

Promenade East Condominium Association
dba Promenade Towers
Annual Meeting
September 14, 2016

Directors Present: Gunnel Hansen, Megan Ladd, Dave Mathieu, Leonard Ney, John Rastl, Mark Rockwood and Jim Zafirson

Directors Absent: None

1. The meeting was called to order at approximately 7:00 PM in the Promenade Towers Community Room by President Jim Zafirson.
2. Roll call was taken with the following results: There were a total of 54 (out of 80) owners either in person (27) or represented by proxy (27). These 54 represented 68.3 percent of ownership interest.
3. Proof of Notice: Megan Ladd presented Proof of Notice.
4. Minutes of the September 9, 2015 Annual Association Meeting were approved as written.
5. President's Report: Mr. Zafirson was pleased to report another year with continuing improvements to our common areas. He made note of the elevator modernization, the roof replacement on Building 2, the upgrade to the fire alarm system and the new fence in the pool area. Mr. Zafirson also recognized Gunnel Hansen, who is stepping down from the Board, for her years of service. In addition, he thanked Mr. Rastl for the time, effort and energy he devoted to the projects listed above. His oversight was crucial to the successful completion of all these endeavors.
6. Treasurer's Report: Mr. Rastl reported the following –
 - The year-to-date Operating Fund has a net income of over \$24,000 which is due almost entirely to the reimbursement we received from T-Mobile for electricity used for several past years. The amount received has been applied as a credit to the Utilities portion of the budget.
 - The Reserve Fund shows a net loss of over \$137,000 and a current balance of \$667,629. This is down nearly \$187,000 from this time last year. This reduction is due to the number of significant projects/renovations which took place this year. Close to \$275,000 was spent on the following:
 - Elevators (\$143,710 this year plus \$90,512 late in 2015)
 - Building 2's Roof Replacement (\$68,780)
 - Fire Alarm (\$32,959)
 - Pool Fence and Gates (\$27,800)
 - The budget for 2017 is being developed. The Board will have working drafts in early October and the expectation is to have the budget finalized for Board approval at the regular October meeting. Once approved, a copy will be sent to all owners.
 - A small increase in condo fees is anticipated. This is due to inflation of about 1% plus an increase in the TWC Service Fee of 5% which went into effect in July (about \$1.60/month).

7. Unfinished business: None.

8. New business:

- IRS 70-604 Election for 2016. As explained by Mr. Rastl, this is an annual election by the membership. He made a motion that any excess of membership income over membership expenses, for the tax year ending December 31, 2016, shall be applied against the subsequent tax year member assessments, as provided by IRS Revenue Ruling 70-604. The motion was seconded and approved by the members. Documentation is attached.
- Amendments to Declarations and Bylaws: Mr. Rastl presented recommended changes to the Condominium Association Declarations and Bylaws to bring them into agreement with modifications made to the Maine Condominium Act in 2015. The proposed updates were approved via the voting process. Documentation is attached.
- Election of Board of Directors members. There were two Board members whose term was expiring, Gunnel Hansen and Megan Ladd. Four individuals volunteered for these positions:
 - Kathleen Kerr
 - Megan Ladd
 - Frank Walsh
 - Karen Winslow

Mr. Zafirson invited each of the above to briefly introduce themselves and then a vote was taken. Ms. Ladd and Mr. Walsh received the most votes and were elected to 3-year terms. The current Board members, listed by term expiration, are as follows -

	Term Expires
Leonard Ney	2017
John Rastl, Treasurer	2017
Dave Mathieu	2018
Mark Rockwood	2018
Jim Zafirson, President	2018
Megan Ladd, Secretary	2019
Frank Walsh	2019

9. The meeting was adjourned at approximately 7:32 PM.



Megan Ladd
Secretary

Attachments: Resolution – IRS Ruling 70-604 Election
Certificate of Amendments

Directors Meeting
Election of Officers

A brief Directors Meeting was held immediately after the Annual Meeting at 7:35 PM in the Community Room. The following officers were elected for the coming year:

Jim Zafirson, President
John Rastl, Treasurer
Megan Ladd, Secretary

The meeting was adjourned at 7:45 PM.

A handwritten signature in black ink, appearing to read "Megan Ladd", is written over a light pink rectangular background.

Megan Ladd
Secretary

**ELECTION UNDER REVENUE RULING 70-604
EXCESS INCOME APPLIED TO FOLLOWING YEAR ASSESSMENTS**

WHEREAS the Promenade East Condominium Association, Inc. is a Maine corporation duly organized and existing under the laws of the State of Maine; and,

WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the Promenade East Condominium Association, Inc.;

RESOLVED, that any excess of membership income over membership expenses, for the tax year ending December 31, 2016 shall be applied against the subsequent tax year member assessments, as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made a part of the minutes of the membership meeting of September 14, 2016.

PROMENADE EAST CONDOMINIUM
ASSOCIATION



BY: _____
James Zafirson, its President



ATTESTED: _____
Megan Ladd, its Acting Secretary

PROMENADE EAST CONDOMINIUM ASSOCIATION

Portland, Maine

**CERTIFICATE OF
AMENDMENTS TO THE AMENDED AND RESTATED DECLARATION
and BYLAWS**

The undersigned hereby certify that the following Amendments to the Amended and Restated Declaration and the Bylaws of the **PROMENADE EAST CONDOMINIUM** located in City of Portland, County of Cumberland, Maine, which Amended and Restated Declaration is dated September 11, 2013, and recorded in the Cumberland County Registry of Deeds in Book 31090, Page 39, were duly adopted at a special meeting of the Unit Owners held on September 14, 2016 by the affirmative vote of 67% or more in interest vote of the Unit Owners.

1. Section 3.4 of the Bylaws is amended as follows regarding notice of association meetings:

a. Change the maximum number of days of notice in advance of a members meeting from twenty (20) to sixty (60), by deleting the words "not more than twenty (20) days, before the date set for the meeting" to be replaced with the words "not more than sixty (60) days, before the date set for the meeting."

b. Authorize an additional method of notice by deleting and restating subsections A and B, and adding new subsection C, as follows:

"A. By hand delivering it to him, or

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

C. By electronic means to any other address, including an e-mail address specifically designated by the Unit Owner."

2. Section 6.2 (A) of the Bylaws be amended changing the minimum number of days for notice in advance of a members meeting to ratify the budget from fourteen (14) to ten (10), by deleting the words "not less than fourteen (14)" to be replaced with the words "not less than ten (10)."

3. Section 10.5 of the Declaration is amended to clarify that ratification is required for revised budgets, as follows:

“**Section 10.5: Budget.** The proposed budget and any revised budget adopted by the Association’s Board of Directors shall be adopted unless rejected by two-thirds (2/3) vote of the Association.”

4. Section 10.2 (F) of the Declaration is amended as follows to require conformance with Maine law in approving special assessments:

“F. Upon a determination that circumstances exist, which require additional funds to be raised beyond the amounts generated by regular monthly assessments, the Board of Directors may levy a special assessment as an additional common charge on such terms and conditions as the Board may establish, including without limitation, the due date(s), terms of payment, late charges, interest and costs of collection, including reasonable attorneys' fees and expenses. The process for approving or ratifying a special assessment shall be as set forth in the Bylaws consistent with the Maine Condominium Act. The special assessment shall be allocated to and due from each Unit in accordance with its percentage liability for common expenses, shall constitute a lien against each Unit which may be foreclosed in the same manner as a mortgage, and shall be the personal obligation of each Unit Owner. Upon the sale of any Unit, the seller shall be responsible for informing the purchaser of the existence of any pending or outstanding special assessment.”

5. Section 6.4 of the Bylaws is deleted and restated to specifically conform to the special assessment requirements in the Maine Condominium Act, as follows:

“**Section 6.4: Revised and Special Assessments.** If at any time the Board shall determine the amount of the common charges to be inadequate, whether by reason of a revision in its estimate of expenses or income, the Board may adopt a revised budget, which shall be submitted to the members for ratification in accordance with the procedures in Section 6.2 (A) of these Bylaws. Thereafter monthly common charges shall be determined and paid on the basis of the ratified revised budget.

The Board may, upon determining that circumstances exist which require a special assessment of the members, make special assessments as follows:

A. The special assessment must be ratified by members in accordance with Section 6.2 (A) of these Bylaws, except that if payment of any portion of the proposed special assessment is due after the end of the association’s current

budget year, ratification requires approval of a majority in interest of all unit owners.

B. If the amount of the special assessment does not exceed two months' common charges and the board determines that the assessment is necessary to meet an emergency, the board may make the special assessment immediately in accordance with the terms of the board's vote, without ratification by unit owners."

6. General. Capitalized terms shall have the meaning set forth in the Declaration and Bylaws.

Witness the hands and seal of undersigned in our capacities as the President and Secretary of the Promenade East Condominium Association as of September 14, 2016.

PROMENADE EAST CONDOMINIUM ASSOCIATION

By: [Signature]
James Zafirson, its President

Attest:

By: [Signature]
Megan Ladd, its Secretary

Received
Recorded Register of Deeds
Nov 10, 2016 01:04:59P
Cumberland County
Nancy A. Lane

State of Maine
County of Cumberland, ss

November 5TH, 2016

Then personally appeared before me the above named James Zafirson in his said capacity and acknowledged the foregoing to be his free act and deed and the free act and deed of said association.

Before me,

[Signature]

Notary Public/Attorney at Law

Name: Michael G Finn

My Commission Expires: 5/1/18

SEAL

