PUBLIC OFFERING STATEMENT

TINKER HILL, A CONDOMINIUM

ELLSWORTH, HANCOCK COUNTY, MAINE

FEBRUARY 22, 2008

Date: February 22, 2008

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LIST OF SCHEDULES

TINKER HILL, A CONDOMINIUM
A CONDOMINIUM PUBLIC OFFERING STATEMENT

(Pursuant to Title 33, Chapter 31 of the
Maine Revised Statutes Annotated)

NAME OF CONDOMINIUM:	Tinker Hill, A Condominium
PRINCIPAL ADDRESS OF CONDOMINIUM:	Bayside Road, Ellsworth, Maine 04605
NAME AND PRINCIPAL ADDRESS OF DECLARANT:	Tinker Hill, LLC, a Maine limited liability company P.O. Box 248, Orland, ME 04472
EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT:	As of February 22, 2008

IMPORTANT NOTICE

THE FOLLOWING STATEMENTS ARE MADE IN COMPLIANCE WITH THE REQUIREMENTS OF SECTIONS 1604-101 THROUGH 1604-107 OF THE MAINE CONDOMINTUM ACT (THE "ACT").

UNLESS A PURCHASER HAS RECEIVED AND REVIEWED A COPY OF THIS PUBLIC OFFERING STATEMENT PRIOR TO THE EXECUTION OF A CONTRACT FOR SALE OF A UNIT IN TINKER HILL, A CONDOMINIUM, A PURCHASER, BEFORE CONVEYANCE OF A UNIT, MAY CANCEL ANY CONTRACT FOR SALE OF A UNIT. IF A PURCHASER ACCEPTS THE CONVEYANCE OF A UNIT, THE PURCHASER MAY NOT CANCEL THE CONTRACT.

IF THE PURCHASER ELECTS TO CANCEL THE CONTRACT FOR SALE OF A UNIT PURSUANT TO THE IMMEDIATELY PRECEDING PARAGRAPH, HE OR SHE MAY DO SO BY HAND DELIVERING NOTICE OF CANCELLATION TO THE DECLARANT (IN WHICH CASE A RECEIPT SHOULD BE OBTAINED) OR BY MAILING THE NOTICE TO THE DECLARANT BY POSTAGE PREPAID UNITED STATES MAIL (IN WHICH CASE RETURN RECEIPT REQUESTED IS ADVISED). THIS CANCELLATION OF THE CONTRACT FOR SALE OF A UNIT IS WITHOUT PENALTY AND ALL PAYMENTS MADE BY THE PURCHASER BEFORE THIS CANCELLATION WILL BE REFUNDED PROMPTLY BY THE DECLARANT. IF THE DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING

STATEMENT (AND ALL MATERIAL AMENDMENTS THERETO) TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY HAVE A CLAIM FOR APPROPRIATE RELIEF UNDER SECTION 1604-116 OF THE ACT.

I. <u>DESCRIPTION OF THE CONDOMINIUM</u>

Tinker Hill, A Condominium (the "Condominium") is located in Ellsworth, Maine and is formed pursuant to a Declaration of Condominium, Tinker Hill, A Condominium, dated May 23, 2007 and recorded in the Hancock County Registry of Deeds on May 31, 2007 in Book 4772, Page 254, and First Supplementary Declaration (May 2007) to Original Declaration of Covenant, Conditions and Restrictions for Tinker Hill Subdivision by Tinker Hill, LLC, dated May 23, 2007, and recorded in said Registry in Book 4772, Page 248 (the "Declaration"),

The Condominium is a residential community and is built on the eastern bank of the Union River.

The Condominium contains 28.2 acres (including roadways), on which up to 78 condominium units may be built. The Condominium may be developed in multiple phases. The first phase presently contains 12 units in three buildings. The first phase also includes a fourth building which shall serve as a community center, and is designated as a Common Element. Attached to this Statement as Schedule H is a conceptual plan showing how the property may be developed to accommodate 78 units. This plan is entirely conceptual and in no manner binds the Declarant to follow the plan in terms of the number, size or location of buildings or units. Each unit is expected to include, as part of that unit, an attached garage, except for units B &C in buildings 22, 21 and 20.

The first phase is expected to be completed in June 2007, at which time utility service will have been connected. Each unit will be separately metered for and responsible for sewer and water, natural gas/propane, electricity and all other utility service. Charges in the projected Common Assessment sheet depicting charges for utility services are related to services provided to the Common Elements only and do not relate to services provided to units.

"Common Elements" generally include all portions of the Condominium property that are not part of a Unit. The following are or will be the major Common Elements of the Condominium: All of the land, parking areas, public utility lines, shorefront along the Union River, the community center, and with respect to the buildings containing the Units (the "Buildings"), the foundations, roofs, outside walls, pipes, ducts, electrical wiring, conduits, floors and ceilings (other than the interior surfaces thereof located within the Units), perimeter walls of the Units (other than the interior surfaces thereof), structural parts of the Buildings, structural columns, girders and beams and supports. Some portions of the Common Elements are designated as "Limited Common Elements." The Limited Common Elements include any shutters, awnings, window boxes, access stairways, doorsteps, stoops, exterior doorways, windows, balconies, porches, decks and patios, if any, serving a particular Unit. The location of Units, the general Common Elements and the Limited Common Elements are shown on the proposed Condominium Plats and Plans.

In addition to owning his or her Unit, each individual Unit Owner owns a specified undivided interest in the Common Elements. This is referred to as the "Percentage Interest." The ownership of this Percentage Interest gives each Unit Owner the right, subject to the terms of the Act, the Declaration, the Bylaws and the Plats and Plans, to use and participate in the control of the Common Elements (through membership in the Condominium Association). A Unit Owner's Percentage Interest will change as additional Units are added to the Condominium. Ownership of a Unit and a Percentage Interest in the Common Elements obligates each Unit Owner to pay a share of the expenses of operating and maintaining the Common Elements (the "Common Expenses"). Each Unit Owner will pay a part of the Common Expenses in accordance with the sharing formulas set forth in the Declaration. Each Unit is allocated a number of votes in the Condominium Association based on the same proportion as its Percentage Interest has to the sum of the Percentage Interest of all Units.

A Unit Owner will be personally liable for all lawful assessments levied against the owner's Unit that become due while he or she is the Unit Owner. In addition, Common Expenses assessed against the Unit Owner will give rise to a lien on the owner's Unit, which lien, if unsatisfied, may be enforced by foreclosure or other legal remedies.

II. DESCRIPTION OF THE SIGNIFICANT FEATURES OF THE DECLARATION, BYLAWS AND RULES AND REGULATIONS.

A. THE DECLARATION.

The Condominium was created by the Declarant recording the Declaration and the Condominium Plats and Plans in the Hancock County Registry of Deeds. A photocopy of the Declaration as of the date of delivery of this Public Offering Statement is attached to this Statement as Schedule A.

Article 1 of the Declaration provides for the submission of the property described in Exhibit A to the Declaration as a Condominium under the Condominium Act. Exhibit A as attached to the Declaration included in this Public Offering Statement contains a legal description of the land now owned by the Declarant that the Declarant has submitted to the Declaration.

Articles 2 and 3 state that the maximum number of Units that may be included in the Condominium are 78. As of this date, the Declarant has declared 12 Units in 3 buildings.

The said Articles also describe the boundaries of the Units and describe the Limited Common Elements and Common Elements. Article 3 also describes the maintenance responsibilities for the Units and the Common Elements.

As more particularly described in the Declaration, the Association is responsible for exterior and structural maintenance of the Buildings containing the Units and for the maintenance of all other Common Elements, including Limited Common Elements, whether located inside or outside of the Units. The cost of the maintenance, repair and replacement of the Common Elements will be charged to the Unit Owners as a Common Expense in accordance with the allocation set forth in the Declaration unless, in the opinion of the Executive Board, an expense was necessitated by the negligence, misuse or neglect of a particular Owner, in which case the expense will be charged to that Owner. Each Unit Owner is required to maintain the Owner's Unit and its equipment, appliances and appurtenances in good order, condition and repair to maintain the good appearance and condition of the Unit.

Pursuant to the Act and the Declaration, each Unit Owner is liable, and the Association has a lien against the owner's Unit, for that units allocation of common assessments and for any expense of maintenance, repair or replacement of any damage to the Common Elements including Limited Common Elements of another Unit caused by such Unit Owner's act, neglect or carelessness or by that of any person for whom the Unit Owner is responsible, or their pets, which the Association shall have the right to cure, correct, maintain, repair or replace. The Percentage Interest appurtenant to each Unit is determined based on the square footage of each Unit's building footprint. The Percentage Interest allocated to each Unit will determine that Unit's appurtenant ownership interest in the Common Elements. Other Common Expenses shall be allocated in accordance with the Percentage Interest set forth in Exhibit B to the Declaration. Each Unit shall be allocated votes in the Unit Owner's Association based upon the same proportion as the Unit's Percentage Interest bears to the Condominium as a whole.

Each Unit not owned by the Declarant is restricted to use for residential purposes. A Unit may be leased by its Unit Owner; however, not for a period of less than three (3) months and not more than one time per calendar year, and only if the lease contains certain restrictions provided for in the Declaration. A lease of any length or duration shall not alter the unit owner's responsibilities under the Condominium Act, Declaration and By-laws.

Article 4 of the Declaration describes the Declarant's rights, which shall continue for fifteen (15) years from recording of the Declaration. The Declarant may add to or remove units from the Condominium, convert units into Common Elements, and/or add to or remove Common Elements from the Declaration. The Declarant may connect and make use of utility services on the Property, and may add utility services and encumber the Property with easements associated with such utility services. The Declarant may make use of the Property for repair and construction of units and Common Elements. The Declarant may maintain unsold units as model and sales offices, make the

Condominium subject to a Master Association or part of a larger Condominium. The Declarant may construct additional units in multiple phases. Although the Declarant has generated artistic renderings of where the 78 units might be located, and depicting possible sizes and dimensions of these units, the Declarant reserved the right to not build, relocate and/or adjust the dimensional size of the units and Limited Common Elements in Declarant's sole discretion. The article also defines the Declarant Control Period which shall continue until the earlier of seven (7) years from the first sale of a unit to someone other than the Declarant or the sale of fifty-nine (59) units. During the Declarant Control Period, the Declarant shall appoint and remove the members of the executive board of the Condominium Association (the "Executive Board").

Article 5 of the Declaration outlines the acceptable uses of the Units, which are restricted to residential uses (except for use of unsold Units as sales offices by the Declarant). The community center may be used for a commercial purpose, so long as the purpose does not violate any local, state or federal laws, does not jeopardize the Unit Owners' Association's not for profit status, and the use is approved by the Executive Board. This article also contains provisions for establishment of rules and regulations by the Executive Board as well as the treatment by the Executive Board of violations of the Rules and Regulations, Bylaws or Declaration.

Article 6 of the Declaration describes the Unit Owner's Association. The Executive Board will consist of five members. Initially, the Executive Board will be composed of five members appointed by the Declarant. This Article provides for the transition from the Declarant-appointed Executive Board to an Executive Board controlled by the Unit Owners. The article provides for a vote of the Unit Owners' Association of 60% or more to change the exterior of a Building and 60% or more to authorize an unbudgeted expenditure of funds by the Association. The Unit Owner's Association is governed by Bylaws.

Article 7 deals with assessments of common expenses against all Units according to their Percentage Interest, and that common expenses arising from a Limited Common Element shall be assessed against the benefiting Unit(s) in the same proportion as Common Expenses are shared amongst the benefiting Unit(s). This article also provides for assessment of costs resulting from a unit owner's misconduct against that Unit Owner's Unit.

Article 8 outlines the procedure for amendment of the Declaration. With certain exceptions, the Declaration may be amended by vote or agreement of the owners of Units to which at least sixty percent (60%) of the votes in the Association are allocated.

Article 9 lists the various easements to which the Condominium or certain portions of the Condominium are subject. In addition to the easements identified, this Declaration and the Act provide restrictions on each Unit and all Unit Owners should be familiar with both. Among other things, the Unit Owners' Association has a lien on a Unit for any assessment levied against that Unit or fines imposed against its Unit Owner, and the lien may be foreclosed in the same manner as foreclosure of a mortgage on real estate. Additionally, as provided for in the Rules and Regulations of the Condominium, interest accrues on unpaid assessments at the rate of eighteen percent (18%) per annum, late fees may be assessed against Unit Owners for violation of Condominium Rules and Regulations, the Act or this Declaration, and costs of collection and/or enforcement may be sought against noncompliant Unit Owners.

Article 10 sets out several general provisions dealing with the construction and application of the Declaration.

B. BYLAWS.

The operation and administration of the Condominium Association are governed by the Bylaws. A copy of the proposed Bylaws as of the date of delivery of the Public Offering Statement is attached to this Statement as Schedule B.

Article 2 of the Bylaws provides that all Unit Owners in the Condominium are members of the Association. Article 2 also sets forth the time, purpose and procedure for annual and special meetings of the Association. The Association is required to conduct meetings at least annually, and at the annual meeting, the Treasurer of the Association is required to present an annual financial report for the preceding fiscal year and the projected budget for the current fiscal year. Article 2 also provides for a special meeting of Unit Owners to take place no later than the earlier of 60 days after the conveyance of 75% of the Units to Unit Purchasers other than Declarant, or seven years after conveyance of the first Unit to a Unit Purchaser other than Declarant. At such meeting, all members of the Executive Board appointed by the Declarant shall resign and the Unit Owner shall select between three and five successor members of the Executive Board to act in their place.

Article 2 provides for an Executive Board of between three and five individuals. Article 2 also describes the time, purpose and procedures for meetings of the Executive Board and sets forth procedures to be followed in the event that Executive Board Members resign or positions on the Executive Board become vacant Article 2 also sets forth requirements governing the validity of contracts with interested Executive Board Members, and permits the Executive Board to enter into a management contract for the professional management of the Condominium.

Section 2.7 contains provisions governing the election of officers of the Association by the Executive Board and enumerates the duties of those officers. Officers are elected annually by the Executive Board.

Section 2.15 describes the procedure for establishing budgets and the ratification thereof by the Unit Owners. It also sets forth the obligation of Unit Owners to pay assessments for Common Expenses. The Association, by a vote of more than fifty percent of all votes in the Association, may reject any capital expenditure or borrowing approved by the Executive Board, within thirty days after approval by the Executive Board.

Article 3 describes the members of the Association and meeting procedures.

Article 4 describes how individual Units will be assessed and maintained. It also contains the insurance provisions.

Article 6 contains general provisions applicable to the Bylaws.

C. THE RULES AND REGULATIONS.

The Bylaws provide that the Executive Board may promulgate rules and regulations governing the details of the use and operation of the Condominium. Attached hereto as Schedule C are the initial set of Rules and Regulations which may be amended from time to time as needed by the Executive Board.

III. **CONTRACT TO BE SIGNED BY PURCHASERS: CONTRACT THAT WILL OR MAY BE SUBJECT TO CANCELLATION BY THE ASSOCIATION.**

A copy of the Purchase and Sale Agreement that purchasers of Units will be requested to sign is included as Schedule D.

During the period of Declarant control of the Executive Board, the Declarant may cause the Association to enter into an agreement to employ a management agent, who may be an affiliate of Declarant, who shall oversee the daily operation of the Condominium in accordance with the provisions of the Act and the Condominium Documents. Any Declarant-negotiated management agreement shall not exceed a term of one year, but may be renewed upon the consent of the Association.

IV. **BUDGET AND FINANCIAL MATTERS**

The Condominium Association has been established by the Declarant. A projected budget for the first year of operation of the Condominium Association after the date of the first conveyance of the Unit to a Purchaser has been prepared by the Declarant and is included in this Public Offering Statement as Schedule E. Initially, assessments shall be done quarterly, based upon the calendar year, but the frequency of the assessments may be changed by the Executive Board. The Declarant has agreed to be responsible for and carry common assessment costs described in the proposed budget until the earlier of either: (a) December 31, 2008; or, (b) 39 units in the Condominium have been declared. The Declarant reserves the right, by written notice, to reduce the time period for (a) or the total number of units sold in (b) with regard to all unsold units; however, makes no reservation of right to reduce either (a) or (b) for units sold.

The budget has been prepared based upon what the Declarant believes to be the best current estimates of future costs based on information currently available. Since the first assessment may not occur immediately, the Budget is subject to change. Because the Condominium is new there is no history of operating expenses and therefore it is impossible to project with assurance such future costs. A Budget has been prepared, however, based on what Declarant believes to the best current estimates of future costs based on information currently available related to projected operation and maintenance of the Condominium.

These projections are based upon year 2007 costs and they require adjustments for future inflation. If the cost of living should increase as a result of inflation, it is expected that the Common Expenses would increase, but not necessarily in proportion to increases in the Cost of Living Index. Costs related to maintenance of certain roadways shall be apportioned equitably and shared by the Tinker Hill Homeowners' Association, which has an easement related to such roadways. In preparing the budget, the Declarant has assumed that Seventy-Eight (78) Units will be occupied during a portion of the one-year period which the Budget covers. The budget establishes a reserve for major repairs to the roof. All services that the Declarant currently provides or expenses that it currently pays, and which the Declarant expects may become a Common Expense of the Association at a subsequent time, are reflected in the budget.

V. LIENS, DEFECTS AND ENCUMBRANCES AFFECTING THE TITLE TO THE CONDOMINIUM.

The Condominium will be subject to the terms of the Declaration, as recorded, the conditions shown on the Condominium Plats and Plans, as recorded, the Bylaws and any rules and regulations issued, as each of these may be amended from time to time. In addition, the Condominium will be subject to the following:

(a) Statutory easements granted by the Act, including (i) the easement provided by Section 1602-114 of the Act, which provides that any Unit or Common Element is subject to a valid easement to the extent that any other Unit or Common Element encroaches upon it; (ii) the provisions of Section 1602-115 of the Act which provides that the Declarant may maintain promotional sales signs and materials on sales offices, management offices and models in the Condominium (such right being set forth in Section 4.2 and 4.5 of the Declaration); and (iii) the easement provided for in Section 1602-116 of the Condominium Act, which allows the Declarant an easement through the Common Elements, and, if necessary, through portions of the Limited Common Elements, as reasonably may be necessary to facilitate the completion of the Condominium or to exercise any Development Right to Special Declarant Right reserved by the Declarant in Article 4 of the Declaration and elsewhere in the Condominium Documents.

(b) Unrecorded easements, discrepancies, conflicts in boundary lines, shortages of area and encroachments which an accurate and complete survey of the Condominium as built, would disclose.

(c) Easements reserved by the Declarants are described in Article 4 of the Declaration including the following:

"(a) to connect with, repair, relocate, alter, remove and/or make use of utility lines, wires, pipes, and conduits and the related easements located on the Property for construction and sales purposes, provided that the Declarant shall be responsible for the costs of services so used;

(b) to use the Common Elements for ingress and egress, for the repair and construction of the units and Common Elements including the movement and temporary storage of construction materials and equipment, and for the installation of signs and lighting for sales and promotional purposes;

(c) to convert units into Common Elements or Limited Common Elements, to add real estate and buildings containing units to the Condominium;

(d) to complete all contemplated improvements on the plat and plans (subject to the conditions in Section 4.4, below), to maintain unsold units as models and sales offices, and to relocate the sales offices as the Declarant deems necessary or appropriate, to exercise the easements reserved to it in the Declaration, to make the Condominium part of a larger Condominium, to make the Condominium subject to a Master Association, to appoint or remove any officer or Board Member during any period of Declarant control of the Association, and to exercise any other special Declarant rights as are now allowed or in the future may be allowed by the Act;

(e) to develop the Condominium in phases, as provided herein; and

(f) to withdraw units from the Condominium."

(d) Additional easements and restrictions include the following:

(1) The Units and Common Elements are subject to easements in favor of the Declarant and appropriate utility and service companies, cable television companies and governmental agencies for necessary or desirable utilities and service lines and equipment. Further, the Executive Board shall have the right and power to convey permits, licenses and easements over the Common Elements for the installation, maintenance, repair and replacement of utility equipment and for the Building and maintenance of roads and for other purposes necessary for the proper operation of the Condominium;

(2) Those portions of the Common Elements not located within the Building are subject to an easement in favor of the Declarant to maintain and correct drainage of surface water;

(3) The Common Elements (not including the Limited Common Elements) are subject to an easement in favor of the Unit Owners, their invitees, employees, tenants and servants, the Association and the agents and employees of the Association for access through each portion of the Common Elements, subject to the requirements and charges imposed by the Executive Board;

(4) The Common Elements are subject to an easement in favor of the Association, its agents, employees, and independent contractors for the purpose of inspection, upkeep, maintenance, repair and replacement of the Common Elements;

(5) The Common Elements are subject to an easement in favor of the benefited Units (a) for installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are part of or exclusively serve a single Unit and which pass across or through a portion of the Common Elements; and (b) or installation, repair, maintenance, use, removal and replacement of utilities located in the Common Elements, or of overhead lighting fixtures, electrical receptacles and light fixtures located in a portion of the ceiling, wall or floor which is part of the Common Elements and adjacent to the Unit;

(6) To the extent necessary, the Units and Common Elements are subject to an easement in favor of each Unit for structural support by adjacent Units, of the Common Elements and the Limited Common Elements;

(7) The Units and the Limited Common Elements are subject to an easement in favor of the Association, its agents, employees, and independent contractors for inspection of the Units and Limited Common Elements, for inspections, maintenance, repair and replacement of the Common Elements or the Limited Common Elements situated in or accessible from such Units or Limited Common Elements and for the correction of emergency conditions in one or more Units or Limited Common Elements or both;

(8) If the 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.

(e) Easements from the Declarant to the Tinker Hill Subdivision, as described in the Declaration of Covenant, Conditions and Restrictions for Tinker Hill Subdivision, dated recorded in said Registry on December 20, 2004 in Book 4090, Page 3, as amended by the First Supplemental Declaration to Original Declaration of Covenant, Conditions and Restrictions for Tinker Hill Subdivision, recorded in said Registry on May 31, 2007, recorded in Book 4772, Page 248, which grant an easement to Tinker Farm Way and River Breeze Way, a trail and access to shore easement, view easement of Union River, easement for utility services and shared obligations for maintenance of such easements.

(f) An easement from the Declarant to Bangor Hydro Electric, recorded on January 1, 2006 in the Hancock County Registry of Deeds in Book 4400, Page 6, as amended/supplemented by the easement dated August 29, 2007, recorded in the said Registry in Book 4854, Page 220, granting an easement for installation, maintenance, relocation, replacement and repair of underground and above ground utility services.

(g) An easement from the Declarant to the City of Ellsworth, dated July 12, 2006, recorded in the said Registry in Book 4546, Page 329, as amended/supplemented by the easement dated ______________, recorded in the said Registry in Book _____, Page _____, granting an easement for installation, maintenance, relocation, replacement and repair of water and sewer lines and related appurtenances.

(h) A first mortgage granted by Declarant to First National Bank recorded in the Hancock County Registry of Deeds on January 31, 2007 in Book 4691, Page 251. The lien and encumbrance of said mortgage, at Declarant's option, either will be terminated entirely as to the Condominium or released on a Unit-by-Unit basis as each Unit is conveyed.

(i) Units owned by the Declarant and the interest in the Common Elements belonging to those Units may be subject to mechanics liens which may be filed in the Hancock County Registry of Deeds. These liens, at the Declarant's option either will be terminated entirely as to the Condominium, released on a Unit-by-Unit basis as each Unit is conveyed, or the Declarant will provide a surety bond or substitute collateral for or insurance against such liens.

(j) Easements created or established pursuant to the site plan and subdivision approved by the Ellsworth Planning Board on or about August 6, 2006 and the recorded site plan of Tinker Hill, recorded in the Hancock County Registry of Deeds in File 35, No. 162.

(k) Easements created or established pursuant to the Site Location of Development, Natural Resource Protection and Water Quality Certification Findings of Fact and Order #L-23060-L3-A-N/L23060-TD-B-N, recorded on January 3, 2007 in the said Registry in Book 4672, Page 213, and on February 2, 2006 in Book 4694, Page 270.

(l) The Maine Department of Environmental Protection, Declaration Regarding Stormwater Control, dated December 15, 2006, recorded in the Registry in

Book 4672, Page 213, and Stormwater Management Declaration and Restrictions, dated June 27, 2007, recorded in the Registry in Book 4797, Page 128.

(m) Easements created or established pursuant to the Army Corps of Engineering permit, recorded in the Registry on December 29, 2006, in Book 4671, Page 293.

(n) Easements granted to the Frenchman Bay Conservancy by Roger Woodbury, recorded in said Registry on April 28, 2004 in Book 3901, Page 67, and by Tinker Hill, LLC, recorded in said Registry on July 26, 2004 in Book 3978, Page 187.

(o) Easement from the Declarant to Verizon New England, Inc., recorded on September 26, 2007 in the Hancock County Registry of Deeds in Book 4857, Page 270.

VII. FINANCING OFFERED OR ARRANGED BY THE DECLARANT

As of the date of this Statement, the Declarant does not intend to offer financing to prospective purchasers.

VIII. WARRANTIES

Certain warranties are given to all Unit Owners as described below, subject to certain exclusions and modifications made by the Declarant. On or before settlement of the purchase of a Unit, implied warranties of quality as to the Unit and the Common Areas will be limited as set forth in the Warranty Modification and Exclusion issued by the Declarant. A photocopy of the Warranty Modification and Exclusion is included in this Public Offering Statement as Schedule F. 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 1604-115(a) of the Act, the statutory six year limitation period to two years as to the Unit and the Common Areas. A copy of the instrument to reduce the statute of limitations is attached hereto as Schedule G.

IX. LEGAL ACTIONS MATERIAL TO THE CONDOMINIUM OR THE CONDOMINIUM ASSOCIATION

As of the date of delivery of this Statement, there are no judgments against the Condominium Association, nor is the Condominium Association a party to any pending litigation.

X. ESCROW OF DEPOSITS

Any deposit made in connection with the purchase of a Unit will be held in an escrow account until closing in accordance with the provisions of Section 1604-109 of the Act. The escrow account will be held by the Swan Agency, with an address of 43 Cottage Street, Bar Harbor, ME 04609, or another designated escrow agent.

In the event the Purchaser cancels the Contract for Sale of a Unit pursuant to the provisions set forth on the first page of this Statement, the Purchaser will be entitled to a return of the deposit paid. At Closing the deposit shall be delivered to the Declarant and any interest earned on the deposits shall constitute a credit toward the purchase price. Upon default under the Agreement or upon any termination of the Agreement, the deposit shall be paid to the person lawfully entitled thereto pursuant to the terms of said Agreement.

XI. RESTRAINTS ON ALIENATION AND LEASING: ALIENATION OF COMMON ELEMENTS

The Act further provides that no part of the Common Elements may be sold unless in conjunction with the sale of a Unit; provided, however, the Act does permit the Common Elements or portions thereof to be sold by the Association upon the required vote of the members.

Leases of Units are permitted. All leases must be in writing and must be for a minimum term of 3 months, not more than one time per calendar year. A Unit lease with a term of one year or longer, and any conveyance of a Unit in fee are subject to a right of first refusal in favor of the Condominium Association. Purchaser shall review Section 2.8 of the Declaration for other provisions regarding requirements for leases. All restrictions in the Declaration affecting use, occupancy and alienation of units will apply to any Units created pursuant to Development Rights of the Declarant.

XII. INSURANCE.

Section 4.7 of the Bylaws sets forth the provisions concerning the types and amounts of insurance coverage to be provided by the Condominium Association. The Condominium property will be insured by a policy of fire and property damage insurance in an amount equal to one hundred percent (100%) of the current replacement cost of all Common Elements and the Units, but excluding any personal property of the Unit Owner. The premium for the insurance on the Common Elements and Units will be paid by the Condominium Association. Each Unit Owner will pay its share of the premium for the insurance on the Units as part of its assessment for Common Expenses. This policy will insure all improvements, fixtures and appliances contained within the Units or the value thereof that are in existence on the date of the closing of the conveyance of the Unit by the Declarant, and fixtures, building service machinery and equipment and common equipment and supplies owned by the Association. This policy will not insure any improvements or appliances added by a Unit Owner to its Unit after the date of the first conveyance of the Unit by the Declarant (except for any such improvements which the Executive Board expressly agrees, in its sole discretion, shall be covered by such insurance). No personal property of any Unit Owner will be insured by the policies maintained by the Association. It is the individual responsibility of the Unit Owners to obtain property insurance to insure their personal property and liability insurance to cover claims arising out of the use or ownership of their individual Unit.

The Condominium Association will also carry a liability insurance policy on behalf of the Condominium Association and all Unit Owners to insure them against liability arising out of the ownership or use of the Common Elements. This policy will not insure Unit Owners against liability arising from an accident or injury occurring within their Unit or from their own negligence.

Insurance proceeds under the fire and property damage insurance policy maintained by the Association will be paid to the Condominium Association.

XIII. CURRENT AND EXPECTED FEES

With the exception of the community center, there are no current or expected fees or charges to be paid by Unit Owners for the use of Common Elements and other facilities related to the Condominium. Use of the community center shall be subject to restrictions established by the Executive Board, and, from time to time, use of the community center may be restricted to fewer than all Units or may be subject to certain charges.

XIV. ZONING AND LAND USE REQUIREMENTS AFFECTING THE CONDOMINIUM.

The land area of the Condominium is in R-1, residential zone in the Town of Ellsworth and is subject to the Zoning Ordinance of the City of Ellsworth (the "Zoning Ordinance"). A portion of the Condominium is in the Shoreland Overlay Zone and Resource Protection Zone.

On August 6, 2006, Declarant received final subdivision approval for the Condominium. The approved subdivision plan for the Condominium is recorded in the Hancock County Registry of Deeds in File 35, No. 162.

Easements created or established pursuant to the Site Location of Development, Natural Resource Protection and Water Quality Certification Findings of Fact and Order #L-23060-L3-A-N/L23060-TD-B-N, recorded on January 3, 2007 in the said Registry in Book 4672, Page 213, and on February 2, 2006 in Book 4694, Page 270.

The Maine Department of Environmental Protection, Declaration Regarding Stormwater Control, dated December 15, 2006, recorded in the Registry in Book 4672, Page 213, and Stormwater Management Declaration and Restrictions, dated June 27, 2007, recorded in the Registry in Book 4797, Page 128.

XV. DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS RESERVED BY THE DECLARANT

As set forth in Article 4 of the Declaration, the Declarant reserves to itself and for the benefit of its successors and assigns the Development Rights to create Units, Common Elements or Limited Common Elements within the Condominium and to add real estate to the Condominium. The real estate subject to the Development Rights is the Land as more particularly described on Exhibit A attached to the Declaration, excluding Units sold by the Declarant.

The Development Rights reserved may be exercised at different times and in any order as Declarant, in its sole discretion, may determine. No assurances are made with respect to the Declarant exercising Development Rights or the order in which the phased Development Rights will be exercised. If Units are added to the Condominium by the Declarant in the exercise of its Development Rights as reserved in the Declaration, the votes in the Association shall be reallocated among all of the Units such that each Unit shall have Condominium Association votes in direct proportion with the Unit's Percentage Interest. The Percent Interest in common elements and share of common expenses shall be reallocated based upon the square footage of the Unit's footprint in relation to the sum of the footprints of all Units, as further described in Exhibit B to the Declaration. Any buildings or other improvements constructed by Declarant in the exercise of its Development Rights will be generally compatible with the architectural style and quality of construction of other buildings and improvements in the Condominium. No other assurances are made in regard to the architectural style, quality of construction, size or location of any buildings or other improvements that may be erected pursuant to any Development Right. No assurances are made as to the description of any other improvements that may be made and limited common elements that may be created, including the types and sizes of any limited common elements or the proportion of limited common elements to units within any part of the Condominium pursuant to any Development Right.

The maximum number of additional Units that may be created by the Declarant in the exercise of its Development Rights is Sixty-Six (66) Units. This is in addition to the Twelve (12) Units already declared, for a total possible number of Seventy-Eight (78) Units. All of the Units created will be restricted to residential use in accordance with Article 5 of the Declaration.

As further set forth in Article 4 of the Declaration, the Declarant also reserves to itself, and for the benefit of its successors and assigns, the right to complete the improvements described in the Declaration, and the right, in accordance with Section 1602-115 of the Maine Condominium Act, to use any Unit owned or leased by the Declarant and the limited common elements appurtenant thereto for storage, models. Management, sales, customer service or similar purposes for this and other projects; and the Declarant reserves the right to relocate the same from time to time within the Property; and upon such relocation, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Property such advertising signs as comply with applicable governmental regulations, which signs may be placed in any location and may be relocated or removed, as the Declarant may from time to time determine.

Development Rights must be exercised within fifteen (15) years from the date of recordation of the Declaration provided that the period of Declarant Control of the Association as permitted by Section 1603-103(d) of the Maine Condominium Act, and as reserved in Article 4 of the Declaration, shall terminate in accordance with the provisions thereof. Development Rights shall be deemed to be exercised at such time as this Declaration is amended to reflect the additional Units or such other Development Right, regardless of the time that such Unit in constructed or such other work contemplated by the Development Right is completed.

The exercise of the Development Rights shall be in accordance with and governed by the provisions of the Act, including without limitation Section 1602-101 of the Act.

The assurances made in this Section do not apply in the event that any Development Right is not exercised by the Declarant.

XVI. THE UNIT OWNERS ASSOCIATION

The Act provides for the self-governance of the Condominium by a Unit Owners Association. All of the Unit Owners collectively constitute the Association. Membership in the Association is an incident of ownership of a Unit. Therefore, every Unit Owner is automatically a member of the Association and remains a member until his/her ownership of a Unit ceases.

The Unit Owners Association is organized as a non-profit corporation under Maine law. The Bylaws provide that the powers and responsibilities of the Unit Owners Association are delegated to the Association's Executive Board, some of which in turn may be delegated to a managing agent. The Executive Board has certain powers and responsibilities in administering the Condominium to, among other things: (a) prepare the annual budget; (b) make and collect assessments against the Unit Owners for common expenses: (c) provide for the upkeep, maintenance and care of Common Elements; (d) designate, hire and dismiss the personnel necessary for the maintenance of the Condominium: (e) make rules and regulations concerning the use of the Condominium; (f) establish a bank account on behalf of the Association: (g) make alterations to the Condominium; (h) enforce by legal means the provisions of the Condominium documents; (i) obtain necessary insurance; (j) pay the cost of services rendered to the Condominium; and (k) keep the books of account of the Condominium.

Each Unit is allocated votes in the Condominium Association in proportion to its Percentage Interest, as described in Exhibit B of the Declaration. A Unit Owner is entitled to cast the votes allocated to his/her Unit as described in Section 2.4 of the Declaration, but all votes must be cast (if at all) as one and may not be divided or split.

The Declaration, in Article 6, describes the makeup of the Executive Board of the Association. The-Executive Board will consist of between three and five members elected by Unit Owners at the annual meeting of the Association. Initially, and during the Declarant Control period, the Declarant will appoint the members of the Executive Board.

The final transition from Declarant-appointed members of the Executive Board to Unit Owners other than the Declarant shall occur as follows:

No later than the earlier of (i) sixty (60) days after the conveyance of seventy-five percent (75%) of the Units to Unit purchasers other than the Declarant or (ii) seven (7) years after conveyance of the first Unit to a Unit purchaser other than the Declarant, or at such earlier date as the Declarant in its sole discretion shall specify, a special meeting of the Association and a special election (the "Transition Election") shall be held at which all members of the Executive Board appointed by the Declarant shall resign and the Unit Owners (including the Declarant to the extent of Units owned by the Declarant) shall elect five (5) members of the Executive Board to act in the place and stead of those resigning.

NO PERSON HAS BEEN AUTHORIZED BY THE DECLARANT TO MAKE ANY STATEMENT, REPRESENTATION OR WARRANTY NOT SPECIFICALLY CONTAINED HEREIN, AND NOTHING IN THIS PUBLIC OFFERING STATEMENT MAY BE CHANGED OR MODIFIED ORALLY. ANY INFORMATION OR DATA REGARDING THE CONDOMINIUM THAT IS NOT INCLUDED IN THIS PUBLIC OFFERING STATEMENT SHOULD NOT AND MUST NOT BE RELIED UPON.