

NOTICE OF INTENT TO CONVERT

Christopher P. and Kristi A. Sarchi
16 Coveside Road
Cumberland, Maine 04110
207-781-5971

Certified Mail, Return Receipt Requested

October 27, 2005

Francisco Guerra
199 Spring Street Apartment #7
Portland, Maine 04102

COPY

Re: 199 Spring Street, Portland, Maine
Apartment No. 7

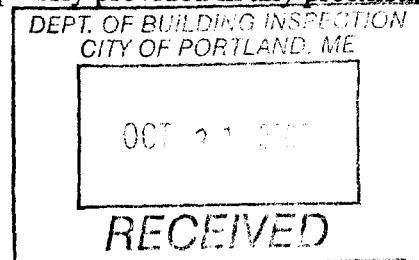
Dear Francisco:

We are providing you with this Notice of Intent to Convert (the "Notice") pursuant to the requirements of Section 1604-111 of the Maine Condominium Act (the "Condominium Act") and Article VII of the Chapter 14 of the Portland Code of Ordinances (the "Condominium Conversion Ordinance") regarding the conversion of residential apartment buildings into condominiums.

We intend to convert our property at 199 Spring Street in Portland (the "Property") to a condominium pursuant to the Maine Condominium Act. Copies of the proposed Declaration of Condominium, the proposed Bylaws of the Association and the proposed Plat and Plans for the condominium are enclosed. Because you are a tenant in the Property, we are required under the Condominium Act and the Condominium Conversion Ordinance to provide you with notice of our intent to convert the Property to a condominium, to afford you a certain amount of time to vacate your apartment, to give you the opportunity to purchase your apartment following its conversion to a condominium unit, and to otherwise advise you of your rights under the Condominium Act and the Condominium Conversion Ordinance. This Notice is effective upon the date you receive it.

1. Notice to Vacate.

You will be required to vacate your apartment no later than **March 1, 2006**. We may not require you to vacate your apartment earlier than the Vacation Date except for the reasons specified in the Maine Forcible Entry and Detainer Act (14 M.R.S.A. §6001, et seq.) and in accordance with the procedures provided therein. The terms of your tenancy, including your rent, may not be altered during the notice period, except as expressly provided in any preexisting written lease.



2. Option to Purchase.

For sixty (60) days following your receipt of this Notice, we are required to grant you the exclusive and irrevocable option to purchase your apartment, which option may not be assigned by you to a third party. The terms and conditions pursuant to which we will agree to sell your apartment to you are set forth in the proposed Purchase and Sale Agreement enclosed herewith. If you intend to proceed with the purchase, we would ask that you contact us to discuss the details and procedures at your earliest convenience. If you do not purchase or enter into a contract to purchase your apartment during the sixty (60) day period, we may not convey or offer to convey your apartment to any other person during the following one hundred eighty (180) days at a price or on terms more favorable than the price or terms we have previously offered to you as set forth in the enclosed Purchase and Sale Agreement, unless the more favorable price or terms are first offered exclusively and irrevocably to you for an additional sixty (60) day period.

3. Relocation Assistance.

If you do not purchase your apartment, we are required by law to assist you in finding another place to live and in determining your eligibility for relocation payments. If you have questions about your rights under the law, or complaints about the way you have been treated by us, you may contact the Building Inspection Division, Department of Planning and Urban Development, City of Portland, 389 Congress Street, Portland, Maine 04101 (Telephone: 874-8703).

4. Relocation Payments and Referrals.

If you do not purchase your apartment, we are required, prior to the Vacation Date, to make a cash payment to you in an amount equal to the amount of rent paid by you for the immediately preceding two (2) months, provided that this requirement shall not apply if your gross income exceeds eighty (80) percent of the median income of the Portland SMSA, adjusted for family size, as determined by the U.S. Department of Housing and Urban Development at the time this Notice received by you. Additionally, we are required, at your request, to provide you with assistance in the form of referrals to other reasonable accommodations and in determining your eligibility for relocation payments as described above.

If you should have any questions, please contact us by mail or telephone at the address or telephone number set forth above.

Sincerely,



Christopher P. Sarchi



Kristi A. Sarchi

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is made by and between CHRISTOPHER P. SARCHI and KRISTI A. SARCHI of Cumberland, Maine, whose mailing address is 16 Coveside Road, Cumberland, Maine 04110 (collectively, "Seller") and Francisco Guerra of Portland, Maine, whose mailing address is 199 Spring Street, Apartment 7, Portland, Maine 04101 (whether one or more, "Buyer"), who agree as follows.

1. PURCHASE AND SALE OF REAL ESTATE. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller Unit No. 7 (hereinafter called the "Unit") in 199 Spring Street Condominium, a condominium (hereinafter called the "Condominium") located at 199 Spring Street in Portland, Cumberland County, Maine, together with (a) an undivided percentage interest in the Common Elements of the Condominium (hereinafter called "Common Elements"), and (b) such other rights and easements appurtenant to the Unit as are set forth in the Declaration of Condominium to be executed by the Seller and recorded in the Cumberland County Registry of Deeds prior to the closing hereunder (hereinafter, together with all exhibits thereto, called the "Declaration"). The Unit shall be conveyed together with the all fixtures therein, including but not limited to shades and/or blinds, shutters, curtain rods, electrical fixtures, together with the following appliances therein owned by Seller: stove, refrigerator, microwave and dishwasher.

2. WARRANTIES; STATUTE OF LIMITATIONS. Seller will provide Buyer with certain limited warranties regarding the Unit and the Common Elements as required under Section 1604-113 of the Maine Condominium Act as more fully set forth in the Limited Warranty Certificate attached hereto. At closing Seller will deliver to Buyer a copy of the Limited Warranty Certificate for the Unit executed by Seller, and Buyer agrees to execute the Limited Warranty Certificate at closing. Prior to the expiration of such two (2) year period, Seller will assign to the Executive Board of the Condominium, on behalf of the Unit owners of all Units, any guarantees from subcontractors or suppliers of materials with respect to the Condominium running in favor of Seller, to the extent that such guarantees are assignable. Seller will deliver to Buyer at closing any manufacturers warranties covering any appliances sold with the Unit except insofar as the same may be Common Elements. Buyer agrees to execute by separate instrument on or prior to the closing date and the delivery of the deed of the Unit an agreement to reduce, as permitted by Section 1604-115 (a) of the Maine Condominium Act, the statutory six (6) year limitation period for bringing warranty claims to two (2) years. No oral warranties, representations, statements or promises shall be considered a part of this Agreement or binding upon any party hereto.

3. PURCHASE PRICE. The purchase price for the Unit is One hundred nineteen thousand (\$ 119,000) of which _____ (\$ _____) has been paid upon presentation of this Agreement by Buyer to Seller as an earnest money deposit (the "Deposit") and of which the receipt is acknowledged by Seller. The Deposit is to be held by Seller's attorneys, Drummond, Woodsum & MacMahon, 245 Commercial Street, P.O. Box 9781, Portland, Maine 04104-5081, in a non-interest bearing

escrow account, providing for immediate withdrawal, pending closing hereof, payment to Seller or refund to Buyer in accordance with the terms and provisions of this Agreement. The balance of the purchase price shall be paid by Buyer to Seller in cash or by certified or bank cashier's check at the closing, subject to the adjustments as hereinafter provided.

(a) Real estate taxes for the current municipal tax year, any sewer and water charges, and all condominium assessments shall be prorated between the parties as of the date of the closing. **Estimated taxes for this unit are apx. \$ 1,637 per year.**

(b) Buyer shall also pay a one-time working capital fund contribution equal to two (2) months estimated common assessments to the Association or to the Seller if the Seller has previously advanced such amount. At the beginning of the month following the closing of the transaction contemplated hereby, Buyer will become responsible for the payment of monthly assessments attributable to the Unit. The monthly maintenance assessment for each Unit in the condominium will be determined by the Association in accordance with the provisions of the Declaration of 199 Spring Street Condominium and the Bylaws of 199 Spring Street Condominium Owners Association. **Currently estimated association fees for this unit are \$ 150 per month, which includes, heat, water, sewer, maintenance, and general building insurance.**

(c) Real estate transfer taxes arising in connection with the conveyance of the Unit shall be paid by Buyer and Seller in accordance with Maine law.

(d) Seller is hereby notified that Buyer will withhold two and one-half percent (2.5%) of the purchase price for transfer to the State of Maine Tax Assessor pursuant to 36 M.R.S.A. § 5250-A unless (i) Seller furnishes a certificate to Buyer at closing stating, under penalty of perjury, that as of the date of closing, Seller is a resident of the State of Maine, or (ii) Seller furnishes a certificate from the State of Maine Tax Assessor to Buyer at closing stating that no taxes are due on the gain from the transfer of the Unit or that Seller has provided adequate security to the State of Maine Tax Assessor to cover the tax liability resulting from said transfer.

4. **CLOSING.** The closing on the sale of the Unit shall take place on _____, _____, 200__, at 10:00 a.m. at the offices of Seller's attorneys, Drummond, Woodsum & MacMahon, 245 Commercial Street, Portland, Maine, or at such other time and location as is agreed upon by the parties.

5. **DEED.** The Unit shall be conveyed by warranty deed and title to the Unit shall be good and marketable and free and clear of all liens and encumbrances except for utility easements and other covenants and restrictions of record including, but not limited to, the terms and conditions of the Declaration of 199 Spring Street Condominium. Until delivery of the deed from Seller to Buyer, risk of loss or damage to the Unit by casualty, condemnation or otherwise shall be on Seller. The acceptance by Buyer of the deed shall be deemed to be a full performance and discharge of every agreement and obligation herein contained or expressed, except such as are, by the terms hereof, to be performed after the delivery of said deed or to survive the closing.

6. TITLE. If title to the Unit is defective or is otherwise not free and clear of all liens and encumbrances or is not marketable as provided hereinabove, and upon notice of such defect or defects from Buyer to Seller, the closing shall be extended for a period of forty-five (45) days during which time Seller shall undertake reasonable efforts to remove such defects at Seller's expense to the reasonable satisfaction of Buyer. If record title proves defective and Seller shall fail to remove such defect or defects within said forty-five (45) day period, Buyer may, at Buyer's election, accept such title as Seller can convey without any reduction in the purchase price, or terminate this Agreement whereupon the Deposit shall be promptly returned to Buyer and the parties shall be relieved of all further obligations under this Agreement.

7. USE OF PURCHASE MONEY TO CLEAR TITLE. To enable Seller to make conveyance as herein provided, Seller may, at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests.

8. POSSESSION. Full possession of the Unit, free of all tenants and other encumbrances, except as hereinabove set forth, is to be delivered to Buyer at the closing.

9. LEAD-BASED PAINT. This Agreement is contingent upon a risk assessment or inspection of the Unit for the presence of lead-based paint and/or lead-based paint hazards at Buyer's expense to be completed within fourteen (14) days following the date of this Agreement. This condition will terminate at the end of said fourteen (14) day period unless Buyer delivers to Seller a written contract addendum listing the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report. Seller may, at Seller's option, within five (5) days after delivery of the addendum, elect in writing whether to correct the condition. Seller shall furnish Buyer with a certification from a risk management assessor or inspector demonstrating that the condition has been remedied before the Closing. If Seller does not elect to make the repairs, or if Seller makes a counteroffer, Buyer shall have three (3) days to respond to the counteroffer or remove this condition and take the Unit in a "as is" condition or this Agreement shall become void. Buyer may remove this condition at any time without cause. The Disclosure of Information on Lead-Based Paint and Lead-Based Hazards regarding lead-based paint attached hereto and signed by Seller and Buyer is incorporated within this Agreement.

10. INSPECTION. In addition to such other conditions to closing as may be set forth herein, the obligations of Buyer under this Agreement are subject to Buyer completing an inspection of the Unit within fourteen (14) days following the date of this Agreement, which inspection will be performed by an inspector chosen and paid for by Buyer. In the event such inspection discloses material defects in, or other material adverse matters with respect to, the Unit, Buyer may terminate this Agreement by giving Seller notice of Buyer's intention to do so within said fourteen (14) day period, or proceed with the purchase of the Unit without any reduction in the purchase price. In the event Buyer should terminate this Agreement due to an unsatisfactory inspection, Seller shall return the Deposit to Buyer and the parties shall be relieved of all further obligations under this Agreement. If Buyer does not notify Seller that such

inspection is unsatisfactory within the time period set forth above, this contingency shall be deemed to have been waived by Buyer.

11. BUYER FINANCING. In the event Buyer requires financing in order to purchase the Unit, this Agreement is subject to Buyer obtaining such financing upon the following terms:

- a. Buyer obtaining a loan of not less than eighty percent (80%) of the purchase price.
- b. Buyer's ability to obtain financing is not subject to the sale of any other property.
- c. Buyer shall provide Seller with a written statement from Buyer's lender, within five (5) business days of the date of this Agreement, stating that Buyer has made application for financing and, subject to verification of information, is qualified for the loan requested. If Buyer fails to provide Seller with such statement within said time period, Seller may terminate this Agreement and the Deposit shall be returned to Buyer.
- d. Buyer shall provide Seller with a loan commitment letter from Buyer's lender showing that Buyer has secured the requested loan within thirty (30) days of the date of this Agreement. If Buyer fails to provide Seller with said loan commitment letter within said time period, Seller may terminate this Agreement and the Deposit shall be returned to Buyer.
- e. Buyer is under a good-faith obligation to seek and accept financing on the above-described terms. Buyer acknowledges that a breach of this good-faith obligation will be a breach of this Agreement.

12. PROPERTY DISCLOSURE STATEMENT. Buyer acknowledges by Buyer's execution of this Agreement that Buyer received and reviewed a Residential Property Disclosure Statement of Seller required under 33 M.R.S.A. § 172 and the Public Offering Statement for 199 Spring Street Condominium required to be delivered by Seller to Buyer under the Maine Condominium Act, which Public Offering Statement consists of (a) the proposed Declaration of 199 Spring Street Condominium, (b) the proposed Plat and Plans for 199 Spring Street Condominium, (c) and the proposed Bylaws of 199 Spring Street Condominium Owners Association, prior to Buyer's execution and delivery of this Agreement. Said documents comprising said Public Offering Statement are hereby incorporated herein by reference and made a part of this Agreement with the same force and effect as if set forth in full herein.

13. BUYER'S DEFAULT. If Buyer fails to perform hereunder for any reason other than reasons specified in this Agreement as giving rise to a right in Buyer to terminate the transaction contemplated herein, Seller may, at Seller's option, retain the Deposit as Seller's sole and exclusive remedy at law or in equity for Buyer's default under this Agreement without recourse to Buyer and Buyer shall be relieved of all obligations hereunder, or pursue all available remedies, including specific performance and reasonable attorney's fees. The parties recognize that it is difficult to estimate the loss suffered by Seller in the event of Buyer's default, so the

retention of the Deposit by Seller as a liquidated damages amount, should Seller elect that option as a result of Buyer's default is established as a good faith effort to predict that loss.

14. SELLER'S DEFAULT. If Seller fails to perform hereunder for any reason other than reasons specified in this Agreement as giving rise to a right in Seller to terminate the transaction contemplated herein, Buyer shall have the remedy of specific performance or shall otherwise be entitled to the prompt refund of the Deposit and these shall be Buyer's sole and exclusive remedies at law or in equity for any default by Seller under this Agreement.

15. ASSIGNMENT. Buyer shall have no right to assign this Agreement without the prior written consent of Seller and any purported assignment of this Agreement shall be voidable at the option of Seller without in any manner affecting Buyer's obligations hereunder.

16. ESCROW. Buyer understands that Drummond Woodsum & MacMahon are attorneys for Seller. In the event of a dispute regarding the funds held in escrow by Drummond Woodsum & MacMahon hereunder, Buyer agrees that Drummond Woodsum & MacMahon may continue to act as counsel for Seller, provided such escrowed funds are paid to a court or other neutral party if such dispute is not promptly resolved.

17. MISCELLANEOUS.

(a) This Agreement shall be binding upon and shall inure to the benefit of the heirs and assigns of the parties hereto.

(b) It is expressly understood and agreed that time is of the essence in respect of this Agreement.

(c) This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, between the parties. This Agreement may not be modified, waived or amended except in writing signed by the parties hereto. No course of dealing or delay or omission on the part of any party in exercising any right or remedy shall operate as a waiver thereof or otherwise be prejudicial thereto.

(d) Any notice relating in any way to this Agreement shall be in writing and shall be sent by registered or certified mail, return receipt requested, addressed to the party to whom such notice is directed at the address first set forth above and such notice shall be deemed delivered when so posted. The parties may, by such manner of notice, substitute persons or addresses for notice other than those set forth above.

(e) Any and all prior and contemporaneous discussions, undertakings, agreements and understandings of the parties are merged in this Agreement, which alone fully and completely expresses their entire agreement.

(f) This Agreement may be simultaneously executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall constitute but one and the same instrument.

(g) Seller and Buyer each represent and warrant to the other that no brokers, agents or consultants have been employed with respect to this transaction by either of them and Seller and Buyer agree to indemnify and hold the other harmless from any claim by any broker or agent claiming compensation in respect of this transaction, alleging an agreement with Seller or Buyer, as the case may be. This agreement to indemnify and hold harmless shall survive the closing.

(h) This Agreement shall be governed by and its terms construed in accordance with the laws of the State of Maine.

IN WITNESS WHEREOF the parties have executed this Agreement as of the ____ day of _____, 200__.

WITNESS:

Christopher P. Sarchi, Seller

Soc. Sec. No. _____

Kristi A. Sarchi, Seller

Soc. Sec. No. _____

_____, Seller

Soc. Sec. No. _____

_____, Seller

Soc. Sec. No. _____

199 SPRING STREET CONDOMINIUM
RESIDENTIAL LIMITED WARRANTY CERTIFICATE

CHRISTOPHER P. SARCHI and KRISTI A. SARCHI ("Seller") have sold you a condominium unit in 199 Spring Street condominium, Portland, Maine. As in any building, certain items may require adjustment. This Limited Warranty Certificate describes nature of Seller's obligations to make these adjustments.

I. COVERAGE AND DURATION:

A. Limited Warranty:

1. Limited Warranty. Seller expressly warrants to you that at the time of closing of the sale any improvements to the Unit and Common Elements made or contracted for by the Seller or made by any person before the creation of the condominium are:

- a) Free from defective materials;
- b) Constructed in accordance with applicable law, according to sound engineering and structural standards and in a workmanlike manner. (Construction complying with the National Building Code and Code Administrators (BOCA), Basic Building Code or equivalent applicable local building code, in effect at the time of construction, if any, shall be deemed to satisfy such sound engineering or construction standards);
- c) Suitable for the ordinary residential uses of real estate of its type;
and
- d) In at least as good condition as when you signed a purchase and sale contract, reasonable wear and tear excepted.

2. Time Limits for Notice to Seller. This warranty is limited to defects brought to Seller's attention in writing within **TWO (2) YEARS** from the date of the closing and the delivery of the deed to the Unit to you. If you do not notify Seller of the defect within two (2) years of closing, your problem will no longer be covered by these warranties.

3. Time for Suit on Any Warranty. A judicial proceeding for breach of any express or implied warranty or for any other claim relating to the physical condition of your Unit and Common Elements must also be brought within **two (2) years** of your purchase.

B. Limited Warranty for Consumer Products:

1. Seller gives a LIMITED WARRANTY of repair or replacement of kitchen appliances, equipment and consumer products sold with the Unit and found to be defective and brought to Seller's attention in writing within 90 DAYS from the closing of the sale of the Unit. If you do not notify Seller of the defect within ninety (90) DAYS of closing, your problem will no longer be covered by this limited warranty. Seller makes no other warranty on appliances or other equipment sold with your Unit except as may be required by the statutory express limited warranty.

2. Seller's sole obligation with respect to items not warranted by Seller shall be to deliver to the Unit Owner at the time of Closing any remaining manufacturers' warranties covering such kitchen appliances, equipment and consumer products in the Unit except insofar as the same may be Common Elements. Seller is not responsible in any way for performance under manufacturers' warranties.

C. Examples:

1. The following are examples of building materials and components: roofing, siding, flooring, carpeting, wiring, windows, doors, wiring, toilet, bathtub, lavatory, etc.

2. The following appliances and other equipment sold with the Unit are examples of kitchen appliances, equipment and consumer products: garbage disposal, refrigerator/freezer, stove/oven, dishwasher, thermostat, trash compactor, or individual heating systems.

II. CLAIMS: If you make a claim under this limited warranty or under any warranty required by law, Seller at its option may repair or replace the affected item or component at no cost to you or Seller may pay you a sum of money equal to the estimated cost of repair or replacement. Replacement items or components will be comparable but not necessarily identical to the items replaced. Seller will correct the defect in such manner as to reasonably restore the item to the condition which would have existed had the defect not been present or forward a check to pay for such costs.

III. GENERAL EXCLUSIONS:

A. This warranty does not cover cracks, popping nails or other effects of normal settlement, fading or expansion, contraction, shrinkage or warping of materials that may occur in walls, floors, ceilings, doors, concrete or any of the components of the building or paved areas, or drainage, seepage or other water problems, as long as such defect will not prevent the normal residential use of the Unit.

B. The Seller's warranties do not include cosmetic defects, scratches, stains, or smudges in painted surfaces, chipping and/or cracking of marble, formica, fiberglass or tiles,

defective or broken glass, or similar defects readily visible to the human eye which are not noted for correction at the time of inspection by the initial purchaser before closing of the sale.

C. The Seller's warranties do not cover normal maintenance, or conditions resulting from accidents, wear and tear, misuse or negligence. The Seller's warranties do not apply where use or maintenance was contrary to the Condominium Declaration, Bylaws or and Rules and Regulations of the Condominium or where any defect results from damage by the unit owner or by negligence or unreasonable use (including failure to provide reasonable and necessary maintenance).

D. SELLER SPECIFICALLY DISCLAIMS ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL (SECONDARY) DAMAGE TO ANY PERSON, THE BUILDING, OTHER COMPONENTS OR ANY OTHER REAL PROPERTY RESULTING FROM A DEFECT. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR CONSUMER PRODUCTS, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

IV. TIME LIMITS:

FOR ANY CONSUMER PRODUCTS FINALLY DETERMINED BY A COURT TO BE WITHIN THE STATUTORY WARRANTY DESCRIBED ABOVE, ALL IMPLIED WARRANTIES ARE LIMITED IN DURATION TWO (2) YEARS FROM THE DATE OF CLOSING, WHICH IS THE PERIOD OF THIS WRITTEN WARRANTY. THIS INCLUDES, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF QUALITY AND SUITABILITY FOR BUILDING COMPONENTS CREATED BY THE MAINE CONDOMINIUM ACT. SOME STATES DO NOT ALLOW THE LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

A JUDICIAL PROCEEDING FOR BREACH OF THE LIMITED WARRANTY FOR BUILDING COMPONENTS OR BREACH OF ANY OTHER DUTY OF CARE WITH REGARD TO THE BUILDING COMPONENTS MUST BE COMMENCED NO LATER THAN 2 YEARS FROM THE DATE OF THE DELIVERY OF THE DEED.

V. ASSIGNMENT: This Limited Warranty Certificate may be assigned by the Buyer to a subsequent owner of the Unit effective on the date that the subsequent owner notifies Seller in writing of such assignment. This Limited Warranty Certificate is not otherwise transferable. Such assignment does not extend the 2 year limitation period.

VI. INTERPRETATION: Nothing contained herein shall limit the implied warranty required by Section 1604-113(b) of the Maine Condominium Act as of this date and that the statute of limitations is reduced to two (2) years as permitted by the statute. No action taken to correct defects shall extend this warranty. This warranty gives you specific legal rights, and you may also have other legal rights which vary from state to state. This Limited Warranty Certificate shall be governed by Maine law.

Dated: Oct 27, 2005

Unit No. 5

C Sarchi

Christopher P. Sarchi, Seller

K Sarchi

Kristi A. Sarchi, Seller

, Buyer

, Buyer

Note: This Limited Warranty Certificate has been prepared to comply with the requirements of the federal Magnuson-Mass Warranty-Federal Trade Commission Improvement Act enacted in 1975 (15 U.S.C. Section 2301). Certain language is required by regulations promulgated by the Federal Trade Commission (16 C.F.R. Section 701.3). The Maine Uniform Commercial Code at Title 11 M.R.S.A Section 2-316(5) does not allow limitations on implied warranties or merchantability or fitness for a particular purpose or limitation on remedies for breach with respect to consumer goods and services.

RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

This shall serve as the Seller disclosure statement required by 33 M.R.S.A. § 172 concerning the following property:

Unit No. 5, 199 Spring Street Condominium, Portland, Maine

The Seller is:

Christopher P. Sarchi and Kristi A. Sarchi

The Buyer is:

A. Water Supply System

1. Does property have a private water supply? _____ yes no

2. If yes:

- a. Type of system: _____
- b. Location of the system: _____
- c. Are you aware of any malfunctions of with system? _____ yes _____ no

If yes, describe: _____

- d. Date of the most recent water test, if any: _____
- e. Has there been an unsatisfactory water test or a water test with notations?
_____ yes _____ no _____ unknown

B. Insulation

Type of insulation used: varied; blown/wrapped
Location of insulation: siding and attic

C. Waste Disposal System

1. Does the property have a private waste disposal system? _____ yes no

2. If yes:

- a. Type of system: _____
- b. Size and type of tank: _____
- c. Location of tank: _____
- d. Are you aware of any malfunctions of the tank? yes no

If yes, describe: _____

- e. Date of installation of the tank: _____
- f. Location of leach field: _____
- g. Are you aware of any malfunctions with the leach field? yes no

If yes, describe: _____

- h. Date of installation of the leach field: _____
- i. Date of most recent servicing of the system: _____
- j. Name of contractor who serviced the system: _____
- k. If the property is in a shoreland zone, has the waste water disposal system malfunctioned within the last 180 days? yes no
 unknown

A shoreland zone is defined in 38 M.R.S.A. § 435 as an area within 250 feet of the normal high-water mark of any great pond, river or saltwater boundary, within 250 feet of the upland edge of a coastal wetland, within 250 feet of the upland edge of a freshwater wetland or within 75 feet of a stream.

D. Hazardous Materials

- 1. Have any hazardous materials been present or removed from the property?
 yes no unknown

- 2. If yes, describe: _____

Hazardous materials include, but are not limited to:

- a. Asbestos
- b. Lead-based paint in homes built before 1978
- c. Radon
- d. Underground oil storage tanks

If underground storage tanks are present, the Seller(s) must provide disclosure as required by 38 M.R.S.A. § 563(6).

E. Any known defects: dampness in basement after heavy rains

The Buyer hereby acknowledges receipt of this disclosure statement and is aware of her obligation to inspect the physical condition of the property. This disclosure statement may not serve as a substitute for any inspections or warranties that the Buyer or the Seller may obtain. Buyer acknowledges that Seller is not obligated to make any specific investigation or inquiry in an effort to complete this disclosure statement. Buyer also acknowledges that Seller may comply with required disclosures of information that is unknown or unavailable by advising the Buyer that any such information is unknown.

The Seller acknowledges that if prior to settlement or occupancy he has actual knowledge of an error, inaccuracy or omission in this disclosure statement after delivery of this disclosure statement to Buyer, he will supplement this disclosure statement with a written supplemental disclosure statement.

BUYER:

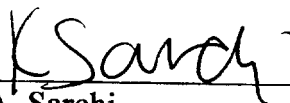
Date

Date

SELLER:


Christopher P. Sarchi

Oct 27, 2005
Date


Kristi A. Sarchi

10/27/05
Date

Disclosure of Information on Lead-Based Paint and Lead-Based Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

CS (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

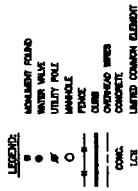
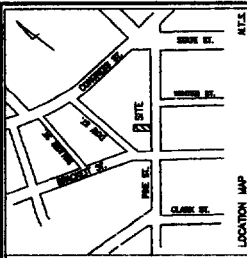
Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing (explain).

CS (b) Records and reports available to the seller (check one below):

Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

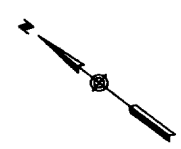
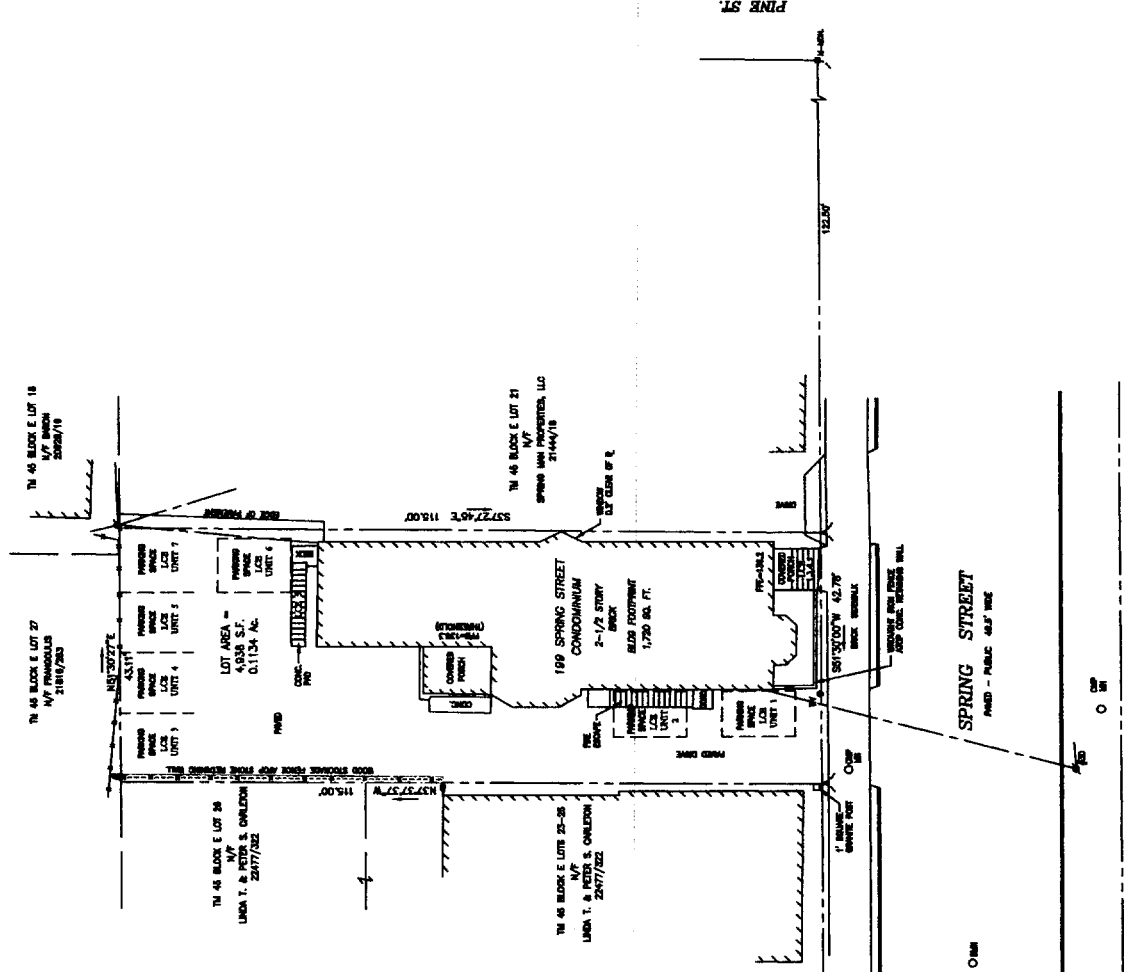
Seller has no reports or records pertaining to lead-based paint and/or lead based paint hazards in the housing.



199 Spring St
Condo Conversion.
#05-1362

CONDOMINIUM PLAT
"199 SPRING STREET CONDOMINIUM"
 #199 SPRING STREET, PORTLAND, MAINE
 MADE FOR RECORD DRAWING
 CHRISTOPHER P. SARCHI
 AND KRISTI A. SARCHI
 18 CONVERSE ROAD, CLAMBUKLAND, PORTSEIZ, MAINE
OWEN HASKELL, INC.
 28 CALDWAY ST., PORTLAND, ME 04101 (207) 771-4444

Drawn By	CS	Date	08/15/2005
Checked By	CS	Drawn By	CS
Scale	AS SHOWN	Drawn No.	2005-104P
Sheet No.	1 OF 2	Drawn Date	08/15/2005



PLAN REFERENCES

1. CONDOMINIUM PLAN FOR THREE CONDOMINIUMS APPROVED BY MEALS ENGINEERING, INC. SPRING STREET, PORTLAND, MAINE DATED JUNE 15, 1994
2. CITY OF PORTLAND "BLUE SHEET" NUMBER 28, 44, 74, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000
3. CITY OF PORTLAND'S ASSESSOR'S MAPS.

NOTES

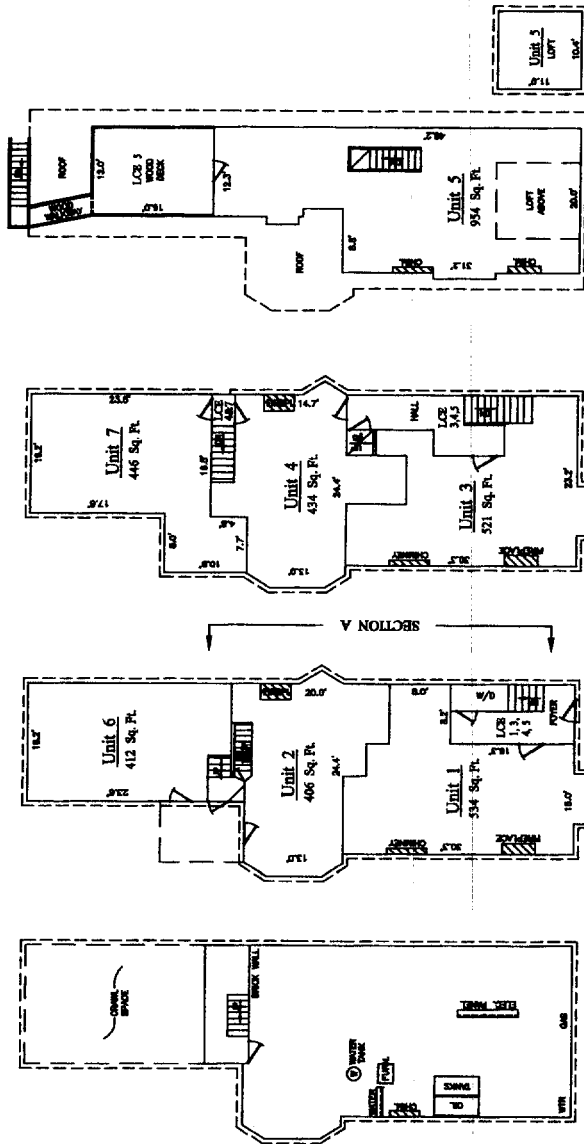
1. OWNER OF RECORD AND CONVERSION P. AND KERRY A. SARCHI BY WARRANTY DEED RECORDED IN BOOK 14481 PAGE 144 OF THE CLAMBUKLAND COUNTY REGISTER OF DEEDS (C.R.D.).
2. EASEMENTS ARE SHOWN ON PLAN REFERENCE 1.
3. EXISTING PROPERTY IS SHOWN AS LOT 28 ON MAP 44.
4. EASEMENTS AND EGRESS LINES ARE SHOWN ON REFERENCE 1.
5. PROVIDED BY THE CITY OF PORTLAND'S BUILDINGS DEPARTMENT, RECORDS DEPT. AND MANAGERS' LOCATED IN THE FIELD.
6. FRESH FLOOD ELEVATIONS ARE ON CITY OF PORTLAND DUTIAL MAPS. THE FRESH FLOOD ELEVATION AT THE CORNER OF BRACKETT & SPRING STREETS, ELEVATION 122.27 FEET.

CERTIFICATION

I, OWEN HASKELL, THE ENGINEER, HEREBY CERTIFY THAT THIS PLAN IS ACCURATE AND THE RESULTS OF AN EXAMINATION OF THE ORIGINAL FIELD NOTES AND THAT TO THE BEST OF OUR KNOWLEDGE, INFORMATION AND BELIEF, IT COMPLES ALL REQUIREMENTS OF THE CITY OF PORTLAND AND MEETS THE CURRENT STANDARDS OF PRACTICE.

DATE _____
 JOE H. BRADLEY, P.E. REG. NO. 2338





BASEMENT

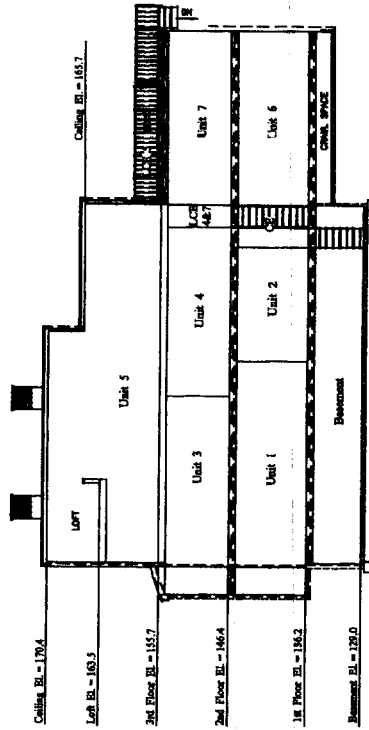
FIRST FLOOR

SECOND FLOOR

THIRD FLOOR

--- SPRING STREET ---

VERTICAL BOUNDARY



SECTION A
HORIZONTAL BOUNDARY

NOTE: ELEVATIONS BASED ON CITY DATUM
SEE REFERENCE ON 199 BEERING STREET
CONDOMINIUM PLAN RECORDED HEREWITH

LEGEND:
LCS LIMITED COMMON ELEMENT
--- UNIT BOUNDARY
--- FOUNDATION LINE

CONDOMINIUM PLANS
"199 SPRING STREET CONDOMINIUM"
#199 SPRING STREET, PORTLAND, MAINE
MADE FOR RECORD CONSTRUCTION
CHRISTOPHER P. SARCHI
AND KRISTI A. SARCHI
OWEN HASKELL, INC.
18 CONVERSE ROAD, CAMDENLAND FOREVER, MAINE
00454
DATE: JULY 15, 2003
JOB NO.: 2003-1008
DRAWN BY: CSJ
CHECKED BY: JAS
DATE: JULY 15, 2003

JOB NO. WALKER, P.L.S. 0319
DATE:

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BYLAWS OF 199 SPRING STREET CONDOMINIUM OWNERS ASSOCIATION

ARTICLE I. OFFICE

Section 1. Principal Office. The principal office of 199 Spring Street Condominium Owners Association (hereinafter referred to as the "Association") shall be maintained at 199 Spring Street, Portland, Maine 04101, or such address as may be designated from time to time by the Executive Board of the Association.

Section 2. Place of Meetings. All meetings of the Association shall be held at its principal office unless some other place is stated in the call.

ARTICLE II. ASSOCIATION OF OWNERS

Section 1. Membership. The members of the Association (hereinafter "members") shall consist of all Unit Owners of 199 Spring Street Condominium (hereinafter referred to as the "Condominium"), a property submitted to the provisions of the Maine Condominium Act and located on Spring Street in the City of Portland, Cumberland County, Maine. Membership shall be in accordance with the Declaration of 199 Spring Street Condominium (hereinafter referred to as the "Declaration") or these Bylaws, as amended from time to time. The membership of each Unit Owner terminates upon a sale, transfer or other disposition of such Unit Owner's ownership interest in a Condominium Unit (hereinafter referred to as "Unit") as provided in the Declaration, whereupon the membership and any interest in the funds of the Association shall automatically transfer to and be vested in the successor in ownership. A conveyance in mortgage of a Unit, however, shall not operate to transfer membership until the mortgage is foreclosed or the property sold in lieu of foreclosure. The Association may, but is not required to, issue certificates of membership.

Section 2. First Meeting; Annual Meeting. The first annual meeting of the Association shall be held, at the call of the Declarant of 199 Spring Street Condominium (hereinafter referred to as the "Declarant"), within sixty (60) days after the closing of sales of seventy-five percent (75%) of the Units by the Declarant, or the expiration of five (5) years from the date of the first Unit sale or transfer by Declarant, whichever is first. Thereafter, the annual meeting of the Association shall be held each year on the second Monday in January, or in the event that day is a legal holiday, then on the first day thereafter which is not a holiday.

Section 3. Special Meetings. Special meetings of the Association may be held at any time upon the call of the President of the Association (hereinafter referred to as the "President") or upon the call of any two (2) Unit Owners. Upon receipt of the call, the Secretary of the Association (hereinafter referred to as the "Secretary") shall send out notices of the meeting to all members of the Association.

Section 4. Notice of Meetings. A written or printed notice of every meeting of the Association, stating whether it is an annual meeting or special meeting, the authority for the call, the place, day, and hour of the meeting, and the purpose therefor shall be given by the Secretary

or the person or persons calling the meeting at least ten (10) days before the date set for the meeting. Such notice shall be given to each member as indicated in the records of the Association by delivery in hand or mailing such notice, postage prepaid, addressed to the member at the member's address as it appears in the records of the Association. Such notice shall also be given to holders, insurers and guarantors of mortgages on Units when required by Article 11 of the Declaration. If notice is given pursuant to the provisions of this Section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat. Upon written request for notices mailed by registered mail addressed to the Secretary at the address of the Association, the holder of any duly recorded mortgage against any Unit may promptly obtain a copy of any and all notices permitted or required to be given to the members from and after receipt of the request until the request is withdrawn or the mortgage is discharged of record.

Section 5. Waiver of Notice. The presence of all the members in person or by proxy, at any meeting of the Association shall render the same a valid meeting, unless any member shall, at the opening of the meeting, object to the holding of the same for noncompliance with the provisions of Section 4 of this Article II. Any meeting so held without objection shall, notwithstanding the fact that no notice of meeting was given, or that the notice given was improper, be valid for all purposes, and any general business may be transacted and any action may be taken.

Section 6. Quorum. The presence at any meeting of the Association in person or by proxy of Unit Owners whose aggregate voting rights constitute more than fifty percent (50%) of the total voting rights shall constitute a quorum. At any meeting at which a quorum is present, the affirmative vote of a majority of those present shall decide any question except the election of Executive Board Members (hereinafter referred to as "Board Members") presented to the meeting, unless a greater percentage vote is required by law, by the Declaration or by these Bylaws. In the election of Board Members, those receiving the greatest number of votes, though less than a majority, shall be elected.

Section 7. Voting. Any person, firm, corporation, partnership, limited liability company, trust or other legal entity or a combination thereof, owning any Unit other than as a mortgagee in the Condominium duly recorded in the Unit owner's name, the ownership whereof shall be determined by the records of the Cumberland County Registry of Deeds, shall be a member of the Association, and either in person or by proxy entitled to vote for each Unit so owned at all meetings of the Association. Any provisions to the contrary notwithstanding, co-Owners or joint Owners shall be deemed one Owner. The authority given by a member to another person to represent such member at meetings of the Association shall be in writing, signed by such member or if a Unit is jointly owned then by all joint Owners, or if such member is a firm, corporation, partnership, limited liability company, trust or other legal entity, by the proper officer, partner, member or other legal representatives thereof, as the case may be, and shall be filed with the Secretary, and unless otherwise stated therein, such authority shall be valid until revoked in writing. An executor, administrator, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any Unit owned or held by him or her in such a capacity, whether or not the same shall have been transferred to his or her name by a duly recorded conveyance. In case such Unit shall not have so been transferred to his or her name, he

or she shall satisfy the Secretary that he or she is the executor, administrator, guardian, or trustee holding such Unit in such capacity. Whenever any Unit is owned by two or more jointly according to the records of said Registry of Deeds, the Owners thereof may designate in writing one or more of the Owners to cast the vote for all such Owners, and such designation, unless otherwise limited by its terms, shall be valid once filed with the Secretary until revoked by any such Owner by notice in writing filed with the Secretary. The Declarant may exercise the voting rights pertaining to any Unit title to which is in the Declarant. No vote pertaining to a Unit owned by the Association may be cast. An Eligible Mortgage Holder shall have the voting rights provided by Section 1602-119 of the Maine Condominium Act.

Any specified percentage of Unit Owners refers to the aggregate voting rights and not to the number of Units or Owners.

Section 8. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the members present whether a quorum be present or not. If the adjournment is for less than thirty (30) days and the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, no further notice need be given. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE III. EXECUTIVE BOARD

Section 1. Number and Qualification. As provided by these Bylaws, the Declaration and the Maine Condominium Act, the Association shall be administered by a board of directors known as the Executive Board (hereinafter "Board"). Until the first annual meeting of the Association, the affairs of the Association shall be governed by a Board composed of three (3) persons appointed by the Declarant, who need not be Unit Owners. Thereafter, the affairs of the Association shall be governed by a Board elected by the members of the Association, initially composed of three (3) persons, and as increased or decreased at any annual meeting by a majority vote, within the limits stated in the Articles of Incorporation. Each Executive Board Member shall be the Owner or the spouse of an Owner of a Unit in the Condominium; or if a Unit Owner shall be a firm, corporation, partnership, limited liability company, trust or estate, then an officer, partner, member or manager, trustee or beneficiary thereof or other designated agent (hereinafter "Board Member").

Section 2. Powers and Duties. The Board shall have the power and duties necessary for the administration of the affairs of the Association as provided by the Maine Condominium Act and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the Unit Owners.

Section 3. Other Duties. In addition to other duties imposed by these Bylaws or by resolutions of the Association, the Board shall be responsible for the following:

- (a) Care, upkeep, and surveillance of the project and the common elements.

- (b) Determination and collection of the monthly assessments from the Unit Owners.
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the Condominium and the common elements.

Section 4. Manager or Management Agent. Employees. Generally. The Board may employ for the Association a management agent or manager, at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article III. Any agreement for professional management, or any other contract providing for services of the Declarant to the Unit Owners, shall not exceed a term of three (3) years and shall be cancelable by either party without cause and without a termination fee upon ninety (90) days written notice. The Board may employ any other employees or agents to perform such duties and at such salaries as the Board may establish. Any first mortgagee of a Unit may file a written request with the Board that it be notified of a change of management agent or manager and the Board shall, upon making such change, give such notification as requested. Until the first annual meeting of the Association, the Board may employ or use the services of the Declarant or the Declarant's employees, and all costs and expenses related to those services shall be charged to common expenses. Neither the Board nor the Declarant shall be charged with self-dealing or breach of fiduciary duty by reason of such employment.

Section 5. Election and Term of Office. From and after the first annual meeting of the Association, the Board Members shall be elected by the Unit Owners. At the first annual meeting of the Association, the term of office of one Board Member shall be fixed for three (3) years, the term of office of one Board Member shall be fixed at two (2) years, and the term of office of one Board Member shall be fixed at one (1) year. At the expiration of the initial term of office for each Board Member, his successor shall be elected to serve a term of three (3) years. The Board Members shall hold office until their successors have been elected and hold their first meeting, the intent and purpose being that the term of office of at least one-third (1/3) of the Board Members shall expire annually.

Section 6. Vacancies. Until the first annual meeting of the Association, vacancies in the Board shall be filled by appointment by the Declarant. Thereafter, vacancies in the Board caused by any reason other than the removal of a Board Member by a vote of the members shall be filled by vote of the majority of the remaining Board Members, even though they may constitute less than a quorum, and each person so elected shall be a Board Member until a successor is elected at the next annual meeting of the Association.

Section 7. Removal of Board Members. At any regular or special meeting duly called, any one or more of the Board Members may be removed with or without cause by a majority of the members and a successor may then and there be elected to fill the vacancy thus created. Any Board Member whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 8. Compensation. No compensation shall be paid to Board Members for their services as Board Members. No remuneration shall be paid to a Board Member for services performed by such Board Member for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board before or after the services are undertaken. A Board Member may not be an employee of the Association.

Section 9. Annual Meeting. The annual meeting of the Board shall be held immediately following the annual meeting of the Association and at the same place, and no notice shall be necessary in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 10. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board Members. Notice of regular meetings of the Board shall be given to each Board Member, personally or by mail, addressed to each Board member's residence, or by telephone, at least three (3) days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board may be called by the President on three (3) days' notice to each Board Member, given personally or by mail, addressed to each Board Member's residence, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Board Members. Upon the request of any Board Member made within thirty (30) days after a meeting, the person giving notice of the meeting shall execute a sworn affidavit setting forth the specific manner in which notice of the meeting was given to and received by each Board Member.

Section 12. Waiver of Notice. Before or after any meeting of the Board, any Board Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board Member at any meeting of the Board shall be a waiver of notice by such Board Member of the time and place thereof. If all the Board Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board, a majority of the Board Members shall constitute a quorum for the transaction of business, and the acts of the majority of the Board Members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Unanimous Action. Unless otherwise provided by law, the Declaration, or these Bylaws, any action which may be taken at a meeting of the Board may be taken without a meeting if all of the Board Members sign written consents, setting forth the action taken on to be taken, at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of Board meetings and shall have the same effect as a unanimous vote.

Section 15. Bonds of Officers and Employees. The Board may require that all officers and employees of the Association handling or responsible for corporate funds shall furnish adequate bonds. The premiums on such bonds shall be paid by the Association.

Section 16. Committees. The Board may establish such standing or other committees, with such powers and duties, as it deems advisable.

ARTICLE IV. OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Secretary, and a Treasurer all of whom shall be elected by the Board. The Board Members may in their discretion appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers, as in their judgment may be necessary.

Section 2. Election of Officers. The principal officers of the Association shall be elected annually by the Board at the annual meeting and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and such officer's successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board. In the President's absence, a chairman pro tempore may be chosen by the members of the Association or Board Members, as the case may be, to preside at a meeting. The President shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint ad hoc committees from among the Unit Owners or their spouses from time to time as the President may in the President's discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board or of the Association, shall give all notices as provided by these Bylaws, and shall have other powers and duties as may be incidental to the office of Secretary, given the Secretary by these Bylaws or assigned to the Secretary from time to time by the Board Members. If the Secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose. The Secretary shall be responsible for the filing of all reports and documents required to be filed by the Association with any governmental agency. The Secretary shall keep a record of the names and addresses of all Unit Owners and mortgage holders, and shall keep copies of all Condominium documents. The Secretary shall, within ten (10) days after receipt of a request and payment of a fee established by the Board, provide any person entitled thereto a written statement or certification of the information required to be provided by the Association pursuant to Section 1603-116(h) and 1604-108(b) of the Maine Condominium Act.

Section 6. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. The Treasurer shall be responsible, subject to the direction of the Board, for preparing and providing to the Secretary for dissemination to the members all financial reports, budgets and notices required, and for the preparation and signing, if necessary, of all financial reports or tax returns required to be filed by the Association. The Treasurer shall have such other powers and duties as may be incidental to the office of Treasurer, given to the Treasurer by these Bylaws or assigned to the Treasurer from time to time by the Board Members.

Section 7. Compensation. The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Board.

Section 8. Auditor. The members may at any meeting appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association and to perform such audits and fiscal duties as may be requested by the Association.

Section 9. Books and Records. The Secretary and Treasurer shall provide that current copies of the Condominium documents and the books, records and financial statements of the Condominium shall be available for inspection by Unit Owners and by holders, insurers or guarantors of first mortgages on the Units. These documents shall be available during reasonable weekday hours or under other reasonable circumstances established by the Secretary and Treasurer.

ARTICLE V. FISCAL MANAGEMENT

Section 1. Accounting. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principles and practices. Within ninety (90) days after the close of each fiscal year, the Association shall furnish its members with a statement of the income and disbursements for such prior fiscal year and a balance sheet as of the close of that year.

Section 2. Assessments. With respect to each fiscal year, the Board shall estimate the amount required by the Association to meet its expenses for such year, including but not limited to the following items:

- (a) Management and administration expenses;
- (b) The estimated cost of repairs, maintenance and replacement of common elements;
- (c) The cost of such insurance and utilities as may be furnished by the Association;

(d) The amount of such reserves as may be reasonably established by the Board, including general operating reserves, reserves for contingencies, reserves for insurance deductibles and reserves for maintenance and replacements; and

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

Electricity, telephone and television cable shall be assessed and billed to each Unit separate from the common assessments. Costs for water, sewer services and natural gas or propane, if provided, will be paid for as part of the common expenses for all Units unless the Declarant arranges for separate metering of each Unit in which case each Unit shall pay the costs thereof separate from the common expenses.

Within ninety (90) days of the commencement of each fiscal year, the Board shall cause an estimated annual budget to be prepared based on its estimations of annual expenses, and copies of such budget shall be furnished to each member. The Board shall call a meeting of the members not less than fourteen (14) nor more than thirty (30) days after such budget is furnished to the members for the purpose of considering ratification of such budget. Unless at that meeting sixty percent (60%) or more of the members vote to reject the budget, the budget shall be deemed ratified, whether or not a quorum is present at the meeting. In the event the budget is rejected, the budget last ratified by the members shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

On or before the first day of each month of the fiscal year covered by such estimated annual budget, each member shall pay as such member's respective monthly assessment one-twelfth (1/12) of such member's proportionate share of the amount designated in the estimated annual budget as membership assessments. Each member's proportionate share of membership assessments shall be an amount equal to the total membership assessment multiplied by such member's respective percentage interest in the common elements provided, however, that with respect to certain common elements, the operation, maintenance and replacement costs and reserves may be allocated among the members according to the respective use and benefit of the particular facility or element to each Unit rather than according to the percentage interest of each Unit.

Until the annual budget for a fiscal year is ratified by the members, each member shall continue to pay that amount which had been established on the basis of the previous annual budget.

If any member shall fail or refuse to make payment of such member's proportionate share of the common expenses or any other amount payable to the Association when due, the amount thereof shall bear interest at a rate per annum, not exceeding eighteen percent (18%), established from time to time by the Board and, together with such interest and such costs and attorney's fees as are allowed by law, shall constitute a lien on the Unit of such member. The Association and the Board shall have the authority to exercise and enforce any and all rights and remedies provided in the Condominium Act, the Declaration or these Bylaws, or otherwise available at law or in equity for the collection of all unpaid amounts including the right to accelerate payment

on the full assessment for the year and, if available, all possessory remedies under the Forcible Entry and Detainer laws of Maine.

Section 3. Revised and Emergency Assessments. If at any time prior to or during the course of any fiscal year the Board shall deem the amount of the membership assessments to be inadequate by reason of a revision in its estimate of either expenses or other income, the Board shall prepare and cause to be delivered to the members a revised estimated annual budget for the balance of such fiscal year and shall call a meeting of the members to ratify such budget in the same manner as for an annual budget. After ratification, monthly assessments shall be determined and paid on the basis of such revision.

The Board may, upon finding that an emergency exists which requires immediate assessment of the members, make an emergency assessment not to exceed an amount equal to the then current monthly assessment for each Unit, which shall be due and payable when communicated to the members.

Section 4. Declarant. With respect to any Units owned by the Declarant, the Declarant shall pay a monthly assessment determined in the same manner as the monthly assessment is determined for all other Unit Owners.

Section 5. Maintenance and Repair. The Declaration provides for the division of responsibility between the Unit Owners and the Association for the maintenance, repair and replacement of the Units and Common Elements.

Section 6. Improvements. The Board may make improvements to the common elements and assess the cost thereof to all Unit Owners as a common expense. In addition, if an improvement is requested by one or more Unit Owners and is, in the opinion of the Board, exclusively or substantially exclusively for the benefit of those who requested it, the cost shall be assessed against such Owner or Owners in such proportion as the Board shall determine as fair and equitable. Nothing contained herein shall prevent the Unit Owners affected by such improvement from agreeing, in writing, either before or after the assessment is made, to be assessed in different proportions.

The Declarant may, at the Declarant's expense, make such improvements to the common elements as the Declarant deems advisable as long as the Declarant is an Owner, directly or indirectly, of at least one (1) Unit.

Section 7. Use of Units. All Units shall be utilized in accordance with the provisions of the Bylaws, Declaration and any Rules and Regulations established by the Board pursuant to Section 8 of this Article V.

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

Section 11. Mortgages. Any mortgagee of a Unit may file a copy of its mortgage with the Board through its Secretary or manager, and the Secretary shall maintain such information in the record of Unit ownership of the Association. After the filing of the mortgage, and upon the request of the mortgagee, the Board, through its Secretary or manager, shall be required to notify the mortgagee of any matters for which notice to Eligible Mortgage Holders is required under the Maine Condominium Act.

Section 12. Insurance.

(1) The Board shall obtain and maintain, to the extent available in accordance with general business practices and the standard requirements of mortgage holders, insurance on the Condominium building and all other insurable improvements upon the land, including but not limited to, all of the Units, together with the fixtures, service machinery and equipment and all other personal property as may be held and administered by the Board for the benefit of the Unit Owners, covering the interest of the Condominium Association, the Board and all Unit Owners and their mortgages as their interests may appear. To the extent reasonably available and required by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration, Federal Housing Administration, or Maine State Housing Authority, such policy shall cover the fixtures, equipment and other personal property inside a Unit financed by a mortgage purchased by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration, Federal Housing Administration, or Maine State Housing Authority. The insurance shall be purchased from recognized insurance companies duly licensed to operate in the State of Maine. Such insurance shall be primary even if Unit Owners obtain other insurance covering the same loss. It must show the named insured as "Association of the Owners of 199 Spring Street Condominium, for the use and benefit of the individual Owners."

(2) The Board shall obtain master policies of insurance which shall provide that the loss thereunder shall be paid to the Board as insurance trustee under the Declaration. Under the said master policies, certificates of insurance shall be issued which indicate on their face that they are a part of such master policies of insurance covering each and every Unit of the Condominium and its common elements. A certificate of insurance with proper mortgagee endorsements shall be issued to the Owner of each Unit and the original thereof shall be delivered to the mortgagee, if there be one, or retained by the Unit Owner if there is no mortgagee. The certificate of insurance shall show the relative amount of insurance covering the Unit and the interest in the common elements of the Condominium property and shall provide that improvements to a Unit or Units which may be made by the Unit Owner or Owners shall not affect the valuation for the purposes of this insurance of the buildings and other improvements upon the land. Such master insurance policies and certificates shall contain provisions that any Insurance Trust Agreement will be recognized, that the insurer waives its right to subrogation as to any claim against the Board, its agents and employees, Unit Owners, their respective employees, agents and guests, and of any defense based on invalidity arising from the acts or omissions of the insured or the individual Unit Owners who are not under the control of the Association, and providing further that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual Unit Owners as hereinafter permitted. The original master policy of insurance shall be deposited with the Board as insurance trustee

Upon any violation of the Declaration, Bylaws or the Rules and Regulations, the offending party (including any Owner, tenant, lessee, licensee, guest or invitee) and the Owner of any Unit in which the violation is occurring or has occurred shall be given ten (10) days written notice by the Board by delivery in hand or by mail of the violation committed and the necessary corrective action that is required, and, if such violation continues beyond the ten (10) day period, the offending party and the Unit Owner shall each pay a penalty in the amount of ten percent (10%) of the then monthly assessment of the Unit per day to the Association until the violation is corrected. The delivery in hand or mailing of the notice shall constitute the commencement of the ten (10) day period.

Any person against whom a penalty is asserted under the preceding paragraph of this Section shall be entitled to a hearing before the Board upon such reasonable notice and in accordance with such reasonable procedures as the Board may determine, but a request for such a hearing shall not interrupt or stay the time for correcting the violation or the continued penalty assessment.

Section 8. Rules and Regulations. In order to assure the peaceful and orderly use and enjoyment of the buildings and common elements of the Condominium, the Board may from time to time adopt, modify, and revoke in whole or in part at any meeting duly called for the purpose, such reasonable rules and regulations, to be called Rules and Regulations, governing the conduct of persons in the Condominium as it may deem necessary, including, but not limited to, regulations governing such matters as parking, pets, noise, lights, signs, leasing of Units, landscaping, window appearance, refuse disposal, storage areas, use of common and limited common elements and methods and procedures for enforcing compliance with the Declaration, Bylaws and such Rules and Regulations. Such Rules and Regulations, and every amendment, modification, and revocation thereof, shall, upon adoption, be delivered promptly to each Unit Owner and shall be binding upon all members of the Association and occupants of the Condominium.

Section 9. Foreclosure of Lien. In any action to foreclose the lien against any Owner of a Unit, the Association may represent itself through its manager or Board in like manner as any mortgagee of real property. The manager or Board acting on behalf of the Unit Owners shall have the power to bid and acquire such Unit at a foreclosure sale. The delinquent Unit Owner shall be required to pay to the Association a reasonable rent for such Unit until the sale or foreclosure, together with all costs and reasonable attorneys' fees. Suit to recover money judgment for unpaid common expenses shall be maintainable with all costs and reasonable attorneys' fees without foreclosing or waiving the lien securing the same.

Section 10. Title. Every Unit Owner shall promptly cause to be duly recorded in the Cumberland County Registry of Deeds the deed, lease, assignment, or other conveyance to such Unit Owner of such Unit Owner's Unit or other evidence of such Unit Owner's title thereto and file such evidence of such Unit Owner's title with the Board through the manager, and the Secretary shall maintain such information in the record of Unit ownership of the Association.

(4) Each Unit Owner may obtain additional insurance at such Owner's own expense affording coverage upon such Unit Owner's personal property and improvements to such Unit Owner's unit and for such Unit Owner's personal liability, but all such insurance shall contain the same waiver of subrogation as that referred to in the preceding paragraph (2) hereof. Each Unit Owner may obtain casualty insurance at such Unit Owner's own expense upon such Unit Owner's Unit but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Board or shall be written by the same carrier. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Board pursuant to the preceding Section due to proration of insurance purchased by the Unit Owner under this Section, the Unit Owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Board to be distributed as herein provided.

(5) Premiums upon insurance policies purchased by the Board shall be paid by it and charged as common expenses.

(6) All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Board hereinabove set forth shall be paid to it. The Board shall act as the insurance trustee. In the event that the Board Members have not posted surety bonds for the faithful performance of their duties as such trustees or if such bonds do not exceed the funds which will come into its hands, and there is a damage to part or all of the Condominium property resulting in a loss, the Board shall obtain and post a bond for the faithful performance of its duties as insurance trustee in an amount equal to one hundred percent (100%) of the insurance proceeds payable before it shall be entitled to receive the proceeds of the insurance payable as a result of such loss. The sole duty of the insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees.

(7) Each Unit Owner shall be deemed to have delegated to the Board such Unit Owner's right to adjust with the insurance companies all losses under policies purchased by the Board.

(8) In no event shall any distribution of proceeds be made by the Board directly to a Unit Owner where there is a mortgagee endorsement on the certificate of insurance. In such event any remittance shall be to the Unit Owner and his mortgagee jointly. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

Section 1.3. Reconstruction or Repair of Casualty Damage.

Except as hereinafter provided, damage to or destruction of the Condominium building shall be promptly repaired and reconstructed by the Board, using the proceeds of insurance, if any, on the building for that purpose, and any deficiency shall constitute common expenses; provided, however, that if at least eighty percent (80%) of the Unit Owners vote not to proceed with repair or restoration, then and in that event (1) the insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (2) the insurance proceeds attributable to Units and

limited common elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those limited common elements were allocated or to their respective lien holders as their interests may appear, and (3) the remainder of the proceeds shall be distributed to all the Unit Owners or lien holders as their interests may appear in proportion to the common element interests of all the Unit Owners. If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated upon the vote as if the Unit had been condemned and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, Section 1602-118 of the Maine Condominium Act governs the distribution of insurance proceeds if the condominium is terminated.

(a) Immediately after a casualty causing damage to property for which the Board has the responsibility of maintenance and repair, the Board shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board desires.

(b) The proceeds of insurance collected on account of casualty, and the sums received by the Board from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair.

(c) Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by Unit Owner upon whose property such encroachment exists. Such encroachments shall be allowed to continue in existence for so long as the building stands.

(d) In the event that there is any surplus of monies in the construction fund after the reconstruction or repair of the casualty damage has been fully completed and all costs paid, such sums may be retained by the Board as a reserve or may be used in the maintenance and operation of the Condominium property, or, in the discretion of the Board, it may be distributed to the Unit Owners and their mortgagees who are the beneficial Owners of the fund. The action of the Board in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against a member for committing willful or malicious damage.

ARTICLE VI. EXECUTION OF INSTRUMENTS

Section 1. Instruments Generally. All checks, drafts, notes, bonds, acceptances, contracts, deeds, amendments to the Declaration and all other instruments shall be signed by the President, Secretary or Treasurer, or by such other officer or employee as the Board may designate.

ARTICLE VII. LIABILITY OF BOARD MEMBERS AND OFFICERS

Section 1. Exculpation. No Board Member or officer of the Association shall be liable for acts or defaults of any other officer or members or for any loss sustained by the Association

or any member thereof, unless the same has resulted from such Board member's own willful misconduct or gross negligence.

Section 2. Indemnification. Every Board Member, officer, and member of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him or her in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he or she may be involved as a party or otherwise by reason of his or her having been a Board Member, officer or member of the Association whether or not he or she continues to be such Board Member, officer or member of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he or she shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or gross negligence toward the Association in the performance of his or her duties, or in the absence of such final adjudication, any determination of such liability by the opinion of the legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

ARTICLE VIII. FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year or such other fiscal year as may from time to time be established by the Board.

ARTICLE IX. BYLAWS

Section 1. Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by vote of the members of the Association whose aggregate interest in the common elements constitutes seventy-five percent (75%), at a meeting duly called for the purpose, PROVIDED, HOWEVER, that the contents of these Bylaws shall always contain those particulars which are required to be contained herein by the Maine Condominium Act. Amendment of these Bylaws is also subject to the rights of mortgagees as set forth in Article 11 of the Declaration.

Section 2. Conflict. In the event of any conflict between these Bylaws and the provisions of the Declaration or the Maine Condominium Act, the latter shall govern and apply.

DECLARATION OF 199 SPRING STREET CONDOMINIUM
Spring Street, Portland, Maine

_____, 2005

DRAFT
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DECLARATION OF 199 SPRING STREET CONDOMINIUM
PORTLAND, MAINE

ARTICLE 1

SUBMISSION; DEFINED TERMS

Section 1.1. Submission of Property. CHRISTOPHER P. SARCHI and KRISTI #/A. SARCHI of Cumberland, Maine, whose mailing address is 16 Coveside Road, Cumberland, Maine 04110 (collectively, the "Declarant"), owners in fee simple of the land described in Schedule A annexed hereto, located within the City of Portland, Cumberland County, Maine (the "Land"), hereby submit the Land, together with all improvements, easements, rights and appurtenances thereunto belonging (the "Property") to the provisions of Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, as amended, known as the Maine Condominium Act (the "Condominium Act") and hereby create with respect to the Property a condominium, to be known as "199 Spring Street Condominium" (the "Condominium"). The Property shall henceforth consist of Units, described in Article 2 hereof and listed on Schedule B annexed hereto, and of Common Elements, described in Article 3 hereof, and shall be held, sold and conveyed subject to the terms, conditions, covenants, easements and restrictions set forth in this Declaration as amended from time to time (the "Declaration") and in the Condominium Act. The Property is shown on the condominium plat and plans recorded herewith in the Cumberland County Registry of Deeds (the "Registry of Deeds") in Plan Book _____, Pages _____ and identified on Schedules C and D annexed hereto (the "Plat and Plans").

Section 1.2. Defined Terms. Terms not otherwise defined herein, as the same may be amended from time to time, or in the Plat and Plans, shall have the meanings specified in Section 1601-103 of the Condominium Act. "Condominium Documents" shall mean this Declaration, as it may be amended from time to time, all Schedules attached hereto, the Plat and Plans, Bylaws and any Rules and Regulations of the Association.

Section 1.3. Name and Address of Condominium and Association. The name of the Condominium is "199 Spring Street Condominium". The address of the Condominium is 199 Spring Street, Portland, Maine 04101. The name of the Unit Owners association is 199 Spring Street Condominium Owners Association (the "Association") and its address is 199 Spring Street, Portland, Maine 04101 or such other address as may be designated from time to time by the Executive Board of the Association.

Section 1.4. Notice to Unit Owners. Notice of matters affecting the Condominium shall be given to Unit Owners by delivery in hand or by sending prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner.

Section 1.5. Notice to Association. Notice of matters affecting the Condominium shall be given to the Association by delivering in hand or by sending prepaid United States mail to the principal office of the managing agent, or if there shall be no managing agent, then to the mailing address of the Secretary of the Association.

Section 1.6. Interpretation. In the event of any conflict or discrepancy between this Declaration and the Plat and Plans, this Declaration shall govern.

Section 1.7. Successor Declarants. For the purposes of this Declaration or of the Condominium Act, and subject to the rights of mortgagees under the Condominium Act, a conveyance of one or more Units to a successor to any special declarant rights (see Section 1603-104 of the Condominium Act) shall not be considered a sale to a person other than a Declarant.

ARTICLE 2

BUILDING ON THE LAND; UNIT BOUNDARIES

Section 2.1. Location and Dimensions of Building. There exists a two and one-half (2 ½) story building on the Land and the location and dimensions of the building are depicted on the Plat and Plans recorded with this Declaration and being Schedules C and D hereto.

Section 2.2. Units. This Declaration creates seven (7) Units within the building on the Land. The location of the Units created herein and their dimensions are shown on the Plat and Plans. Attached as Schedule B hereto is a list of the seven (7) created or declared Units, their identifying numbers, Common Element Interest, Common Expense Liability and Vote (the "Allocated Interests") appurtenant to such Units. The dimensions of such Units are shown on the Plans recorded with this Declaration and being Schedule D hereto. All Units shall be allocated an interest in the common elements and common expenses in proportion to which the square footage of the Unit bears to the total square footage of all Units in the Condominium. Said interest in the common elements and common expenses shall be stated as a percentage and shall be determined by dividing the square footage of the Unit by the square footage of all Units. There shall be a total of one hundred (100) votes in the Association allocated among the Units in accordance with

each Unit's percentage interest in the common elements and common expenses as hereinabove stated.

Section 2.3. Unit Boundaries. The boundaries of each Unit are as follows:

(a) Upper and Lower (horizontal) Boundaries: The upper and lower boundaries of the Units shall be the following boundaries extended to an intersection with the vertical (perimetric) boundaries:

(1) Upper Boundary: The ceiling of each Unit shall constitute the upper boundary of each Unit as provided in Section 1602-102, Subsection (1) of the Condominium Act.

(2) Lower Boundary: The floor of each Unit shall constitute the lower boundary of each Unit as provided in Section 1602-102, Subsection (1) of the Condominium Act.

(b) Vertical (perimetric) Boundaries: The walls of each Unit shall constitute the vertical boundaries of the Units as provided in Section 1602-102, Subsection (1) of the Condominium Act.

(c) Unit boundary lines shall also be the exterior surface of doors, windows, skylights, screens and storm windows, and their frames, sills and thresholds.

Section 2.4. Relocation of Unit Boundaries and Subdivision of Units. Relocation of boundaries between Units is permitted subject to compliance with the provisions therefor in Section 1602-112 of the Condominium Act. Subdivision of Units is not permitted.

ARTICLE 3

COMMON ELEMENTS

Section 3.1. Common Elements. The common elements shall consist of all of the Property except the individual Units, and shall include the land, building and the foundation, roof and outside walls thereof, basement and crawl space therein, pipes, ducts, electrical wiring and conduits, public utility lines and appurtenances, floors and ceilings (other than the portions thereof which are described as part of the Units), perimeter walls of Units (other than the portions thereof which are described as part of the Units); structural parts of the building, including structural columns, girders, beams and supports; easements; and in addition, all other parts of the Property necessary and

convenient to its existence, maintenance and safety, and normally in common use as defined in the Condominium Act. Each Unit Owner shall have the right to use the common elements in common with all other Unit Owners, as may be required for the purposes of ingress and egress to and use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such rights shall extend to the Unit Owners and the members of the immediate family, guests and other authorized occupants, licensees, and visitors of the Unit Owner. The use of the common elements and the rights of the Unit Owners with respect thereto shall be subject to and governed by the provisions of the Condominium Act, this Declaration, the Bylaws and Rules and Regulations of the Association, as they may hereafter be amended from time to time.

Section 3.2. Limited Common Elements. Limited common elements are those portions of the common elements allocated for the exclusive use of one or more designated Units. Unless provided otherwise herein, the limited common elements shall include those portions of the common elements defined as such in Section 1602-102, Subsections (2) and (4), of the Condominium Act. A shutter, awning, window box, doorstep, stoop, bulkhead, balcony, porch or patio, if any, adjacent to a Unit is a limited common element appurtenant to that Unit. Hallways in the building providing access to less than all the Units shall be limited common elements appurtenant to the Units they serve as designated on the Plans. The limited common elements shall also include any decks designated as limited common elements to specific Units as shown on the Plans and the designated parking spaces for each Unit as shown on the Plat.

Section 3.3. Alteration of Common Elements by the Declarant. The Declarant reserves the right to modify, alter, remove or improve portions of the common elements, including without limitation any equipment, fixtures and appurtenances, when in the Declarant's judgment it is necessary or desirable to do so, until the expiration of the applicable warranty period.

Section 3.4. Rental Operation. The Declarant shall have the right to operate any Units owned or leased by the Declarant as a rental project. The Declarant may establish and maintain all offices, signs and other accoutrements normally used in the operation of such rental properties in the sole discretion of the Declarant. Such operations shall be for the benefit of the Declarant and neither the Association nor any Unit Owner (other than the Declarant) shall have any right or interest in the profits or losses thereof.

ARTICLE 4

EASEMENTS

In addition to the easements provided in the Condominium Act and those rights and easements, in any, described or referred to in Schedule A hereto, the following easements are hereby created, granted and reserved:

Section 4.1. Easement to Facilitate Sales and Construction.

(a) The Property shall be subject to an easement in favor of the Declarant pursuant to Section 1602-115 of the Condominium Act. The Declarant reserves the right to use any Units owned or leased by the Declarant as models, management offices, sales offices or customer service offices. The Declarant reserves the right to relocate the same from time to time within the Property; upon relocation, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Property such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of the Declarant. This easement shall continue until the Declarant has conveyed all Units which are created hereunder to Unit Owners other than the Declarant.

(b) The Declarant further reserves an easement to connect with and make use of utility lines, wires, pipes and conduits located on the Property for any construction purposes within the Property, provided that Declarant shall be responsible for the cost of service so used, and to use the common elements for ingress and egress and any such construction activities and for the storage of construction materials and equipment used in the completion of any work on the Units and common elements. This easement shall continue until the Declarant has conveyed all Units which are created hereunder to Unit Owners other than the Declarant.

Section 4.2. Easement for Access and Support.

(a) The Declarant reserves in favor of the Declarant and the managing agent and/or any other person authorized by the Executive Board the right of access to any Unit as provided in Section 1603-107(a) of the Condominium Act. In case of emergency, such entry shall be immediate whether or not the Unit Owner is present at the time. Further, until the expiration of any warranty period such entry shall be permitted to perform warranty-related work whether or not the Unit Owner consents or is present at the time. Declarant, its agents, officers, servants, and its successors and assigns, shall have the reasonable right of access to all common elements as long as it or they may own

Units or shall have obligations or rights with respect to such common elements. The Association or its authorized representatives shall have the irrevocable right, to be exercised by the Manager or Executive Board, to have access to each Unit from time to time during reasonable hours and upon reasonable notice as may be necessary for the maintenance, repair or replacement of any of the common elements therein, or at any time as may be reasonable for making emergency repairs therein necessary to prevent damage to the common elements or to other Units.

(b) Each Unit and common element shall have an easement for lateral and subjacent support from every other Unit and common element, and shall have an easement for encroachments as provided in Section 1602-114 of the Condominium Act.

Section 4.3. Easement to Facilitate Discharge of Declarant's Obligations. Pursuant to Section 1602-116 of the Condominium Act, the Declarant shall have an easement through the common elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising any Special Declarant Rights, whether arising under the Condominium Act or reserved in this Declaration.

Section 4.4. Declarant's Right to Grant Easements. The Declarant shall have the right, until all Units created hereunder have been conveyed to Unit Owners other than Declarant, to grant and reserve easements and rights-of-way through, under, over and across the Property for the purpose of completing any construction activities within the Condominium, and for the installation, maintenance and inspection of any lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television and other utilities benefitting the Condominium.

Section 4.5. Association's Right to Grant Easements. Without limiting the rights of the Association as provided in the Bylaws and the Condominium Act, the Association shall have the right to grant permits, licenses and easements over the common elements for utilities and other purposes necessary for the proper operation of the Condominium.

ARTICLE 5

AMENDMENT

Section 5.1. Amendments. Except in cases of any amendments to this Declaration that may be unilaterally executed and recorded by the Association as described in Sections 1601-107, Eminent Domain, 1602-108(c), Allocation of Limited Common Elements, 1602-113, Subdivision of Units and 1602-117(a), Amendment of Declaration, of the Condominium Act and except in cases, where permitted, of any amendments to this Declaration by certain Unit Owners, as described in Sections 1602-108(b), Reallocation

of Limited Common Elements, 1602-112(a), Relocation of Boundaries Between Adjoining Units, 1602-113(b), Subdivision of Units, or 1602-118(b), Termination of Condominium, of the Condominium Act, and except in cases of any amendments to the Declaration that may be executed by the Declarant under Section 1602-109(f), Plats and Plans, or under Section 1602-110, Exercise of Development Rights, of the Condominium Act, and subject to the other provisions of this Declaration and of the Condominium Act, this Declaration, and the Plats and Plans may be amended as follows:

a. Before Any Conveyance. Prior to the conveyance of any Unit by the Declarant to a Unit Owner other than as security for an obligation, the Declarant shall in any manner which the Declarant may deem appropriate have the right to amend and re-amend this Declaration.

b. After First Conveyance. After the first conveyance of a Unit by a Declarant and except as provided herein, the Declaration may be amended, following notice to all Unit Owners, by either the vote or agreement of owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Section 5.2. Material Amendments. Approval of amendments of a material nature must be obtained from Eligible Mortgage Holders after due notice pursuant to Article 11 of this Declaration.

Section 5.3. Certain Amendments. Notwithstanding the foregoing provisions of this Article, except as otherwise permitted by the Condominium Act and provided in this Declaration, no amendment may increase the number of Units or change the boundaries of any Unit, the Allocated Interests allocated to a Unit, or the uses to which any Unit is restricted without the unanimous consent of the Unit Owners. No amendment of this Declaration shall make any change which would in any way affect any of the rights, privileges, powers and options of the Declarant, its successors or assigns, unless the Declarant, or its successors or assigns shall join in the execution of such amendment.

Section 5.4. Notice and Challenge. No action to challenge the validity of an amendment to this Declaration adopted by the Association pursuant to this Article may be brought more than one (1) year after such amendment is recorded. After each amendment to this Declaration adopted pursuant to this Article has been recorded, notice thereof shall be sent to all Unit Owners and to all known mortgage holders at the address last furnished to the Executive Board, but failure to send such notices shall not affect the validity of such amendment. The Association shall make copies of the Declaration and all amendments thereto available for inspection at reasonable times upon reasonable request for such inspection.