

**DECLARATION OF CONDOMINIUM
CADILLAC CONDOMINIUMS**

Piece of the Rock Builders, LLC ("Declarant"), with a mailing address of **28 Wildwood Glenn, Bar Harbor, Maine 04609**, hereby declare as follows:

**ARTICLE I
Creation of Condominium**

Section 1.1 Submission: Declarant, being seized in fee simple of a certain lot or parcel of land, together with the buildings and improvements thereon, situated on Route 3 in Bar Harbor, Hancock County, Maine, described in Exhibit A affixed hereto and made a part hereof by reference (defined herein as "the Property"), hereby submits said land, buildings and improvements, together with and subject to all easements, rights, and appurtenances thereto belonging, and the buildings and improvements to be erected thereon to the provisions of the Maine Condominium Act, Chapter 31 of Title 33 Maine Revised Statutes Annotated, as amended from time to time, and hereby creates a Condominium in accordance with the Condominium Act. The condominium consists of two units in one building.

Section 1.2 Name and Address: The name of the Condominium is "Cadillac Condominiums" and the name of the Association is "Cadillac Condominiums Homeowners' Association." The address of the Condominium is Route 3, Bar Harbor, Maine 04609.

Section 1.3 Plan: As required by 33 M.R.S.A. §1602-109 (Maine Condominium Act, "Plats and Plans") Cadillac Condominiums is depicted on a plan to be recorded herewith.

Section 1.4 Application of Maine Condominium Act: The provisions of the Maine Condominium Act, as amended from time to time, shall apply to and govern the operation and governance of the Condominium, except to the extent that contrary provisions, not prohibited by the Act, are contained in one or more of the Condominium Documents.

**ARTICLE II
Definitions**

Section 2 Definitions: Unless otherwise specifically stated herein and to the extent provided by law, all applicable words and terms shall have those meanings and definition ascribed by §1601-103 of the Maine Condominium Act (33 M.R.S.A. §1601-103). In addition thereto and without limitation to the foregoing, the italicized terms listed below are defined as follows for all purposes of this Declaration, the Association Bylaws, and Plats and Plans:

2.1. "The Act" means the Maine Condominium Act, 33 M.R.S.A. ch. 31, as amended from time to time.

2.2. "Association" means Cadillac Condominiums Homeowners' Association.

2.3. "Buildings" (or in the singular "Building") means any residential or recreational structure or other improvement now or hereafter constructed on "the Property."

- 2.4. "Bylaws" means the bylaws as amended from time to time, duly adopted by the Association which provide for its governance pursuant to Section 1603-106 of the Act.
- 2.5. "Condominium Documents" include this Declaration, Plats and Plans, Bylaws, and any additional Rules and Regulations adopted by the Association.
- 2.6. "Declarant Control Period" means the entire time period which extends from the date of the recording of this declaration until the earlier of (a) seven (7) years following the conveyance of the first unit to a purchaser or (b) sixty (60) days after the conveyance to purchasers of seventy-five percent (75%) of the total number of units including those already built and those the declarant has reserved rights to create.
- 2.7. "Eligible Mortgage Holder" means the holder of a recorded mortgage on a Unit which has requested the Association to notify it of actions by the Association which require the consent of Eligible Mortgage Holders under this Declaration.
- 2.8. "Executive Board" means the Executive Board of the Association.
- 2.9. "Insurance Trust Designation" means any designation by the Association of an Insurance Trustee for the purpose of management and disbursement of insurance proceeds in accordance with Section 9.3 herein.
- 2.10. "Insurance Trustee" means that person or entity responsible of the management and disbursement of insurance proceeds pursuant to any Insurance Trust Designation.
- 2.11. "Limited Common Elements" in the plural or singular includes those areas or parts of the Property, if any, designated as Limited Common Elements herein, or on the Plats and Plans, in addition to those areas or parts defined as "Limited Common Element" by Section 160 1-103(16) of the Act.
- 2.12. "Monthly Assessment" means the Unit owners respective shares of anticipated Common Expenses, allocated by Unit, for each month of the Association's fiscal year as reflected in the budget adopted by the Association or its Executive Board for each year.
- 2.13. "Mortgagee" means the holder of any recorded mortgage encumbering one or more of the Units.
- 2.14. "Percentage Interest" means the undivided interests in the Common Elements appurtenant to a Unit, as set forth in Exhibit B attached hereto, as the same may be amended from time to time.
- 2.15. "Property" means the real estate described and referred in Section 1.1. above and depicted in the Plat and Plan.
- 2.16. "Plats and Plans" means those documents required by Section 1602-109 of the Act,

including, without limitation, the plan referred to in Section 1.3.

2.17. "Record" means to record at the Hancock County Registry of Deeds.

2.18. "Rules and Regulations" means such rules and regulations as are promulgated by the Declarant, the Association, or its Executive Board from time to time with respect to the use of all or any portion of the Property.

2.19. "Special Assessment" means a Unit owner's share of any assessment made by the Association or its Executive Board additional to the Monthly Assessment.

2.20. "Unit" means a physical portion of the Condominium created by this Declaration or any amendment thereto and designated for separate ownership or occupancy, the boundaries of which are described in Article III herein.

ARTICLE III

Unit Boundaries and Maintenance Responsibilities

Section 3.1 Identification of Units: Each Unit's identifying number is shown on the Plans.

Section 3.2 Unit Boundaries: The boundary lines of each Unit are shown on the Plans and are formed by the following planes:

3.2.1 The boundary lines of each Unit are as shown on the Plans and are formed by the following planes:

3.2.1.1 The Unit-land-area and/or side surface of the walls and partitions of the Building which enclose such Unit and separate it from adjoining Units or Common Elements, the Unit to include the thickness of the finish material such as plaster or drywall;

3.2.1.2 The Unit-side surface of furring around utility shafts and other Common Elements within or passing through each Unit, the Unit to include the thickness of the finish material, such as plaster or drywall;

3.2.1.3 The Unit-side surface of the concrete slab constituting the basement floor or bottom floor of the lowest story of such Unit, the Unit to include the thickness of the finish material, such as carpet, ceramic or resilient tile or hardwood.

3.2.1.4 The Unit-side surface of the sash of windows which are set in the exterior walls of such Unit, the exterior surface of the panes of which windows, and the Unit-side surface of window sills, moldings, trim, jambs, and mullions for such windows, the Unit to include the thickness of the finish material such as plaster or drywall; and

3.2.1.5 The exterior surface of doors and their sills and hardware, and the Unit-side surface of the door frames in which such doors are set, the Unit to include the thickness of the finish material

such as plaster or drywall.

3.2.2 Each Unit consists of all portions of the Building in which it is located within the aforesaid boundary lines, except the air space displaced by (1) structural members, firewalls including gypsum drywall finish, and load bearing partitions within or passing through such Unit which are deemed to be Common Elements, and (2) other Common Elements within such Unit, including, without limitation, chutes, flues, ducts, wires, conduits and piperuns which serve more than one Unit.

3.2.3 By way of illustration and not limitation, there is included within a Unit: (1) the air and land space enclosed by such boundary lines, (2) all non-load bearing partitions which are wholly contained within such boundary lines including, but not limited to, all doors, door frames, hardware, electrical outlets and wiring, telephone outlets and conduits and other equipment and devices in such partitions serving only such Unit; (3) all fixtures located within such boundary lines and serving only such Unit, and their water and waste connections, (4) all items of kitchen equipment and such equipment's water, waste and electrical connections located within such boundary lines and serving only such Unit, (5) heat pumps, exhaust fans and the grills, registers, ventilation ducts, and related fixtures, and screens and storm windows, which serve only such Unit, whether or not any of the foregoing is located in any portion of the Common Elements, (6) lighting devices (including by way of illustration and not limitation, lamps and bulbs which are surface-mounted on, recessed in or suspended from ceilings, walls and partitions within or around the perimeter of such Unit), (7) outlets, wires, cables, conduits, circuits and related equipment transmitting electricity for lighting and power or transmitting electrical impulses and signals (including, but not limited to, impulses and signals for telephone, television, Internet, and similar transmission, except to the extent otherwise specifically provided herein) which serve only such Unit and which are located entirely within the boundary lines of such Unit, (8) surface mounted and recessed medicine cabinets including, by way of illustration and not limitation, all associated lighting fixtures and accessories, (9) refrigerators, ranges, dishwashers and other appliances and the portions of their water, waste, electrical and exhaust connections located within such boundary lines and serving only such Unit, (10) the areas marked "attic space" and "crawl space" and/or utility access/storage area space on the Unit Boundary Plan of Cadillac Condominiums Condominium to be recorded herewith in the Hancock County Registry of Deeds. The boundaries of the "attic space" and "crawl space" and/or utility access/storage area space may not be altered by the unit owner without receiving approval of the Association.

Section 3.3 Responsibility for Maintenance of Common Elements: The Association, acting through its Executive Board, shall be responsible for maintenance, repair and replacement of the Common Elements, including, but not limited to, the Limited Common Elements, and the following:

3.3.1 Maintenance, repair, and replacement, in accordance with the terms of any maintenance agreement or similar agreement between Declarant and the Town of Bar Harbor relating to the drainage system of the Property, including storm water drainage or retention;

3.3.2 Maintenance, repair, and replacement of the driveways and parking areas constructed or to be constructed by or on behalf of the Declarant, and depicted on the Plats and Plans; and

3.3.3 Care and replacement of the trees, shrubbery, and other plantings on the Property.

Section 3.4 In addition to the maintenance, repair, and replacement of the Common Elements, the Association, acting through its Executive Board, shall arrange for or provide to each Unit owner trash and garbage removal service on a regular basis. The Executive Board, in its discretion, may provide maintenance and other services provided for in this Article III either through its own employees or through independent contractors or both. The cost of such services shall be a Common Expense.

Section 3.5 Responsibility for Maintenance of Units: Each Unit owner is responsible for maintenance and repair and replacement of his Unit and its components. Each Unit owner shall provide to the Association and other Unit owners, and to their agents and employees, access through his Unit reasonably necessary for the maintenance, repair, and replacement of the Common Elements. The common area shown on the plan contains the following utilities: electricity, propane, pumping / lift station. Said infrastructure for said utilities and common area shall be maintained by the Association.

Section 3.6 Allocation of Costs of Services: Electric, gas, telephone, cable television, Internet, sewer and water utility services and the cost of similar services will be separately metered and each Unit owner will be responsible for the cost of such services furnished to his Unit. The Association through its Executive Board may elect to maintain electric, gas, telephone, cable, internet, sewer, and/or water utility services for the Common Elements. All costs so incurred shall be subject to this section. The utility easement shown on the plan shall be maintained by the Association. The

ARTICLE IV

Description and Allocation of Common Elements and Limited Common Elements

Section 4.1 Description of Common Elements: Common Elements shall mean those portions of the Buildings and land area defined as such pursuant to Subsections 1601-103(4) and 1602-102(1) of the Act, except as otherwise provided herein or as otherwise identified, and those portions designated as Common Elements in the Plans, including, but not limited to, (1) the drainage system for the Property, including any utilities and storm water detention systems, (2) the driveways and parking areas constructed or to be constructed by or on behalf of the Declarant and depicted on the Plans; (3) any paved areas, walkways, and benches constructed or installed, or to be constructed or installed, by or on behalf of the Declarant or the Association, and (4) trees, shrubbery and other plantings.

Section 4.2 General Description of Limited Common Elements: Limited Common Elements shall mean those portions of the Buildings defined as such by Subsection 1601-103(16) of the Act or identified and designated as Limited Common Elements on the Plats and Plans, or by this Article IV. Those portions of the Limited Common Elements which serve only particular Units are Limited Common Elements only as to the Units which they serve.

Section 4.3 Specified Limited Common Elements: Without limitation to the generality of Section 4.2 above, the following portions of the Buildings or the Property are hereby designated as Limited Common Elements: shutters, awnings, window boxes, doorsteps, stoops, balconies,

porches, decks and patios, if any, which are adjacent to and serve only such Unit. Also designated as Limited Common Elements are those portions of the property, if any, designated as "deck areas" on the Plats and Plans.

Section 4.4 Locations of Common and Limited Common Elements: The locations of the Common Elements and Limited Common Elements may be shown on the Plats and Plans. Pursuant to Section 1602-102(4) of the Act, a shutter, awning, window box, doorstep, stoop, balcony, porch, deck, patio, or individual deck area, if any, shown on the Plats and Plans as adjacent to a Unit is a Limited Common Element appurtenant to that Unit.

Section 4.5 Reserved Common Elements: The Executive Board shall have the power, in its discretion from time to time, to grant revocable licenses in designated Common Elements to the Association or to any Unit owners and to establish a reasonable charge to such Unit owners for the use and maintenance thereof. Such designation by the Executive Board shall not be construed as a sale or disposition of the Common Elements.

Section 4.6 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. Such rights do not include rights to add or remove real estate not deemed to be fixtures.

Section 4.7 Allocation of Parking Spaces: The Declarant reserves the right, until the construction marketing and sale of all Units is completed, to allocate particular Units as Limited Common Elements the parking spaces shown on the Plats and Plans. Such right shall be deemed a Development Right and shall be subject to the terms and conditions set forth in Article XX of this Declaration. After the expiration of such Development Right pursuant to Article XX of this Declaration, the Executive Board shall have the power in its discretion from time to time to allocate such parking spaces.

ARTICLE V

Allocation of Percentage Interests, Common Expenses, and Voting Rights

Attached hereto as Exhibit B is a list of all Units by their Identifying Number which allocates the Percentage Interest in Common Elements and Limited Common Elements appurtenant to each Unit, liability for Common Expenses, and Votes in the Association.

ARTICLE VI

Easements

Section 6.1 Additional Easements: In addition to the easements provided under the Act, those easements described within this Article VI are hereby created.

Section 6.2 Easements Reserved by Declarant: All Units shall be subject to an easement in favor of the Declarant for purposes permitted pursuant to Section 1602-115 of the Act. The

Declarant reserves the right to use any Units owned or leased by the Declarant as models, management offices, sales offices for this and other projects 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. Prior to assignment as Limited Common Elements, the Declarant shall have the right to restrict the use of certain Common Element parking areas for sales purposes and to use such areas for sales purposes. Further, the Declarant shall have the right to erect temporary offices on any Common Element parking areas for models, sales, management, customer service and similar purposes. This easement shall continue until the Declarant has conveyed all Units in the Condominium to the Unit owners other than the Declarant.

Section 6.3 Other Declarant Easements: The Declarant reserves for as long as he is entitled to exercise any Development Right an easement on, over and under those portions of the Common Elements not located within a Building for the purpose of maintaining and/or correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 6.3 expressly includes the right to cut any trees, bushes, and shrubbery; to grade the soil; and to take any other action reasonably determined by the Declarant to be necessary. The Declarant or the Association, as the case may be, shall restore the affected property closely to its original condition as is practicable.

Section 6.4 Common Easements: The Units and Common Elements are hereby made subject to easements in favor of the Declarant, other Unit owners, appropriate utility and service companies, cable television and Internet 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 Property. The easements created by this Section 6.4 shall include, without limitation, rights of the Declarant, any Unit owner 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 rain lines, drainage ditches and pump stations, telephone wires and equipment, television and Internet equipment and facilities (cable or otherwise), electrical 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 Section 6.4, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of the conveyance of the first Unit by the Declarant or so as not to materially interfere with the use or occupancy of the Unit by its occupants. With respect to any utility lines or equipment serving only the Condominium and located upon the Common Elements, the Executive Board shall have the right and power to dedicate and convey title to the same to any private or public utility company. The Executive Board shall also have the right and power to convey permits, licenses and easements over the Common Elements for the installation, maintenance, repair and replacement of utility poles, lines, wires and other equipment to any private or public utility company. In addition, the Executive Board shall have the right to grant permits, licenses and easements over the Common elements for the building and maintenance of roads and for other purposes necessary for the proper operation of the Condominium.

Section 6.5 Easements Over Common Elements: The Common Elements (other than the Limited Common Elements) shall be, and hereby are made, subject to an easement in favor of the Unit owners and their invitees, employees, tenants and servants, and in favor of the Association and its agents and employees for access, egress and ingress over, through and across each portion thereof, pursuant to such requirements and subject to such charges as the Executive Board may from time to time prescribe; provided that nothing contained herein shall create any access easement in favor of Unit owners with respect to such portions of the Common Elements which are not needed in order gain access to one or more Units and as to which the Executive Board may from time to time determine it to be necessary or desirable to limit or control access by Unit owners or the occupants of Units, or both, including, by way of illustration and not limitation, machinery and equipment rooms, and any management agent's office; provided, however, that every Unit owner shall have an unrestricted right of ingress and egress to his Unit.

Section 6.6 Easements for Corrective Purposes: The Common Elements and Units are subject to an easement in favor of the Declarant and the Association for the purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units or Common Elements.

Section 6.7 Easements for Inspection and Maintenance: The Common Elements and Limited Common Elements are hereby made subject to an easement in favor of the Association and its agents, employees and independent contractors for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements and Limited Common Elements.

Section 6.8 Specific Easements for Benefit of Units: The Common Elements and Limited Common Elements are hereby made subject to the following easements in favor of the respective Units benefitted thereby:

6.8.1 For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone, television, Internet, and other communication wiring and cables and all other utility lines and conduits which are part of or exclusively serve a single Unit and which pass across or through a portion of the Common Elements;

6.8.2 For the installation, repair, maintenance, use, removal and/or replacement of overhead lighting fixtures, electrical receptacles and the like which are located in a portion of the ceiling, wall or floor adjacent to a Unit which is a part of the Common Elements; provided that the installation, repair, maintenance, use, removal or replacement of such fixtures, receptacles and the like does not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Buildings;

6.8.3 For driving and removing nails, screws, bolts and the like into the Unit-side surface of walls, ceilings and floors which are part of the Common Elements; provided that such action will not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Buildings; and

6.8.4 For the maintenance or the encroachment of any lighting devices, outlets, medicine cabinets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only one Unit but which encroach into any part of any Common Element or Limited Common Element on the date this Declaration is recorded or any amendment hereof is recorded.

Section 6.9 Easements for Structural Support: To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Building in which it is located, over the Common Elements and over the Limited Common Elements. Each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in that particular Building, in favor of the Common Elements and in favor of the Limited Common Elements.

Section 6.10 Additional Easements for Units and Limited Common Elements: The Units and the Limited Common Elements are hereby made subject to the following easements:

6.10.1 In favor of the Association and its agents, employees and independent contractors, (1) for inspection of the Units and Limited Common Elements in order to verify the performance by Unit owners of all items of maintenance and repair for which they are responsible; (2) for inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements situated in or accessible from such Units or Limited Common Elements or both; (3) for correction of emergency conditions in one or more Units or Limited Common Elements, or both, or casualties to the Common Elements, the Limited Common Elements and/or the Units; (4) for any of the purposes set forth in this Article VI or to do any other work reasonably necessary for the proper maintenance of the Condominium. It is understood and agreed that the Association and its agents, employees and independent contractors shall take reasonable steps to minimize any interference with a Unit Owner's use of his Unit resulting from the Association's exercise of any rights it may have pursuant to this Article VI.

6.10.2 In favor of the Unit owner benefitted thereby and the Association and its agents, employees and independent contractors, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical, telephone, telegraph or other communication systems and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of one or more Units.

Section 6.11 Unit Floors: Whenever in this Declaration and the Plats and Plans a boundary line of a Unit is described as being the Unit-side surface of the concrete slab constituting the basement floor or the bottom floor of the lowest story of the Unit, it is intended thereby, and it is hereby declared, that the owner of such Unit shall have an easement for the purpose of affixing and removing carpeting, parquet flooring and other floor coverings; and otherwise decorating, cleaning and maintaining such surface, all at the cost and expense of the owner of such Unit; it being understood and agreed that the Association acting by its Executive Board on behalf of all Unit owners, shall, at all times while this Declaration is in effect, retain the right and duty to maintain, repair and/or replace such concrete slab of which said surfaces are a part, notwithstanding the fact that such maintenance, cleaning, repair or replacement may temporarily adversely affect the Unit owner's aforesaid easement and right to use the said Unit-side surface of such concrete slab.

Section 6.12 Unit Owner's Right to Decorate: Whenever in this Declaration and the Plats and Plans a boundary line of a Unit is described as being the Unit-side surface of a designated portion of the Property, it is intended thereby, and it is hereby declared, that the owner of such Unit shall have an easement for the purpose of decorating such surfaces and affixing thereto and removing therefrom paint, wallpaper, other decorative material, pictures, mirrors, wall systems and decorative articles, and (with respect to all such portions of the Property) cleaning and maintaining such surfaces, all at the cost and expense of the owner of such Unit; except, however, in the event of maintenance, repair or replacement occasioned by a loss insured against by the policy or policies of insurance maintained by the Association pursuant to Article 9 hereof. It is understood and agreed that the Association, acting by its Executive Board on behalf of all Unit owners, shall, at all times while this Declaration is in effect, retain the right and duty to maintain, repair and/or replace the portions of the Property of which said surfaces are a part, notwithstanding the fact that such maintenance, cleaning, repair or replacement may temporarily adversely affect the unit owner's aforesaid easement and right to use the Unit-side surface of such portion of the Property.

Section 6.13 Encroachments Through Maintenance, Etc.: If construction, reconstruction, repair, shifting, settlement or other movement of any portion of the Condominium results either in the Common Elements encroaching on any Unit, or in any Unit encroaching on the Common Elements or on any other Unit, a valid easement shall exist during the period of the encroachment for the encroachment and for the maintenance thereof.

Section 6.14 Easements as Appurtenances: All easements, rights and restrictions described and mentioned in this Declaration are easements appurtenant, running with the land and the Property, including by way of illustration but not limitation the Units and the Common Elements, and (except as expressly may be otherwise provided herein or in the instrument creating the same) shall continue in full force and effect until the termination of this Declaration.

Section 6.15 Reservation of Easement Rights: Until the construction, marketing and sale of all Units is completed, the Declarant reserves the right to grant to any third party any license or easement in, on, over or through the Property, in addition to and not in limitation of those set forth above, which license or easement is determined by the Declarant, in his reasonable judgment, to be necessary for the development or improvement of the Property. Any such license or easement granted hereunder may be recorded by the Declarant at its sole cost and expense. The Association, at the request of the Declarant, shall execute and deliver in recordable form any instrument or document necessary or appropriate to confirm the grant of such license or easement.

ARTICLE VII

Restrictions on Use, Sale and Lease of Units

Section 7.1 Restrictions on Use: The following restrictions shall apply to the use of the Condominium:

7.1.1 The Units (with the exception of any such Units during the time period when they are

being used by the Declarant as a sample, model or sales office) are restricted to residential use. The Units may not be used for any other purposes by the Unit owner or any future Unit owner. No present or future owner of any Unit shall permit his Unit to be used or occupied for any purpose other than as a single family residence.

7.1.2 No Unit owner may obstruct the Common Elements in any way. No Unit owner may store anything in or on the Common Elements without the prior written consent of the Executive Board.

7.1.3 No Unit owner may carry on any practice, or permit any practice to be carried on, which unreasonably interferes with the quiet enjoyment of the occupants of any other Unit. The Property is to be maintained in a clean and sanitary condition, and no Unit owner may place any garbage, trash or rubbish anywhere in the Property other than in his own Unit and in or on such parts of the Common Elements as may be designated for such purpose by the Executive Board.

7.1.4 No Unit shall be used, occupied or kept in a manner which in any way increases the fire insurance premiums for the property without the prior written permission of the Executive Board.

7.1.5 Except for a single small non-illuminated name sign or sign indicating the Unit address on the door to his Unit, no owner of any Unit (other than the Declarant in connection with its marketing and sale of the Units) may erect any sign on or in his Unit or any Limited Common Element which is visible from outside his Unit or from the Common Elements, without in each instance having obtained the prior written permission of the Executive Board. This provision is not intended to prevent the Executive Board from maintaining on the Common Elements a register of Unit occupants, or owners, or both.

7.1.6 With the prior written consent of the Executive Board, domestic animal life (including by way of illustration and not limitation dogs, cats, hamsters, birds, reptiles, amphibians and fish) may be kept by a Unit owner as household pets in his Unit, provided that such animals: (i) are not kept for any commercial purposes; (ii) are kept in strict accordance with any Rules and Regulations relating to household pets from time to time adopted or approved by the Executive Board; (iii) do not, in the judgment of the Executive Board, constitute a nuisance to others; and (iv) are kept in compliance with local leash laws and animal health laws.

7.1.7 The Executive Board may from time to time promulgate reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit owners by the Association promptly after the adoption of such Rules and Regulations and any amendments thereto.

7.1.8 The owner of a Unit shall be responsible for maintaining such Unit in good order and repair, at the expense of such owner, including (but not limited to) cleaning and replacing glass panes in any window serving such Unit.

7.1.9 The owner of a Unit shall be responsible for the cleanliness of any Limited Common

Element serving such Unit, at the expense of such Unit owner.

7.1.10 The owner of a Unit shall not alter in any way any portion of his Unit which is part of the exterior facade of the Building in which it is located, including by way of example but not by way of limitation exterior doors, without the prior written consent of the Executive Board.

Section 7.2 Sale and Lease of Units: The Declarant makes no representations with respect to the type of rental agreements, if any, allowed in Bar Harbor. A Unit owner, including but not limited to the Declarant, may sell or lease his Unit at any time and from time to time provided that:

7.2.2 Each tenant and lease shall be subject to and be bound by all of the covenants, restrictions and conditions set forth in the Condominium Documents.

7.2.3 Nothing contained in this Article VII shall be deemed or construed to impair a Mortgagee's right to foreclose, accept a deed in lieu of foreclosure or sell or lease a Unit so acquired by the Mortgagee consistent with the provisions herein.

ARTICLE VIII

Rights of Mortgagees, Insurers and Guarantors

Section 8.1 Mortgages Subject to Declaration. Whether or not it expressly so states, any mortgage which constitutes a lien against a Unit and an obligation secured thereby shall provide generally that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act, this Declaration, the Plats and Plans, and any Rules and Regulations.

Section 8.2 Rights of Eligible Mortgage Holders: 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 proposed actions:

8.2.1 Termination of the Condominium pursuant to Section 1602-118 of the Act;

8.2.2 Change in the allocated interest of a Unit or change in the boundaries of a Unit or a subdivision of a Unit;

8.2.3 Merger or consolidation of the Condominium with another condominium;

8.2.4 The conveyance or subjection to a security interest of any portion of the Common Elements;

8.2.5 The proposed use of any proceeds of hazard insurance required to be maintained by the Association under Section 1603-113(a) of the Act for purposes other than the repair or restoration of the damaged property;

8.2.6 The adoption of any proposed budget by the Executive Board and of the date of the scheduled Unit owner's meeting to consider ratification thereof. A summary of the proposed budget shall accompany this notice;

8.2.7 Any default in the performance or payment by a Unit owner of any obligations under the Declaration, including, without limitation, default in the payment of Common Expense liabilities.

Section 8.3 Rights of Eligible Mortgage Holders: In the event of any proposed actions described in Subsection 8.2.1 through 8.2.5 above, an Eligible Mortgage Holder shall have the right, but not the obligation, in place of the Unit owner to cast the votes allocated to that Unit or give or withhold 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 prepaid United States mail, return receipt requested, or by delivery in hand. Failure of the Eligible Mortgage Holder to so exercise such rights shall constitute a waiver thereof and shall not preclude the Unit owner from exercising such right. In the event of any default described Subsection 8.2.7, the Eligible Mortgage Holder shall have the right, but not the obligation, to cure such default.

Section 8.4 Attendance at Meetings by Eligible Mortgage Holder: In addition, an Eligible Mortgage Holder or its representative shall have the right to attend Association and Executive Board meetings for the purposes of discussing the matters described in Subsection 8.2.

Section 8.5 Rights of Mortgage Holders, Insurers or Guarantors: The Association shall send timely prior written notice of the following matters by prepaid United States mail to holders, insurers and guarantors of the mortgage on any Unit:

8.5.1 Any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the mortgage;

8.5.2 Any sixty (60) day delinquency in the payment of Monthly Assessments or other charges owed by the owner of any Unit on which it holds the mortgage;

8.5.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

8.5.4. Any proposed action that requires the consent of fifty-one percent (51%) of the Eligible Mortgage Holders.

Section 8.6 Request for Notice: To receive such notice, the mortgage holder, insurer or guarantor shall send a written request for such notice to the Association, stating its name and address and the unit number or address of the unit on which it holds, insures or guarantees the mortgage.

Section 8.7 Liability for Use and Charges: No Mortgagee who obtains title to a Unit pursuant to the remedies provided in a mortgage for foreclosure of such mortgage or a deed in lieu of

foreclosure and no person who acquires title by reason of foreclosure or such deed in lieu of foreclosure shall be liable for such Unit owner's unpaid assessments or charges which accrue prior to the acquisition of title to such Unit by the Mortgagee or such other person, except to the extent otherwise provided in the Act and except to the extent that such Mortgagee or other person is liable as a Unit owner for the payment of such unpaid assessment or charge that is assessed against the Mortgagee or other person as a result of all Unit owners being reassessed for the aggregate amount of such deficiency.

Section 8.8 Condemnation Rights: In the case of a distribution to such Unit owner of insurance proceeds or condemnation award for loss to or a taking of one or more Units and/or Common Elements, no provision of this Declaration shall give a Unit owner, or any other party, priority over any rights of the Mortgagee of a Unit pursuant to its mortgage.

Section 8.9 Books and Records: Any Mortgagee shall have the right, exercisable by written notice to the Executive Board, to examine the books and records of the Association and to require that it be provided with a copy of each annual report of the Association and other financial data of the Association reasonably requested by such Mortgagee.

ARTICLE IX Insurance

Section 9.1 Types and amounts: The Board of Directors of the Association may obtain and maintain, to the extent available in accordance with general business practices, insurance on buildings and all other insurable improvements upon the land, including but not limited to, all of the Units, together with any fixture, machinery and equipment and all other personal property as may be held and administered by the Board of Directors for the benefit of the Unit owners covering the interest of the Condominium organization, the Board of Directors and all Unit owners and their mortgagees as their interest may appear. Additionally, the Board of Directors may obtain and maintain to the extent reasonably available, liability insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. The insurance shall be purchased from recognized insurance companies duly licensed to operate in the State of Maine. All insurance coverage and policies shall meet the requirements of the Act and this Declaration.

Section 9.2 The Board of Directors may obtain master policies of insurance which shall provide that the loss thereunder shall be paid to the Board of Directors as insurance trustees under this 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 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 the insurance will not be prejudiced by any acts or omissions of individual Unit owners that are not under the control of the Association, that the insurer waives its right to subrogation as to any claim against the Board of Directors, its agent and employees, Unit owners, their respective employees, agents and guests, and of any defense based on the invalidity arising from the acts of the insured, 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 of Directors as insurance trustee and a memorandum thereof shall be deposited with any first mortgagee who may require the same. The Board of Directors shall pay, for the benefit of the Unit owners and each Unit mortgagee, the premiums for the insurance hereinafter required to be carried at least thirty (30) days prior to the expiration date of any such policies and will notify each Unit mortgagee of such payment within twenty (20) days after the making thereof.

Section 9.3 The property may be covered by:

(a) Casualty or physical damage insurance in an amount equal to and not less than one hundred percent (100%) of the full replacement value of the Condominium buildings as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage, containing provisions designed to protect against inflationary increases in value. Such coverage shall afford protection against the following:

(i) loss or damage by fire, lightning, vandalism and malicious mischief, boiler coverages and other hazards covered by the standard extended coverage endorsement together with coverage for the payment of common expenses with respect to damaged Units during the period of reconstruction;

(ii) such other risks as from time to time customarily shall be covered with respect to buildings, including but not limited to, vandalism, malicious mischief, windstorm, water damage, collapse, boiler explosion or damage and such other insurance as the Board of Directors may determine; and

(iii) loss due to increased costs of repair if there is a construction code provision that requires changes to undamaged portions of the buildings when only part of the buildings are destroyed by an insured hazard. Such coverage shall be provided by a Construction Code Endorsement.

The policies providing such coverage may be primary and may provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the approval of the Board of Directors and shall further provide that the coverage thereof shall not be terminated for non-payment of premiums without twenty (20) day's notice to all of the insured including each Unit mortgagee.

(b) Public liability insurance in such amounts but not less than \$1,000,000.00 bodily injury and property damage for any single occurrence, and in such forms as shall be required by the Board

Of Directors but not limiting the same to water damage, legal liability (including habitability resulting from employment contracts to which the Association is a party), hired automobile, non-owned automobile and off-premises employee coverage.

(c) Worker's Compensation insurance to meet the requirements of law.

(d) Fidelity insurance covering those employees of the Board of Directors who handle Condominium funds, for an amount at least equal to the sum of three months assessments on all of the Units, plus the Association's reserve funds.

(e) All policies of insurance shall provide that such policies may not be canceled or substantially modified without at least twenty (20) days prior written notice to all of the insured, including all mortgagees of the Units and certificates of such insurance and all renewals thereof together with proof of payment of premiums, shall be delivered to all Unit owners and their mortgagees at least twenty (20) days prior to the expiration of the then current policies.

Section 9.4 Each Unit owner may obtain additional insurance at his or her own expense affording coverage upon his personal property and for his 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 as his own expense upon his Unit but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Board of Directors 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 of Directors 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 of Directors to be distributed as herein provided.

Section 9.5 Premiums upon insurance policies purchased by the Board of Directors shall be paid by it and charged as common expenses.

Section 9.6 All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Board of Directors hereinabove set forth shall be paid to it. The Board of Directors shall act as the insurance trustees. In the event that the Board of Directors have not posted surety bonds for the faithful performance of their duties as such managers 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 of Directors 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 insurable 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 mortgages.

Section 9.7 Each Unit owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under policies purchased by the Board of

Directors.

Section 9.8 In no event shall any distribution of proceeds be made by the Board of Directors directly to a Unit owner where there is a mortgage endorsement on the certificate of insurance. In such event any remittance shall be to the Unit owner and his mortgage jointly. This is a covenant for the benefit of any mortgage of a Unit and may be enforced by him.

ARTICLE X

Limitation of Liability

Section 10.1 Limited Liability of the Executive Board: The Executive Board, and its members in their capacity as members, officers and employees:

10.1.1 Shall not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to persons or property caused by the elements or by another Unit owner or person on the Property, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Buildings, 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;

10.1.2 Shall not be liable to the Unit owners as a result of the performance of the Executive Board members' duties, for any mistakes of judgment, negligence or otherwise, except for the Executive Board members' own willful misconduct or gross negligence;

10.1.3 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;

10.1.4 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;

10.1.5 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

10.1.6 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.

Section 10.2 Indemnification: Each member of the Executive Board in his 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 upon him in connection with any proceeding in which he 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 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 or any other standard imposed by the Act; 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. The indemnification by the Unit owners set forth in this Section 10.2. shall be paid by the Association on behalf of the Unit owners and shall constitute a Common Expense and shall be assessed and collectable as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit owners or otherwise.

Section 10.3 Joint and Several Liability of Unit Owners and Lessees: Each Unit owner shall be jointly and severally liable with any tenants of the Unit owned by such Unit owner for all liabilities arising out of the ownership, occupancy, use, misuse or condition of such Unit or any portion of the Common Elements or Limited Common elements.

Section 10.4 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 and such complaints shall be defended by the Association. The Unit owners and the holders of mortgages shall have no right to participate other than through the Association in such defense. Complaints of a nature specified in Section 10.3. hereof against one or more but less than all Unit owners shall be defended by such Unit owners who are defendants themselves and such Unit owners shall promptly give written notice of the institution of any such suit to the Association and to the holders of any mortgages encumbering such units.

Section 10.5 Storage; Disclaimer of Bailee Liability: Neither the Executive Board, the Association nor any Unit owner or the Declarant shall be considered a bailee of any personal property stored on the Common Elements (including property located in storage areas on the Common Elements, including the Limited Common Elements), whether or not exclusive possession of the particular area is given to a Unit owner for storage purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE XI

Units Subject to Condominium Documents; Eminent Domain

Section 11.1 Applicability of Condominium Documents: Each present and future owner,

tenant, occupant and Mortgagee of a Unit shall be subject to and shall comply with the provisions of the Act, and with the covenants, conditions and restrictions as set forth in the Condominium Documents and the deed to such Unit; provided that nothing contained herein shall impose upon any tenant or Mortgagee of a Unit any obligation which the Act or one or more of such documents, or both, make applicable only to Unit owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into of occupancy of any Unit shall constitute an agreement that the provisions of the Act and the covenants, conditions and restrictions set forth in the Condominium Documents and the deed to such Unit are accepted and ratified by such grantee, Mortgagee or tenant. All of such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. The Association and any aggrieved Unit Owner shall have a right of action against Unit owners who fail to comply with the provisions of the Condominium, documents or with decisions made by the Association or the Executive Board. Aggrieved Unit owners shall have similar rights of action against the Association.

Section 11.2 Eminent Domain: Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Unit owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, provided, however, that the Association shall officially represent the Unit owners in such proceedings. In any proceedings for the determination of damages, such damage shall be determined for such taking, injury or destruction as a whole and not for each Unit owner's interest therein and any award for such damage shall be payable to the Association for the benefit of the Unit owners and of the Mortgagees of the Units.

ARTICLE XII

Executive Board of the Association

Section 12.1 Members of the Executive Board: The initial Executive Board shall consist of three members. The members of the initial Executive Board shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The Declarant-appointed members of the Executive Board shall be replaced with Unit owners other than the Declarant in accordance with the provisions of Subsection 12.2 below.

Section 12.2 Replacement of Declarant-Appointed Board Members: Not later than the earlier of (1) sixty (60) days after the conveyance to purchasers of seventy-five percent (75%) of the total number of units including those already built and those the declarant has reserved rights to create to Unit owners other than the Declarant or (2) seven (7) years following conveyance of the first Unit to a Unit owner other than the Declarant, all members of the Executive Board appointed by the Declarant shall resign and the Unit owners (including the Declarant to the extent of any Units owned by the Declarant at that time) shall elect new members of the Executive Board in accordance with the Bylaws.

Section 12.3 Duties of Executive Board: The Executive Board shall possess all of the duties and powers granted to the Executive Board by the Act.

Section 12.4 Disputes: In the event of any dispute or disagreement between any Unit owners relating to the Property, or any questions of interpretation or application of the provisions of the Condominium Documents, the determination thereof by the Executive Board shall be final and binding on each and all such Unit owners. The Executive Board shall have the authority to seek a declaratory Judgment or the appropriate judicial relief in order to assist it in carrying out its responsibilities under this Section 12.4. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

Section 12.5 Abating and Enjoining Violations by Unit Owners: The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the Bylaws or the breach of any provision of this Declaration or the Act by any tenant of such Unit owner, shall give the Executive Board the right, in addition to any other rights to which it may be entitled, to enjoin, abate or remedy by appropriate legal proceedings, either by law or in equity, the continuance of any such breach.

ARTICLE XIII

Management

Section 13.1 The Association shall have the right to employ a professional experienced managing agent who shall oversee the daily operation of the Condominium in accordance with the provisions of the Act and the Condominium Documents; provided, however, that no agreement for such professional management of the Condominium may exceed a term of three years but may be renewed upon consent of the Association. Such agreement shall be cancelable by either party without cause and without a termination fee upon not less than sixty (60) days nor more than ninety (90) days written notice and shall be cancelable by the Executive Board with cause upon not less than thirty (30) days written notice. Any agreement for professional management negotiated by the Declarant shall meet the requirements of this Article XIII for such agreements negotiated by the Association and shall not exceed one year, but may be renewed upon consent of the Association.

ARTICLE XIV

Assessments: Liability of Unit Owners

Section 14.1 Power to Assess: The Association, acting through the Executive Board in accordance with the Bylaws, shall have the power to fix and determine, from time to time, the sums necessary and adequate to provide for the Common Expenses, including, but not limited to, such amounts as are necessary for the maintenance, repair and replacement of the Common Elements as set forth in Section 3.3 hereof such amounts as are necessary for uncollectable assessments, budget deficits, such reserves as are hereinafter described and such additional reserves as the Executive Board shall deem necessary or prudent, and such other expenses as are specifically provided for in the Act, this Declaration or the Bylaws. The Association shall establish an adequate reserve fund for maintenance, repair and replacement of those Common Elements and Limited Common Elements for which the Association is responsible which are anticipated to require replacement, repair or maintenance on a periodic basis, and to cover any deductible amount for insurance policies maintained by the Association. The reserve fund shall

be funded by monthly payments as a part of the Common Expenses.

Section 14.2 Special Assessments: If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year for any reason (including by way of illustration and not limitation, any Unit owner's non-payment of his assessment or municipal assessments not yet assessed), the Executive Board shall have the power, at any time it deems necessary and proper, to levy one or more Special Assessments against each Unit owner. Special Assessments shall be due and payable in the manner and on the date set forth in the notice thereof.

Section 14.3 Payment of assessments: Each Unit owner including the Declarant to the extent he is the owner of any unsold Units, shall pay all assessments levied by the Association. Liability for such assessments shall be determined in accordance with the Bylaws. Such assessments shall begin accruing at the time of the creation of the Condominium and they shall be due and payable on a monthly basis as designated by the Executive Board, provided, however, that the first Monthly Assessments shall be due on the first day of the month following the closing of the first sale of a Unit to a purchaser other than the Declarant. Assessments that are unpaid for over fifteen (15) days after the due date shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid. In the sole discretion of the Executive Board, a late charge of \$25.00 per assessment not paid when due may be assessed against the delinquent Unit owner.

Section 14.4 Failure to Fix New Assessments: If the Executive Board shall fail to fix new Monthly Assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Unit owners shall continue to pay the same sums they were paying for such Monthly Assessments during the fiscal year just ended and such sum shall be deemed to be the new Monthly Assessments for the succeeding fiscal year. If the Executive Board shall change the Monthly Assessment at a later date, the difference between the new Monthly Assessment, if greater, and the previous year's Monthly Assessment up to the effective date of the new Monthly Assessment shall be treated as if it were a Special Assessment under Section 14.2: hereof, hereafter each Unit owner shall pay the new Monthly Assessment. In the event the new Monthly Assessment is less than the previous year's Monthly Assessment, in the sole discretion of the Executive Board, the excess either shall be refunded to the Unit owners, credited against future Monthly Assessments or retained by the Association for reserves.

Section 14.5 No Exemption by Waiver: No Unit owner may exempt himself from liability for the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise.

Section 14.6 Personal Liability of Unit Owners: All sums assessed by the Association as a Monthly or Special Assessment shall constitute the personal liability of the owner of the Unit so assessed and also, until fully paid, shall constitute a lien against such Unit pursuant to 1603-116 of the Act. The Association shall take action for failure to pay any assessment or other charges pursuant to 1603-116 of the Act. The delinquent owner shall be obligated to pay (i) all expenses of the Executive Board, including reasonable attorneys' fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (ii) any amounts paid by the Executive Board for taxes or on account of superior liens or otherwise to protect its lien, which

expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectable as such.

Section 14.7 Liability of Purchaser of Unit for Unpaid Assessments: Upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or any interest therein, the grantee thereof shall not be personally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of consummation of the sale, conveyance or transfer, unless such grantee agrees to assume the obligation therefor. A lien against the Unit so purchased for assessments imposed pursuant to this Declaration or the Act shall not be affected by such sale, conveyance or other transfer, however.

Section 14.8 Subordination of Certain Charges: Any Monthly Assessments or any fees, charges, late charges, fines and interest that may be levied by the Association pursuant to 1603-102 of the Act shall be subordinate to any first mortgage lien recorded before or after such Monthly Assessments, fee, charge, late charge, fine or interest was due.

Section 14.9 Surplus: The Budget of the Association shall set forth General Common Expenses. Any amounts accumulated from assessments for Common Expenses in excess of the amount required for actual Common Expenses and reserves for future Common Expenses, unless otherwise directed by the Executive Board, in its sole discretion, shall be credited to each Unit owner, such credit to be applied to the next Monthly Assessments of Common Expenses due from said Unit owners under the current fiscal year's budget, and thereafter, until exhausted or retained by the Association for reserves.

ARTICLE XV

Dispute Resolution Provision

Any and all disputes between the Declarant and/or any Unit owner, or the Executive Board, shall be the subject of binding arbitration to be held in Hancock County, Maine, in accordance with the then prevailing rules and regulations in the State of Maine for binding arbitration. The cost of said arbitration shall be shared equally by the parties.

ARTICLE XVI

Assignability of Declarant's Rights

The Declarant may assign any or all of his rights or privileges reserved or established by this Declaration or the Act in accordance with the provisions of the Act.

ARTICLE XVII

Amendment of Declaration

Section 17.1 Pursuant to Section 1602-117 of the Act and except as provided herein for amendments which may be executed by the Declarant, the Association or certain Unit owners, this Declaration may be amended only by vote or agreement of owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. In addition, approval of amendments of a material nature must be obtained from Eligible Mortgage Holders representing

at least fifty-one percent (51%) of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders. Except where such change may be effected by the Declarant, a change to any of the following, the Association or certain Unit Owners under the Act or this Declaration, would be considered as material:

- A. Voting rights;
- B. Assessments, assessment liens, or subordination of assessment liens;
- C. Reserves for maintenance, repair and replacement of Common Elements;
- D. Responsibility for maintenance and repairs;
- E. Reallocation of interests in the Common or Limited Common Elements, or rights to their use;
- F. Boundaries of any Unit;
- G. Convertibility of Units into Common Elements or Common Elements into Units;
- H. Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;
- I. Insurance or fidelity bonds;
- J. Leasing of Units;
- K. Imposition of any restrictions on a Unit owner's right to sell or transfer his or her Unit;
- L. A decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgage Holder;
- M. Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
- N. Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or
- O. Any provisions that expressly benefit holders, insurers or guarantors of mortgages on the Units.

Section 17.2 If the amendment is not of such a material nature, such as the correction of a technical error or the clarification of a statement, the approval of an Eligible Mortgage Holder may be assumed when that Eligible Mortgage Holder has failed to submit a response to any written proposal for an amendment within thirty (30) days after the proposal is made.

ARTICLE XVIII

Termination

The Condominium may be terminated only by agreement of the Unit owners of Units to which eighty percent (80%) of the votes in the Association are allocated; provided, however, that if the Condominium is being terminated for reasons other than substantial destruction or condemnation of the Condominium, the termination of the Condominium must also be approved by Eligible Mortgage Holders of Units to which at least sixty-seven percent (67%) of the votes of Units subject to mortgages held by Eligible Mortgage Holders are allocated. Termination of the Condominium will be governed by the provisions of Section 1602-118 of the Act.

ARTICLE XIX

General Provisions

Section 19.1 Headings: The headings used in this Declaration and the table of contents are inserted solely as a matter of convenience for the readers of this Declaration and shall not be relied upon or used in construing the effect or meaning of any of the provisions of this Declaration.

Section 19.2 Severability: The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion hereof unless such deletions shall destroy the uniform plan of development and operation of the condominium project which this Declaration is intended to create.

Section 19.3 Applicable Law: This Declaration shall be governed and construed according to the laws of the State of Maine.

Section 19.4 Interpretation: The provisions of this Declaration shall be liberally construed in order to effect Declarant's desire to create a uniform plan for development and operation of the Condominium and to permit compliance with the requirements of lending institutions having places of business in Maine and the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

Section 19.5 Effective Date: This Declaration shall become effective when it and the Plats and Plans have been recorded.

Section 19.6 Notices: All notices and other communications required or permitted to be given under or in connection with this Declaration shall be in writing and shall be deemed given when delivered in person or on the second business day after the day on which mailed by certified mail, return receipt requested, addressed to the address maintained in the register of current addresses established by the Association.

Section 19.7 Exhibits: All exhibits attached to this Declaration are hereby made a part of this Declaration.

Section 19.8 Pronouns: Wherever used, the singular number shall include the plural, the singular and the use of any gender shall include all genders.

ARTICLE XX

Warranties

By the execution of the Purchase and Sale Agreement the Purchaser has agreed to execute by separate instrument on or before settlement of the purchase of a Unit, an agreement to reduce, as permitted by Section 1604-1 IS(a) of the Act, the statutory six year limitation period to two years. With respect to the Condominium Units being sold and the Common Elements appurtenant thereto, the Act provides as follows:

1604-112. Express warranties of quality.

(a) Express warranties made by any seller to a purchaser of a unit, if relied upon by the

purchaser, are only created as follows:

(1) Any written affirmation of fact or promise which relates to the unit, its use, or rights appurtenant thereto, area improvements to the condominiums that would directly benefit the unit, or the right to use or have the benefit of facilities not located in the condominium creates an express warranty that the unit and related rights and uses will conform to the affirmation or promise;

(2) Any model or description of the quantity or extent of the real estate comprising the condominium, including plans and specifications of or for improvements, creates an express warranty that the condominium will substantially conform to the model or description; and

(3) Any written description of the quantity or extent of the real estate comprising the condominium, including plats and surveys, creates an express warranty that the condominium will conform to the description, subject to customary tolerances; and

(4) A provision that a buyer may put a unit only to a specified use is an express warranty that the specified use is lawful.

(b) Neither formal words such as "warranty" or "guarantee" nor a specific intention to make a warranty, are necessary to create an express warranty of quality, but a statement purporting to be merely an opinion or commendation of the real estate or its value does not create a warranty. (c) Any conveyance of a unit transfers to the purchaser all express warranties of quality made by previous sellers.

1604-113 Implied warranties of quality

(a) A declarant and any person in the business of selling real estate for his own account warrants that a unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, reasonable wear and tear excepted.

(b) A declarant and any person in the business of selling real estate for his own account impliedly warrant that a unit and the common elements in the condominium are suitable for the ordinary uses of real estate of its type and that any improvements made or contracted for by him, or made by any person before the creation of the condominium, will be:

(1) Free from defective materials; and

(2) Constructed in accordance with applicable law, according to sound engineering and construction 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, if any, shall be deemed to satisfy such sound engineering or construction standards.

(c) In addition, a declarant warrants to a purchaser from him of a unit that may be used for residential use that any existing use, continuation of which is contemplated by the parties, does not violate applicable law at the earlier of the time of conveyance or delivery of possession.

(d) Warranties imposed by this section may be excluded or modified as specified in section 1601-114.

(e) For purposes of this section, improvements made or contracted for by an affiliate of a declarant, section 1601-103, paragraph (1), are made or contracted for by the declarant.

(f) Any conveyance of a unit transfers to the purchaser all of the declarant's implied warranties of quality.

1604-114. Exclusion or modification of implied warranties of quality

(a) Except as limited by subsection (b) with respect to a purchaser of a unit that may be used for

residential use, implied warranties of quality:

- (1) May be excluded or modified by agreement of the parties; and (2) Are excluded by expressions of disclaimer, such as "as is" "with all faults" or other language which in common understanding calls the buyer's attention to the exclusion of warranties.
- (b) With respect to a purchaser of a unit that may be occupied for residential use, no general disclaimer of implied warranties of quality is effective, but a declarant may disclaim liability in an instrument signed by the purchaser, for a specified defect or specified failure to comply with applicable law, if the defect or failure entered into and became a part of the basis of the bargain.

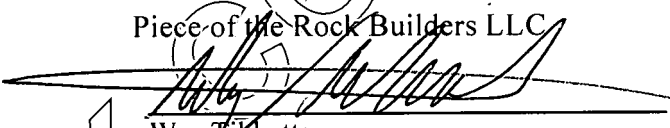
1604-115 Statute of Limitations for warranties

- (a) A judicial proceeding for breach of any obligation arising under section 1604-112 04 1604-113 must be commenced within six (6) years after the cause of action accrues, but the parties may agree to reduce the period of limitation to not less than two (2) years. With respect to a unit that may be occupied for residential use, an agreement to reduce the period of limitation must be evidenced by a separate instrument executed by the purchaser.
- (b) Subject to subsection (c), a cause of action for breach of warranty of quality, regardless of the purchaser's lack of knowledge of the breach, accrues:
 - (1) As to a unit, at the time the purchaser to whom the warranty is first made enters into possession if a possessory interest was conveyed or at the time of acceptance of the instrument of conveyance if a nonpossessory interest was conveyed; and
 - (2) As to each common element, at the time the common element is completed, or, if later:
 - (i) As to a common element which may be added to the condominium or portion thereof, at the time the first unit therein is conveyed to a bona fide purchaser; or
 - (ii) As to a common element within any other portion of the condominium, at the time the first unit in the condominium is conveyed to a bona fide purchaser.
- (c) If a warranty of quality explicitly extends to future performance or duration of any improvement or component of the condominium, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.

[Signatures Follow]

IN WITNESS WHEREOF, the Declarant, Piece of the Rock Builders LLC by Wes Tibbetts, its member / manager, duly authorized, and has executed this Declaration as of the day and year first above written.

Piece of the Rock Builders LLC

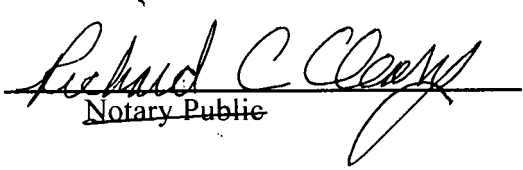

Wes Tibbetts

STATE OF MAINE
Hancock, ss.

December 10, 2020

Personally appeared the above-named Wes Tibbetts, member/ manager for Piece of the Rock Builders LLC and acknowledged the execution of this Declaration of Condominium to be his free act and deed in his authorized capacity and the free act and deed of Piece of the Rock Builders LLC.

Before me,


Notary Public

Richard C Cleary
Attorney at Law
Bar ID#: 7730

Type or Print Name of Notary

EXHIBIT A

**Cadillac Condominiums
Condominium Declaration Route #3, Bar
Harbor Hancock County, Maine**

A certain lot or parcel of land, together with any improvements thereon, situated in Bar Harbor, Hancock County, Maine, bounded and described as follows:

Being Lot No. 2 as shown and depicted on plan of subdivision entitled "Final Subdivision Plan of Bogue Chitto Subdivision", Route 3, Bar Harbor, Maine, dated December 15, 2010 and recorded in the Hancock County Registry of Deeds at Plan File 40, No. 33.

The above-described lot is conveyed subject to and with the benefit of all provisions set forth in the Declaration of Protective Covenants and Road Maintenance Agreement dated February 6, 2014, recorded in Book 6182, Page 137 in the Hancock County Registry of Deeds, as amended by two Unanimous Consents of the members of Bogue Chitto Homeowners' Association, the first dated May 15, 2015 relocating the footpath running through Lot 9 to follow the path depicted on the attached plan prepared by G.F. Johnston & Associates, and the second on June 22, 2015 adding the following subparagraph (iii) to Section E of the Declaration:

"(iii) No amendment can modify the revised location of the footpath as it crosses Lot No. 9 as shown on Exhibit A annexed hereto without the written consent of the owner of Lot No. 9."

Reference is made to the First Amendment To The Declaration of Protective Covenants and Road Maintenance Agreement, dated July 2, 2015, recorded in the Hancock County Registry of Deeds in Book 6421, Page 1. Further reference is made to the Second Amendment To The Declaration of Protective Covenants and Road Maintenance Agreement, dated August 1, 2016, recorded in the Hancock County Registry of Deeds in Book 6712, Page 59.

Further, all Lot Owners shall become members of the Bogue Chitto Homeowners' Association. The Association shall be responsible for the collection and disbursement of road, common area and if applicable, utility maintenance, expenses for the premises, together with the management of common areas all as set forth in the above described Declaration of Protective Covenants and Road Maintenance Agreement, as amended. Bogue Chitto Homeowners' Association shall retain the right to enforce all restrictions set forth on the subdivision plan recorded in the Hancock County Registry of Deeds at Plan File 40, No. 33 and in those restrictive covenants set forth in the above-described Declaration, as amended.

The Grantor herein reserves the fee to Bogue Chitto Lane, as depicted on the above described survey plan. The Grantor and its assigns may be granting others the right to use (for purposes of a way, including the right of ingress and egress, and egress by foot or by vehicle and the installation, use, maintenance, repair and replacement of all above and below-ground utilities, including sewer, water, gas, electricity, voice, cable, transmission of electronic data) Bogue Chitto Lane in connection with the development of Bogue Chitto Subdivision. The herein Grantees are conveyed a license to use Bogue Chitto Lane for all purposes of a way until such time as the Town of Bar Harbor accepts Bogue Chitto Lane as a public way. This

license shall be irrevocable until such time as the Town of Bar Harbor accepts Bogue Chitto Lane as a public right of way. During the time period prior to the acceptance by the Town of Bar Harbor of Bogue Chitto Lane, the Lot Owners shall be responsible for the repair and maintenance of the road, together with any above or below ground utility infrastructure and other common areas infrastructure located over and under the said Bogue Chitto Lane, as is set forth on the above-described subdivision plan. Maintenance shall include keeping the road plowed, in order to allow access to emergency vehicles and all other standard requirements. Each Lot shall be assessed in accordance with the above described Declaration. At such time as Bogue Chitto Lane is accepted by the Town of Bar Harbor as a public right of way, town road, the rights and responsibilities of the Lot Owners with regard to payment for the upkeep of Bogue Chitto Lane shall terminate. However, the Bogue Chitto Lane-Homeowner's Association shall retain the right to enforce all restrictions set forth on the plan, as well as all restrictions set forth in the above-described Declaration.

Together with a right of way, as set forth in 23 MRS §3031(2), appurtenant to the herein conveyed premises over Bogue Chitto Lane; however, all private rights over Bogue Chitto Lane conveyed hereunder shall terminate upon the acceptance of Bogue Chitto Lane as a public way by the Town of Bar Harbor.

Together with all rights, easements, privileges and appurtenances belonging to the granted estate.

Being a portion of the premises as conveyed in a deed from Gintaras Snipas, et al to Paradis and Shaw, LLC dated September 22, 2009 and recorded in Book 5296, Page 155 at the Hancock County Registry of Deeds.

-EXHIBITB

Cadillac Condominiums Condominium Declaration Common Expense Liability and Vote

UNIT	VOTE	COMMON EXPENSE LIABILITY
A	1	1/2
B	1	1/2

30

Ret: Cleary L.O.