directors may attend any meeting via a telephonic or internet speakerphone at which they may hear and be heard by other Directors, but directors wishing to attend in this manner shall be responsible for initiating the arrangement of such services reasonably in advance. The Association shall provide reasonable cooperation in arranging such services for Directors at its expense.

Section 4.16 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.

## 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, an Assistant Treasurer, and an Assistant Secretary, and such other officers, none of whom need be Directors, as in their judgment may be appropriate.

Section 5.2 Election of Officers and Standard of Care. The principal officers of the Association shall be elected annually by the Board of Directors at the annual meeting and shall hold office until the first meeting of the Board of Directors following the next annual meeting of Unit Owners and until their successors are chosen and qualified; provided, however, that all officers and committee members shall hold office at the pleasure of the Board.

In accordance with the Maine Nonprofit Corporation Act, an officer shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the officer reasonably believes to be in the best interests of the Association and its Unit Owners.

Section 5.3 Removal and Resignation of Officers. Upon a majority vote of the Board of Directors present 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 may be removed, either with or without cause, and his or her successor elected. 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.

Any officer may at any time resign his or her office by a resignation in writing delivered to the Association at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt and acceptance thereof shall not be necessary to make it effective unless it so states.

Section 5.4 President. The President shall be the chief executive officer of the Association and shall be a Director. He or she shall preside at all meetings of the Association and of the Board of Directors. In his or her absence, a chairman pro tempore may be chosen by the Unit Owners or directors, as the case may be, to preside at a meeting. The President shall have all of the powers and duties which are incidental to the office of President of a Maine business corporation.

Section 5.5 Vice President. The Vice President shall preside at all meetings of the Association and of the Board of Directors and exercise the powers and perform the duties of the President in the absence of the President, and shall have such other duties as may be designated from time to time by the Board of Directors.

Section 5.6 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 be responsible, subject to the direction of the Board of Directors, for the preparation and dissemination to the Unit Owners 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. The Treasurer shall have all of the powers and duties which are incidental to the office of treasurer of a Maine business corporation.

Section 5.7 Secretary. The Secretary shall have responsibility for the minutes of all meetings of the Board of Directors of of the Association (but may delegate the act of keeping minutes), shall give all notices as provided by these Bylaws, and shall have other powers and duties as may be incidental to the offices of Secretary, given him or her by these Bylaws or assigned to him or her from time to time by the Directors. If the Secretary or any assistant secretary or their designee 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 5.8 Auditor. The Board of Directors may from time to time at any scheduled meeting appoint some person, firm or corporation engaged in the business of auditing, to act as auditor of the Association and to perform such audits, reviews and fiscal duties as may be requested by the Association.

Section 5.9 Amendments to the Declaration. The Secretary shall arrange for the preparation of amendments to the Declaration and the President and Secretary shall execute the certificate for recording on behalf of the Association.

## ARTICLE VI
## FISCAL AFFAIRS AND ADMINISTRATION.

Section 6.1 Accounting and Records.

A. Books and accounts of the Association and income tax returns 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 Unit Owners with a statement of the income and disbursements for such prior fiscal year and a balance sheet as of the close of that year.

B. In accordance with the Maine Condominium Act, the Association must retain the following records:

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

(2) Minutes of all meetings of its Unit Owners and Board of Directors other than executive sessions, a record of all actions taken by the unit owners or Board of Directors without a meeting and a record of all actions taken by a committee in place of the Board of Directors on behalf of the Association;

(3) The names of current Unit Owners in a form that permits preparation of a list of the names of all Unit Owners and the US Mail addresses at which the Association communicates with them, in alphabetical order showing the number of votes each Unit Owner is entitled to cast, and email addresses may be furnished only if the Unit Owner has consented;

(4) Copies of its original or restated organizational documents and bylaws and all amendments to them and all rules currently in effect;

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

(6) A list of the names and addresses of its current Board of Directors members and its current officers;

(7) The Association's most recent annual report delivered to the Secretary of State;

(8) Financial and other records sufficiently detailed to enable the Association to comply with section 1604-108 of the Maine Condominium Act;

(9) Copies of current contracts to which the Association is a party;

(10) Records of Board of Directors or committee actions to approve or deny any requests for design or architectural approval from Unit Owners; and

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

C. Subject to the limitations set forth below and to the extent required by the Maine Condominium Act, all records retained by the Association must be available for examination and copying by a Unit Owner or the Unit Owner's duly authorized agent during reasonable business hours or at a mutually convenient time and location; and upon 10 days' notice in writing reasonably identifying the specific records of the Association requested.

Provided however that records retained by the Association may be withheld from inspection and copying to the extent that they concern:

(i) Personnel, salary and medical records relating to specific individuals;

(ii) Contracts, leases and other commercial transactions to purchase or provide goods or services currently being negotiated;

(iii) Existing or potential litigation or mediation, arbitration or administrative proceedings;

(iv) Existing or potential matters involving federal, state or local administrative or other formal proceedings before a governmental tribunal for enforcement of the declaration, Bylaws or Rules and Regulations;

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

(vi) Information the disclosure of which would violate any governmental law or regulation, other than the Maine Condominium Act;

(vii) Records of an executive session of the Board of Directors; or

(viii) Individual unit files other than those of the requesting unit owner.

The Association may charge a reasonable fee for providing copies of records under this Section and for supervising the Unit Owner's inspection. The Association is not obligated to compile or synthesize information.

The right to copy records under this Section includes the right to receive copies by photocopying or other means, including copies through an electronic transmission if available upon request by the Unit Owner, but the Association may require the advance payment of the reasonable fee as set forth above.

Information and records provided pursuant to this Section may only be used in connection with the management of the Association and the duties, rights or responsibilities of Unit Owners, officers or board members under this Act or the Association's governing documents, and may not be used for commercial purposes or for any other purpose not reasonably related to authorized uses. The recipient may be required to confirm that the records and information received will be used in compliance with these restrictions.

Section 6.2. Budget and Assessments.

A. The Board shall cause a proposed annual budget to be prepared based on its estimate of annual income and expenses and shall review and adopt a budget annually. Within thirty (30) days of the Board's adoption of the proposed budget, the Board shall send a summary of such budget to each Unit Owner.

The Board shall call a meeting of the Unit Owners to review the budget within ten (10) to thirty (30) days thereafter by giving notice accompanied by a summary of the budget; unless at that meeting the budget is rejected by Sixty-Seven percent (67%) in interest of all Unit Owners, the budget shall be deemed to have been ratified whether or not a quorum is present. Unless the budget is rejected, the Unit Owners shall pay the amounts specified in the proposed budget adopted by the Board. For Special Assessments, the affirmative approval of a majority in interest of all the Unit Owners shall be required as set forth in the Declaration.

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

i. Management and administration expenses;

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

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

iv. The establishment and maintenance of adequate working capital and reserves including general operating reserves, reserves for contingencies, for losses not covered due to insurance deductibles for which the Association is responsible, and reserves for periodic maintenance, repair and replacement of the Common Elements and Limited Common Elements the Association is obligated to maintain, all to be held in a segregated fund in a financial institution with an office in the State of Maine or in obligations of the United States of America; and

v. 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 by the Board, the Unit Owners shall continue to pay that monthly amount of Common Expense assessments and Service Charges 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 at its option send periodic statements to Unit Owners showing the amount of assessments due, but each Unit Owner shall pay his or her Common Expense assessments and Service Charges promptly when due regardless of whether such a statement is sent.

D. Each Unit Owner shall be personally responsible to pay his or her share of assessments and assessments without setoff or deduction, which shall be an amount equal to the total Association budget, net of other income and Service Charges as defined herein, multiplied by his or her respective common expense liability. Each Unit Owner shall become liable to the Association, and a lien shall arise against his or her Unit for his or her entire fractional share of the Common Expense assessments at the commencement of the pertinent fiscal period. Each Unit Owner may pay his or her share of the Common Expense assessments 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 Unit Owner shall fail or refuse to pay to the Association when due his or her share of the Common Expense assessments or any other Service Charges, user fees and penalties, fines, thereafter the amount thereof shall bear interest at the rate of Eighteen percent (18%) per annum or such other interest rate and late charges as may be set by vote of the Board prior to the date on which the payment came due. Such Common Expense 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 Unit Owner. Recording of the Declaration constitutes record notice and perfection of the lien for Common Expense assessments, Service Charges, user fees, including penalties, fines, 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 Board Member 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 Bylaws or otherwise available at law or in equity for the collection of all unpaid amounts and, if available, all possessory remedies against the delinquent owner's Unit under the Forcible Entry and Detainer Laws of Maine as amended from time to time. The delinquent Unit 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 Expense assessments, assessments, Service Charges, user fees, late charges, penalties, fines, 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 Expense assessments, assessments, Service Charges, user fees and penalties, fines 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.

Pursuant to the Maine Condominium Act, 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 Owner 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 Expense assessments 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 budget to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Board may adopt and deliver to the Unit Owners a revised estimated annual budget for the balance of such fiscal year and shall call a meeting of the Unit Owners to review the budget within ten (10) to thirty (30) days thereafter by giving notice accompanied by a summary of the budget; subject to the rights of the Unit Owners to reject such amendment by a two thirds (2/3) in interest vote at a meeting of the members called within such 30 day period at the request of 40% in interest request of the Unit Owners.

Upon determining that an emergency exists which requires the immediate assessment of the Unit Owners, the Board may make a one-time additional Common Expense assessment, not to exceed an amount equal to two (2) months current regular Common Expense assessment for each Unit unless a greater amount is ratified by the Unit Owners in accordance with normal budget procedures, which shall be due and payable when delivered to the Unit Owners.

In order to fund significant improvement, repair or renovation projects and associated costs, the Board of Directors may make special assessments for such Common Expenses or Limited Common Expenses payable either in a single installment or payable in installments over a period of months and/or years, all on such further terms and conditions and such interest rate as may be approved by the Executive Board, subject to the affirmative approval of a majority in interest of all Unit Owners if payments on the Special Assessment extend beyond the current fiscal year ("Special Assessment").

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 Pledge. The approval of a majority in interest of the Unit Owners present in person or by proxy and voting at a duly called meeting of the Association shall be required to approve the Executive Board's(i) make any new capital improvements to the Common Elements which cost an amount in excess of Thirty-five percent (35%) of the aggregate Common Expense assessments against the members during the prior fiscal year, exclusive of Service Charges, and (ii) to approve the Board of Directors' exercise of its power to pledge, assign and grant a security interest covering all revenues including Common Expense assessments and Service Charges in order to raise funds for repairs, renovations, improvements and associated costs and expenses with respect to the Common Elements. Maintenance and repairs of existing improvements shall not be considered improvements.

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

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

Section 6.9 Rules and Regulations. In order to assist the peaceful and orderly use and enjoyment of the buildings and Common Elements (including without limitation the Limited 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 Bylaws. Such Rules and Regulations upon adoption, and every amendment, modification, and revocation thereof, shall be sent promptly to each Unit Owner and shall be binding upon all members of the Association and all persons present on the Condominium.

Section 6.10 Right of Entry. Upon such reasonable 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 Unit owner or occupant is present at the time, and upon reasonable 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 6.11 Title. Every Unit owner shall promptly record in the Registry of Deeds the deed, assignment, or other conveyance to him or her of his or her Unit or other evidence of his or her title thereto and file such evidence of his or her title with the Association, and the Secretary shall maintain such information in the records of the Association.

Section 6.12 Insurance and Fidelity Bonds.

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

B. It shall be the responsibility of each Unit owner to procure adequate insurance covering the contents of his or her Unit and any deductible for damage to the Unit interior, and any appliances, fixtures, betterments or improvements thereto installed by the Unit owner unless insured through the Association's policy, all as further appears in and subject to the Declaration.

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

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

## 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/or by any one or more officer(s), agent(s) or employee(s), all as the Board of Directors may designate, unless otherwise approved 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, such other purposes related to the provision of public services, and

utilities to the Condominium and for recreational purposes 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 Unit Owners unless a special meeting of the Unit Owners is called within such period and the Unit Owners vote to reject such grant. No such rights may be created through any Unit without the written consent of the owners thereof and no such easement shall materially impair the use and enjoyment of the Condominium.

## ARTICLE X.
## LIABILITY OF DIRECTORS AND OFFICERS.

Section 10.1 Exculpation. No Board Member or officer of the Association shall be personally liable for acts or defaults of himself, herself 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 or her own willful misconduct or recklessness.

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 or she is or was an officer, Board Member, agent or employee of the Association against all expenses including reasonable counsel fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection therewith, excepting, however, such matters in which such person is finally adjudged by a court of competent jurisdiction to have acted with willful misconduct or recklessness towards the Association or absent a final adjudication thereof, and also excepting such matters in which the Board of Directors(excluding any interested Directors) determines any such person acted with willful misconduct or recklessness. This right to indemnification shall be in addition to any other power of the Association to indemnify as permitted by law. The Association may also maintain insurance on behalf of any person who is or was a Board Member, officer, agent or employee of the Association against any such liability asserted against him or her and incurred by him or her in such capacity or arising out of his or her status as such, whether or not the Association would otherwise have the power or duty to indemnify him or her.

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

## ARTICLE XI.
## BYLAWS.

Section 11.1 Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by vote of Sixty-Seven percent (67%) or more in voting interest of the Unit Owners of the Association at a meeting duly called for the purpose; PROVIDED, HOWEVER, that these Bylaws shall always contain those particulars which are required by the Maine Nonprofit Corporation Act, 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 Bylaws shall be valid, until a certificate of the amendment is executed to evidence the propriety of such

amendment or modification by the Secretary and President of the Association. Such certificate shall be recorded in Registry of Deeds.

Section 11.2 Interpretation.

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

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 these Bylaws, or the intent of any provision thereof.

The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

No restriction, condition, obligation or provision contained in these Bylaws 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 thereof which may occur.

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

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Bylaws Winslow Cumberland Foreside Condominiums.doc

# RULES AND REGULATIONS OF CUMBERLAND FORESIDE CONDOMINIUMS

## GENERAL

**1. Adoption and amendment**. Cumberland Foreside Condominium Association ("Association"), acting through its Board of Directors, has adopted the following Rules and Regulations ("Regulations"). These Regulations may be amended from time to time by resolution of the Board of Directors.

**2. Compliance**. All Unit owners, their families, invitees and guests and all other persons on the Condominium property shall comply with these Regulations.

**3. Obstructions**. There shall be no obstruction of the Common Elements.

**5. Document Conflict**. In the event these Rules and Regulations conflict with the provisions of the Condominium Bylaws or Declaration, the latter shall control.

**6. Insurance, etc**. Nothing shall be done or kept in any of the Common Elements which will increase the rate of insurance for the building or contents thereof applicable for residential use without the prior written consent of the Board of Directors. No Unit owner shall permit anything to be done or kept in his Unit or on the Common Elements which will result in the cancellation of insurance on the building or contents thereof or which would be in violation of any building or fire code. No waste shall be committed on the Common Elements.

Unit Owners are responsible for the payment of the applicable insurance deductible for damage to their Units, or such other deductible as may then be applicable under the insurance policies carried by the Association for a Unit and for losses that are not covered under the Association's policy. As further set forth in the Declaration, each Unit Owner should investigate and obtain at his or her own expense, a personal condominium insurance policy (for example, form type HO-6 as established by Insurance Services Office, Inc.) for damage to his or her Unit and personal property in the Unit and loss of use for his or her own benefit including without limitation coverage for such portion of the deductible of the Association's deductible as the Owner may desire, for any special loss assessments made by the Association and for his or her personal liability.

**7. Trash**. All garbage and trash must be stored inside a Unit or other designated area until the day designated by the Association for pick up, when it may be left outside in an animal proof, covered container –provided that initially the Declarant intends to make its construction dumpster available owner must deposit trash in that dumpster. Empty trash receptacles shall be promptly returned to the interior of the Unit after pick up. Any trash spread on the Common Elements shall be promptly picked up by the Unit owner. Only ordinary quantities of typical household trash may be deposited or left for pick up, excluding furniture, appliances, electronic waste and hazardous waste.

**8. Plumbing and Sewerage**. The toilets and other water and sewer apparatus shall be used only for the household purposes. No fat, grease, oil, petroleum, sweepings, rags, ashes or other improper articles shall be deposited in the sewer system. The cost of repairing any damage resulting from misuse of any of such apparatus shall be paid by the Unit owner causing such damage.

No washing machines shall be permitted in a Unit unless equipped with stainless steel mesh reinforced hoses connecting directly to the water supply.

Unit owners shall comply with the periodic water heater replacement program established from time to time by the Board of Directors.

**9. Unit Repair/Minimum Temperature**. Each Unit owner shall keep his Unit in a good state of preservation, repair and cleanliness and shall not sweep or throw or permit to be swept or thrown any dirt or other substance onto the Common Elements.

All Units shall be maintained a minimum temperature of no less then 55 degrees Fahrenheit in order to prevent the freezing of pipes and damage to the Unit and Common Elements. Units may not be left unheated.

**10. Structural and Common Element Changes**. Nothing shall be done in any Unit or on the Common Elements which may impair the structural integrity of the building or which may structurally change the building nor shall anything be altered or constructed on or removed from the Common Elements, except upon the prior written consent of the Board of Directors or as otherwise provided in the Declaration.

**11. Nuisances.** No noxious or offensive activity shall be carried on in any Unit or on the Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Unit owners or occupants.

**12. Noise**. No Unit owner shall make or permit any disturbing noises in the building or do or permit anything which will interfere with the rights, comforts or convenience of other Unit owners, including the actions of pets. All Unit owners shall keep the volume of any radio, television or musical instrument in their Units sufficiently reduced at all times so as not to disturb other Unit owners.

Furthermore no Unit owner shall operate or permit to be operated any such sound-producing devices in a Unit between the hours of 10 o'clock p.m. and the following 8 o'clock a.m. if such operation shall disturb or annoy other occupants of the Property.

**13. Use of Units**. Except activities conducted entirely within the Unit, not detectable from outside the Unit and not involving visits by customers, salesmen or clients, no unit shall be used for commercial or business purposes. No Unit shall be used or rented for transient, hotel or motel purposes. Pursuant to the Declaration, no Unit may be leased for a period of less than six

(6) months except at the discretion of the Board of Directors. No portion of any Unit (other than the entire Unit) shall be leased for any period.

**14. Signs**. No "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising shall be maintained or permitted on any part of the Units except by the Declarant. The Declarant has the right to place "For Sale," "For Rent" or "For Lease" signs on any unsold or unoccupied Units. Any Mortgagee who may become the owner of any Unit may place such signs on any Unit owned by such Mortgagee, but in no event will any sign be larger than one foot by two feet.

**15. Window Coverings**. Draperies, curtains or blinds must be installed by each Unit owner on all windows of his Unit and must be so maintained thereon at all times.

16**. Hangings and Visible Changes**. No Unit owner shall cause or permit anything to be hung, displayed or exposed on the exterior of a Unit or Common Elements appurtenant thereto, whether through or upon windows, doors or masonry of such Unit except for existing directional signs of the Association. The prohibition herein includes without limitation flags other than the US Flag, banners, laundry, clothing, rugs, signs, awnings, canopies, shutters, radio or television antenna and dishes or any other items except as otherwise expressly required by the Federal Communications Commission Rules or law. Under no circumstances shall any air conditioning apparatus, television or radio antennas or dishes, or other items be installed by the Unit owner beyond the boundaries of his Unit except with the special permission of the Board of Directors from time to time upon any conditions and terms that they may establish; and (iii) any original exterior HVAC systems installed by the Declarant shall be permitted.

No decks may be stained or painted by Unit Owners without the permission of the Association. A written request should be sent to in advance to the Association. No work may commence until written permission has been received from the Association.

No clothes line, clothes rack or any other device may be used to hang any items on any window nor may such devices be used anywhere on the Common Elements except in such areas as may be specifically designated for such use by the Board of Directors. No deck, patio balcony shall be enclosed or covered by a Unit owner except for the construction of the optional sunspaces by the Declarant as permitted in accordance with the Declaration.

Flowers and annual plants may be planted in the Limited Common Elements and other designated areas subject to the approval of the Board of Directors.

1**7. Storage**. Outside decks and patios shall not be used for storage purposes, except for functional seasonal outdoor furniture and barbeque units. No bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property shall be left unattended in the Common Areas and Limited Common Areas.

No propane or gasoline shall be stored or used in any Unit, excepting only heating systems installed by a licensed plumber or heating technician.

**18. Illegal Acts**. No Unit shall be used for any unlawful purpose and no Unit owner shall do or permit any unlawful act in or upon his Unit.

## PET RULES

**19.** No animals of any kind shall be raised, bred or kept in any Unit or on the Common Elements, except orderly dogs, cats or other household pets as permitted by the Declaration and these Rules and Regulations.

Except for certain types of ordinary household pets expressly permitted herein, the maintenance, keeping, boarding and/or raising of animals, including without limitation laboratory animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited within any Unit or upon the Common Elements however a Unit Owner may keep within such Unit up to one (1) dog (two dogs if both dogs are under 25 pounds), two (2) cats and a reasonable number of other ordinary household pets such as caged birds and tropical fish.

No pets and animals shall be permitted outside of a Unit except on a leash attended by a responsible person.

Pet owners shall immediately clean up the droppings left by their pets.

Upon notice and opportunity to be heard, the Association may expel dogs, cats or other pets in violation of these Regulations or the Declaration from the Property and may fine and assess penalties against offending owners.

**20.** In any event all pets and animals shall be restrained so as not to become a nuisance, noisome or offensive to, or endanger other persons on the Property. Such actions may include, but are not limited to, barking, scratching, crying in the Common Elements or within a Unit which can be heard outside of the Unit's boundaries or attacking people. The Board of Directors shall have the right to determine whether these restrictions have been violated.

**21.** All pets must be registered and inoculated as required by law and registered with the Association.

**22.** Pet owners are fully responsible for personal injuries and/or property damage caused by their pets.

**23.** Any type or breed of pet which is not covered by the Association's liability insurance or by Owner's liability insurance or which results in an additional Association insurance premium or which is deemed dangerous be the Board of Directors in its discretion shall be prohibited. Without limiting the foregoing, Dobermans, Rottweilers and Pit Bulls or any mixtures thereof shall be prohibited.

## PARKING AND STORAGE

**24.** Unless otherwise authorized by the Association, the no parking areas may not be used for any purpose other than for passenger automobiles and trucks with a gross vehicle weight of less than 8,000 pounds, and such vehicles must be in operable condition and fully licensed for operation on public highways. No motorized vehicles shall be used on the Property, except within the parking areas and on the streets as shown on the Condominium Plat.

**25.** No inoperable or unregistered vehicles, nor any boats, recreational vehicles, snowmobiles, terrain vehicles or other vehicles or recreational equipment or similar items may be kept or parked on the Property except within a fully enclosed garage forming a part of the Unit. All vehicles must have current license plates and be in operating condition. No motor vehicle repair may be carried on in the Common Elements. No vehicles shall be parked on the Condominium with conspicuous "For Sale" signs attached.

**26.** No snowmobiles, all terrain vehicles or similar items may be operated on the Property.

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

**28**. Parking shall not be permitted in areas posted against parking or which block sidewalks, garage entrances, or driveways. The Association may restrict overnight parking on the Condominium streets in accordance with posted signs.

If any vehicle owned or operated by a Unit owner, any member of his family, tenants, guests, invitees or licensees shall be illegally parked or abandoned on the Condominium, the Association shall be held harmless by such Unit owner for any and all damages or losses that may ensue, and any and all rights in connection therewith that the owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The Unit owner shall indemnify the Association against any liability which may be imposed on the Association as a result of such illegal parking or abandonment and any consequences thereof.

**29.** All personal property placed in any portion of the buildings or any place appurtenant thereto, shall be at the sole risk of the Unit owner and the Association shall in no event be liable for the loss, destruction, theft or damage to such property, even if due to the alleged fault or negligence of the Association.

**30.** Nothing shall be stored on the Common Elements without the prior consent of the Board of Directors except as expressly provided herein or in the Declaration or Bylaws.

## ENTRY INTO UNITS

**31.** Upon request of the Board of Directors, each Unit owner shall provide to the Association or the Managing Agent, and the Association or Managing Agent shall have the right to keep, a working copy of any key(s) required to gain entry to any Unit. These key(s) ("emergency keys") shall be coded in such a way as to prevent identification by unauthorized persons and secured by the Association or Managing Agent in a locked box for use only if entry to such Unit is necessitated by the fact or threat of fire, flood, or any other condition which may adversely affect the Common Elements or other Units. No Unit owner shall alter any lock or install additional locks on any doors of a Unit without the prior written consent of the Board of Directors. If no such key is provided for any reason, then the Association shall not be liable for any damage in breaking into a Unit for the purpose of exercising and discharging its powers and responsibilities, including without limitation, damage to the Common Elements.

**32.** As also provided in the Maine Condominium Act, the agents of the Board of Directors or the Managing Agent, and any contractor or workman authorized by the Board of Directors or the Managing Agent, may enter any Unit upon reasonable advance notice to the Unit owner at any reasonable hour of the day (except in case of emergency in which case entry may be immediate and with such notice as may be possible) for the purpose of exercising and discharging their respective powers and responsibilities, including without limitation inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

## MOVING

**33**. Move-ins and move-outs are restricted to the hours between 9:00 a.m. and 8:00 p.m.

## FAILURE TO PAY COMMON CHARGES AND SERVICE CHARGES, FINES

**34.** With respect to Common Charges, Service Charges and Fines, there is a 10 day grace period for late payments. If not paid within 10 days of when due, a $25.00 late fee shall be assessed on the 11th day. If not paid within 30 days of when due, then effective on the 31st day there will be a 18% interest rate fee assessed effective back to the original due date in addition to the late charge. All costs of collection including reasonable attorney's fees shall be a lien on the Unit

**35.** Upon any failure to comply with the Rules and Regulations, the Bylaws or the Declaration by a by a Unit Owner, his or her family, occupants and tenants, and any guests and invitees thereof visiting a Unit, the Board may assess a fine against the Unit owner in the amount of up to $100.00 for each day of violation, provided that a Unit Owner shall be given notice and opportunity to be heard by the Board, but the Board's decision shall be final on the amount of such fine. If a fine is not paid within 30 days, then the Unit Owner shall pay interest at the rate of 18% per annum on the outstanding balance and shall be liable for all costs of collection and enforcement including without limitation reasonable attorneys fees. The amount of the fine with interest and costs shall constitute a lien on the Unit.