**PUBLIC OFFERING STATEMENT**

**118 ON MUNJOY HILL, A CONDOMINIUM**

**EXHIBIT C**

**BY-LAWS**

THESE BY-LAWS are established this day of \_\_\_\_\_\_\_\_\_\_\_, 2014, by 118 Condominiums, 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 at least three (3) persons and not more than five (5), 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 three (3) 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 three to five (3-5) 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 By­laws.

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 three to 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 two to four (2-4) 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 Members shall serve a one year term, one or two Board Members shall serve a two year term and one or two 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.

* 1. 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:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. Proxies. A Unit Owner may vote by written proxy pursuant to Section 1603- 110(b) of the Condominium Act.
7. 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.

1. Instituting, defending or intervening in litigation or administrative proceedings involving the Association or other matters affecting the Condominium.
2. 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.
3. Determining and billing Unit Owners for their proportionate share of utility costs for heat and cooling on a monthly basis.
4. 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.
5. Employing and dismissing managing agents, independent contractors, employees and other personnel necessary for the maintenance and operation of the Condominium.
6. Opening and utilizing bank accounts on behalf of the Association and designating the signatories required therefor.
7. Obtaining of insurance.

J. 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.

K. Incurring obligations and paying, compromising or adjusting all obligations incurred and rights acquired in the administration of the Association.

1. Adopting and amending rules and regulations covering the operation and use of the Common Elements and the occupancy of Units.
2. 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.
3. Granting of permits, concessions, licenses and easements and/or leases over, under, through and/or to the Common Elements.
4. Altering the nature and/or the use of any of the Common Elements, and making installations therein.
5. 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.
6. 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.
7. 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.
8. Imposing reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates and/or statements of unpaid assessments.
9. 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.

1. 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.
2. Executing any and all instruments incidental or necessary to carry out any of the foregoing powers.
3. 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, P, Q, U 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 deeds 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.

Section 5.4. Common Expenses*.*

Until such time as the Association makes a Common Expense assessment, the Declarant shall pay all Common Expenses, as provided in Section 1603-115(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. The Declarant shall be responsible for payment of Common Expenses assessments allocated to unsold Units.

1. Preparation and Approval of Budget. Each year on or before thirty 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, as 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.

1. 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.
2. Management Fees.
3. Attorney's fees and like administrative costs.
4. Service contracts and employee's salaries.
5. 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) Four Association Budgets. Unless otherwise determined by the Board, there shall be four (4) Association Budgets each fiscal year, as contemplated by Section 1603-105(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.

(d) 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.

(e) 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.

###### 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 lncumbency and Address. The Board may from time to 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.

* 1. 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.
  2. 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

MAINTENANCE RESPONSIBILITIES CHART

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ITEM | PARTY RESPONSIBLE FOR PERFORMANCE | | PARTY RESPONSIBLE FOR COST OF PERFORMANCE | |
| Building façade, 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 and repair or replacement of Common Element sidewalk areas, grounds, landscaped areas, planter walls, retaining walls, trellises and “green walls,” approved project’s street trees and their granite planting |  | |  | |
| beds, site lighting, surface parking spaces and any private roadways or alleys, including snow removal. | Unit Owners Association. | | Unit Owners as a Common Expense. | |
| General Common Element elevators, stairways, loading docks, trash rooms and trash chutes. | Unit Owners Association. | | Unit Owners as a Common Expense. | |
| 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. | Unit Owners Association. | | Unit Owners as a Common Expense. | |
| Cleaning, sweeping, snow removal and non-structural maintenance of Limited Common Element balconies, terraces, planters, or patios to Units. | Owner of Unit to which such balcony, terrace, planter or patio is appurtenant. | | Owner of Unit to which such balcony, terrace, planter or patio is appurtenant. | |
| 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. |
| ITEM | | PARTY RESPONSIBLE FOR PERFORMANCE | | PARTY RESPONSIBLE FOR COST OF PERFORMANCE |
| 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. |
| 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. |

|  |  |  |
| --- | --- | --- |
| ITEM | PARTY RESONSIBLE FOR PERFORMANCE | PARTY RESPONSIBLE FOR COST OF PERFORMANCE |
| 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. |
| 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. |

###### ARTICLE X

**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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2014.

DECLARANT: CONDOMINIUM ASSOCIATION:

118 CONDOMINIUMS, LLC 118 ON MUNJOY HILL CONDOMINIUM ASSOCIATOIN

By:

Board Member

Board Member

Board Member

STATE OF MAINE

CUMBERLAND COUNTY \_\_\_\_\_\_\_\_\_\_\_, 2014

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 , 2014

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 , 2014

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 , 2014

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: