

118 ON MUNJOY HILL

PUBLIC OFFERING STATEMENT

General Project Description

118 on Munjoy Hill Condominium (the "Condominium") is to be a newly constructed mixed-use (i.e., residential and retail/commercial) condominium project located at 118 Congress Street in Portland, Maine.

The developer of the Condominium (the "Developer" or "Declarant") is 118 Condominiums, LLC, a Maine limited liability company with an address 118 Brackett Street, Portland, ME 04102.

The Condominium will be comprised of one building (the "Building") with 12 residential units (the "Residential Units") on the second, third and fourth floors and 2 Nonresidential Units on the first floor along Congress Street. Under the current plan, the 12 Residential Units will be as follows: three two bedroom plus den, 2.5 bath Units; three three bedroom, 2.5 bath Units; and six three bedroom plus den, 2.5 bath Units.

Declarant intends to commence construction of the Condominium in May of 2014, with completion and occupancy of the first Units therein estimated to be in January, 2015. The foregoing timeframe is an approximation only and is subject to delays arising from marketing and sale of units, receipt of governmental permits, work stoppages, labor and/or material shortages, weather conditions, "acts of God," and other factors beyond the Declarant's reasonable control.

Declarant owns the land by virtue of a Warranty Deed. As is more fully discussed below, the Declarant obtained conditional site plan and subdivision approval for the construction of the Condominium from the City of Portland Planning Board on _____, and recorded its Subdivision Plat in the Cumberland County Registry of Deeds in Plan Book _____, Page _____. Attached hereto as **Exhibit A** is a reduced copy of the Subdivision Plat. Any and all obligations of the Declarant to Unit purchasers shall be subject to, and contingent upon, the receipt of all necessary governmental permits not already obtained by the Declarant and a certificate of occupancy for the units upon completion of construction.

The Condominium includes 18 enclosed parking spaces located on the first floor of the building. Each of the parking spaces in the Condominium will be sold by the Declarant as an appurtenance (or "limited common element") to a Residential Unit.

Some of the spaces can accommodate vehicle lifts, and Declarant intends to allocate such parking spaces with lifts to Residential Units as desired.

Disclosures Relating to the Declarant's Retained Special Declarant Rights

Declarant has not reserved any development right to create additional units, add land to the Condominium, remove land from the Condominium, or convert units to common elements or common elements to units. The only development right reserved is the right to declare the delineated Parking Spaces, storage closets and mailboxes as limited common elements (i.e., convert common elements into limited common elements) and to allocate such specific limited common elements to specific units as determined in Declarant's sole discretion for a period of up to 10 years from the date of the Condominium Declaration (more fully described below).

Any limited common element(s) created by the Declarant in the future are expected to be the same general types and sizes as the limited common elements within other parts of the Condominium. It is also expected that the proportion of limited common elements to Units created by the Declarant will remain approximately the same as the project is developed. Notwithstanding the foregoing, the Declarant makes no assurances in the foregoing regards.

Units will have appurtenant limited common elements in the balconies and/or on the roof above the unit.

The Declarant has retained special declarant rights in order to facilitate the development, construction, financing and marketing of the Units in the Condominium, including without limitation, the following:

- The right to maintain a sales office, a management office, and one or more model Units;
- The right to control the executive board (the "Board") of the Condominium Association (the "Association") for up to seven (7) years (or, if sooner, that date which is 60 days after eight of the total units have been conveyed to Unit Owners other than the Declarant);
- The right to use certain unsold Units for rental purposes on terms and conditions determined by the Declarant; and
- The right to use certain common elements of the Condominium for construction of the Building and related improvements, the marketing and development-related

purposes, and to utilize one or more Residential Units as models to assist in its marketing efforts.

In addition to the Units and parking garages described above, the Building is also expected to contain common storage and work areas, common trash room(s), common utility room(s), lobby(s), vestibule(s), hallways, stairways and elevator.

Significant Features of Condominium Documents

The Condominium's primary legal documents will consist of the following: (a) Declaration of Condominium (the "Declaration," a copy of the draft of which is attached hereto as **Exhibit B**); (b) the By-Laws of 118 on Munjoy Hill Condominium Association (the "By-Laws," a copy of which is attached hereto as **Exhibit C**); (c) a Property Management Agreement; (d) the Condominium's Rules and Regulations (a copy of which is attached hereto as **Exhibit D**); (e) the Condominium Plat and Condominium Plans (reduced copies of which are attached hereto as **Exhibit E**) and (f) the Purchase and Sale Agreement (the "P&S" or "Sales Agreement").

The following is a brief narrative description of each of the above-described documents:

(a) **Declaration of Condominium**

The Declaration of Condominium is the legal document executed by the Declarant and recorded at the Registry of Deeds which formally dedicates the Condominium property to the condominium form of ownership. Once this instrument is recorded, the Condominium becomes divided into various individual "Units," as well as various common elements and limited common elements (which are common elements reserved for the exclusive use of a unit or units). The common elements will be owned by the Unit owners as tenants in common based on the allocated interests of the Unit owners. The Declaration also includes various other rights, obligations, easements, covenants and restrictions relating to the Declarant, the Units and the common elements, as well as a method to carry out any future amendments to the Declaration.

(b) **By-Laws**

The By-Laws define the governance, operation and functioning of 118 on Munjoy Hill Condominium Association (the "Association"). The Association is, or will be, organized as a non-profit, non-stock, mutual benefit corporation pursuant to Maine law. The Association will be governed by an Executive Board (the "Board"), and the By-Laws provide for the size of the Board, the method of the Board's election, general Board powers, the removal of Board members, the required officer positions, and the appointment of officers. The By-Laws also provide that the Board initially shall be appointed by the Declarant, as described above in this Public Offering Statement.

(c) Property Management Agreement

The Property Management Agreement deals with the day-to-day management of the Condominium for the benefit of the Unit Owners and residents. Although a Property Management Agreement has not yet been entered into, it is anticipated that this will be done at or about the time of the creation of the Condominium.

(d) Rules and Regulations

These are a series of additional restrictions and requirements relating to use of common elements and occupancy of Units adopted by the Association for the benefit of Unit owners generally. The Rules and Regulations may be modified from time to time by the Board.

(e) Purchase and Sale Agreement

The Purchase and Sale Agreement (if signed by Declarant and a purchaser) constitutes the contractual agreement between the Declarant and the purchaser, setting forth the purchase price and other important terms and conditions related to the purchase of a Unit.

Projected Association Budget(s)

Due to the mixed-use nature of the project, the Condominium documents have been drafted to provide for common expenses to be assessed pursuant to up to four separate budgets (the "Budgets"):

- (1) The General Budget: This is the Budget which accounts for all of the Condominium expenses and services which benefit all Units generally. Examples include snow removal, insurance premiums, legal fees, sewer and water fees, landscaping and grounds maintenance, exterior maintenance, waste removal costs, reserves related to general building materials and equipment, and management fees.
- (2) The Residential Budget: This is the Budget for expenses and services which benefit only the Residential Units. Examples include lobby and elevator repairs and maintenance, interior lobby, stairway and hallway maintenance, mechanical and electrical equipment maintenance relating to the residential units (excluding maintenance relating to equipment associated exclusively with one unit), elevator and life safety maintenance, testing and licensing, reserves related to residential building materials and equipment, and balcony repairs. If a separate Garage Budget is not created, then expenses relating to the parking garage will be part of the Residential Budget.
- (3) The Commercial Budget. This is the Budget for expenses and services relating solely to the commercial units. **By way of example, commercial Expenses shall consist of the cost of utilities and other services provided exclusively to the Commercial Units and Limited Common Elements appurtenant to the Commercial**

Units, the cost of maintenance, repair and replacement of the Limited Common Elements appurtenant to the Commercial Units and such expenses as are designated as Commercial Expenses by the Maintenance Responsibility Chart.

- (4) The Garage Budget. If adopted, this would be a Budget for expenses and services relating solely to the parking garage. A separate Budget will likely be provided for the parking garage because not all Unit Owners will have appurtenant rights to an equal number of parking spaces in the garage.

Assessments for expenses set forth in the General Budget will be based upon each Unit's percentage interest in the Condominium common elements. Each Residential Unit's assessments for expenses set forth in the Residential Budget will be based upon its allocated interest, which is calculated as a fraction, the numerator of which shall be that Residential Unit's percentage interest in the common elements and the denominator of which shall be the aggregate percentage interest of all Residential Units. Each Commercial Unit's assessments for expenses set forth in the Commercial Budget will be based upon its allocated interest, which is calculated as a fraction, the numerator of which shall be that Commercial Unit's percentage interest in the common elements and the denominator of which shall be the aggregate percentage interest of all Commercial Units. Assessments under the Garage Budget will be assessed to each holder of the right to use a Parking Space, on an equal basis for each such Parking Space.

The Association's projected Budgets for the first year of operation once the building is constructed are attached hereto as Exhibit E. These Budgets were prepared at the Declarant's request by _____, an independent consultant and property manager, and are estimates based on information available in January, 2014. The Budgets are not dependent upon any minimum assumed level of occupancy, and because the Budgets are believed to be a reasonable projection of the expenses to be incurred, no inflation factor has been included. The projected first-year Assessments for each Unit are also included in Exhibit E. Because the Association has not been formed yet, there currently is no balance sheet for the Association.

In addition to the Assessments described above, the Residential and Commercial Units will be assessed, on a monthly basis, a Utility Charge, determined by the property manager based on an allocation of utility costs associated with the heating and cooling of the Units. The allocation will be determined by computer software associated with the mechanical equipment that will determine the proportion of the total energy utilized during the period associated with each Unit.

Other Association Services

To the best of the Declarant's knowledge and belief, there are no services to be provided to the Association which are not reflected in the Budgets, which the Declarant will initially provide, and which might become a common expense of the Association in future years, except to the extent that Declarant performs certain work to accommodate Declarant's construction activities (e.g., snow plowing).

Initial or Special Fees

In addition to customary closing costs, Unit purchasers must contribute to the Association's working capital reserve fund, in an amount equal to two times the Unit's estimated or actual monthly assessment for common expenses. This contribution is non-refundable and is not a prepayment of regular monthly common expense assessments or any special assessments.

Liens and/or Title Encumbrances

There are various covenants, conditions, easements and restrictions of record relating to the Condominium, in addition to those set forth in the Declaration, as set forth in Exhibit G attached hereto.

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Warranties

The Declarant will provide each purchaser of a Unit with a Limited Warranty to protect against possible construction or design problems. This Limited Warranty also will be part of the Purchase and Sale Agreement and will be acknowledged and signed by both the Declarant and the Unit purchaser by the closing. In order to assert a claim under the Limited Warranty, an action must be initiated within two years after the purchaser's closing of the purchase of the Unit. The Limited Warranty is transferable to subsequent Unit owners. Maine law also provides certain express and implied warranties of quality which are set forth in Sections 1604-112 and 1604-113 of the Maine Condominium Act. As to any item covered by Maine's statutory express or implied warranty provisions, the statute of limitations for assertion of a claim shall be limited by the Limited Warranty Certificate to two (2) years from the date of closing.

Cancellation Rights

(a) 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.

If the purchaser elects to cancel, the purchaser may do so by hand-delivering a Notice of Cancellation or by mailing the notice by pre-paid United States mail, to the Declarant. The cancellation rights conferred hereby are without penalty, and any earnest money deposit made by the purchaser will be promptly refunded in its entirety upon such cancellation as described above.

(b) If a purchaser accepts the conveyance of a Unit or waives the cancellation right prior to closing, the purchaser thereafter may not cancel the contract.

Absence of Unsatisfied Judgments

There are no unsatisfied judgments or pending lawsuits against the Association, nor are there any pending lawsuits material to the Condominium of which the Declarant has actual knowledge.

Escrow of Deposit(s)

Any earnest money deposit made in connection with the purchase of a Unit will be held in an escrow account until closing and will be returned to the purchaser if the purchaser cancels the contract pursuant to its terms and Section 1604-107 of the Maine Condominium Act. The name and address of said escrow agent is: Thomas B. Federle, Esq., Federle Mahoney, LLC, 254 Commercial Street, Portland, Maine 04101. Prepayments for upgrades are not earnest money deposits and will not be held in escrow; rather, they are prepayments for specific upgrades to the unit requested by the

purchaser and such funds may be used by the Declarant to purchase materials and perform work on the unit in connection with such upgrades.

No Restraints on Transfer

The Declarant is not aware of any restraints on transfer of any portion of the Condominium.

Contracts to be Signed by Unit Purchaser at Closing

In addition to signing the Limited Warranty Certificate at closing, as indicated above under the discussion of Warranties, a unit purchaser will be required by the Purchase and Sale Agreement to sign at closing the Tax Apportionment Agreement attached hereto as Exhibit H.

Insurance

The Declarant and/or the Condominium's property management company will keep the Condominium and units insured against loss by fire and standard extended coverage events, as well as with commercial general liability insurance. Further details of insurance coverage are set forth in the Declaration attached hereto as Exhibit B. Each purchaser is advised, however, to obtain his or her own condominium unit owner's insurance policy, in order to insure against matters not covered by the Condominium's policy.

Absence of Fees for Use of Facilities

The assessments paid by a Unit purchaser to the Association cover the use and enjoyment of the Condominium's common elements, facilities and amenities, and no further fees will be charged for such use except for service charges for use of common elements by Unit owners for events that preclude the use of such common elements by others.

Declarant's Financial Arrangements

The Declarant intends to obtain a loan from to finance the construction of the Condominium building and related improvements. Subject to the satisfaction of the other contingencies, conditions and reservations set forth in the Purchase and Sale Agreement and this Public Offering Statement, the Declarant will be obligated to complete and/or restore any improvements labeled "MUST BE BUILT" on any plats or plans to be recorded with the Condominium Declaration.

Alienation of Common Elements

Except for the sale of Parking Spaces as discussed herein, no portion of the Condominium's common elements may be alienated or sold, except as expressly allowed by Section 1603-112 of the Maine Condominium Act.

118 ON MUNJOY HILL CONDOMINIUM

EXHIBITS TO PUBLIC OFFERING STATEMENT

- A: Subdivision Plat Approved on
- B: Declaration of Condominium
- C: By-Laws of 118 on Munjoy Hill Condominium Association
- D: Condominium Rules and Regulations
- E: Reduced Copies of Condominium Plat and Condominium Plans
- F: Estimated Annual Budget and Monthly Dues Per Unit
- G: Schedule of Title Matters
- H: Tax Apportionment Agreement

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EXHIBIT B
Public Offering Statement

**118 ON MUNJOY HILL CONDOMINIUM
Portland, Cumberland County, Maine**

DECLARATION OF CONDOMINIUM

The 118 Condominium, LLC, a Maine limited liability company with a principal place of business located at 118 Brackett Street, Portland, Maine 04102 (hereinafter with its successors and assigns, referred to as the "Declarant"), being the owner of that certain real property located in Portland, Cumberland County, Maine, as more fully described hereinafter, by duly executing and recording this Declaration, does hereby submit said land, together with the buildings and improvements now or to be hereafter erected thereon, and all easements, rights and appurtenances belonging thereto, except such rights and interests reserved by and to the Declarant hereunder (hereinafter collectively called the "Property"), to the provisions of Title 33 Maine Revised Statutes, Chapter 31, §§ 1601-101, *et seq.*, as now and as may be hereinafter amended (hereinafter referred to as the "Condominium Act"), and does hereby declare and create, with respect to the Property, a condominium governed by and subject to the provisions of the Condominium Act. To that end, the Declarant does hereby declare and provide as follows:

1. Name of the Condominium; Defined Terms. The name of the condominium created shall be 118 ON MUNJOY HILL CONDOMINIUM (hereinafter sometimes referred to as the "Condominium"). Capitalized terms used herein, if not defined herein, shall have the meanings defined in the Condominium Act or in the Association's By-Laws.

2. Organization of Owners. The organization through which the Unit Owners will manage and regulate the Condominium is 118 ON MUNJOY HILL CONDOMINIUM ASSOCIATION, a Maine non-profit corporation governed by By-Laws of even date and recorded herewith (hereinafter sometimes referred to as the "Association" and the "By-Laws," respectively). Said By-Laws are not incorporated into this Declaration and therefore may be amended pursuant to the terms of the By-Law and without complying with the requirements for amending this Declaration by its terms or pursuant to the Maine Condominium Act. Said By-Laws establish an association of which all Owners shall be members and in which such Owners shall have a membership interest for voting, assessment, and all other purposes in proportion to the percentage of Undivided Interest in the Common Elements to which they are entitled hereunder, pursuant to and in accordance with the provisions of the Condominium Act. The names of the original Declarant-appointed members of the Association's Executive Board are as follows:

Edward Theriault, S. P. Newell and Thomas Federle c/o
The NewHeight Group
118 Brackett Street
Portland, ME 04102

The Declarant hereby reserves the right to control the Executive Board of the Association for a period of time, as follows: during the period from the date of the first conveyance of a Unit to a third party other than the Declarant until 60 days after the conveyance to third-party purchasers by the Declarant of Eight (8) Units, or if sooner, seven (7) years from the date of the first

conveyance of a Unit to a third party other than the Declarant (the "Transition Date"), there shall be three (3) Board Members so appointed by the Declarant, its successors or assigns. Upon any vacancy existing in such Board, its or their successor(s) prior to the Transition Date shall be appointed solely by the Declarant, its successor or assigns. On or before the Transition Date, a special meeting of the Unit Owners shall be held for the purpose of electing five (5) Board Members, as described in the By-Laws.

3. Description of the Land: Plats and Plans. The Land portion of the Property comprising the Condominium (the "Land") is that certain parcel of land situated in Portland, Cumberland County, Maine, being described on **Schedule A** attached hereto. The Land is subject to such rights, easements, restrictions and encumbrances recited in **Schedule A**; and the rights and easements established herein. The Land is additionally subject to such rights, interests and easements as may be herein reserved to the Declarant, which rights, interests and easements shall, in all instances, be exercisable by the Declarant and its successors or assigns.

The Condominium is comprised of the Land and includes twelve (12) residential units (the "Residential Units") and two (2) nonresidential units (the "Nonresidential Units"), located in one building, all fourteen (14) of which units hereby are created.

Recorded herewith is a certain site plan or plat (the "Condominium Plat" or "Site Plan"), depicting the Land and the location and dimension of the improvements thereon. Also recorded herewith are certain plans (the "Condominium Plans" or "Floor Plans") depicting the Units, their designated Unit numbers, horizontal Unit boundaries with reference to established datum, the location and dimensions of vertical Unit boundaries, Common Elements, the Parking Garage described below, certain Limited Common Elements appurtenant to certain Units (such as terraces, patios, balconies, parking spaces and storage closets).

4. Description of the Building. As described above, the Condominium consists of 14 Units: 12 Residential Units and 2 Nonresidential Units in a single, wood-frame, mid-rise building (the "Building"). The Units are listed on Schedule B attached hereto, along with each Unit's appurtenant undivided percentage interest ("Undivided Interest") in the Common Elements of the Condominium. Below the building is a steel and concrete indoor parking garage, with 18 parking spaces, lobbies, elevator lobbies, vestibules, electrical rooms, a water service room, a trash room, a work room, a dog wash area and a bicycle storage room, all as shown on the Floor Plans.

5. Descriptions of the Units and Their Boundaries. Units in the Condominium are defined as those physical portions of the Condominium designated for separate ownership hereunder, or in any amendment hereto. The Units, their respective boundaries and the appurtenances thereof are as hereinafter delineated:

A. Boundaries of Units. The boundaries of each of the Units with respect to the floors, ceilings, and the walls, doors and windows thereof are as follows:

(i) Floors: The upper surface of the slab or structural joists below the sub-flooring of the Unit or the Unit's floor.

(ii) Ceiling: The lower plane of the slab or structural joists supporting the next level above the Unit.

(iii) Exterior and Demising Walls: The plane of the outside of exterior walls; the plane of the middle of partition walls (provided, however, that regardless of such unit boundaries, maintenance, repair and replacement of such exterior walls and partition walls, commencing from the plane of the wall framing facing the Unit and then proceeding outward, shall be performed by the Association rather than the Unit Owner, as provided elsewhere in this Declaration).

(iv) Doors and Windows: As to doors leading to the exterior of the Building or to interior of a Unit, the exterior surface of the door and of the door frame; as to windows, the exterior surface of the glass (and screens if any) and of the window frame (or in the case of storm windows, the exterior surface of the storm window glass and frame).

provided, however, that no pipes, wires, conduits, ducts, flues, shafts, structural beams, structural walls, exterior facade, structural supports or public utility lines situated within a Unit or Limited Common Elements shall be deemed to be a part of said Unit or Limited Common Element.

B. Alteration of Units. Unit owners, including Declarant, may alter, combine and/or subdivide Units, and/or relocate the boundaries between adjoining Units, provided, however, that: (1) the terms and provisions of Sections 1602-111, 1602-112 and/or 1602-113 of the Condominium Act (as applicable) are complied with, (2) the advance written consent of the Executive Board is obtained, which consent shall not be unreasonably withheld, and (3) any reasonable conditions imposed by the Executive Board are complied with in all respects.

6. Description of Common Elements and Limited Common Elements, Maintenance of Common Elements and Units,

(a) Description of the Common Elements. The common elements of the Condominium (the "Common Elements") consist of the entire Property described in Schedule A-1 exclusive of the Units, all as hereinbefore described and defined (and exclusive of any and all rights, interests and/or easements reserved by the Declarant).

The Common Elements shall be subject to the provisions hereof, and of the By-Laws, and the Rules and Regulations as may be promulgated thereunder with respect to the use and maintenance thereof.

Notwithstanding the foregoing, the Common Elements shall exclude the exclusive rights, interests and easements reserved to the Declarant by law or by the Declarant in this Declaration.

(b) Limited Common Elements.

As provided in Section 1602-102 of the Condominium Act:

- If any chute, flue, duct, wire, pipe, conduit, bearing wall, bearing column or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a

Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements; and

- Any shutters, awnings, window boxes, doorsteps, porches, balconies, patios and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

The Floor Plans recorded herewith depict various private terraces or private balconies, with access thereto from adjacent Units. Such private terrace areas or balconies are Limited Common Elements for the exclusive use by the occupants of such adjacent Units subject to the terms of this Declaration and the Condominium Act.

The Declarant hereby reserves the development right to allocate the exclusive right to use certain other Limited Common Elements to the owner(s) of certain Units, which Limited Common Elements shall be appurtenant to the Unit(s) to which they are allocated. Such Limited Common Elements include, or may include, without limitation, the following:

- the parking spaces (the "Parking Spaces") in the Condominium's garage (the "Garage");
- Storage closets located in the Garage;
- the mailboxes.

Such allocations by the Declarant of Limited Common Elements, if not established as described above, may be carried out in any Unit Deed or other recorded instrument from the Declarant. The Declarant may, in the future, allocate additional Limited Common Elements (for additional Parking Spaces and/or storage areas, for example) by Special Amendment to this Declaration, and the Declarant hereby retains and reserves the exclusive right to so establish future Limited Common Elements.

Unit Owners having the exclusive right to use terraces and/or balcony areas may, at their sole cost and expense, install certain planters and/or privacy barriers with the prior written consent of the Executive Board, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Parking Spaces.

The Declarant, as one of its Development Rights, hereby retains and reserves the right to establish and thereafter use, allocate, convey and assign an exclusive right to use each of the Parking Spaces as shown on the Floor Plans recorded herewith, as well as those shown on any new or amended Floor Plan(s) which may be hereafter recorded.

Subject to the terms and provisions of the Condominium Act, the Parking Spaces (i) may only be used by the Declarant and by occupants of the Condominium and their guests, invitees

and licensees, and (ii) may thereafter be transferred to other Unit Owners pursuant to Section 1602-108(b) of the Condominium Act.

The following additional restrictions and regulations shall apply to the use and occupancy of the Parking Spaces:

- (i) The Parking Spaces shall be used only for the storage of personal property and/or the parking of registered and operational private automobiles, motorcycles, and noncommercial vans and trucks and recreational vehicles. No trucks, (except non-commercial pickup trucks), boats, trailers (whether capable of independent operation or attached to an automobile or other vehicle), commercial vehicles, and the like, may be parked in the Parking Spaces except with the written consent of the Executive Board. Any storage of personal property in or on the Parking Spaces shall only be in enclosed storage facilities built by the Declarant or approved in writing, in advance, by the Executive Board.
- (ii) All vehicles shall be parked wholly within their respective Parking Spaces.
- (iii) A Parking Space holder may permit any tenant, guest, invitee or licensee the right to use a Parking Space which said holder is entitled to use, but all parties using said Parking Space shall comply with the provisions relating to such use and occupancy contained in this Declaration, the Condominium By-Laws, Rules and Regulations.
- (iv) A Parking Space holder who permits any tenant, guest, invitee or licensee to use a Parking Space to which said holder is entitled to use shall be responsible for the compliance by such other user with provisions of this Declaration, the Condominium By-Laws, Rules and Regulations, to the extent the same may be applicable.
- (v) In instances where vehicles using the Parking Spaces and other facilities of the Condominium do not comply with this Declaration, the Executive Board is authorized to allow the towing of the offending vehicles at the expense of the owners of such vehicles and the Parking Space holder.
- (vi) Since the Parking Garage is a relatively confined area, any user thereof may do so only in a cautious manner, and any Owner(s) or other party holding the right to use a Parking Space, by acceptance of their Deed or other right to use, thereby agrees to both release and indemnify the Declarant, the Condominium Association, its Executive Board from and against any and all claims, losses, costs, expenses or damages said parties may incur (including, without limitation, reasonable attorneys' fees and costs) or be hereafter subjected to and arising from the acts or omissions of the Owner or other party holding the right to use such Parking Spaces, unless arising from the indemnified party's gross negligence, willful misconduct or violation of the terms and provisions of this Declaration, the Condominium's By-Laws, Rules or Regulations.

- (vii) Owners of Units to which certain parking spaces that can accommodate a vehicle lift may install such lifts at their own expense provided that such installation first receive approval of the Executive Board, which approval will not be unreasonably withheld, and provided that the installation and use of the lift complies with any reasonable requirements imposed by the Executive Board relating to the safety of the lift, the maintenance of the lift, the removal of the lift in connection with Parking Garage maintenance and repair, and payment for the additional utility expenses associated with lift operation.

(d) Maintenance and Repair of Units and Common Elements.

Except as otherwise provided in the Condominium Act or this Declaration, the Association is responsible for carrying out maintenance, repair and replacement of the Common Elements, and each Unit Owner is responsible for the maintenance, repair and replacement of his or her Unit. Notwithstanding the foregoing, the following shall apply:

- (i) Unit Owners shall keep their appurtenant balconies, terraces and Parking Spaces in a clean and neat condition.
- (ii) The Association shall maintain, repair and replace any portion of a Unit that consists of exterior window and doors, structural wall, exterior siding or cladding, or other structural element, exterior wall, or interior partition walls. As such, Unit Owners shall not alter, maintain, repair, replace or alter such elements in any manner.
- (iii) The cost of any maintenance, repair or replacement of any area or component of the Common Elements necessitated or arising from the act or omission of a Unit Owner (or his or her tenant, guest, invitee or licensee) may be assessed exclusively to such Unit Owner.
- (iv) If the Executive Board shall at any time, in its reasonable judgment, determine that any Unit may be in such need of maintenance or repair that the Common Elements may be adversely affected, or that the market value or reasonable enjoyment of one or more other Units may be adversely affected, or that the condition of a Unit or fixtures, furnishings, facility or equipment therein may be or may become hazardous to any Unit or the occupants, the Executive Board may request in writing that the Unit Owner perform the needed maintenance, repair or replacement or to correct the hazardous condition, and in case such work shall not have been commenced within fifteen (15) days (or such reasonable shorter period in case of emergency as the Executive Board shall determine) of such request and thereafter diligently brought to completion, the Executive Board shall be entitled to have the work performed for the account of the Owner(s) of such Unit and to enter upon and have access to such Unit for that purpose. The cost of such work shall be reimbursed by the Unit Owner and constitute a lien upon such Unit and the Owner(s) of such Unit shall be personally liable therefore.

- (v) The Association shall be responsible for causing the sidewalks surrounding the Property to be cleared of snow in accordance with the City of Portland's snow removal ordinance, the cost of which shall be a Common Expense.
- (vi) The Association shall be responsible for engaging a private trash hauler to pick up trash generated by the Residential Units, the cost of which service shall be a Residential Unit Common Expense; no unit owner shall attempt to utilize curb-side trash pick up services provided by the City of Portland, and the City has no intention or obligation to provide such service.

8. Undivided Interests. Each Unit shall have an Undivided Interest in the Common Elements in the percentages set forth in **Schedule B**, which have rounded to obtain a one hundred percent total for all Units.

9. Other Matters Relating to Condominium Association.

(a) Allocation of Undivided Interests. Each Unit's percentage of the Undivided Interests set forth herein have been, and will be, determined based upon each such Unit's floor area (as measured in square feet), in relation to the aggregate floor area of all Units. Such Undivided Interests shall be used in determining each Unit's Common Expense assessments, voting weight on Association matters for which Unit Owners have a right to vote, distribution of surplus assets, and certain other Association-related matters, all as described more fully in the Association's By-Laws and the Condominium Act.

(b) Common Expense Assessments.

- (i) Assessments for Common Expenses (including assessments relating to the Residential Budget, the Commercial Budget and the Garage Budget) shall be levied as per the terms and provisions of the relevant sections of the Condominium Act and the Association's By-Laws, the terms and provisions of which are incorporated into this Declaration by reference. Such assessments, as well as any late charges, interest, collection costs, attorneys' fees (whether a legal action is filed or not), service fees, charges and fines shall constitute, until paid in full, both the personal obligation of the Unit Owner and a lien against the Unit pursuant to Section 1603-116 of the Condominium Act.
- (ii) If any Common Expense is caused by the misconduct of any Unit Owner, the Association may assess that expense exclusively against him or her, and his or her Unit.

(c) Executive Board's Power to Act on Behalf of Association. Except as expressly limited by the Condominium Act, this Declaration or the Association's By-Laws, the Executive Board shall be empowered to act on behalf of the Association as described in the By-Laws and Condominium Act, including (without limitation) the power and authority to assign its right to collect future Common Expense assessments and other income as security for debt(s) of the

Association, and the power to assess common expenses benefiting fewer than all the units exclusively against the units benefited.

(d) Notice of Matters Affecting the Condominium. Notice of matters relating to the [CM2] Condominium shall be given to Unit Owners by the Executive Board by first class U.S. Mail, postage prepaid, at the Unit (unless the Unit owner has provided an alternate mailing address in writing to the Association), or by such other means as may be required by law. Notices relating to Condominium meetings shall be provided as set forth in the Condominium By-Laws.

(e) Mortgages.

Section 1. Notice to Board of Directors. A Unit Owner who mortgages his Unit shall notify the Board of Directors through the Managing Agent of the name and address of his mortgagee. The Board of Directors shall maintain such information in a book entitled "Mortgagees of Units." Any notice required by these Bylaws to be provided to a mortgagee, shall be provided only to the mortgagee of record in the Mortgagees of Units book and the Acquisition Mortgagee, for so long as the Acquisition Mortgagee has a lien on any portion of the Condominium. It is the responsibility of the Unit Owners and Mortgagee to ensure that this book is current.

Section 2. Notice of Unpaid Assessments. The Board of Directors, whenever so requested in writing by a Mortgagee, shall promptly report any then unpaid assessments due from, or any other default by, the owner of the mortgaged Unit.

Section 3. Notice of Default. The Board of Directors shall give written notice to a Unit Owner of any known default by the Unit Owner in the performance of any obligations under the Condominium Act or Condominium Instruments, and, if such default is not cured within 60 days, shall send a copy of such notice to each Mortgagee of such Unit whose name and address has theretofore been furnished to the Board of Directors.

Section 4. Examination of Books. Each Unit Owner and each Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times and upon reasonable notice, on a business day.

Section 5. Notice of Proposed Amendment. Termination. A Mortgagee identified in the Mortgagees of Units book, shall be entitled to timely written notice of:

(a) any proposed amendment of the Condominium Instruments effecting a change in (i) the boundaries of any Unit or the exclusive easement rights

appertaining thereto, (ii) the interests in the General or Limited Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto, (iii) the number of votes in the Association appertaining to any Unit, or (iv) the purposes to which any Unit or the Common Elements are restricted, or any other material amendment or extraordinary actions of the Association, as defined in Chapter 16 of the VA Lender's Handbook.

(b) any proposal to terminate the Declaration or dissolve the Association at least 30 days before any action is taken.

(c) any other proposed action that requires the consent of a specified percentage of Mortgagees.

(d) any sixty (60) day delinquency in the payment of any assessments or charges owed by a Unit Owner whose Unit is subject to the mortgage of such eligible Mortgagee.

(e) any lapse, cancellation or material modification of any insurance policy maintained by the Unit Owners Association.

Notwithstanding the above, the consent of the Acquisition Mortgagee, for so long as the Acquisition Mortgagee has a lien on any portion of the Condominium, shall be required to take any action described in this Section 5.

Section 6. Notices of Damages. Condemnation. The Association shall timely notify: (i) the Mortgagee of a Unit whenever material damage to the Unit which costs more than \$5,000 to repair, occurs, or whenever the Unit or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, if such conditions are known to the Association; and (ii) all Mortgagees whenever material damage to the Common Elements occurs which costs more than \$10,000 to repair, or whenever the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority. For purposes of this Section, the Board of Directors, when giving notice to any Mortgagee, shall also notify the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the Department of Housing and Urban Development (HUD) or the Veterans Administration (VA) and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

Section 7. Notice of Termination of Management Contracts. The Board of Directors shall notify all Mortgagees in writing of the termination of any management contract within ten (10) days of receipt or issuance of any notice of such termination by either the Association or the Managing Agent. Notwithstanding the foregoing, the prior written approval of at least fifty-one percent (51%) of all Mortgagees (based upon one

vote for each Mortgage owned) shall be required to effectuate any decision by the Unit Owners Association to terminate professional management and assume self-management of the Condominium. A majority of the eligible Mortgagees have the right to demand professional management. Notwithstanding the above, the consent of the Acquisition Mortgagee, for so long as the Acquisition Mortgagee has a lien on any portion of the Condominium, shall be required to effectuate any decision by the Unit Owners Association to terminate professional management and assume self-management of the Condominium.

Section 8. Audited Financial Statement. Each Mortgagee shall be entitled to receive, upon request, a copy of the annual audited financial statement within one hundred twenty (120) days following the end of the Association's fiscal year.

Section 9. Rights of Mortgagees. Except as provided by the Condominium Act, or in the case of condemnation or substantial loss to the Units and/or Common Elements of the Condominium, unless at least fifty-one percent (51%) of the Mortgagees (based upon one vote for each Mortgage owned) and at least sixty-seven percent (67%) of all Owners (other than the Declarant) of the individual Units have given their prior written approval, the Unit Owners Association shall not:

- (a) change any Unit's Common Element Interest or voting rights except as permitted by the Declaration;
- (b) abandon, partition, subdivide, encumber, sell or transfer the Common Elements of the Condominium (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause) except as may be permitted by the Declaration;
- (c) change the boundaries of, partition or subdivide any Condominium Unit except as permitted by the Declaration;
- (d) by act or omission seek to abandon or terminate condominium status of the project;
- (e) modify the method of determining and collecting assessments and reserves for maintenance, repair and replacement of the Common Elements, or allocating distributions of casualty insurance proceeds or condemnation awards;
- (f) use the proceeds of casualty insurance for any purpose other than replacement, repair or reconstruction of the Units or Common Elements except as permitted by the Condominium Act;
- (g) expand or contract the Condominium, or add or withdraw land from the Condominium, except as permitted by the Declaration;
- (h) modify existing insurance provisions;

(i) change the use of any Unit or any of the Common Elements, or the rights to use any of the foregoing, except as may be permitted by the Declaration or these Bylaws;

o) modify the parties responsible for maintenance and repair of the several portions of the condominium;

(k) modify the requirements for convertibility of Units into Common Elements or of Common Elements into Units; or

(l) impose restrictions on a Unit Owner's right to sell or lease his Unit, except as may be permitted by the Declaration and these Bylaws.

Notwithstanding the above, the Unit Owners Association shall not take any of the actions set forth in this Section 9 without the prior written consent of the Acquisition Mortgagee for so long as the Acquisition Mortgagee has a lien on any portion of the Condominium.

Section 10. Other Mortgagees Rights. All Mortgagees or their representatives shall be entitled to attend meetings of the Unit Owners Association and shall have the right to speak thereat. In addition thereto, all Mortgagees shall have the right to examine the books and records of the Condominium and require the submission of annual financial reports and other budgetary information.

Section 11. Amendment to the Declaration or to the Bylaws of the Unit Owners Association. Except as otherwise provided in the Declaration or these Bylaws, the prior written approval of at least fifty-one percent (51%) of all institutional holders of Mortgages (based on one vote for each Mortgage owned) and at least sixty-seven percent (67%) of all Owners will be required for any material amendment to the Declaration or Bylaws of the Unit Owners Association except for amendments allowed by Section 55-79.71 (F) of the Condominium Act. Notwithstanding the above, except for amendments allowed by Section 55-79.71 (F) of the Condominium Act, the Unit Owners Association shall not materially amend the Declaration or Bylaws without the prior written consent of the Acquisition Mortgagee for so long as the Acquisition Mortgagee has a lien on any portion of the Condominium.

Section 12. Presumptive Approval. Notwithstanding the foregoing, a Mortgagee listed pursuant to Section 1, who is notified by certified mail, return receipt requested of additions or amendments to the Condominium Instruments and who does not deliver or post to the requesting party a negative response within sixty (60) days shall be deemed to have approved such request. The foregoing presumptive approval shall not apply to any non-responses of the Acquisition Mortgagee.

Section 13. Termination of Condominium.

Any action to terminate the Condominium shall be taken in accordance with of the Condominium Act and shall additionally require the prior written consent of at least sixty-seven percent (67%) (based on one vote per Mortgage owned) of all Mortgagees, and the consent of the Acquisition Mortgagee for so long as the Acquisition Mortgagee has a lien on any portion of the Condominium

(e)

10. Common Easements and Right of Access. To the fullest extent allowed by the Condominium Act, each Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, flues, cables, conduits, utility lines, and other Common Elements located in any of the other Units or elsewhere in the Condominium and serving his or her Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, utility lines, structural elements, and other Common Elements located in such Unit and serving other Units. The Executive Board, and any of them, any managing agent, and any other person authorized by the Executive Board or by the managing agent, shall have an easement and a right of access to each Unit at reasonable times and upon reasonable notice, except in emergencies, for the purpose of making inspections or for the purpose of correcting any conditions originating in any Unit or threatening another Unit or Common Element or adversely affecting the Common Expenses, or for the purpose of obtaining access to, and performing inspections, installations, alterations or repairs on the mechanical or electrical services, exterior walls or structural elements, or any Common Elements in or adjacent to any Unit or elsewhere in the Building, or for any other purpose permitted by this Declaration or the By-Laws. In case of an emergency, such right of entry shall be immediate, by any appropriate means, whether the Unit occupant is present at the time or not.

11. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as a result of (a) alteration or repair to the Common Elements made by the Declarant, or by or with the consent of the Executive Board, or (b) settling of all or any portion of the Building(s), or (c) repair or restoration of the Building(s) or any Unit after damage by fire or other casualty, or (d) condemnation or eminent domain proceedings or (e) immaterial deviations from the Floor Plans, a valid easement shall exist for such encroachment and for the maintenance of the same.

12. Intended Use and Restrictions on Use of the Buildings and Units.

The purposes for which the Buildings and the Units and Common Elements are intended to be used are as follows:

A. The Nonresidential Units may be used for any lawful nonresidential (i.e., commercial) purposes, to the extent allowed by local zoning laws as of right, or conditionally permitted, or permitted by special exception or by variance; provided, however, that notwithstanding the allowance of such uses, the following shall apply to the Nonresidential Units:

- (i) Any and all utilities serving the Nonresidential Units shall be separately metered and billed to the Owner or tenant of the Nonresidential Unit in question. Certain utility services associated with the heating and cooling of the Units may be provided by common equipment, and in such case the Management Company shall utilize software associated with the equipment to determine the proportion of the utility charges associated with use by the individual Units and shall bill the Unit Owner for its proportionate share.
- (ii) Any exterior storefront of a Nonresidential Unit (meaning all windows, window frames, doors, door frames, signs and adjacent exterior moldings or trim) shall be maintained by, and at the sole cost and expense of, the Owner of the Unit in question, in accordance with reasonable architectural and maintenance guidelines established by the Executive Board.
- (iii) Any signs and/or awning(s) erected upon the outside of the Building or visible from the Common Elements or sidewalk shall be subject to the approval of the Executive Board, which approval shall not be unreasonably withheld, conditioned or delayed, and shall comply with applicable ordinances and codes of the City of Portland. Any damage to the Building caused by such sign(s) or awnings shall be repaired at the sole cost and expense of the Nonresidential Unit Owner in question.
- (iv) Owners and occupants of Nonresidential Units shall be responsible for their own trash/refuse removal, and may be assessed by the Executive Board for any material increase in insurance premiums and/or deductibles directly related to their use or occupancy.
- (v) The Nonresidential Units are not subject to any restrictions on leasing except that tenant must comply with this Declaration, the By-laws and the Rules and Regulations as the same may be amended from time to time.
- (vi) The Nonresidential Units shall not be used for the following uses: nightclub; "headshop"; x-rated theatre; establishment for the sale of pornographic materials; massage parlor; steam bath; nude modeling studio; establishment with nude or semi-nude waiters, waitresses or entertainers; adult bookstore; billiard room; discount store; second-hand store; army/navy type store; governmental "surplus" store; no auction, fire sale, "going out of business" sale, bankruptcy sale, outdoor sale of merchandise, or continuous discount

operation may be conducted in a Nonresidential Unit; nor shall any machine or device (including video games) operated by insertion of a coin, token, or similar object for the purpose of amusement or skill be permitted inside a Nonresidential Unit.

B. The Residential Units may be used only for residential purposes, subject, in all events, to the further restrictions set forth below in this Section 12, provided, however, that such Units may be used by the Declarant for other purposes pursuant to the provisions of Section 12.D and Section 13 below. This restriction shall not be construed to prohibit Unit Owners from leasing their Units, so long as any such leases are for an initial term of at least three (3) months and require any lessees to adhere to the provisions of this Declaration, the Association's By-Laws and the Rules and Regulations, and any lessees do so occupy and use the leased premises in accordance with the provisions of the Declaration, the Association and the Rules and Regulations. The Residential Units may also be used for "home office" purposes, so long as no commercial signage is used in connection therewith and no customers, clients or business associates visit the Condominium.

C. The Units and the Common Elements shall be subject to the restrictions that:

(i) Subject to prior written approval by the Executive Board of the plans and specifications related thereto, which approval shall not be unreasonably withheld, conditioned or delayed, the owner of a Unit may, at his sole cost and expense, if the rights of any other Unit Owner are not materially and adversely affected, and if the structural walls, supports and other structural aspects of the Building are not adversely affected, change or add to the interior partitioning thereof, by adding, modifying, removing or installing non-load bearing walls lying wholly within such Unit; provided, however, that the Executive Board may impose reasonable conditions on such work, and any and all work shall be done in a good and workmanlike manner, pursuant to a building permit validly issued therefor (if required by law). In addition, the owners of the Units on the top floor may add roof decks, access stairs and penthouses in accordance with the Plans attached hereto.

(ii) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any Unit or upon any part of the Condominium Property, except that the keeping of orderly domestic pets (e.g. dogs, cats, caged birds) and aquarium fish is permitted subject to the limitation that no Unit Owner shall keep or maintain in excess of two (2) orderly domestic pets and, subject to the Rules and Regulations adopted by the Board of Directors. Pets shall not be permitted upon the Common Elements unless accompanied by a responsible person and unless carried or leashed. Any Unit Owner who keeps or maintains any pet upon any portion of the property shall be deemed to have indemnified and agreed to hold the Association, each Unit Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be

registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. Each pet owner shall be required to clean up any and all excrement caused by his pet on any portion of the Condominium Property. The Board of Directors shall have the right to order any person whose pet is a nuisance to remove such pet from the Condominium.

- (iii) No Unit Owner (including the Unit Owner of any Nonresidential Unit) shall alter his Unit in such a way as to cause unreasonable levels of sound, vibration, light or odors to be transmitted to other Units, the Common Elements or neighboring buildings.
- (iv) If any governmental license or permit (other than a Certificate of Occupancy, or a license or permit applicable to the Building as a whole and required in order to render lawful the operation of the Building) shall be required for any particular improvement or construction in any particular Unit, and if failure to secure such license or permit would in any

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way affect any other Unit or the Owner thereof or the Association, the Owner of such particular Unit, at such Owner's expense, shall procure and maintain such license or permit, submit the same to inspection by the Executive Board, and comply with all terms and conditions thereof.

- (v) A Unit Owner shall not place or cause to be placed in or on any of the Common Elements, other than a Limited Common Element, any furniture, packages, bicycles, carriages, baby strollers, or personal property of any nature whatsoever, provided, however, that the Residential Unit Owners have the right to use any bicycle storage facilities, dumpster, trash compactors or trash barrels, if any, located on the Common Elements, but only for ordinary household trash.
- (vi) All use and maintenance of the Units (including any Nonresidential Unit) shall be conducted in a manner consistent with the reasonable comfort and convenience of the occupants of other Units.
- (vii) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units or of the other premises entitled to the use or benefit thereof.
- (viii) No nuisances shall be allowed on or in the Condominium, nor shall any use or practice be allowed which is a source of unreasonable annoyance to Unit Owners or which interferes with the reasonable peaceful possession or proper use of the Units by their occupants; provided, however, in determining compliance of the Nonresidential Units with the foregoing, the customary and reasonable activities associated with a permitted use shall be taken into account.
- (ix) No Unit shall be rented or let for an initial term of less than three (3) months, any such leases or tenancies shall be pursuant to a written lease which shall specifically provide that the tenant/lessee is subject to the terms of this Declaration and the By-Laws and that the Executive Board is delegated the power to (but not the obligation) to evict the tenant/lessee for noncompliance, and a copy of said lease shall be delivered to the Executive Board of the Association.
- (x) No immoral, improper, offensive, or unlawful use shall be made of the Condominium, or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed by the Unit Owners and the Association; provided, however, in determining compliance of the Nonresidential Units with the foregoing, the customary and reasonable activities associated with a permitted use shall be taken into account. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any Unit shall be eliminated by and at the

sole expense of the Unit Owner of said Unit and those relating to all Common Elements shall be eliminated by the Executive Board.

- (xi) No pictures, advertisements, signs or posters of any kind shall be erected, posted or attached in or on the Residential Units except those approved in writing by the Executive Board, provided, however, this restriction shall not apply to pictures, advertisements, signs or posters utilized by the Declarant or its agents in selling or leasing the Units.
- (xii) Except as allowed by the Rules and Regulations and applicable law with respect to television antennae and satellite dishes, no Unit Owner shall allow the installation of wiring for electrical or telecommunication use, an air conditioning unit or other machine or equipment which protrudes through the walls or the roof of the Building or is otherwise visible on the exterior of the Building.
- (xiii) No activity shall be done or maintained in any Unit (including any Nonresidential Unit) which will materially increase the rate of insurance on any Unit or the Common Elements or result in the cancellation of insurance thereof, provided, however, that any use or activity which will increase the rate of insurance maintained by the Executive Board for the Condominium or by any individual Unit Owner may be permitted by the Executive Board, in the sole discretion of the Executive Board, if the Unit Owner conducting such use or allowing such use to be conducted agrees to conform to any special rules or regulations promulgated by the Executive Board with respect to such use and agrees to pay any and all additional costs associated therewith, including without limitation the increase in the insurance premiums paid by the Executive Board on behalf of the Condominium as a result thereof.
- (xiv) Portions of any Residential Unit window treatments visible from the outside of the Building shall be white in color, and shall be of a material and style approved in writing by the Executive Board, such approval not to be unreasonably withheld, conditioned or delayed.
- (xv) Owners of Units on the second floor or higher shall be required to cover at least 75% of the floor area of the Units (not including kitchens or bathrooms) with rugs or carpeting, or to take other reasonable measures to be defined by the Executive Board aimed at lessening sound transmission to Units below.
- (xvi) No outside television antenna, radio antenna, satellite dish, direct broadcast satellite (DDS) dish, or similar structure shall be erected or maintained within any area of the Condominium unless approval for such antenna or dish and the proposed location of such antenna or dish has first been obtained from the Board of Directors. In order to comply with the applicable rules of the Federal Communications Commission (FCC) relating to the installation of antenna or dishes, the Board of Directors shall act promptly on any request for erection

thereof and any restrictions

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which the Board of Directors places on the installation of such antenna or dish shall not

- unreasonably delay or prevent its installation, maintenance or use, (2) unreasonably increase the cost of its installation, maintenance or use, or (3) preclude reception of an acceptable quality signal.

(xvii)

D. Notwithstanding anything to the contrary contained herein, the Declarant may, until all of said Units have been sold by said Declarant, (a) lease Units which have not been sold on terms and conditions determined by the Declarant; or (b) use any Units owned by the Declarant as models for display, as offices and/or as storage areas or for any other uses which it deems necessary or desirable in connection with redecoration and construction in the Units or Common Elements, or the sale or leasing of units.

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13. Development Rights and Other Rights Reserved to the Declarant.

13.1 The Declarant hereby expressly reserves to itself, its successors and assigns, any and all Special Declarant Rights as defined in the Condominium Act or as set forth in this Declaration, and/or in the Association's By-Laws, except that the only Development Rights reserved by Declarant are the right to create limited common elements (e.g., parking spaces, storage rooms, mailboxes) and allocate such portions of the common elements to particular unit(s) as limited common elements, the right to relocate the boundaries between units, and the right to combine units.

13.2 The Declarant, for itself and its successors and assigns, hereby reserves certain exclusive rights and easements to enter onto the Land made part of this Condominium now or in the future, to complete construction of any Building thereon, along with all improvements, utility lines, driveways, wires, pipes, conduits, walkways, and drainage lines to service the Units constructed on the Condominium Land.

13.3 In addition to all other rights of Declarant hereunder, Declarant reserves unto itself and its agents, servants, employees, independent contractors, workmen, work crews, successors and assigns the right and easement to use, occupy, and alter, for construction purposes, all areas of the Property, other than Units and Limited Common Elements already conveyed, for all purposes necessary or desirable in order to develop and/or manage the Property and to market the Units. The Declarant further reserves for itself and its successors and assigns the exclusive right to grant easements across all of the Property for the installation of utilities and the right to grant easements to others to use the Property for vehicular and pedestrian traffic.

Without limiting the generality of the foregoing and in furtherance thereof, the Declarant hereby reserves unto itself and its agents, servants, employees, independent contractors, workmen, work crews, successors and assigns, the following rights over all of the Land and Building subject to this Declaration: the right of access, ingress, and egress over and upon the Land and the Common Elements of the Condominium, including that deemed by the Declarant to be necessary for marketing purposes and for the work of construction, reconstruction, rehabilitation, improvement, and other work in progress or contemplated by Declarant; the right to lay, maintain, repair and replace, construct, and install and connect (or connect with and make use of) all utilities, utility lines, poles, tanks, walls, ducts, conduits, and similar facilities to serve any or all of the building and/or Units and the Common Elements, and all conduits, ducts, plumbing, wiring, and other facilities for the furnishing of power, gas, light, master antenna, satellite antenna, cable television, water, air and all sewer and drainage pipes to serve any or all of the buildings and/or Units and the Common Elements and facilities; to pass and repass by foot and vehicle over all driveways, roadways, accessways, parking areas and walkways, whether now existing or to be constructed in the future, for all purposes for which driveways, roadways, accessways, parking areas and walkways are commonly used, including the transportation of construction materials, equipment, and personnel for the purposes of construction; to construct buildings and improvements on the Land, and to engage in all activities necessary or appropriate to accomplish the same, including without limitation the exclusive right to grant to others including any public utility or authority, easements for the installation and maintenance of utilities; to store construction materials, equipment, and supplies in those portions of the Common Elements and Limited Common Elements; to restrict (for periods of not more than eight (8) hours at any time during any day) the use by owners of any Common Elements to facilitate construction or for purposes of safety (provided, of course, no Owner shall be denied at least one means of access to his

or her Unit during such periods of restriction); to leave debris resulting from construction in the Common Elements and facilities, provided the same do not endanger safety; to reasonably interrupt for brief intervals of time, water, gas, electric, and other utilities and service provided by such utility lines, pipes, tanks, wells, wires, cables, conduits, and septic and drainage lines in order to facilitate construction or in order to facilitate the installation of appliances or fixtures in the Buildings, Units or Common Elements under construction without liability for such interruption of service, provided however that the Declarant shall use reasonable efforts to minimize any such interruption of service; to park vehicles used in connection with the construction work or incident thereto in parking areas; and, in general, the right to do all things necessary or desirable in order to construct and complete all of the Buildings and/or Units and the Common Elements and facilities in connection therewith.

The Declarant further reserves the exclusive right to use any office area, sitting area or storage area located in the Common Elements and not necessary to serve the Units already sold by the Declarant, as well as any Unit owned by the Declarant, for storage or as a model, for display, as an office, for purposes of facilitating sales, as well as the right to park and use one or more vehicles or trailers, for as long as the Declarant owns any Units or holds any Development Rights or Special Declarant Rights. Any such areas exclusively used by the Declarant shall be located either in Unit(s) owned by the Declarant, Limited Common Elements associated with those Units or in the Common Elements of the Buildings at the ground (i.e., terrace) or Parking Garage levels.

13.4 The rights and easements reserved by the Declarant in this Section 13 shall be in addition to and not in limitation of, the rights and easements allowed in the Condominium Act, reserved by the Declarant in other sections of this Declaration, in the By-Laws, or in any prior-recorded instrument.

13.5 The rights and easements reserved by the Declarant for itself and its successors and assigns in this Declaration shall survive the sale of all of the Units, and are to be deemed to be fully transferable, running with the land.

13.6 Each Executive Board Member, as well as each Owner and mortgagee of an individual Unit, by the acceptance and recordation of a deed or mortgage, shall thereby have consented to the granting or exercise of any right or easement described in this Declaration without the necessity of securing any further consent or execution of any further documents by such Board Member, Owner or mortgagee.

13.7 The Declarant, by deed or by separate assignment, shall be entitled to assign, sell, grant or mortgage, any and all of its interests, rights and easements owned by it or reserved herein and in the By-Laws, at any time, and from time to time, to any mortgage holder, person, trust, firm, or entity as may be determined by Declarant. Each Board Member, as well as each Owner and mortgagee of an individual Unit, by acceptance and recordation of a deed or mortgage, shall be deemed to have thereby consented to any such assignment, sale, grant or mortgaging of the Declarant's said interests, rights and easements without the necessity of securing any further consent or execution of any further documents by such Board Member, owner or mortgagee. The Condominium Board and Owners, at Declarant's request, shall execute whatever confirmatory instruments which Declarant deems appropriate or necessary in order to perfect, carry out, or effectuate the rights and easements reserved by the Declarant in this Declaration and in the Condominium By-Laws. The foregoing shall not apply to any mortgagee of the Declarant.

14. Title to Units. Title to Units may be taken in the name of an individual, corporation, company, trust or partnership, or in the name of two (2) or more individuals, as tenants in common, joint tenants, or tenants by the entirety or in the name of a fiduciary.

15. Units Subject to Declaration and Condominium By-Laws. All present and future Owners, tenants, visitors, invitees, licensees and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws, and the Rules and Regulations promulgated pursuant thereto, as they may be amended from time to time, and the instruments of record affecting title to the Property including, but not limited to, those instruments of record listed in the Schedules to this Declaration. The acceptance of a deed or conveyance of a Unit or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, By-Laws, and the Rules and Regulations promulgated pursuant thereto, as they may be amended from time to time, and the said instruments of record affecting title to the Property, are accepted and ratified by such Owner, tenant, visitor, invitee, licensee or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease thereof. A violation of the provisions of this Declaration, the Deed, the By-Laws, or the Rules and Regulations promulgated pursuant thereto by any such person shall be deemed a substantial violation of the duties and obligations of a Owner, which shall entitle the Executive Board and any Owner the right to recovery of damages and/or injunctive relief.

16. Amendment of Declaration.

A. (1) Declarant's Consent. Notwithstanding any contrary or inconsistent provision in this Declaration, for so long as Declarant owns one or more Units in the Condominium or holds any Development Rights or Special Declarant Rights, any amendment to the Declaration which affects a right reserved to the Declarant hereunder or imposes an additional obligation or duty upon the Declarant must be signed by the Declarant and/or its successors and/or assigns.

(2) Nonresidential Unit Owners' Consent. Notwithstanding any contrary or inconsistent provision in this Declaration, no amendment to this Declaration which materially and adversely affects the rights or obligations of Nonresidential Unit Owners shall be effective unless consented to by Nonresidential Unit Owners representing a majority of the aggregate Undivided Interests of said Nonresidential Unit Owners.

B. General Amendments. Amendments to this Declaration are governed generally by Section 1602-117 of the Condominium Act, this Section 16 of the Declaration, and Section 17 below. Except as may be inconsistent with the Condominium Act, and except as otherwise provided in Section 17 below or in Subsections A or C of this Section 16, this Declaration may be amended by the vote or agreement of Unit Owners representing 67% or more of the Undivided Interests in the Condominium.

C. Special Amendments. Notwithstanding the foregoing, this Declaration may also be amended by Special Amendment as follows: The Declarant, without the consent of any Unit Owner or mortgagee; may execute and record, as long as it owns any Units or holds any Development Rights or Special Declarant Rights, as well as Special Amendments in order to (i) correct any errors and/or omissions in this Declaration, provided no such correcting amendment

shall materially and adversely affect the rights of any Unit Owner or mortgagee; or (ii) to make this Declaration comply with the provisions of the Condominium Act, any other law, code, permit or approval, or the requirements or guidelines of the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or any other insurer or guarantor of Unit mortgages.

Special Amendments may also be executed and recorded as described above in connection with the combination, subdivision, and/or alteration of Units.

D. Effective Date. Amendments to this Declaration shall be effective upon recording in the Registry of Deeds. As to General Amendments, the recorded version thereof need not include the signatures of Unit Owners agreeing thereto, but rather the recorded instrument need only be signed by an Officer of the Association, as long as such Officer certifies that the required consents described above have been obtained and will be retained with the Association's records for a period of at least two (2) years after recording.

17. Provisions Protecting Rights of Secured Lenders.

Subject to the limitations set forth in Section 1602-119(a) of the Condominium Act, the following shall apply with respect to the protection of rights of holders of first mortgages on Units ("First Mortgagees") and "Eligible Mortgage Holders" (meaning First Mortgagees who have delivered written notice to the Association by prepaid certified U.S. Mail, return receipt requested, or by delivery in-hand securing a receipt therefore, which notice states the First Mortgagee's name and address, the Unit upon which it holds first mortgage, the Unit Owner's name and address, and that it holds a first mortgage on such Unit).

A. Notwithstanding anything in this Declaration or in the By-Laws to the contrary, the following provisions shall apply for the protection of First Mortgagees, and shall be enforceable by any First Mortgagee:

- (1) In the event that the Unit Owners shall amend this Declaration or the By-Laws to include therein any right of first refusal in connection with the sale of a Unit, such right of first refusal shall not impair the rights of a First Mortgagee to:
 - (a) Foreclose or take title to a Unit pursuant to the remedies provided in its mortgage; or
 - (b) Accept a deed (or assignment) in lieu of foreclosure in the event of default by a Unit Owner, or
 - (c) Sell or lease a Unit acquired by the First Mortgagee through the procedures described in subparagraphs (a) and (b) above.
- (2) As to any conveyance whereby a party takes title to a Unit through either a deed in lieu of foreclosure or a foreclosure sale duly conducted by a First Mortgagee, such conveyance shall be exempt from any such right of first refusal adopted by the Unit Owners and incorporated in this

Declaration or the Condominium By-Laws, and the ownership of the Unit by such party shall be exempt from any leasing restrictions set forth therein but only for such party's period of ownership.

B. Any First Mortgagee who obtains title to a Unit by foreclosure shall not be liable for such Unit's unpaid common expenses or other amounts which accrued prior to the acquisition of title to such Unit by such First Mortgagee, except to the extent that such common expenses and/or other amounts are entitled to priority over such First Mortgage under the Condominium Act. Liens for any and all Common Expenses, assessments and charges that may be levied by the Association shall be subordinate to the rights of any First Mortgagee pursuant to its mortgage to the extent permitted by applicable Maine law.

C. A lien for Common Expenses assessments shall not be affected by any sale or transfer of a Unit, except that a sale or transfer pursuant to a foreclosure of a First Mortgage shall extinguish a subordinate lien for assessments which became payable prior to such sale or transfer. Any such sale or transfer pursuant to a foreclosure (1) shall not relieve the prior Unit Owner of a personal liability for any unpaid assessments or other sums owed to the Association, and (2) shall not relieve the purchaser or transferee from liability for, nor the Unit from the lien of, any assessments made thereafter.

D. As provided in Section 1602-119 of the Condominium Act, the Association shall send reasonable prior written notice by prepaid U.S. Mail to Eligible Mortgage Holders of the consideration by the Association of any of the following proposed actions:

- (1) The termination of the Condominium pursuant to Section 1602-118 of the Condominium Act;
- (2) A change in the percentage of Undivided Interest of a Unit, a change in the boundaries of a Unit, or a subdivision of a Unit, unless carried out by the Declarant pursuant to the terms of this Declaration;
- (3) The merger or consolidation of the Condominium with another condominium;
- (4) The conveyance or subjection to a security interest of any portion of the Common Elements;
- (5) The proposed use of any proceeds of hazard insurance required to be maintained by the Association under Section 1603-113, subsection (a) of the Condominium Act for purposes other than the repair or restoration of the damaged property;
- (6) The adoption of any proposed Budget by the Executive Board and of the date of the scheduled Unit Owners' meeting to consider ratification thereof with a summary of the proposed Budget to accompany such ; and
- (7) Any default in the performance or payment by a Unit Owner of any obligation under the Condominium Declaration or By-Laws including, without limitation, default in the payment of common expense liabilities (notice shall be sent only to the Eligible Mortgage Holder for the subject Unit).

In the event of any proposed actions described in Subsection D., paragraphs (1), (2), (3), (4) or (5) immediately above, Eligible Mortgage Holders shall have the right (but not the

obligation) in place of the Unit Owner to cast the votes allocated to that Unit or give or withhold

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any consent required of the Unit Owner for such action by delivering written notice to the Association, with a copy of the Unit Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by prepaid certified United States mail, return receipt requested, or by delivery in-hand. Failure of the Eligible Mortgage Holder to so exercise such rights shall constitute a waiver thereof, and shall not preclude the Unit Owner from exercising such right. In the event of any default described in Subsection D., paragraph (7) above, the Eligible Mortgage Holder shall have the right but not the obligation to cure such default.

In addition, an Eligible Mortgage Holder, or its representative, shall have the right to attend Association and Executive Board meetings for the purposes of discussing the matters described in Subsection D., paragraphs (1) to (6) above.

E. In addition to the statutory rights of Eligible Mortgage Holders summarized in Subsection D above, and subject in all events to the provisions of the Condominium Act, unless Unit Owners representing at least two-thirds (2/3) of the Undivided Interest hereunder (or such larger percentage as may be required by law) and at least two-thirds (2/3) of the First Mortgagees holding mortgages on the individual Units of the Condominium have given their prior written approval, neither the Owners nor the Executive Board shall be entitled to:

- (1) By act or omission, seek to abandon or terminate the Condominium except in the event of substantial destruction of the Condominium premises by fire or other casualty or in the case of taking by condemnation or eminent domain;
- (2) Change the percentage of Undivided Interest or obligation of any individual Unit for the purpose of: (a) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b) determining the voting interest of each Unit;
- (3) Partition any Unit (other than in connection with the subdivision of Units as permitted herein, which shall not require First Mortgagee consent);
- (4) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements; provided, however, that the granting of easements for purposes not inconsistent with the intended use of the Common Elements by the Condominium and the exercise of other actions with respect to granting of special rights of use of Limited Common Elements contemplated herein or in the Condominium By-Laws shall not be deemed an action for which any prior approval of a First Mortgagee shall be required under this Subsection;
- (5) Use hazard insurance proceeds for losses to any property of the Condominium (whether of Units or Common Elements) for other than the repair, replacement or reconstruction of such property of the Condominium, except as provided by statute; or
- (6) Terminate professional management and establish self-management of the Condominium.

F. In no case shall any provision of the Declaration or the By-Laws give an Owner or any other party priority over any rights of a First Mortgagee pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of such Unit and/or the Common Elements of the Condominium.

G. In addition to the statutory rights of Eligible Mortgage Holders summarized in Subsection D above, First Mortgagees, upon request to the Executive Board, will be entitled to:

- (1) Written notification from the Executive Board of any default by its borrower who is the Owner of a Unit with respect to any obligation of such borrower under this Declaration or the provisions of the By-Laws which is not cured within sixty (60) days;
- (2) Inspect the books and records of the Association at all reasonable times;
- (3) Receive (at its own expense) an audited annual financial statement of the Condominium Association within ninety (90) days following the end of any fiscal year of the Association;
- (4) Receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings;
- (5) Receive prompt written notification from the Executive Board of any damage by fire or other casualty to a material portion of the Condominium or the Unit upon which the First Mortgagee holds a mortgage or proposed taking by condemnation or eminent domain of said Unit or the Common Elements of the Condominium;
- (6) Receive written notice of any lapse, cancellation or material modification of any insurance policy maintained by the Association; and
- (7) Receive written notice of any action which requires the consent of a specified percentage of Eligible Mortgage Holders.

H. No amendment of a material nature to this Declaration will be made unless such is agreed to by Eligible Mortgage Holders who represent at least fifty-one percent (51%) in number of the First Mortgages on the Units that are subject to mortgages held by Eligible Mortgage Holders. A change to any provisions governing the following shall be considered material, unless done in connection with the exercise of the Declarant's Development Rights or Special Declarant Rights:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair and replacement of the common areas;
- (4) Insurance;

- (5) Rights to use of the Common Elements;
- (6) Responsibility for maintenance and repair of the several portions of Property;
- (7) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (8) Boundaries of any Unit;
- (9) The apportionment of Undivided Interests in the Common Elements;
- (10) Convertibility of Units into Common Elements or of Common Elements into Units;
- (11) Leasing of Units;
- (12) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his/her/their Unit estate; and
- (13) Any provisions which are for the express benefit of First Mortgagees, Eligible Mortgage Holders or insurers or guarantors of first mortgages on Units.

The Declarant intends that the provisions of this Section 17 and all other provisions of this Declaration comply with the requirements of FHLMC and FNMA with respect to condominium mortgage loans and, except as otherwise required by the provisions of Condominium Act, all questions with respect thereto shall be resolved consistent with that intention. In the event of any conflict between the approval requirements of FNMA, FHLMC, other sections of the Declaration and the Condominium Act with respect to any action or non-action to be taken or omitted by the Unit Owners or Executive Board, or with respect to any other matter, the greatest percentage requirement shall control. This Section 17 may be amended only with prior written approval of First Mortgagees representing 67% in number and Undivided Interest of the mortgaged Units in the Condominium and 67% in Undivided Interest of the Unit Owners in the Condominium.

Except as otherwise provided in the Condominium Act, any consent of an Eligible Mortgage Holder or First Mortgagee herein provided for shall be deemed given if such mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it received proper notice of the proposal, provided the notice was delivered by certified mail, return receipt requested.

18. Common Expenses.

Until such time as the Association makes a Common Expense assessment, the Declarant shall pay all Common Expenses, as provided in Section 1603-11S(a) of the Condominium Act.

Once a Common Expense assessment is made, Unit Owners shall be liable for Common Expenses as provided in this Declaration, as amended.

(a) Preparation and Approval of Budget. Each year on or before thirty (30) days before the commencement of the next fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount which it considers necessary to pay the cost of utility services, maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which the Board of Directors has all powers and responsibility with regard to maintenance, repair, renovation, restoration and replacement, and the cost of wages, materials, insurance premiums, service, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, these Bylaws, or a Resolution of the Unit Owners Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Condominium and the rendering to the Unit Owners of all related services. The budget shall include any assessments against the Condominium to third parties under any declarations, covenants or agreements the Condominium is subject to. **The budget shall also include the separate assessment of Limited Common Expenses.** The budget may also include:

(i) The cost of maintenance or repair of any Condominium Unit or Limited Common Element in the event such maintenance or repair is reasonably necessary, in the discretion of the Board of Directors, to protect the Common Elements or to preserve the appearance or value of the Condominium or is otherwise in the interest of the general welfare of all Unit Owners; provided, however, that no such

maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the Owner of the Condominium Unit proposed to be maintained and provided further that the cost thereof shall be assessed against the Condominium Unit on which such maintenance or repair is performed: A statement for the amount thereof shall be rendered promptly to the then Owner of said Condominium Unit, at which time the assessment shall become due and payable and a continuing lien and obligation of said Owner in all respects as provided below. The cost of the maintenance or repair of those parts of the Units to which the Board of Directors has all powers and responsibility with regard to maintenance, repair, renovation, restoration and replacement shall not be a cost controlled by the terms of this subparagraph (i).

(ii) Any amount necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against the Common Elements.

(iii) Such reasonable amounts as the Board of Directors considers necessary to provide working funds for the Condominium, a general operating reserve, or reserves for contingencies and replacements.

(iv) Any Common Expenses benefiting less than all of the Condominium Units or caused by the conduct of less than all those entitled to occupy the same or by their licensees or invitees may be specially assessed against the Condominium Unit or Units involved, in accordance with such reasonable provisions as may be made by the Board of Directors for such cases.

(v) Management Fees.

(vi) Attorney's fees and like administrative costs.

(vii) Service contracts and employee's salaries.

(b) Transmittal of Budget. The Board of Directors shall send to each Unit Owner a copy of the budget, in a reasonably itemized form, which sets forth the amount of the Common Expenses payable by each Unit Owner, at least seven (7) days prior to the beginning of the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Unit Owner's contribution for the Common Expenses of the Condominium.

(c) Payment of Common Expenses by Declarant. Notwithstanding anything to the contrary contained in this Article VI, for so long as the Declarant shall have the right to appoint Members to the Board of Directors of the Unit Owners Association pursuant to Section 55-79.74 A of the Condominium Act, the Declarant shall have the right in lieu of assessing all Units for Common Expenses, to assume all

responsibilities for the maintenance of the Common Elements for such period of time as is determined by Declarant.

(d) Four Association Budgets. Unless otherwise determined by the Board, there shall be four (4) Association Budgets each fiscal year, as contemplated by Section 1603-11 S(c) of the Condominium Act, as follows:

1. The General Budget: This is the Budget which accounts for all of the Condominium expenses and services which benefit, or may benefit, all Units generally. Examples include electricity for exterior lighting, exterior maintenance, legal fees, sewer and water fees, landscaping and grounds maintenance, insurance premiums, snow removal, and management fees.
2. The Residential Budget: This is the Budget for expenses and services which benefit only the Residential Units. Examples include the operation, maintenance, repair, or replacement of residential lobby, elevator, life safety systems, interior stairways, interior hallways, balconies and patios; elevator inspection and permitting; interior lighting and electricity.
3. The Garage Budget: This is the Budget for expenses and services relating solely to the Parking Garage.
4. The Commercial Budget: This is the Budget for expenses and services relating solely to the Commercial Units, if any.

(e) Repair and Replacement Reserve. The Board of Directors shall obtain from Unit Owners contributions to capital on a regular basis, which contributions will be used to establish a replacement and repair reserve for the Common Elements which reserves shall initially represent at least 10% of the Condominium budget. Such contributions shall be paid monthly and be in an amount to be designated from time to time by the Board of Directors. Such funds shall be conclusively deemed to be a Common Expense. Such funds shall be deposited in an account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. Such funds also may, in the discretion of the Board of Directors, be invested in Money Market Funds which, although they themselves are not guaranteed by the United States Government, invest solely in United States Government securities (or in State bonds which are backed in principal by the State). The replacement reserve may be expended only for the purpose of the replacement and repair of the Common Elements; the replacement and repair of those parts of Units as to which the Board of Directors has all powers and responsibility with regard to maintenance, repair, renovation, restoration and replacement; and the replacement and repair of equipment of the Condominium as designated by the Board of Directors. The amounts required to be allocated to the replacement reserve may be reduced by appropriate resolution of the Board of

Directors, upon the completion of a reserve study determining the amount of reserves necessary to make major repairs to and replacements of all building components and equipment requiring replacement within fifty years of installation. The proportionate interest of any member in any replacement reserve shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit. The payment and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in these Bylaws and the Condominium Act, including without limitation, the right reserved to the Board to accelerate payment of assessment and the right to recovery of attorney's fees and costs.

f. Special Assessments. In the event extraordinary expenditures not originally included in the annual budget described above become necessary during the year, the Board of Directors may at any time levy a special assessment, which shall be assessed against each Condominium Unit in proportion to the respective Common Element Interests. Said special assessments may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such special assessment on all Unit Owners by a statement in writing giving the amount and reason therefor, and such special assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due after the delivery or mailing of such notice of special assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if the special assessment is not payable in installments, the amount of such assessment. The payment and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in these Bylaws and the Condominium Act, including without limitation, the right reserved to the Board to accelerate payment of assessments and the right to recovery of attorney's fees and costs.

19. Insurance.

The Association shall obtain and maintain, to the extent reasonably available, the following insurance policies:

A. Casualty Insurance. The Executive Board shall obtain and maintain, to the extent reasonably obtainable at reasonable costs and permitted by applicable law, so-called master policies of insurance providing fire-with-extended-coverage and so-called all risk coverage insurance, insuring the Condominium, including, without limitation, the Common

~~Elements, all of the Units with all fixtures therein, all heating and cooling equipment and~~

other service machinery, apparatus, equipment and installations comprising the Common

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Elements or Units, and also all such portions normally deemed to constitute part of the building and customarily covered by such insurance, but not including any personal property belonging to and owned by individual Unit Owners or tenants, in an amount equal to not less than one hundred percent (100%) of the full replacement value thereof, exclusive of foundations, land and other items normally excluded therefrom without deduction for depreciation, but subject to a reasonable deductible as the Executive Board may determine, and which shall include, if available, so-called Agreed Amount, Inflation Guard, Construction Code and Replacement Cost Endorsements. Any insurance deductible shall be deemed a Common Expense, unless such amount may lawfully be allocated or assessed to one or more individual Unit Owner(s). In determining full replacement value, the Executive Board may reasonably rely upon the advice of the insurer or insurance agent. The name of the insured under such policy shall be stated in form, substance and effect similar to the following: "118 ON MUNJOY HILL CONDOMINIUM ASSOCIATION and its Unit Owners and mortgagees as their interests may appear." Such insurance shall name the Executive Board as Insurance Trustee(s) for the use and benefit of all Unit Owners and their mortgagees as their interests may appear, with losses payable to and adjusted by the Executive Board as Insurance Trustee(s) in accordance with the provisions of these By-Laws and the Condominium Act. The Executive Board may insure against such other hazards or risks of casualty as the Executive Board from time to time in its discretion shall determine to be appropriate, including, but not limited to, vandalism, malicious mischief, windstorm and water damage, earthquake, flood and machinery explosion or damage.

B. Liability Insurance. The Executive Board shall obtain and maintain, to the extent reasonably obtainable at reasonable costs and/or applicable, master policies of insurance with respect to the Common Elements for the benefit and protection of the Association and all Unit Owners for: (i) comprehensive general liability insurance in such limits as the Board may, from time to time, determine but in no case less than \$1,000,000/\$1,000,000 in coverage, covering the Association, the Executive Board, the Property Manager, if any, and each Unit Owner with respect to liability arising out of ownership, maintenance or repair of the Common Elements and structural and exterior wall portions of the Units, such insurance containing a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association, the Executive Board, the Unit Owner or other Unit Owners, and other provisions commonly referred to as a "Special Condominium Endorsement" or its equivalent; (ii) workmen's compensation and employee's liability insurance; (iii) boiler and machinery insurance in such limits as the Executive Board may, from time to time, determine; and (iv) such other liability insurance as the Executive Board may from time to time deem appropriate and desirable.

C. Fidelity Coverage. The Executive Board shall obtain fidelity coverage against dishonest acts on the part of the Executive Board, the Property Manager, if any, employees or volunteers responsible for handling funds belonging to Association or administered by the Executive Board.

D. Directors' and Officers' Liability Insurance. The Executive Board may obtain as a Common Expense, Directors' and Officers' Liability Insurance in such amounts and upon such terms as they deem appropriate.

E. Executive Board as Insurance Trustee(s). The Executive Board (i) shall have exclusive authority to negotiate all losses as herein provided for, (ii) shall collect and receive all loss insurance proceeds, and (iii) shall hold, use, apply and disburse the same in accordance with the applicable provisions of the Declaration, these By-Laws and the Maine Condominium Act for the benefit of the Owners and their respective mortgagees. With respect to losses which affect portions or elements covered by such insurance of more than one Unit and/or the Common Elements to different extents, the proceeds relating thereto shall be used, applied and disbursed by the Executive Board in their judgment in a fair and equitable manner, primarily based upon the relative losses.

F. Additional Requirements. Insurance policies obtained pursuant to the above shall also provide that:

1. Each Unit Owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Association;
2. The insurer waives its right to subrogation under the policy against any Unit Owner or members of his household;
3. No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and
4. If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

In the event that any insurance coverage described above is not reasonably available, the Association shall cause notice of that fact to be sent to all Unit Owners, as required by Section 1603-113(c) of the Maine Condominium Act.

20. Rebuilding, Restoration and Condemnation.

A. Casualty Loss. Except as provided in Section 1603-113(h) of the Condominium Act, and subject to such statutory provisions, in the event of damage to or destruction of the Condominium as a result of fire or any other casualty, the Executive Board, acting as Insurance Trustee(s) designated herein, shall promptly adjust and collect the loss and disburse the master policy insurance proceeds in appropriate progress payments with appropriate retainage, so as to facilitate and ensure the repair and restoration of the Unit or Units or Common Elements so damaged or destroyed.

The Executive Board may perform emergency work essential to the preservation and safety of the property or the safety of persons, or required to avoid the suspension of any essential service to the Condominium without having first adjusted the loss or obtained proceeds of insurance or otherwise having complied herewith.

The cost of repair or replacement in excess of insurance proceeds and reserves shall be a Common Expense. If there shall have been a repair or restoration pursuant to the foregoing and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds, if any, shall be added to the Association's capital expense reserve account or shall be, at the option of the Executive Board, divided among the Owners in proportion to their respective Undivided Interests; provided, however, that no provision herein shall be deemed to give an Owner or any other party priority over any rights of the holder of a first mortgage (if any) on such Owner's Unit pursuant to such mortgage in the case of a distribution to such Owner of insurance proceeds for losses to Units and/or Common Elements. First Mortgagees of Units will be entitled to priority with respect to any insurance proceeds distributed to their mortgagors.

B. Eminent Domain. In the event of a total or partial taking under the powers of eminent domain, the Owners shall be represented by the Condominium acting through the Executive Board. Eminent domain proceedings and awards shall be governed by Section 1601-107 of the Condominium Act.

21. Rules, Regulations, Restrictions and Requirements.

The use and occupancy of the Condominium and each Unit shall be restricted to and shall be in accordance with the provisions of this Declaration, the By-Laws and such Rules and Regulations as the Executive Board may adopt, and all applicable laws, zoning ordinances, rules, regulations and requirements of all governmental bodies having jurisdiction over the Condominium or the use and occupancy thereof.

The Executive Board shall have the right at any time and from time to time to adopt, amend and rescind Rules and Regulations governing the operation, appearance and use of the Common Elements and the occupancy of Units.

This Declaration, the By-Laws and the Rules and Regulations, as from time to time amended, may be enforced by the Executive Board, in its discretion. The Executive Board may eliminate any violation, and the cost and expense, including but not limited to attorneys' fees (whether or not a legal action is filed), of eliminating such violation may be chargeable to the Unit Owner who himself or whose family, servants, employees, agents, visitors, lessees, tenants, licensees, or pets are responsible for such violation. Otherwise, the cost of so eliminating a violation shall be a Common Expense. The Executive Board may also levy reasonable fines against the Owner for such violations if any such violation is not cured immediately, and such fine shall constitute a portion of such Unit Owner's Common Expenses which shall be payable by the Owner upon demand and enforceable as a Common Expense. For each day a violation continues after notice it may, in the discretion of the Executive Board, be considered a separate violation.

In enforcing this Declaration, the By-Laws or the Rules and Regulations, the Executive Board may proceed against the Owner, any tenant, or both as the Executive Board, in its sole discretion, may determine.

22. Unit Owner Responsibility. Except as may be otherwise specifically provided in this Declaration, a Unit Owner shall be fully responsible for the acts and omissions, feausance,

malfeasance and misfeasance, and all other conduct of his family members, servants, agents, employees, invitees, lessees, tenants, licensees, guests, pets or others upon the property at the behest of the Unit Owner.

23. Enforcement of Charges, Fines, Obligations. Any charge, fine, interest, attorneys' fees or other financial obligation to, of or on any Unit Owner shall constitute a lien upon such Unit and be enforceable to the same manner and extent as for Common Expenses.

24. Attorneys' Fees and Costs. In such case as it is necessary for the Executive Board to engage the services of an attorney, or attorneys, for the purpose of enforcing (whether a legal action is filed or not) against an Owner, tenant, occupant, or other person bound thereby, any provision of the Declaration, the By-Laws, the Rules and Regulations, or obligations thereunder, and/or for the purpose of defending any action brought by such person(s), said Unit Owner, tenant, occupant or other such person shall be liable for, in addition to any other liability, the fees and costs of such attorneys in so proceeding thereto, including the fees of all experts engaged in connection therewith. As to Unit Owners, the amount of such fines, fees, interest and costs and attorneys' fees shall constitute a lien upon the Unit enforceable to the same manner and extent as a lien for Common Expenses, and the Unit Owner shall be personally liable therefor.

25. Conflicting Provisions. If any provisions of this Declaration shall be invalid or shall conflict with the Condominium Act, as amended, or if any provision of this Declaration conflicts with any other provision thereof or with any provision of the By-Laws, then the following rules of construction shall be used:

- A. In the event of a conflict between the Declaration and said Condominium Act, as amended, the provisions of the Condominium Act shall control; and
- B. In the event of a conflict between this Declaration and the By-Laws, this Declaration shall control.

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

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

28. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof. Terms of gender shall be interchangeable, as shall be terms reflecting the singular and plural.

29. Declarant. The term declarant shall include the Declarant and its successors and assigns. Successors and assigns shall include, but not be limited to, those succeeding to the Declarant's interest by foreclosure, deed in lieu of foreclosure, deed, grant or assignment. Successors and assigns shall not include individual Unit Owners. All rights of the Declarant

contained in this Declaration, the By-Laws and Rules and Regulations shall pass to the successors and assigns of the Declarant. This Declaration, the By-Laws and Rules and Regulations may not be amended to affect the rights of the Declarant and its mortgagee(s), successors and assigns without the written consent of the Declarant and its mortgagee(s), successors and assigns.

30. Maintenance Responsibilities Chart

MAINTENANCE RESPONSIBILITIES CHART

ITEM	PARTY RESPONSIBLE FOR PERFORMANCE	PARTY RESPONSIBLE FOR COST OF PERFORMANCE
Building facade, building structure, roof, exterior of building, and building foundations.	Unit Owners Association.	Unit Owners as a Common Expense.
Parking garage major structural repairs or replacements and reserves for replacement.	Unit Owners Association.	Unit Owners as a Common Expense.
Parking garage spaces and travelways: operation and routine maintenance (i.e. cleaning, sweeping, striping, power washing, painting, bulb replacement, minor non-structural repairs and operation and maintenance, repair or replacement of any gates or access control devices).	Unit Owners Association.	Unit Owners as a Common Expense.

Maintenance Responsibilities Chart Page 2

ITEM	PARTY RESPONSIBLE FOR PERFORMANCE	PARTY RESPONSIBLE FOR COST OF PERFORMANCE
<p>Maintenance and repair or replacement of Common Element sidewalk areas, grounds, landscaped areas, planter walls, retaining walls, site lighting, surface parking spaces and any private roadways or alleys, including snow removal.</p>	<p>Unit Owners Association</p>	<p>Unit Owners as a Common Expense</p>
<p>General Common Element elevators, stairways, loading docks, trash rooms and trash chutes.</p>	<p>Unit Owners Association.</p>	<p>Unit Owners as a Common Expense.</p>
<p>Exterior windows, exterior doors (excluding door hardware) and screens of Residential Units, including glass replacement and window washing; painting of exterior of Residential Unit entry doors.</p>	<p>Unit Owners Association.</p>	<p>Unit Owners as a Common Expense.</p>
<p>Cleaning, sweeping, snow removal and non-structural maintenance of Limited Common Element balconies, terraces, planters, or patios to Units.</p>	<p>Owner of Unit to which such balcony, terrace, planter or patio is appurtenant.</p>	<p>Owner of Unit to which such balcony, terrace, planter or patio is appurtenant.</p>

ITEM	PARTY RESPONSIBLE FOR PERFORMANCE	PARTY RESPONSIBLE FOR COST OF PERFORMANCE
Major maintenance and repair and replacement of balconies, patios, planters and terraces to Units.	Unit Owners Association.	Unit Owners as a Common Expense.
Heating and cooling systems and components exclusively serving a single Unit but located outside of Unit. Notwithstanding any provisions herein to the contrary, each Owner shall be responsible for, at its sole cost, the mandatory maintenance of the HVAC unit and condensate lines serving exclusively its unit at least twice a year.	Unit Owners Association.	Owner of Unit served.
Heating and cooling systems and components exclusively serving a single Unit and located within the Unit.	Owner of Unit served.	Owner of Unit served.
Heating and cooling systems and components serving only Common Elements or more than one Unit.	Unit Owners Association.	Unit Owners as a Common Expense.

Maintenance Responsibilities Chart Page 4

ITEM	PARTY RESPONSIBLE FOR PERFORMANCE	PARTY RESPONSIBLE FOR COST OF PERFORMANCE
Plumbing and related systems and components thereof, serving Common Elements or more than one Unit.	Unit Owners Association.	Unit Owners as a Common Expense.
Plumbing and related systems and components thereof, exclusively serving a single Unit but located outside the boundaries of the Unit.	Unit Owners Association.	Owner of Unit served.
Plumbing and related systems and components thereof, exclusively serving a single Unit and located within the boundaries of the Unit.	Owner of Unit served.	Owner of Unit served.
Electrical and related systems and components thereof, including fixtures, serving only Common Elements or more than one Unit.	Unit Owners Association.	Unit Owners as a Common Expense.
Electrical and related systems and components thereof, including fixtures, exclusively serving a single Unit but located outside the boundaries thereof.	Unit Owners Association.	Owner of Unit served.

ITEM	PARTY RESPONSIBLE FOR PERFORMANCE	PARTY RESPONSIBLE FOR COST OF PERFORMANCE
Electrical and related systems and components thereof, including fixtures, exclusively serving a single Unit and located within the boundaries thereof.	Owner of Unit served.	Owner of Unit served.
Storage spaces: general cleaning.	Unit Owner to whom the space is assigned.	Unit Owner to whom the space is assigned.
Storage spaces: repair and replacement.	Unit Owners Association.	Unit Owners as a Common Expense.
Maintenance and cleaning of General Common Element lobbies, corridors, vestibules, and other recreational and common use rooms.	Unit Owners Association.	Unit Owners as a Common Expense.
Pest Exterminating of the General Common Elements.	Unit Owners Association.	Unit Owners as a Common Expense.
Interior of Unit entry doors, all door hardware, weather stripping, door sill, routine maintenance and cleaning of interior of windows, sliding glass doors, door bells.	Owner of Unit.	Owner of Unit.

118 CONDOMINIUMS, LLC

By: _____
S. P. Newell , Managing Manager

State of Maine
Cumberland County

_____ 2014

Personally appeared the above-named S. P. Newell, Managing Manager of 118 Condominiums, LLC as aforesaid, and acknowledged the foregoing to be his free act and deed and the free act and deed of said limited liability company.

Notary Public/Attorney at Law
Print name: _____
My Commission Expires: _____

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Attachments:

Schedule A: Description of Land and List of Encumbrances

Schedule B: List of Units and Appurtenant Percentage Interests in Common Elements

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118 ON MUNJOY HILL CONDOMINIUM

SCHEDULE A

LAND SUBMITTED TO CONDOMINIUM; LIST OF ENCUMBRANCES

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118 ON MUNJOY HILL CONDOMINIUM

SCHEDULE B:

Common Element Interest, Vote and

Common Expense Liability

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EXHIBIT C
Public Offering Statement

118 ON MUNJOY HILL CONDOMINIUM ASSOCIATION

BY-LAWS

THESE BY-LAWS are established this ____ day of _____, 2014, by The 118 Condominium, LLC ("Declarant") and 118 on Munjoy Hill Condominium Association, a condominium association established by the Declarant. Capitalized terms used herein, if not defined herein, shall be defined as set forth in the Condominium Declaration or in the Maine Condominium Act.

ARTICLE I
Name of Association

The Association hereby governed shall be known as 118 ON MUNJOY HILL CONDOMINIUM ASSOCIATION (the "Association"), a Maine non-profit, non-stock, mutual benefit corporation, and under that name, so far as legal, all activities shall be carried on by the Executive Board of such Association.

ARTICLE II
The Association and its Purpose: Unit Owners' Organization

All of the rights and powers in and with respect to the common elements and facilities and exterior and structural portions of the Units of 118 ON MUNJOY HILL, a condominium located in Portland, Maine, (the "Condominium") established by a Declaration of Condominium (the "Declaration") of even date and recorded herewith in the Cumberland County Registry of Deeds, which are conferred upon or exercisable by the organization of Owners of the Condominium and all property, real and personal, tangible and intangible, conveyed to or held by the Association (the "Association Property") hereunder shall vest in the Association to exercise, manage, administer and dispose of the same and to receive the income thereof in accordance with the provisions of the Maine Condominium Act, 33 Maine Revised Statutes, Chapter 31, §§ 1601-101, *et seq.*, as now and as may be hereinafter amended (hereinafter referred to as the "Condominium Act").

ARTICLE III
The Executive Board

Section 3.1. Number. Until the "Transition Date" described in Section 3.4 below, the Executive Board shall be appointed by the Declarant and its successors and assigns as described in said Section 3.4. After the Transition Date, there shall be an Executive Board (the "Board") consisting of five (5) persons, who shall be elected as hereinafter provided.

Section 3.2. Terms. After the Transition Date, and except as provided in Section 3.4 below, the term of each Board Member shall be for a period of three (3) years from the annual meeting of Owners at which such Board Member is elected. Such terms shall be on a staggered basis, so that in each year the term of either one or two Board Members will expire. A Board Member whose term has expired shall continue in office until a successor is elected or appointed as hereinafter provided.

Section 3.3. Vacancies, Election, Appointment and Acceptance of Board Members. After the Transition Date, if and when the number of Board Members shall become less than five (5) due to death, disability, removal or resignation, a vacancy shall be deemed to exist, whereupon a special meeting of the Unit Owners shall be duly convened within sixty (60) days of the creation of such vacancy to elect a successor Board Member. The expiration of a term shall also create a vacancy which, however, shall be filled at the annual meeting of the Unit Owners. At such meeting, Board Member(s) shall be elected by the Unit Owners present in person or by proxy, provided that a quorum is present, such that the person(s) receiving the largest number of votes, even if not a majority, shall be elected. There shall be no cumulative voting in such election. In such event as the Unit Owners should fail to elect a successor Board Member within said sixty (60) day period, then the Board Members then remaining may appoint a natural person to fill such vacancy. In the event that the Board Member(s) fail to so appoint a successor within thirty (30) days, or if there is no remaining Board Member, then such vacancy, or vacancies, shall, upon the petition therefor of any Unit Owner, with notice to all other Unit Owners, be filled by the appointment, or appointments, of a court of competent jurisdiction. The election or appointment of Board Members shall become effective upon such election or appointment.

The filling of any such vacancies in the Executive Board shall be carried out so as to maintain the composition of the Board as described in Section 3.4 below, as between Nonresidential Board Members and Residential Board Members.

Section 3.4. Executive Board During Initial Period of Condominium; Transition Provisions; Qualification to Serve on Board. Notwithstanding the foregoing, during the period from the date of the first conveyance of a Unit to a person other than the Declarant until 60 days after the conveyance by the Declarant to third-party purchasers of eight (8) Units in the Condominium, or if sooner, seven (7) years from the date of the first conveyance of a Unit to a person other than the Declarant (the "Transition Date"), there shall be three (3) Board Members appointed by the Declarant, its successors or assigns. The original Board Members appointed by the Declarant are the persons whose names and signatures appear at the conclusion of these By-Laws. Upon any vacancy existing in such Board, its or their successor(s) shall be appointed solely by the Declarant, its successors or assigns.

On or before the Transition Date, a special meeting of the Unit Owners shall be held for the purpose of electing five (5) Board Members who shall serve as described above. Such Board shall be elected by the vote, in person or by proxy, of the Unit Owners as provided in these By-laws.

Notwithstanding the foregoing, the Declarant may, at its election, voluntarily surrender the right to appoint and remove Board Members prior to the Transition Date, and in such event

the Declarant may require, as a condition thereof, that certain specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant, all as provided in Section 1603-103(d) of the Condominium Act.

The five-Member Executive Board established after the Transition Date and thereafter shall be comprised of one (1) Member elected solely by the Nonresidential Unit Owners (the "Nonresidential Board Member") and four (4) Members elected by all Unit Owners (the "Residential Board Members"). Vacancies on the Board shall be filled (as set forth in Section 3.3 above) in such a manner as to maintain such composition of the Board as between Nonresidential and Residential Board Members.

The terms of such initial Board Members elected by the Unit Owners on or about the Transition Date shall be staggered, such that the one Nonresidential Board Member shall serve a one-year term, two Residential Board Members shall serve a two-year term, and the remaining two Residential Board Members shall serve a three-year term. Thereafter, as such terms expire, successors shall each serve staggered three-year terms as set forth in Section 3.2 above.

Board Members not appointed by the Declarant shall be Unit Owners or spouses of Unit Owners, or in the case of a Unit Owner which is a corporation, partnership, limited liability company, trust or estate, a designated officer, partner, member, manager, or trustee thereof.

Section 3.5.

A. Board Action. In any matter relating to the administration of the Condominium and the exercise of the powers herein conferred, the Board may act by majority vote of its number at any duly called meeting at which a quorum is present as hereinafter provided. The Board may also act without a meeting by instrument or instruments executed by all of its Members.

B. Power to Act When Vacancy Exists. Notwithstanding anything contained herein to the contrary, despite any vacancy, however caused and for whatever duration, the then remaining or surviving Board Member(s) shall continue to exercise and discharge all of the powers, discretions and duties hereby conferred or imposed upon the Board.

Section 3.6. Board Meetings; Quorum; Minutes. Until the Transition Date, regular Board meetings shall not be necessary, but may be called by any Board Member upon seven (7) days' written or electronic notice to any and all other Board Members. After the Transition Date, the Board shall meet annually following the annual meeting of the Unit Owners, and at such meeting shall elect a President, Treasurer and a Secretary, and any other officers they deem expedient. The Board shall thereafter meet at such regular interval, time and place as determined by the President, and specially upon the request of any two Board Members; provided, however, that written notice of each such special meeting setting the place, day, hour and purpose thereof shall be given at least seven (7) days before such meeting to each Board Member, unless such notice is waived by all Board Members. A majority of the number of Board Members then in office shall constitute a quorum at all meetings, and such meetings shall be conducted in accordance with such rules as the Board may adopt. The establishment of a quorum shall be determined at the beginning of a

meeting, and once established shall continue throughout such meeting, as provided in Section 1603-109(b) of the Condominium Act.

Minutes of all Board meetings shall be taken by a person designated by the Board, or if no such designation is made, by the Secretary, and shall be maintained by the Board as part of the records of the Association.

Section 3.7. Officers; Committees. There shall be appointed by the Board Members, in addition to such other officers as they may elect, the following officers (the "Officers") who shall have the following listed duties:

A. President. The President must be a Board Member and shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Unit Owners and of the Board. The President shall have the power to appoint committees from among the Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium. If the President is unable to act at any time, the Treasurer shall act in the place of the President on an interim basis.

B. Treasurer. The Treasurer shall have the responsibility for overseeing Association's funds and securities and shall be responsible for maintaining full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He or she shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board.

C. Secretary. The Secretary shall maintain the minutes of all meetings of the Unit Owners and of the Board; he or she shall have charge of such books and papers of the Association; and he or she shall, in general, perform all the duties incident to the office of clerk or secretary of a business corporation organized under Maine law.

The above-described Officers may be removed and elected by the Board from time to time at any Board meeting at which a quorum is present, and such officers shall continue to serve in their capacities until they resign or are removed from such office.

Any two or more of the above-described Officers may prepare, execute, certify and record amendments to the Declaration and these By-Laws on behalf of the Association.

Section 3.8. Resignation; Removal. Any Board Member may resign at any time by an instrument in writing, signed and delivered to the remaining Board Members. Such resignation shall take effect upon such delivery, unless specified to be effective at some other time in said instrument.

Any Board Member appointed by the Declarant may be removed by the Declarant. After the Transition Date, any Board Member may, with or without cause, be removed by a vote of fifty-one percent (51%) of the Unit Owners at a special meeting duly called therefor and after being afforded the opportunity to be heard. The vacancy so resulting shall be filled in the

manner provided in Section 3.3 hereof. In no case may the original Board Members or successor Board Member(s) appointed by the Declarant, its successors or assigns, be removed except by the Declarant, its successors or assigns.

Section 3.9. Bond or Surety. No Board Member elected or appointed as hereinbefore provided, whether as original Board Member or as successor to or as substitute for another, shall be obliged to give any bond or surety or other security for the performance of any of his duties hereunder; provided, however, that the Unit Owners by a vote of fifty-one percent (51%) may at any time require that any one or more of the Board Members, except a Declarant or Court-appointed Board Member, shall give bond in such amount and with such sureties as shall be specified in such vote. All expenses incident to any such bond shall be charged as a Common Expense of the Condominium. The foregoing shall not affect any fidelity coverages hereinafter required under the insurance provisions of these By-Laws.

Section 3.10. Compensation of Board Member(s), Officers and Committee Members. No Board Member, Officer or Committee Member shall receive remuneration (which term shall not be deemed to include reimbursement for expenses incurred by such person in connection with his duties, which reimbursement shall be permitted and charged as a Common Expense) for his services unless so provided for by a vote of fifty-one percent (51%) of the Unit Owners and any remuneration so provided shall be from time to time fixed by said Unit Owners, and shall be a Common Expense of the Condominium. With the approval of a majority of the Board, any Board Member, Officer, or Committee Member may receive reasonable remuneration for extraordinary or unusual services, professional or otherwise, rendered by him to the Association, all as shall be from time to time fixed and determined by said Board, and such remuneration shall be a Common Expense of the Condominium.

Section 3.11. No Personal Liability. No Board Member, Officer, or Committee Member shall under any circumstances or in any event be held liable or accountable out of his or her personal or company assets or be deprived of compensation, if any, by reason of any action taken, suffered or omitted, or for allowing one or more of the other Board Member(s), Officers, or Committee Members to have possession of the Association books or property, or be so liable, accountable or deprived by reason of honest errors of judgment or mistakes of fact or law or by reason of anything unless he or she is adjudicated to have acted with intentional and willful misconduct. No Unit Owner or parties seeking monetary relief from the Association, whether in an action based in contract, tort or otherwise, may bring an action against the Board Member(s) in their individual, LLC or corporate capacity.

Section 3.12. Board Members, Officers and Unit Owners May Deal with the Condominium. No Board Member or Unit Owner shall be disqualified by his office, or status, from contracting or dealing, directly or indirectly, with the Board or with one or more Unit Owners as vendor, purchaser or otherwise because of his, the Board Member's, Officers', or any Unit Owner's interest in any corporation, firm, Association, partnership or other organization connected with such contracting or dealing, nor shall any such dealing, contract or arrangement entered into in which any Board Member, Officer, or Unit Owner, shall in any way be interested be avoided nor shall any Board Member, Officer, or Unit Owner, so dealing or contracting or being so interested be liable to account for any profit realized by any such dealing, contact or arrangement by reason

of such Board Member's or Officer's holding office or of the fiduciary relationship, if any, hereby established, or by reason of such Unit Owner's status, unless the Board Member, Officer or Owner shall be adjudicated by a court of competent jurisdiction to have acted in bad faith and failed to disclose the nature of his interest to the Board before the dealing, contract or arrangement is entered into.

Section 3.13. Indemnification. The Association shall, to the extent legally permissible, indemnify and shall have a duty to defend each of its Board Members, Officers and Committee Members against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office, or thereafter, by reason of his being or having been such a Board Member, Officer or Committee Member, except with respect to any matter as to which he shall have been adjudicated in any proceeding to have acted with willful misconduct or reckless disregard of his duties or not to have acted in good faith in the reasonable belief that his action was in the best interests of the Condominium. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any Board Member, Officer or Committee Member may be entitled herein or by contract or otherwise under applicable law.

ARTICLE IV **Members and Meetings**

Section 4.1. Members. The Members of the Association shall be the Unit Owners of the Condominium as they may be from time to time.

Section 4.2. Voting on Behalf of Units Owned by More than One Person or by Entities. Whenever any of the Units is owned of record by more than one person, voting shall be carried out as provided in Section 1603-110 of the Condominium Act. For Units to which title is held by a fiduciary, the fiduciary shall be the designated individual to vote. For Units to which title is held by a corporation, a duly authorized officer of such corporation shall be the designee, and as to a limited liability company, any Manager or Member of such company shall be the designee.

Section 4.3. Meetings of Unit Owners. Meetings of the Unit Owners shall be held as hereafter provided:

A. Annual Meeting. There shall be an annual meeting of Unit Owners on the first Saturday of October at 10:00 A.M. at the Condominium or at such other reasonable date, place and time as may be designated by the Board (the "Annual Meeting"). If that day is a legal holiday, the meeting shall be held on the next succeeding day. The Board shall give written notice thereof to the Unit Owners at least ten (10) days and not more than sixty (60) days prior to said date, which notice shall include an agenda and a full description of all matters to be voted upon, if any. At the Annual Meeting, the Board shall submit reports of the management and finances of the Condominium, conduct elections as are necessary, and conduct such other business as is proper.

B. Special Meetings. Special meetings (including a meeting in lieu of an annual meeting not held) of the Unit Owners may be called at any time by the Board and shall be called by them upon the written request of Unit Owners holding at least 20% of the Undivided Interests ("Special Meeting"). Special Meetings may also be called as provided in the Maine Nonprofit Corporation Act. A request for such a Special Meeting from the Unit Owners shall be accompanied by a delineation of the items the requestors wish to have considered at said meeting, including the text of any proposed amendment to the Condominium documents. Written notice of any Special Meeting designating the place, day and hour thereof, together with a full description of the matter(s) to be considered and/or voted upon, shall be given by the Board to the Unit Owners in the same manner as written notice of Annual Meetings.

C. Text of Proposed Amendment. At any meeting of the Unit Owners at which a proposed amendment to the Condominium documents is to be considered, the notice of such meeting shall include the full text of such proposed amendment.

D. Voting. Each Unit shall have one vote, which vote shall be weighted in relation to the Undivided Interest of the Unit to which it appertains, as established in the Declaration, as amended from time to time. Unless otherwise specifically provided in the Declaration or the Condominium Act, the vote of a majority of the Undivided Interests of Unit Owners (weighted as described above) present in person or by proxy at a duly convened meeting of the Unit Owners at which a quorum is present ("Majority Vote") shall be binding as to those matters within the purview of the Unit Owners.

E. Quorum. A quorum for the conduct of business at meetings of the Unit Owners shall equal representation in person or by proxy of at least 25% of the Undivided Interests. The establishment of a quorum shall be determined at the beginning of the meeting, and once established shall continue throughout such meeting, as provided in Section 1603-109(a) of the Condominium Act.

F. Proxies. A Unit Owner may vote by written proxy pursuant to Section 1603-110(b) of the Condominium Act.

G. Minutes. Minutes of all Unit Owner meetings shall be taken by a person designated by the Board, or if no designation is made, by the Secretary, and shall be maintained by the Secretary as part of the records of the Association.

ARTICLE V

Board Powers and Duties; Financial Reporting

Section 5.1. Powers and Duties of Board. The Executive Board shall, subject to all limitations and provisions of applicable laws, the Declaration and these By-Laws, have the absolute control and management of the Condominium Property and shall have all of the powers necessary for the administration of the affairs of the Condominium, and may do all such acts and things in connection therewith. The powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be exercised subject to the provisions hereof:

- A. Operating, regulating, maintaining, repairing, replacing, managing, leasing, improving and modifying the Common Elements or maintaining, repairing, or replacing the exterior wall and structural portions of the Units.
- B. Owning, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by the Association as a result of enforcement of the lien for Common Expenses.
- C. Instituting, defending or intervening in litigation or administrative proceedings involving the Association or other matters affecting the Condominium.
- D. Determining and budgeting of the Common Expenses required for the affairs of the Condominium, and assessing such Common Expenses to the Unit Owners as provided in the Declaration and these By-laws.
- E. Determining and billing Unit Owners for their proportionate share of utility costs for heat and cooling on a monthly basis.
- F. Collecting the Common Charges (which for the purposes of these By-Laws shall mean such portion of the Common Expenses as are payable by the respective Unit Owners) from Unit Owners.
- G. Employing and dismissing managing agents, independent contractors, employees and other personnel necessary for the maintenance and operation of the Condominium.
- H. Opening and utilizing bank accounts on behalf of the Association and designating the signatories required therefor.
- I. Obtaining of insurance.
- I. Imposing and receiving any payments, fees or charges for the use, rental or operation of the Common Elements and for services provided to Unit Owners.
- J. Incurring obligations and paying, compromising or adjusting all obligations incurred and rights acquired in the administration of the Association.
- K. Adopting and amending rules and regulations covering the operation and use of the Common Elements and the occupancy of Units.
- L. Obtaining advice of counsel and relying thereon, and employing, appointing and removing such other persons, agents, officers, brokers, engineers, architects, employees, servants and assistants as they shall deem advisable, and defining their respective duties and fixing their pay and compensation.
- M. Granting of permits, concessions, licenses and easements and/or leases over, under, through and/or to the Common Elements.
- N. Altering the nature and/or the use of any of the Common Elements, and making installations therein.

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O. Enforcing obligations of the Unit Owners, including, but not limited to, the levying of general and special assessments for Common Expenses and the providing of adequate remedies for failure to pay such assessments, assessing interest on unpaid sums, levying reasonable fines (after notice and opportunity to be heard), attorneys' fees, costs and expenses against the Unit Owner(s) for violations by the Unit Owner(s), or persons for whom a Unit Owner is responsible, of the Rules and Regulations or of the provisions of these By-Laws or the Declaration, and in the case of persistent violations of the Rules and Regulations or of these By-Laws or the Declaration by a Unit Owner, or persons for whom an Owner is responsible, requiring such Unit Owner to post a bond to secure adherence thereto.

P. Investing and reinvesting the funds of the Condominium, or any part or parts thereof, and from time to time and as often as they shall deem appropriate to change investments, including power to invest in all types of securities, and other property, of whatsoever nature and however denominated, all to such extent as they shall deem appropriate, and without liability for loss, even though such property or such investment shall be of a character or in an amount not customarily considered proper for the investment of Association funds, or which does not or may not produce income.

Q. Selling, purchasing and exchanging property or any interest therein for such consideration and upon such terms as they deem advisable; provided, however, that the Common Elements may only be conveyed or subjected to a security interest pursuant to Section 1603-112 of the Condominium Act.

R. Imposing reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates and/or statements of unpaid assessments.

S. Incurring such liabilities, obligations and expenses, making such contracts, and paying from the principal or the income of the Condominium's funds all such sums, as they shall deem necessary or proper, for the furtherance of the purposes of the Association.

T. Entering into and having such access to Units and Limited Common Elements as shall be reasonably necessary to the performance and exercise of the duties, obligations, rights and powers of the Board hereunder.

V. Executing any and all instruments incidental or necessary to carry out any of the foregoing powers.

W. Generally, in all matters not herein otherwise specified, exercising any and all other executive board powers described in the Condominium Act, the Declaration of these By-Laws, exercising any and all other powers as may be exercised by legal entities of the same

or similar type as the Association, and the exercising of any other powers necessary and proper for the governance and operation of the Association, subject only to the limitations on the Board set forth herein, in the Declaration or in the Condominium Act.

The powers described in Subsections A, D, E, F, I, J, K, M, P, , T and V above may be delegated by the Board to a managing agent or to one of its Officers or committees.

Section 5.2. Financial Reports to Unit Owners. The Association or its managing agent shall keep financial statements (including balance sheets, and income and expense statements) sufficiently detailed to comply with Sections 1603-118 and 1604-108 of the Condominium Act. The Board may also arrange for the keeping of such other financial records and reports as it deems prudent. All financial records shall be made reasonably available for inspection by Unit Owners, mortgagees, and their authorized agents. The Board shall supply all Unit Owners with copies of the Association financial statements at least annually, within 60 days after the end of the Association's fiscal year.

Section 5.3. Fiscal Year. The fiscal year of the Association shall end each year on December 31 or such other date as may from time to time be determined by the Board.

ARTICLE VI

Rights and Obligations of Third Parties Dealing with the Board

Section 6.1. Third Parties' Reliance. No purchaser, mortgagee, lender or other person dealing with the Board shall be bound to ascertain or inquire further as to the identity of said Board Members or of any changes therein. The receipts of the Board Members, or any one of them, for moneys or things paid or delivered to them, or him, shall be effectual discharges therefrom to the persons paying or delivering the same and no person from whom the Board Members, or any one or more of them, shall receive any money, property or other credit shall be required to see to the application thereof. No purchaser, mortgagee, lender or other person dealing with the Board or with any real or personal property which then is or formerly was Association Property shall be bound to ascertain or inquire as to the existence or occurrence of any event or purpose in or from which sale, mortgage, pledge or charge is herein authorized or directed, nor otherwise as to the purpose or regularity of any of the acts of the Board Member, or any one or more of them, purporting to be done in pursuance of any of the provisions or powers herein contained, nor as to the regularity of the resignation, election or appointment of any Board Member.

Section 6.2. Personal Liability Excluded. No recourse shall at any time be had under or upon any note, bond, contract, order, instrument, certificate, undertaking, obligation, covenant or agreement, whether oral or written, made, issued or executed by the Board or by any Board Member or officer on behalf of the Board, or by reason of anything done or omitted to be done by or on behalf of them, or any of them, against the Board Members individually, either directly or indirectly, by legal or equitable proceeding, or by virtue of any suit or otherwise, and all persons extending credit to, contracting with or having any claim against the Board, shall look only to the Association Property for payment under contract or claim, or for the payment of any debt, damage, judgment or decree, or of any money that may otherwise become due or payable to them from the Board, so that neither the Board Member(s) nor the Owners, present or future, shall be personally liable therefore except as otherwise provided in the Condominium Act.

Section 6.3. All Instruments Subject to Terms Hereof. Every note, bond, contract, order, instrument, certificate, undertaking, obligation, covenant or agreement, whether oral or written, made, issued or executed by the Board, or by any agent or employee of the Board, shall be deemed to have been entered into subject to the terms, conditions, provisions and restrictions hereof, whether or not express reference shall have been made to this instrument.

Section 6.4. Recording. These By-Laws and any amendments hereto and any certificate herein required to be recorded and any other certificate or instrument which may be deemed desirable to record shall be recorded with the Registry of Deeds and such recording shall be deemed conclusive evidence of the contents and effectiveness thereof according to the tenor thereof; and all persons dealing in any manner whatsoever with the Board, the Property and/or the Association Property or any Member hereunder shall be held to have notice of any alteration or amendment of these By-Laws, or change of Board Member(s), when the same shall be recorded with said Registry of Deeds. Any certificate signed by any Officer, or by a majority of the Board in office at the time (or one Board Member if there be but one), setting forth as facts any matters affecting the Association, when duly acknowledged and recorded with said Registry of Deeds, shall be conclusive evidence as to the existence of such alleged facts in favor of all third persons, including the Board, acting in reliance thereon. Any certificate executed by any Officer or any Board Member hereunder, setting forth the existence of any facts, the existence of which is necessary to authorize the execution of any instrument or the taking of any action by such Association or majority, as the case may be, shall as to all persons acting in good faith in reliance thereon be conclusive evidence of the truth of the statements made in such certificate and of the existence of the facts therein set forth.

Section 6.5. Certificates of Incumbency and Address. The Board may from time to time record with the Registry of Deeds appropriate instruments reflecting the composition of the Executive Board and the mailing address of this Association.

ARTICLE VII

Amendment and Termination

Section 7.1. Amendments to By-Laws. The Board may at any time and from time to time amend, alter, add to or change these By-Laws in any manner or to any extent, provided such amendment, alteration, addition, or change is consented to in writing by the Unit Owners holding at least 67% of the Undivided Interests provided, always, however, that no such amendment, alteration, addition or change (a) made without the written consent of the Declarant and Declarant's mortgagee(s) prior to the Transition Date hereunder; or (b) made without the written consent of the Declarant and Declarant's mortgagee(s) according to the purpose of which, the Declarant's rights hereunder, or under the Declaration, are changed in any way; or (c) according to the purpose of which, the percentage of the Undivided Interests hereunder of any Unit Owner would be altered, or in any manner or to any extent whatsoever modified or affected so as to be different than the percentage of the Undivided Interest of such Owner in the Common Elements as set forth in said Declaration without unanimous consent; or (d) which would render these By-Laws contrary to or inconsistent with any requirements or provisions of the Condominium Act, shall be valid or effective. Moreover, no amendment which adversely affects the Nonresidential

Units shall be effective unless consented to by Nonresidential Unit Owners representing a majority of the aggregate Undivided Interests of the Nonresidential Units.

A. Effective Date of Amendment. Any amendment, alteration, addition or change pursuant to the foregoing provisions of this Section shall become effective upon the recording in the Registry of Deeds an instrument of amendment, alteration, addition or change, as the case may be, signed, sealed and acknowledged by an Officer of the Association, setting forth in full the amendment, alteration, addition or change and reciting the consent of the Unit Owners herein required to consent thereto. Such instrument, when so executed and recorded, shall be conclusive evidence of the existence of all facts and of compliance with all prerequisites to the validity thereof, whether stated in such instrument or not, upon all questions as to title or affecting the rights of third persons, and for all other purposes.

B. Special Amendments. The foregoing notwithstanding, the Declarant shall have the authority to amend these By-Laws to (1) correct any scrivener's or technical error made herein; or (2) to make these By-Laws comply with the Condominium Act, and other applicable local, state or federal law or regulation; or (3) to satisfy applicable insurance requirements; or to make these By-Laws comply with the provisions of the Condominium Act, any other law, code, permit or approval, or the requirements or guidelines of the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or any other insurer or guarantor of Unit mortgages. This authority may be exercised not only to add additional provisions or modify existing provisions, but also to delete theretofore required provisions should such no longer be required. This right to specially amend shall automatically be transferred to the Board upon the conveyance of all Units by the Declarant.

Section 7.2. Termination. The Association hereby created shall terminate only upon the removal of the Condominium from the provisions of the Condominium Act as provided therein.

ARTICLE VIII

Miscellaneous Provisions

Section 8.1 Security Systems. The Unit Owners Association may, but shall not be obligated to maintain or support certain activities within the Condominium Property designed to make the Condominium Property safer than it may otherwise be. Notwithstanding any references herein to a security system, fire access control system, sprinkler system or other system of a similar nature, neither the Unit Owners Association nor the Declarant, shall in any way be considered insurers or guarantors of security within the Condominium Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of the ineffectiveness of security measures undertaken. No representation or warranty is made that any fire access system, security system, sprinkler system or other system of a similar nature cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all

cases prevent loss or provide the detection or protection for which the system is designated or intended. Each Unit Owner acknowledges, understands and covenants to inform its tenants, guests, invitees, employees, customers, business patrons and family members that the Unit Owners Association, Board of Directors and the Declarant are not insurers and that each person using the Condominium Property assumes all risks for loss or damage to persons, to Units and to the contents of Units resulting from acts of third parties.

Section 8.2 Unit Keys. The Board of Directors of the Association may retain a key to all Units. No Unit Owner or occupant shall alter any lock or install a new lock, without the written consent of the Board of Directors of the Association. Where such consent is given, the Unit Owner shall provide the Association with an additional key for the use of the Association, pursuant to its right of access.

ARTICLE IX

Construction, Interpretation and Waiver

In the construction hereof, whether or not so expressed, words used in the singular or in the plural, respectively, include both the plural and the singular, words denoting males include females, words denoting females include males and words denoting persons include individuals, firms, associations, companies (joint stock or otherwise), associations and corporations, unless a contrary intention is to be inferred from them or required by the subject matter or context. The title headings of different parts hereof are inserted only for the convenience of reference and are not to be taken to be any part hereof nor to control or affect the meaning, construction, interpretation or affect hereof. All of the Association's powers and provisions herein contained shall take effect and be construed according to the laws of the State of Maine. Unless the context otherwise indicates, words defined in the Condominium Act shall have the same meaning herein and to the extent of any conflict between the terms hereof and the requirements of said Condominium Act, the latter shall govern. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of

the balance of these By-Laws. No restriction, condition, obligation or provision contained in these By-Laws 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 WITNESS WHEREOF the undersigned have hereunto set their hands and seals on this ____ day of _____, 2014.

DECLARANT:

118 ON MUNJOY HILL
CONDOMINIUM, LLC

By: _____
S. P. Newell, Managing Manager

CONDOMINIUM ASSOCIATION:

THE 118 CONDOMINIUM
ASSOCIATION, INC.

Board Member

Board Member

Board Member

DRAFT

STATE OF MAINE
CUMBERLAND COUNTY

_____, 2013

Then personally appeared the above-named S. P. Newell, Managing Manager of The 118 On Munjoy Hill Condominium, LLC as aforesaid and acknowledged the foregoing to be his free act and deed and the free act and deed of said limited liability company.

Notary Public/Attorney at Law
My Commission Expires:

STATE OF MAINE
CUMBERLAND COUNTY

_____, 2013

Then personally appeared the above-named _____, Board Member as aforesaid and acknowledged the foregoing to be his free act and deed.

Notary Public/Attorney at Law
My Commission Expires:

STATE OF MAINE
CUMBERLAND COUNTY

_____, 2013

Then personally appeared the above-named _____, Board Member as aforesaid and acknowledged the foregoing to be his free act and deed.

Notary Public/Attorney at Law
My Commission Expires:

STATE OF MAINE
CUMBERLAND COUNTY

_____, 2013

Then personally
appeared the above-named

_____, Board Member as aforesaid and

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Exhibit F to Public Offering Statement

The 118 on Munjoy Hill Condominium

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118 on Munjoy Hill Condominium

Acknowledgment and Acceptance of the Public Offering Statement

The undersigned hereby acknowledges having received and reviewed the Public Offering Statement for 118 on Munjoy Hill Condominium (the "Condominium") and hereby expressly waives and releases any right to cancel, terminate or rescind the Purchase and Sale Agreement dated _____, 2014, for Unit _____ in the Condominium under provisions of the Maine Condominium Act, Section 1604-107, and under any provision of the Agreement that provides for such right of termination in connection with the review of the Public Offering Statement, including without limitation Section 5(e) of the Agreement.

Dated: _____, 201__

Print name:

Print name:

[CM3]

