

**DECLARATION OF CONDOMINIUM
FOR
125 KENNEBEC STREET CONDOMINIUM**

This Declaration is filed pursuant to the Maine Condominium Act (the "Act") Title 33, Chapter 31, M.R.S.A to which statute reference is specifically made and which is incorporated herein by reference. There shall be created, pursuant to the terms of the Act, 125 Kennebec Street Condominium and 125 Kennebec Street Condominium Association ("Association"), a Maine non-profit corporation under Title 13-B of the Maine Revised Statutes Annotated, and Bylaws for said Association. 125 Kennebec Street Condominium Association shall elect an Executive Board, pursuant to Section 1603-103 of the Act and Bylaws of the Association, which Association shall be the Unit Owners' Association required by the Act.

1. Declarant and Description of Land.

(a) Portland Architectural Salvage, Inc., a Maine corporation (the "Declarant") hereby submits the land and easements with all buildings and improvements thereon located within the City of Portland, County of Cumberland and State of Maine, described in Schedule A attached hereto and made a part hereof (the "Premises") to the provisions of said Act. The Premises are also shown on the condominium plats prepared by Northeast Civil Solutions, Inc. entitled "125 Kennebec Street Condominiums", which is recorded in the Cumberland County Registry of Deeds in Plan Book 206, Page 245.

125 Kennebec Street Condominium shall consist of the real property described in Schedule A attached hereto and incorporated herein and Unit Numbers 1 and 2, for a total of two (2) Units.

2. Definitions.

The terms hereinafter defined shall have the meanings as hereinafter set forth. Any term not defined herein shall have the meaning accorded it by the Act.

(a) "Allocated Interests" means the undivided interests in the Common Elements, the common expense liability and votes in the Association allocated to each unit.

(b) "Association" or "Unit Owners Association" means the Unit Owners Association of 125 Kennebec Street Condominium which is known as 125 Kennebec Street Condominium Association.

(c) "Common Elements" means all portions of the Condominium other than the Units.

(d) "Common Expenses" means expenditures made by or financial liabilities of the Association together with any allocations to reserves. Expenditures related to the operation of the common elements and its appurtenances, the removal of snow from the Premises and maintenance or repair of the lawn, gardens and common lighting, shall be Common Expenses. Costs relating to the maintenance, repair, striping and plowing of the

parking area shall be apportioned in accordance with the Bylaws.

(e) "Common Expense Liability" means liability for common expenses allocated to each Unit pursuant to Section 1602-107 of the Act.

(f) "Condominium" means 125 Kennebec Street Condominium, as same is created and administered by this Declaration, the Bylaws and the rules and regulations developed thereunder, consisting of two (2) Units.

(g) "Declarant" means Portland Architectural Salvage, Inc., its successors and assigns.

(h) "Executive Board" means the body designated in the Bylaws to act on behalf of the Association.

(i) "Limited Common Elements" means parking spaces designated as such on the Plats and Plans, platforms, loading docks and other elements of the Condominium so designated on the Plans and those portions of the Common Elements allocated by the Declaration and the Act for the exclusive use of one of the Units.

(j) "Plats and Plans" means the Plats and Plans referred to in Sections 1 and 3.

(k) "Special Declarant Rights" means those rights reserved by Declarant in Section 7 of this Declaration.

(l) "Unit" means a physical portion of the Condominium described herein and in the Plans designated for separate ownership or occupancy.

(m) "Unit Owner" means the Declarant or other person or entity who owns a Unit.

3. Description of Building and Parking Areas:

The Plans of the Unit show the layout, location, Unit numbers and dimensions of Units of the Condominium.

Reference is made to the plans for the description of the building stating the number of stories and the number of Units.

4. Allocation of Common Elements Interests and Boundaries:

(a) Percentage Interests. Attached hereto as Schedule B is a list of all Units, with identifying numbers (all as shown more fully on the Plans), allocating a percentage of undivided interests in the Common Elements and in the Common Expenses of the Association, and the vote appurtenant to each Unit. Each Unit's percentage allocated interest is equal to one-half ($\frac{1}{2}$) of the total percentage allocated interest of the Association. Each Unit's Percentage Interest is therefore equal to the Percentage Interest of every other Unit in the Condominium, regardless of the size or configuration of the Unit.

(b) Unit Boundaries. The boundaries of each Unit are the walls, floors and ceilings of that Unit as defined in Section 1602-102 of the Act and shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereon.

5. Limited Elements.

Limited Common Elements shall include those items designated as Limited Common Elements in Section 1602-102 of the Act, parking spaces so designated on the Plats and Plans, platforms, loading docks and all chimney flues and the roofs and exterior components of each unit. Any expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed equally against the Unit or Units to which that Limited Common Element is assigned. Any Common Expense benefitting fewer than all of the Units shall be assessed exclusively against the Unit or Units benefitted.

The Parking spaces delineated on the Plan are Limited Common Elements. Parking spaces #1, #2, #3, #4, #5, #6, #13, #14, #15, #16, #17, #20 and #21 are hereby allocated to Unit #1 as limited common elements. Parking spaces #7, #8, #9, #10, #11, #12, #18 and #19 are hereby allocated to Unit #2 as limited common elements. As to the maintenance, repair, resurfacing, relining and plowing of the parking area, which parking area includes the parking spaces, access to any parking space or other traveled ways shown on the plan being a part of the Common Area, the Unit owners shall share the cost of such expenses. The owner of Unit #1 shall be responsible for 62% of said costs and the owner of Unit #2 shall be responsible for 38% of said costs.

13 SPACES
8 SPACES

6. Easements.

(a) Utilities, Pipes and Conduits. Each Unit Owner shall have an easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving his Unit and located in any of the other Units or in Limited Common Elements. Each Unit shall be subject to an easement in favor of the other Unit Owner to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Unit and located in such Unit. The Executive Board of the Association shall have the right to grant to third parties such additional utility easements as shall be deemed reasonable by the Executive Board in connection with the supply of utility services to the Units and/or the Common Elements.

(b) Ingress and Egress. Each Unit Owner shall have an easement, subject to any rules and regulations established by the Executive Board, in common with all other Unit Owners to use the entrances, exits and other Common Elements as a means of ingress, egress and regress to and from the Premises, the Common Elements and the adjoining public streets. The Executive Board shall not and cannot establish any rules and regulations depriving any Unit Owner of reasonable ingress, egress and regress to and from his Unit, the Premises and Common Elements, and the adjoining public streets.

(c) Condominium Association and Executive Board Access. Declarant

reserves in favor of itself, the Association and its Executive Board, officers, agents, employees, and the managing agent (if any) and every other person authorized by the Executive Board the irrevocable right and easement to have access to each Unit as provided in Section 1603-102(a) of the Act as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Elements and Limited Common Elements therein or accessible therefrom or the making of any addition or improvements thereto; or the making of repairs to any Unit, the Common Elements or the Limited Common Elements if such repairs are reasonably necessary for public safety or to prevent damage to any other Unit or Units, the Common Elements or the Limited Common Elements; or the abating of any violation of law, orders, rules or regulations of the Association or of any governmental authorities having jurisdiction thereof. In case of an emergency, such right of entry shall be immediate whether or not the Unit Owner is present at the time. Until the expiration of the warranty period, if applicable, such entry shall be permitted to perform warranty-related work whether or not the Owner of the Unit consents or is present at the time. The Declarant, during the period of Declarant Control, the Association and its Executive Board shall have the right to grant permits, licenses and easements over and through the Common Elements for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Condominiums.

(d) INTENTIONALLY OMITTED.

(e) Declarant's Easement for Construction. The Declarant reserves the easement, right and privilege without let or hindrance with respect to the construction of the Units, Common Elements, Limited Common Elements and other improvements of the Condominium, to go upon any and all of the Premises for the purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units or Common Elements. Furthermore, the Declarant reserves an easement in the Units and Common Elements pursuant to Section 1602-116 of the Act for the purpose of discharging Declarant's obligations and exercising the Special Declarant Rights reserved pursuant to this Declaration. This easement shall continue until the completion of construction of all Units in the Condominium.

(f) Declarant's Easement to Correct Drainage. The Declarant reserves the easement on, over and under those portions of the Common Elements not located within a building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this paragraph expressly includes the right to cut any trees, bushes or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the affected property as closely to its original condition as practicable. The reservation of this right does not and shall not result in the imposition of an obligation. This easement shall continue until the termination of the period of Declarant Control, as set forth herein.

(g) Encroachments. Each Unit shall have an easement to the extent necessary for structural and subjacent support over every other Unit and over the Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural and lateral support in favor of every other Unit. If any portion of the Common Elements or Limited Common Elements hereafter encroaches upon any other

Unit or upon any portion of the Common Elements or Limited Common Elements, as a result of settling or shifting of any Building or Buildings in which they are located or otherwise than as a result of the purposeful or negligent act or omission of the Owner of the encroaching Unit, or of the Association in the case of encroachments by the Common Elements or Limited Common Elements, a valid easement appurtenant to the encroaching Units, Common Elements or Limited Common Elements for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist. In the event that any Building or Buildings shall be partially destroyed as a result of fire or other casualty or as a result of a taking by the power of, or in the nature of, eminent domain or deed in lieu or condemnation, and then are rebuilt encroachments of a portion or portions of the Common Elements or Limited Common Elements upon any Unit or any Unit upon any other Unit or upon any portion of the Common Elements or Limited Common Elements, due to such rebuilding, shall be permitted, and valid easements appurtenant to the encroaching Units, Common Elements or Limited Common Elements for such encroachments and the maintenance thereof shall exist so long as that Building as so rebuilt shall stand.

(h) Declarant's Right to Connect With Utilities. The Declarant further reserves an easement to connect with and make use of Utility lines, wires, pipes and conduits located on the Premises for construction purposes on the Premises, provided that Declarant shall be responsible for the cost of service to be used, and to use the Common Elements for ingress and egress and construction activities and for the storage of construction materials and equipment used in the completion of the Units and Common Elements. This easement shall continue until the completion of construction of all Units in the Condominium.

(i) Declarant's Right to Grant Easements. The Declarant shall have the right to grant and reserve easements and rights-of-way through, under, over and across the Premises for construction purposes, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities serving the Premises. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Premises. The easements created in this Paragraph shall include, without limitation rights of the Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), air conditioning, heating systems, ventilation systems, electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Paragraph, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easements through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use of occupancy of the Unit by its occupants. This easement shall expire upon the completion of construction of all Units in the Condominium.

(j) RESERVED.

(k) Common Elements Easement in Favor of Unit Owners. All Common Elements (including, but not limited to, all Limited Common Elements) shall be and are hereby made subject to the following easements in favor of the Units:

(i) For the installation, repair, maintenance, use removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or serve any Unit and which pass across or through a portion of the Common Elements.

(ii) For the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of any Common Elements adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the building or impair or structurally weaken the building.

(iii) For driving and removing nails, screws, bolts and other attachment devices into the Unit-side surface of the studs which support the dry wall or plaster perimeter walls bounding the Unit, the bottom surface of floor joists above the Unit and the top surface of the floor joists below the Unit to the extent such nails, screws, bolts and other attachment devices may encroach into a part of any Common Elements adjacent to such Unit; provided that any such action will not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the building.

(l) RESERVED.

(m) RESERVED.

7. Development Rights and Declarant Control.

(a) In addition to those rights and easements reserved or created by Paragraph 6 hereof, the Declarant reserves the right:

(i) To appoint and remove members of the Executive Board and Officers of the Association shall expire upon the first conveyance of a Unit.

(ii) To exercise those rights established under the Condominium Act.

(b) Subject to the provisions of the Act, this Declaration and the Bylaws, the Executive Board shall have the power to act on behalf of the Association. The initial Executive Board shall consist of two (2) persons to be appointed by Declarant.

No later than thirty (30) days after the first Unit is sold, the Unit Owners shall elect an Executive Board consisting of three (3) members.

The Unit Owners on this Executive Board shall serve until the first regular election of the Executive Board, which election shall be held at the first regular meeting of the Association in accordance with the Bylaws.

(c) This Section 7 shall not be amended without the written consent of the Declarant. The benefits of Section 7 and all other special rights of the Declarant set forth in this Declaration, the Bylaws or otherwise, as amended from time to time, may be transferred by a recorded instrument specifically referring to this Section and executed by Declarant and its successor or assignee.

(d) The Declarant's development rights shall expire upon the first conveyance of a Unit.

8. Amendment and Termination.

(a) This Declaration may be amended only in accordance with the procedures specified in Section 1602-117 of the Act and of 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 consent of one hundred percent (100%) of the votes in the Association and the consent of Eligible Mortgage Holders (as hereinafter defined) of mortgages on Units to which at least fifty-one percent (51%) of the votes in the Association are allocated. Except as otherwise set forth in this Declaration, amendments of a material nature must be agreed to by Unit Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association. In addition, approval must be obtained from Eligible Mortgage Holders representing at least fifty-one percent (51%) of the votes of unit estates that are subject to mortgages held by Eligible Mortgage Holders. A change to any of the following would be considered as material: assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common elements; responsibility for maintenance and repairs; reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use; boundaries of any Unit; convertibility of Units into Common Elements or vice versa; expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium; insurance or fidelity bonds; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Association to establish self management when professional management had been required previously by an Eligible Mortgage Holder; restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration and the Bylaws; any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. Provided, however, that no such consent shall be required for Declarant's exercise of its Development Rights or Special Declarant Rights. 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.

(b) The Condominium shall not be terminated except by agreement of Unit Owners of Units to which eighty percent (80%) of the votes in the Association are allocated and of Eligible Mortgage Holders holding Mortgages on Units to which at least fifty-one percent (51%) of the votes in the Association are allocated and as otherwise provided in Section 1602-118 of the Act.

9. Rights of Secured Lenders.

Subject to the limitations imposed by Section 1602-119 of the Act and except as set forth in Paragraphs 7 and 8 above and as set forth in this Paragraph 9, no amendment of this Declaration may be made without the prior written approval of all record holders of first mortgages on Units if, and to the extent that, such approval is required by the Act or if, and to the extent that, such amendment would have the effect of (i) terminating or abandoning the Condominium; (ii) abandoning, encumbering, selling or transferring the Common Elements; (iii) partitioning or subdividing any Unit or the Common Elements; or (iv) changing the percentage allocated interest of any Unit Owner. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed to be a transfer within the meaning of this Section.

10. Use and Occupancy of Units and Common Elements-Restrictions Thereof.

The occupancy and use of the Units and Common Elements shall be subject to the following restrictions:

(a) No Unit Owner nor a lessee of any Unit Owner: (i) shall permit or suffer anything to be done or kept upon the property which will materially increase the rate of insurance on the property or on the contents thereof; (ii) shall obstruct or interfere with the rights of other occupants or annoy them by unreasonable noise or otherwise unreasonable conduct; (iii) shall commit or permit any nuisance or commit or suffer any illegal act to be committed anywhere in or upon the Premises; and/or (iv) shall cause or permit any noxious odors to emanate from any portion of the Premises.

(b) Reasonable rules and regulations, not in conflict with the provisions of this Declaration and the Bylaws of the Association, concerning the use and enjoyment of the Premises, may be promulgated from time to time by the Executive Board, subject to the right of the Association to change such rules and regulations. Copies of the then current rules and regulations and any amendments thereto shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such rules and regulations or any amendments thereto.

(c) A Unit Owner may lease or sublease his Unit at any time and from time to time. No Unit may be leased or subleased without a written lease or sublease. No Unit may be leased for a term of less than thirty (30) days. The rights of any lessee or sublessee of the Unit shall be subject to, and each such lessee or sublessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, Bylaws and Rules and Regulations, and a default thereunder shall constitute a default under the lease or sublease.

The Unit Owner shall provide any lessee or sublessee with a copy of the Rules and Regulations of the Condominium. The foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any Common Expense assessments on behalf of the owner of that Unit unless so provided for in said lease or sublease.

(d) The Association shall be responsible for providing snow removal services to the Condominium including areas delineated as limited common elements, electricity for and maintenance of common elevator and associated common areas. The expenditures relating to the foregoing shall be Common Expenses, assessed against the Unit Owners in accordance with the provisions of this Declaration. Each unit owner shall be responsible for the structural integrity or any maintenance of its unit including exterior components, i.e. the limited common elements. However, exterior components shall be commonality as to architectural design and color.

11. Budget; Common Expenses; Assessments and Enforcement.

(a) Budget Ratification Vote: At the budget ratification meeting of Unit Owners, unless fifty-one percent (51%) of the percentage interest voting reject the budget, it shall be adopted.

(b) Monthly Payments: All Common Expenses assessments made in order to meet the requirements of the Association's annual budget shall be deemed to be adopted and assessed on a monthly basis (rather than on an annual basis payable in monthly installments) and shall be due and payable in advance on the first day of each month, the first such assessment to be made for the first month of the first fiscal year as determined by the Executive Board of the Association under Article V of the Bylaws. Special assessments shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board.

(c) Subordination of Certain Charges: Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to Article 3 of the Act, shall be subordinate to the lien of an Eligible Mortgage Holder on a Unit as that term is defined in the Act.

(d) Surplus: Any surplus funds of the Association remaining after payment of, or provision for, common expenses including provisions for working capital fund and/or reserve fund shall be credited to the Unit Owners on a pro rata basis to reduce their future common expense assessments.

(e) Limited Expenses. Limited expenses are those common expenses associated with the maintenance, repair or replacement of a Limited Common Element and shall be assessed against the Unit or Units to which that Limited Common Element has been assigned. Any common expense benefitting fewer than all of the Units shall be assessed exclusively against the Units benefitted as a Limited Expense.

(f) Working Capital Fund. Prior to the conveyance of the first Unit to a Purchaser, the Declarant shall establish a working capital fund equal to the estimated Common Expense charges for two months operation of the Condominium. Upon

the purchase of each Unit, the Buyer shall pay into said fund an amount based on the Unit's pro rata share of the fund. Said amount shall be transferred to the Association for deposit into a segregated fund. Within sixty (60) days after the closing of the sale of the first Unit, Declarant shall pay to the Association its pro rata share of the working capital fund for any unsold Units of the Condominium. Upon the sale of unsold Units by the Declarant the Buyer shall reimburse the Declarant for any share paid by the Declarant for the Unit sold. Said fund shall remain in existence until the Association determines that it has established an adequate reserve fund from regular monthly assessments of Unit Owners. Upon establishment of such adequate reserves, any funds then held in the working capital fund shall be returned to the person or persons who contributed such funds.

12. Rights of Eligible Mortgage Holders.

(a) An "Eligible Mortgage Holder" means the holder of a recorded first mortgage on a Unit which has delivered written notice to the Association by prepaid United States mail, return receipt requested, or by delivery in hand securing a receipt therefor, which notice shall state the mortgagee's name and address, the Unit Owner's name and address, and the identifying number of the Unit, and shall state that the mortgage is a recorded first mortgage.

(b) The Association shall send reasonable prior written notice by prepaid United States mail to Eligible Mortgage Holders of the consideration by the Association of the following circumstances or proposed actions:

(i) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first mortgage held, insured or guaranteed by such Eligible Mortgage Holder;

(ii) Any delinquency in the payment of assessments for Common Expenses or any other charges owed by an owner of that Unit, or any other default in the performance or payment by such Unit Owner of any obligation under this Declaration, the Bylaws or any Rules and Regulations of the Association, which delinquency or other default continues for a period of sixty (60) days;

(iii) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(iv) The proposed use of any proceeds of property insurance required to be obtained and maintained by the Association pursuant to the Bylaws for purposes other than repair, replacement and restoration of the Premises substantially in accordance with this Declaration, the Bylaws, the Plats and Plans and the original elevations thereof, and original building plans and specifications.

(v) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as specified

in Paragraph 12(c) hereof;

(vi) The termination of the Condominium.

(vii) A change in the Allocated Interest appurtenant to any Unit, a change in the boundaries of a Unit, or the subdivision of a Unit, except for such changes created by the Declarant as a consequence of the exercise of any Development Rights reserved in this Declaration by the Declarant;

(viii) The Merger or consolidation of the Condominium with another Condominium;

(ix) The conveyance or subjection to a security interest of any portion of the Common Elements.

(c) In the event of any proposed actions described in this Section 12, subsection (b), paragraphs (iv), (vi), (vii), (viii) or (ix), any Eligible Mortgage Holder shall have the right but not the obligation in place of the Unit Owner to cast the votes allocated to the Unit or give or withhold any consent required of the Unit Owner for such action by delivering written notice to the Association with a copy to the Unit Owner prior to or at the time of the taking of the proposed action, which notice shall be sent by certified or registered prepaid United States mail, return receipt requested, or by delivery in hand. Failure of the Eligible Mortgage Holder to so exercise such rights within thirty (30) days from receipt of any such notice shall constitute a waiver thereof and shall not preclude the Unit Owner from exercising such right. In the event of any default described in Section 12 (b) (ii) above, the Eligible Mortgage Holder shall have the right but not the obligation to cure such default. In addition, an Eligible Mortgage Holder, or its representative, shall have the right to attend Association and Executive Board meetings for the purposes of discussing the matters described in Paragraph 12 (b), (iv), (v) and (vi) through (ix).

Failure to comply with the requirements set forth above shall in no way invalidate otherwise proper actions of the Association and the Executive Board.

13. Limitation of Liability.

(a) Limited Liability of the Executive Board. The members of the Executive Board:

(i) Shall not be liable for any injury or damage to persons or property caused by the natural elements or by another Unit Owner or persons on the Premises, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Units, or from any of its pipes, drains conduits, appliances, or equipment, or from any other place unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board;

(ii) Shall not be liable to the Unit Owners as a result of the performance

of the Executive Board members' duties, for any mistake of judgment, negligent or otherwise, except for the Executive Board members' own willful misconduct or gross negligence;

(iii) Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board or the Association in the performance of the Executive Board members' duties;

(iv) Shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements or Limited Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

(v) Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

(vi) Shall have no personal liability arising out of the use, misuse or condition of the Buildings, or which might in any other way be assessed against or imputed to the Executive Board members as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.

(b) Indemnification. Each member of the Executive Board, in his or her capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed on him or her in connection with any proceeding in which he or she may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he or she is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer had no reasonable cause to believe his or her conduct was unlawful. The indemnification by the Unit Owners set forth in the Section 13 shall be paid by the Association on behalf on the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board members and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

(c) Defense of Claims. Complaints brought against the Association, the Executive Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the holders of any mortgages on Units and such complaints shall be defended by the Association. The Unit Owners and the holders of mortgages on Units shall have no right to participate in such defense other than through the Association.

(d) The Executive Board may obtain insurance to satisfy the indemnification obligations of the Association and all Unit Owners set forth in Paragraph 13(b) above, to the extent such insurance is available.

14. Notice.

Notice of matters affecting the Condominium may be given to Unit Owners by the Association in the following manner: all notices shall be in writing and shall be deemed to have been given if delivered personally or sent by United States mail, postage prepaid; or if notification is of a default or lien, then by registered or certified mail, return receipt requested, postage prepaid, to the Unit Owner at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association, or if no address is designated, at the address of the Unit. If a Unit is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

15. Insurance.

The Association's Executive Board shall obtain and maintain insurance for the benefit and protection of the Association and, to a certain limited extent, the Unit Owners as individuals. The specific details regarding insurance coverage are set forth in the Bylaws of the Association. In general, types and amounts of insurance to be obtained by the Association are described as follows: fire insurance, covering all buildings, but excluding the personal property of Unit Owners and improvements within a Unit made by the owners thereof; "All Risk Insurance," public liability insurance at least covering each Unit Owner with limits of not less than a combined single limit of \$1,000,000 for claims for bodily injury or property damage arising out of one occurrence; such other insurance as the Executive Board may, from time to time in its discretion determine, including coverage for other casualties, hazards or risks such as vandalism, malicious mischief, windstorm and water damage.

The Association will obtain insurance covering liability arising from ownership or use of the Common Elements. This coverage will not insure Unit Owners against liability arising from an accident or injury occurring within a Unit or liability arising from the act or negligence of a Unit Owner.

The Executive Board will also maintain appropriate insurance required by mortgage lenders.

16. Eminent Domain. If part of the Common Elements shall be taken or condemned by any authority having the power of eminent domain, the Association shall notify the Owners and Eligible Mortgage Holders of the Units affected and shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority, and the portion of the award attributable to the Common Elements taken shall be paid to the Association for the use and benefit of the Unit Owners and their Mortgagees as their interests may appear. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Unit Owners and their Mortgagees, as their interests may appear, in proportion to their Allocated Interests in Common Elements prior to such taking or condemnation, but the portion of the award attributable to the acquisition of any Limited Common Element shall be equally divided among the Owners of the Units to which such Limited Common Element was allocated at the time of such taking or condemnation and their Mortgagees, as their interests may appear. Each Unit Owner appoints the Association as attorney-in-fact for the purposes described in this Section. Notwithstanding anything to the contrary in this Section 16, lien holders on any Unit, Common Element or Limited Common Element, shall have a lien on any such awards in order of priority of their respective liens.

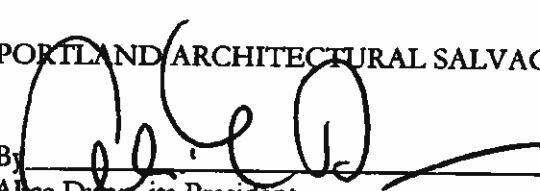
17. Maintenance Responsibilities. Each Unit Owner shall furnish and be responsible for, at his or her own expense, all maintenance, repairs and replacements within or constituting a part of his or her own Unit; provided, however, such maintenance, repair and replacements as may be required for the functioning of or for the bringing of utilities, such as water, gas, electricity and sewer to the Unit shall be furnished by the Association as part of the Common Expenses, except as otherwise provided and except if said problem arises from a component constituting part of the Unit; provided, however, that any maintenance or repair of any part of the Unit visible from the outside of the Unit shall conform to and be of the same or better quality and be similar in appearance to all other Units in architectural style, quality of construction and size. Furthermore, a Unit Owner may, at any time, and at their sole cost and expense, having the existing water line separately metered, and the other Unit Owner agrees to cooperate in good faith upon request to allow a separate water line to be installed, if need, in order to provide separate metered water service for each Unit. Maintenance, repairs and replacements of indoor fixtures, and plumbing fixtures, and other electrical or mechanic appliances on any other items constituting a part of the Unit shall be at the expense of Unit Owner. Maintenance, repairs and replacements of the Common Elements and Limited Common Elements shall be furnished by the Association as part of the common expenses. If a repair to a Limited Common Element only affects one Unit, the cost shall be borne by said Unit's Owner. Each Unit Owner shall pay for his or her own telephone, electricity, cable and water service, heating costs, internet access and other utilities which are separately metered or billed to each such user by the respective utility company or service provider. Utilities or services which are not separately metered or billed shall be treated as part of the Common Expense. Each Unit Owner shall be responsible for the cleaning, maintenance, repair and replacement (interior and exterior) of all window glass and door glass of his or her Unit; provided, however, that any maintenance or repair of any part of the Unit visible from the outside of the Unit shall conform to and be of the same or better quality and be similar in appearance to all other Units in architectural style, quality of construction, and size. If a Unit Owner

fails to clean, maintain, repair and/or replace such items, the Association may see to their cleaning, maintenance, repair and/or replacement and add any costs incurred therefore the assessment billed to the applicable Unit Owner. Further, in any event Unit Owner fails to maintain, repair or replace as needed any other element, including without limitation, lighting fixtures, plumbing fixtures and other electrical or mechanic appliances constituting a part of said Unit Owner's Unit, for which the Unit Owner is responsible and the Association deems in its sole discretion said failure to pose a risk of injury to persons or property, the Association may maintain, repair or replace such items as it deems in its sole discretion to be necessary for this purpose, and any costs incurred therefor shall be added to the assessment against the applicable Unit Owner and the Unit. If due to the negligent act or omission of a Unit Owner or invitee or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements, the Limited Common Elements or to a Unit or Units owned by another, and maintenance, repairs and replacement shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association. If such maintenance, repairs and replacement would otherwise be the expense of another Unit Owner, then the Unit Owner causing or allowing damage to be cause shall pay for such damage. The damage shall be added to the assessment against the applicable Unit Owner and corresponding Unit.

IN WITNESS WHEREOF, Alice Dunn, President of Portland Architectural Salvage, Inc., duly authorized, has executed this Declaration of Condominium on this 24 day of April, 2006.

Witness

PORTLAND ARCHITECTURAL SALVAGE, INC.

By 
Alice Dunn, its President

STATE OF MAINE
CUMBERLAND, SS.

April 24, 2006

Personally appeared the above named Alice Dunn, President of Portland Architectural Salvage, Inc. as aforesaid and acknowledged the foregoing instrument to be her free act and deed in her said capacity and the free act and deed of said Corporation.

Before me


James R. Lemieux, Attorney at Law

SCHEDULE "A"

A certain lot or parcel of land, with the buildings thereon, situated in the City of Portland, County of Cumberland and State of Maine, as described in a deed to Portland Architectural Salvage, Inc., recorded in the Cumberland County Registry of Deeds in Book 23398, Page 12.

SCHEDULE "B"

| Unit # | Percentage Interest |
|--------|---------------------|
| 1 | 50 |
| 2 | 50 |

Received
Recorded Register of Deeds
Apr 24, 2006 03:44:11P
Cumberland County
John B O'Brien
