Association took over 3/21/95

PINE HILL CONDOMINIUM DECLARATION

ARTICLE 1

SUBMISSION; DEFINED TERMS

Section 1.1. Submission of Property. The developer is HOMEWOOD-PINE HILL ASSOCIATES, a Maine general partnership with a principal place of business in the City of Portland, Cumberland County, Maine ("Declarant"). Declarant hereby submits the land described in Exhibit A annexed hereto, located within the City of Bath, Sagadahoc County, Maine ("Land"), together with all improvements, easements, rights and appurtenances belonging thereto ("Property") to the provisions of Chapter 31 of Title 33 of the Maine Revised Statutes Annotated, as amended, known as the Maine Condominium Act ("Condominium Act") and hereby creates with respect to the Property a condominium ("Condominium"). The Property is shown on the Condominium Plat dated April 28, 1987, (revised on May 13, 1987, June 23, 1987, July 21, 1987 and January 27, 1988) prepared under the direction of Lester S. Berry, Jr., Registered Professional Engineer (referred to as the "Plat") recorded herewith in the Sagadahoc County Registry of Deeds on _____, 1988 in Plan Book _____, Page ___. The condominium plans recorded herewith in the Sagadahoc County Registry of Deeds in Plan Book _____, Page _____ (referred to as the "Plans") consist of one page prepared by Diverse Drafting & Design Associates.

Section 1.2. Defined Terms. As provided in section 1601-103 of the Condominium Act, terms not otherwise defined herein, or in the Plats and Plans, shall have the meanings specified in section 1601-103 of the Condominium Act. "Condominium Instruments" shall mean this Declaration and all exhibits attached hereto, the approved site and subdivision plan and the Plats and Plans referred to herein.

Section 1.3. Name and Address of Condominium. The name of the condominium is "Pine Hill Condominium" ("Condominium"). The address of the Condominium is Western Avenue, Bath, Maine.

Section 1.4. Formation of Condominium Association and Applicability of Bylaws and Rules and Regulations. Declarant has organized "Pine Hill Condominium Owners' Association" ("Association") pursuant to 13-B M.R.S.A. Chapter 101 et seq. The Association has adopted Bylaws. All present and future Unit Owners, mortgagees, lessees and occupants of the Units and the employees and any other persons who may use the facilities of the Condominium in any manner are subject to the Bylaws and to the rules and regulations established by the Board of Directors of

the Condominium Association (the "Board of Directors" or "Board") as the Bylaws and the rules and regulations may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit by any of the foregoing persons other than a mortgagee of Declarant, shall constitute an agreement that the Bylaws, the rules and regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with and the acceptance of a deed or conveyance by a mortgagee of Declarant shall constitute an agreement that the estate of any such mortgagee in and to any such Unit shall be subject to the Bylaws, the rules and regulations and the provisions of the Declaration as they may be amended from time to time. Unless otherwise specifically stated herein, the term "Unit Owner" shall mean with respect to each Unit the Declarant until the first conveyance of each Unit and thereafter the owner or owners of each such Unit.

Each Unit owner will become a member of the Condominium Association and will be subject to all the rights and duties assigned to Unit Owners under the constituent documents. When there are unsold units in the project, the developer or sponsor also enjoys the rights and responsibilities as they relate to each individual unsold unit.

Section 1.5. Interpretation. In the event of any conflict or discrepancy between this Declaration and the Plats and Plans, this Declaration shall govern. In addition to the provisions of this Declaration, the Association Bylaws and any adopted rules and regulations, the provisions of the Condominium Act shall govern the rights and responsibilities of the Declarant, Unit Owners and Unit mortgagees.

ARTICLE 2

BUILDINGS ON THE LAND; UNIT BOUNDARIES

Section 2.1. Location and Dimension of Buildings. Declarant hereby creates the units listed in Exhibit B. The locations and dimensions of the units are depicted on the plats and plans. As set forth in this Declaration, the Declarant reserves various Development Rights including the right to create additional Condominium units up to a maximum total of Fifty-Five (55) units and to create limited common elements appurtenant thereto. These additional units are described on Condominium Plat and Plans, recorded in the Sagadahoc County Registry of Deeds. Each building is of wood frame construction (2" x 6" framing) on a concrete slab. The roof for each unit consists of 2" x 8" rafters, with an R-38 insulation value.

Section 2.2. Units. The condominium will initially contain twenty-five (25) units, consisting of Building Phases 1 through 3, built on concrete slabs. The Unit numbers are listed in Exhibit B. Unit 2 will have one bedroom, one bathroom, a

kitchen, dining area, laundry area and livingroom. Units 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25 have two bedrooms, one and one-half bathrooms, a kitchen, dining area and livingroom. The Declarant has reserved the right to add fireplaces to all units, to finish the lofts on all "townhouse units" (initially, Units 1, and 3 through 25) and to finish the second floors of "cape-style units" (initially, Unit 2) in accordance with the Plans.

Each unit will be sold with the following appliances: a range, refrigerator, garbage disposal and dishwasher. All appliances are electric. The heating system is electric. All utilities are underground. Electricity will be furnished to each unit on a separately-metered basis. Utilities to be provided are water, public sewer, electricity, telephone, and cable television hook-ups. No gas will be furnished to any unit. Except for Unit 65, each unit has appurtenant to it limited common elements including a covered entry or porch in front and a patio/deck in the rear. In addition, each Townhouse unit has appurtenant to it as a limited common element a storage closet. The driveway and sidewalk adjacent to Unit 65, as shown on Condominium Plat, shall be limited common elements appurtenant to Unit 65.

Section 2.3. Unit Boundaries. The boundaries of each Unit are as set forth in the Plats and Plans and are further described as follows:

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

(1) Upper Boundary: The planes, horizontal or otherwise, formed by the bottom sides of the roof rafters.

(2) Lower Boundary: The horizontal plane of the top surface of the concrete slab.

(b) Vertical Boundaries: The vertical boundaries of the Unit shall be the vertical plane of the back surface (surface facing wood studs) of the plasterboard of all walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries. Boundary lines shall also include the chimney, if any, the exterior surface of doors, skylights, windows and storm windows, and glass walls, and their frames, sills and thresholds.

(c) Any portion of the utility system or other apparatus serving more than one Unit (e.g., pipes, conduits, ducts) which is partially within and partially without the Unit, is part of the common elements.

Section 2.4. Maintenance Responsibilities. Notwithstanding the ownership of the various portions of the common elements and the Units by virtue of the foregoing boundary

description, the provisions of Article 10 of this Declaration and the Bylaws shall govern the division of maintenance and repair responsibilities between the Unit Owners and the Association.

Section 2.5. Allocations of Common Element Interests, Votes and Common Expense Liability. Each Unit shall have an undivided interest in common with other Units in the common elements of the Condominium. Each Unit's undivided interest in the common elements and in the common expenses of the Association is equal. Attached hereto as Exhibit B is a schedule showing each Unit's percentage interest in the common elements and in the common expense liability. Each Unit has one vote. The Association may require that Unit Owners pay for common expense liabilities in monthly assessments.

Section 2.6. Votes in the Event of Multiple Ownership of a Unit. If only one of the multiple owners of a Unit is present at a meeting of the Association, such owner shall be entitled to cast all the votes allocated to that Unit. If more than one of the multiple owners are present in person or by proxy, the votes allocated to that Unit may be cast by each of the multiple owners to the extent of each multiple owner's interest in the Unit as reflected by records in the Sagadahoc County Registry of Deeds. However, all multiple owners are deemed to vote the same way if any one of the multiple owners casts votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other multiple owners of that Unit.

Section 2.7. Relocation of Unit Boundaries and Subdivision of Units. Relocation of boundaries between Units and subdivision of Units shall not be permitted.

ARTICLE 3

COMMON ELEMENTS

Section 3.1. Common and Limited Common Elements.

(a) Common elements consist of all of the Property covered by this Declaration, except the individual Units as described above and generally include:

1. The land, with the benefit of and subject to all the accompanying rights and easements described in Exhibit A;

2. The foundations, roof, exterior walls, and all load bearing portions of the buildings;

3. All pipes, wires, electrical and transmission wires and conduits, all portions of the life safety systems, security systems, and water and sewer utility lines which serve more than one Unit or which serve one Unit only but are located outside its boundary line, excepting equipment owned by public utilities;

4. All other parts of the Property necessary or convenient to its existence, maintenance and safety or normally in common use, except as otherwise expressly provided in this Declaration.

(b) The locations of the common elements to which each Unit has direct access are shown on the Plats and Plans. The concrete slab and ground area below it are limited common elements appurtenant to the Unit above. The covered entry or porch, storage closet (for Townhouse units), patio/deck, and the land directly underneath them are limited common elements appurtenant to the Unit to which they are attached. The driveway and sidewalk adjacent to Unit 65, as shown on Condominium Plat, shall be limited common elements appurtenant to Unit 65. Pursuant to section 1602-102(4) of the Condominium Act, any shutter, awning, window box, doorstep, stoop, porch, balcony, patio, or other fixture designed to serve a single Unit, shown or built adjacent to a Unit, is a limited common element appurtenant to that Unit.

(c) The parking spaces shown on Pine Hill Condominium Plat shall be common elements. Pursuant to section 1602-105(a)(7) of the Condominium Act, the Declarant reserves for itself or for the Association the exclusive right to assign these parking areas as limited common areas for the exclusive use of certain Unit Owners to whose Units these areas shall become appurtenant. The Declarant may, without consent or action by the Unit Owners, assign such common element as a limited common element for parking pursuant to the provisions of section 1602-108 of the Condominium Act by causing an appropriate amendment to this Declaration or to the Plats and Plans to be executed and recorded. If, prior to settlement on a Unit, a person acquires the right to the assignment of a limited common element, the Declarant shall evidence the right to such an assignment in the deed to the Unit to which such limited common element parking spaces shall appertain. If a Unit Owner acquires the right to the exclusive use of such a limited common element subsequent to settlement on the Unit, the Declarant may, but need not, evidence the Unit Owner's right to such an assignment in a separate written agreement with the Unit Owner. After all Units have been sold by Declarant, the Association shall have the right to assign any unallocated parking spaces pursuant to the provisions of section 1602-108 of the Condominium Act.

Section 3.2. Reserved Common Elements. The Board of Directors 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 board shall not be construed as a sale or disposition of the common elements.

Section 3.3. Alteration of Common Elements by the Declarant. Subject to Section 1602-108 of the Condominium Act,

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 provided by the Condominium Act in Sections 1604-112 and 1604-113.

ARTICLE 4

EASEMENTS

In addition to the easements created by section 1602-114 of the Condominium Act, the following easements are hereby granted:

Section 4.1. Easement to Facilitate Sales and Construction. The Declarant reserves the right pursuant to section 1602-115 of the Condominium Act to use any Units owned or leased by the Declarant as models, management offices, or sales offices for this project. 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.

All Units shall be subject to an easement in favor of the Declarant pursuant to section 1602-116 of the Condominium Act.

The Declarant further reserves an easement to connect with and make use of utility lines, wires, pipes and conduits located on the Property for construction purposes, provided that Declarant shall be responsible for the cost of service so used, and to use the common elements for ingress and egress and construction activities and for the storage of construction materials and equipment used in the completion of the Units and common elements. Prior to the assignment of parking spaces as limited common elements, the Declarant shall have the right to restrict the use of certain common element parking spaces for sales purposes and to use such spaces for sales purposes.

The foregoing easements shall continue until the Declarant has conveyed all Units in the Condominium for the first time to Unit Owners other than the Declarant.

Section 4.2. Easement for Access and Support.

(a) The Declarant reserves in favor of the Declarant and the managing agent and/or any other person authorized by the Board of Directors the right of access to any Unit as provided in section 1603-107(a) of the Condominium Act and Section 5.14 of the Bylaws. In case of emergency, such entry may be immediate whether or not the Unit Owner is present at the time. Further,

until the expiration of the warranty period such entry shall be permitted to perform warranty-related work whether or not the Unit Owner consents or is present at the time.

(b) Each Unit and common element shall have an easement for lateral and subjacent support from every other Unit and common element.

(c) Each Unit owner shall have a perpetual, unrestricted right of ingress and egress to his or her Unit. This easement shall be perpetual and shall pass with the unit estate as transfers of Unit ownership occur.

Section 4.3. Declarant's Right to Grant Easements. The Declarant shall have the right, prior to the termination of the Declarant Control Period, to grant and reserve permits, licenses, and easements and rights-of-way through, under, over and across the Property for construction purposes, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, electricity, telephone, cable television and other utilities. After the termination of the Declarant Control Period the Association may grant and reserve easements and rights-of-way through, under, over and across the Property for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, electricity, telephone, cable television and other utilities.

Section 4.4. Existing Easements. Exhibit A attached hereto sets forth in a general way the nature and extent of existing easements, if any, benefiting or burdening the property.

ARTICLE 5

AMENDMENT OF CONDOMINIUM INSTRUMENTS; REQUIRED CONSENT

Amendment of this Declaration shall be in accordance with 33 M.R.S.A. § 1602-117 unless otherwise provided herein. Subject to the exceptions set forth in 33 M.R.S.A. § 1602-117(a), this Declaration may be amended only by vote or agreement of the unit owners of units to which at least 67% of the votes in the Association are allocated. Any amendment shall be approved in writing by the holders of first mortgages encumbering fifty-one percent (51%) of the votes of units that are subject to mortgages and by all mortgagees of Declarant on one or more units. No amendment shall be made to any Condominium Instrument during the Declarant Control Period without the prior written consent of the Declarant. No amendment to the Condominium Instruments shall diminish or impair the rights of mortgagees under the Condominium Instruments without the prior written consent of all mortgagees, nor diminish or impair the rights of the Declarant under the Condominium Instruments without the prior written consent of the Declarant. Except as specifically provided in the Condominium

Instruments, no provision of the Condominium Instruments shall be construed to grant to any Unit Owner, or to any other person, any priority over any rights of mortgagees. Notwithstanding the foregoing the Declarant shall have the right to prepare, execute and record amendments to the Declaration in the exercise of any development rights or special declarant rights without the consent of unit owners or Eligible Mortgage Holders.

ARTICLE 6

RIGHT TO LEASE OR SELL UNITS

The Declarant shall own in fee simple each condominium Unit to which legal title is not conveyed or otherwise transferred to another person. The Declarant retains the right to rent or lease the Units owned by the Declarant to any persons.

ARTICLE 7

SPECIAL DECLARANT RIGHTS; TRANSFER

Section 7.1. Special Declarant Rights. Special Declarant rights are those rights reserved for the benefit of the Declarant as provided for in the Condominium Act and the Condominium Instruments, and shall include without limitation the following rights: (a) to complete improvements indicated on the Plats and Plans filed with the Declaration; (b) to use easements through the common elements for the purpose of making improvements within the Condominium; (c) to maintain sales offices, management offices, customer service offices, and signs advertising the Condominium and models; and (d) to approve or disapprove any acts of the Association or the Board of Directors. The special Declarant rights set forth in a, b and c above shall terminate when Declarant has sold all Units for the first time to Unit Owners other than Declarant or a successor Declarant. The special Declarant rights set forth in (d) above expire at the end of the Declarant Control Period as set forth below in Section 7.3.

Section 7.2. Survival of Declarant Rights. ARTICLE 7 shall not be amended without the consent of the Declarant. The benefits of ARTICLE 7 and all other special rights of Declarant set forth in this Declaration, the Bylaws or otherwise, as amended from time to time, may be transferred by recorded instrument specifically referring to this Section and executed by Declarant and its successor or assignee.

Section 7.3. Board of Directors and Declarant Control Period.

(a) Subject to the provisions of the Act, this Declaration or the Bylaws, the Board of Directors of the Association shall have the power to act on behalf of the Association. The initial Board of Directors shall consist of

five (5) members. The members of the initial 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 Board shall be replaced with members of the Board elected by Unit Owners in accordance with the provisions of paragraph (b) of this Section.

(b) The transition from Declarant-appointed members of the Board to members of the Board elected by Unit Owners shall occur as follows: not later than the earlier of (i) sixty (60) days after the conveyance of 75% of the Units to Owners other than the Declarant or (ii) three (3) years from conveyance of the first Unit to an Owner other than the Declarant, the Unit Owners may elect a Board of five (5) members. The period prior to such transition is referred to as the Declarant Control Period. The members of this Board elected by the Unit Owners shall serve until the first regular election of the Board held at the first regular meeting of the Association held in accordance with the Bylaws.

(c) In accordance with and subject to the Condominium Act, the Declarant reserves the development rights, but not the obligation, until seven (7) years from the date of the recording of this Declaration to:

(i) To create additional units, common elements and limited common elements appurtenant to such units on the land described in Exhibit A, all pursuant to Section 1602-110 of the Condominium Act, these additional units and limited common elements known as Building Phase 4, Building Phase 5, Building Phase 6, Building Phase 7 and Building Phase 8. The maximum number of additional units shall be forty (40). The location and approximate dimensions of the units and limited common elements for Building Phase 4, Building Phase 5 and Building Phase 6, Building Phase 7 and Building Phase 8 are shown on the plats and plans with accompanying limited common elements. Building Phase 4 contains 10 units (Units 34, 35, 36, 37, 38, 39, 61, 62, 63 and 64); Building Phase 5 contains 8 units (Units 40 through 47); Building Phase 6 contains 7 units (Units 48, 49, 50, 51, 52, 53 and 54); Building Phase 7 contains 6 units (Units 55, 56, 57, 58, 59, and 60); and Building Phase 8 contains 9 units (Units 26, 27, 28, 29, 30, 31, 32, 37 and 65). The Building Phases may occur in such order as the Declarant shall determine. Upon the addition of the Building Phases, they shall be fully integrated into the Condominium as if this Declaration had been originally executed and recorded containing the additional Building Phases, and the Allocated Interests of the units shall be reallocated in accordance with the formulas set forth in Section 7.3 (c)(ii) of this Declaration and as more particularly set forth in the amendment adding said Building Phases. All such future units and limited common elements shall be consistent with the initial units in terms of quality of construction, general architectural styles and principal materials, provided the Declarant may substitute construction materials and techniques of equal or

better quality and, upon the addition thereof to the Condominium, must be substantially completed. All restrictions in or created by authority of this Declaration affecting the use, quality or alienation of units shall apply to such Building Phases including, without limitation, the restriction to residential use. Declarant need not add said Building Phases 4, 5, 6, 7 or 8 to the Condominium, hence said buildings, units, and limited common elements NEED NOT BE BUILT.

(ii) Upon the addition of units to the Condominium, the allocated interests of all units shall be reallocated so that each unit's percentage of undivided interest in the common elements and in the common expenses shall be equal, with minor variations for rounding. Each unit shall have one vote per unit in the Association.

(iii) To exercise any rights reserved under this Section 7.3 the Declarant shall prepare, execute and record an amendment to the Declaration pursuant to the Condominium Act, which amendment shall include a plat and plans as required by the Condominium Act to the extent not previously recorded. Said amendment shall become effective without the consent of any other person.

ARTICLE 8

IMPROVEMENTS

Nothing contained in the Condominium Instruments shall be deemed to impose upon the Declarant or its successors or assigns any obligation of any nature to build, construct or provide any improvements except to the extent required by the Condominium Act.

ARTICLE 9

RESTRICTIONS

Section 9.1. Restrictions on Use of Units. In order to provide for compatible occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with this Declaration, the By-laws and the following provisions:

(a) The Units shall be used only as residences and for reasonable, temporary nonresidential uses permitted by the Board of Directors.

(b) The common areas shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents. No boats, campers, or unregistered motor vehicles shall be stored on the Property. The Association shall have the authority to regulate the keeping of pets and animals under its rules and regulations.

(d) No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Provisions of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit Owners or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) No portion of a Unit (other than the entire Unit) may be rented or leased, and no transient tenants may be accommodated therein. A rental or lease of a Unit must be for a minimum period of thirty (30) days pursuant to any single rental agreement or lease. All rental agreements shall be in writing and shall make the tenants' occupancy subject to the Declaration, By-Laws and rules and regulations. The Board of Directors may prescribe by resolution a form of lease or specific provisions to be included in any lease of a Unit and thereafter no Unit Owner shall execute a lease of his own Unit unless its complies with such resolution.

(f) No Unit Owner shall make any structural addition, alteration or improvement in or to any building nor shall he paint or otherwise decorate or change the appearance of any portion of the exterior of any building without the prior written consent of the Board of Directors or an architectural and grounds committee of the Association should one have been appointed by the Board of Directors.

(g) No unit or limited common element may be used for the storage of products which shall be deemed extra-hazardous for insurance purposes, nor for the storage of materials which create a hazard to the health of occupants of the Units.

(h) In addition to the foregoing, rules and regulations concerning the use of the Units and the common and limited common elements may be promulgated and amended by the Board of Directors with the approval of a majority in interest of the Unit Owners. Copies of such rules and regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time when the same shall become effective.

(i) The Association shall not restrict the Unit owner's right to sell, transfer, or convey his or her Unit. This

includes any restriction that would require the Association to be given a right of first refusal before the Unit can be sold.

ARTICLE 10

MAINTENANCE, INSPECTION AND REPAIR

Section 10.1. Maintenance. The Association and the Board of Directors and their designees shall have the right and responsibility to maintain, repair and replace the common and limited common elements and the roof including, without limitation, the life safety systems (including sprinkler and fire alarm systems) utility and service lines and facilities, and building exteriors, excluding the windows, doors, and other building components forming a part of a unit. No unit owner shall do any of the foregoing without the prior permission of said Board of Directors in each instance. No unit owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of the building. Unit owners shall maintain their units and during the heating season shall maintain a temperature of at least 50°F.

If the sprinkler and fire alarm systems or any portion thereof lie within the boundaries of a Unit, then the Unit owner shall have the responsibility to maintain those systems.

Section 10.2. Maintenance and Repair of Units.

(a) Every owner shall perform promptly all maintenance and repair work within his own unit which if omitted would affect the Condominium in its entirety, the common elements, or other unit(s), including the life safety systems, and he shall be expressly responsible for any damages or liabilities resulting from his failure to do so. If any owner fails to perform such maintenance or repair after reasonable notice from the Association, the Association through its officers or manager shall have the right but not the obligation to enter the unit and perform such maintenance or repair in the name of the owner. The Association, after notice to the owner and opportunity to be heard before the Board of Directors, shall be entitled to assess the expense thereof as a service charge due in full at the time of the next regular monthly payment.

(b) All repairs to the heating equipment, water heater, bathroom fixtures, appliances, window glass, doors, and installations of a unit, if any, including without limitation carpeting, finish flooring, utility lines, light, power, sewage, telephones, and all other accessories considered a part of such unit, shall be made at the owner's expense.

Section 10.3. Damage. The responsible owner shall promptly pay the Association as a service charge for any expenditures incurred in repairing or replacing any common elements damaged

through his negligence, misuse or neglect, or that of his family, guests, lessees, tenants or their pets.

ARTICLE 11

ASSESSMENT FOR COMMON CHARGES AND SERVICE CHARGES

Section 11.1. Lien. Each unit is subject to a statutory lien in favor of the Association for the unpaid common charges as provided in the Act and also is subject to a lien for service charges and penalties, interest, attorneys' fees and costs of collection as provided in the Act, Declaration and Bylaws. Any common expense benefiting fewer than all the units shall be assessed exclusively against the unit or units benefited in accordance with the relative proportions of their allocated percentage interest in common elements and facilities. Until the Association makes a common expense assessment Declarant shall pay all the common expenses, but Declarant shall have no obligation to establish reserves. After any assessment has been made by the Association, assessments thereafter must be made at least annually, based on a budget adopted at least annually by the Association. After assessments are made each unit owner, including Declarant with respect to units owned by Declarant, shall pay the full amount of such assessments to the Association. Declarant shall be entitled to receive from the purchaser of each unit at closing reimbursement of the amount of that unit's percentage of interest in Association funds as of the date of closing. Common expense assessments shall begin no later than sixty (60) days after conveyance of the first unit.

Section 11.2. Service Charges. The Association shall have the express power to separately charge a unit and the owner thereof for services rendered to that unit. Such charges shall be a lien on the unit with the same status as a lien for common expense assessments under this Declaration and Bylaws, which lien for service charges may be foreclosed in like manner as a mortgage on real estate. The recordation of this Declaration constitutes record notice of the lien.

Service charges shall include without limitation:

A. If a unit owner, members of his family, guests or tenants requests the Association to perform repair and maintenance work on his unit or damages the common elements or fails to perform maintenance and repair work required, the expense thereof as determined by the Board of Directors or its designee may be assessed as a service charge.

B. Fees, if any, which may be established by the Board of Directors for the use and maintenance of swimming pool, whirlpool, water, sewer, heat and/or other utility services.

C. Insurance premiums on permanent improvements to units installed by unit owners and insured by the request of the unit owner with the Association's hazard insurance carrier.

D. Charges for management provided to units by the Association, its agents or designees, and rental fees for leasing or renting units arranged by the Association, its agents and licensees.

Section 11.3. Liability. In a voluntary conveyance, the grantee of a unit shall be jointly and severally liable with the grantor for all unpaid common charges, assessments, service charges, interest and costs of collection up to the time of the grant or conveyance, although the grantee shall not be prevented from exercising any right to recover from the grantor the amounts paid for those assessments, common charges, etc. A grantee or proposed purchaser under a purchase and sale contract for a unit may obtain, upon request and the payment of such fee as may be established from time to time by the Board of Directors, a statement from the Association setting forth the amount of unpaid common charges, assessments and service charges, interest and costs of collection against the unit as of the date of grant or conveyance and such other items required by the Act. The grantee shall not be liable for any unpaid amounts due from the grantor before the statement date in excess of the amount set forth in the statement except interest and costs of collection accrued thereafter.

Notwithstanding the foregoing or any other provision of this Declaration, any first mortgagee of a unit obtaining title to the unit pursuant to foreclosure or the remedies provided in the mortgage shall not be liable for the unit's unpaid common element assessment or special assessment accrued before title is so acquired.

Section 11.4. Violations. Any unit owner in default in the payment of any amount due the Association or in violation of any provision of the Condominium Act, this Declaration, the Bylaws, or the Rules and Regulations of the Association, which violation continues after reasonable notice to cure by the Association to the unit owner may be prohibited by the Board of Directors from the use and enjoyment of any and all of the common elements not essential to access to the unit, in addition to all other remedies available to the Board of Directors.

ARTICLE 12

MISCELLANEOUS

If any provision of this Declaration, the Bylaws or the rules and regulations, or any section, sentence, clause, phrase, or word therein, or the application thereof in any circumstances be judicially held in conflict with any applicable laws, including, but not limited to, the Condominium Act, then the laws shall be deemed controlling; but the validity of the remainder of this Declaration, the Bylaws and rules and regulations, and the application of any such provision, section, clause, phrase, or word in other circumstances shall not be affected thereby.

If any term, covenant, provision, phrase or other element of this Declaration, the Bylaws, any deed to a Unit, or the rules and regulations is judicially held to be invalid or unenforceable for any reason whatsoever, such holdings shall not affect, alter, modify, or impair in any manner, any other term, covenant or provision, phrase or other element of such documents.

Any Unit Owner in default in the payment of any amount due the Association or in violation of any provision of the Condominium Act, this Declaration, the Bylaws, or the rules and regulations of the Association, which violation continues for thirty (30) days after notice thereof by the Association to the Unit Owner may be prohibited by the Board of Directors from the use and enjoyment of any and all of the common areas not essential to access to the Unit, in addition to all other remedies available to the Board of Directors.

Any dispute or disagreement between Unit Owners with respect to interpretation or application of this Declaration or the Bylaws or rules and regulations shall be determined by the Board of Directors, which determination shall be final and binding on all parties. In any dispute between one or more Unit Owners and the Declarant regarding the common areas, the Board of Directors shall act for the Unit Owners, and any agreement with respect thereto by the Board shall be conclusive and binding upon the Unit Owners.

Each Unit Owner, each first mortgagee of a Unit and the Association shall have a right of action against the Association or any Unit Owner failing to comply with the Declaration, Bylaws or the rules and regulations.

All claims, disputes and other matters in question between the Declarant, on the one hand, and the Association or any Unit Owners on the other hand, arising out of or relating to, this Declaration, the Bylaws, or the deed to any Unit or the breach thereof, except for claims which have been waived by the acceptance of a deed, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Notice of the demand for arbitration shall be filed in writing with the other parties and with the American Arbitration Association. The demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations or other principles of law and equity.

Any notice required or given pursuant to this Declaration to the Board of Directors of the Association or to any unit owner may be delivered to any Director or such unit owner either in person or by delivering it to his unit by mail or by hand, or as otherwise permitted by the Bylaws.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by Homewood-Pine Hill Associates, this 8 day of March, 1988.

DECLARANT:

HOMEWOOD-PINE HILL ASSOCIATES

By: _____
Neil Lamb,
General Partner

By: _____
James P. Fiori,
General Partner

By: _____
Ronald S. Smith, Jr., a/k/a Ronald Smith,
General Partner

By: _____
Ronald Smith, Sr.
General Partner

STATE OF MAINE
CUMBERLAND, SS.

March 8, 1988

Personally appeared the above-named Neil Lamb, James P. Fiori, Ronald Smith, Jr. (a/k/a Ronald Smith, Jr.) & Ronald Smith, Sr. and acknowledged the foregoing to be their free act and deed in their said capacity and the free and authorized act and deed of Homewood-Pine Hill Associates.

Before me,

_____
~~Notary Public~~/Attorney at Law

Elaine L. Clark
(Type or Print Name Above)

FIOJ02/3 PINE

Exhibit A

A certain lot or parcel of land situated in the City of Bath, County of Sagadahoc, State of Maine, being depicted on the following plans:

1. Site Plan for "Pine Hill, Bath, Maine", as approved by the Bath Planning Board on August 4, 1987, prepared by Donald P. Naetzger, II, recorded in the Sagadahoc County Registry of Deeds on September 20, 1987 in Volume 24, Page 33.

2. "Standard Boundary Survey prepared for Homewood Associates," prepared by North by East Associates, 147 Water Street, Gardiner, Maine, dated April 1987, recorded in the Sagadahoc County Registry of Deeds in Plan Book 23, Page 74 on January 29, 1987.

3. "Standard Boundary Survey prepared for Michael H. Dodge, Western Avenue, Bath, Maine" by Coastal & Woodland Surveying, 69 Center Street, Bath, Maine and recorded in the Sagadahoc County Registry of Deeds on January 29, 1987 in Volume 23, Page 74.

The premises or more particularly bounded and described as follows:

Beginning at a point on the southerly side of Western Avenue at an intersection of land now or formerly of one Jewell; thence south seventy-nine degrees, forty-eight minutes thirty seconds east one hundred and seventy seven (177.0) feet, more or less, to a point; thence south seventy-nine degrees, forty-seven minutes, twenty seconds east two hundred fifty seven point nine zero (257.90) feet, more or less, along the southerly sideline of Western Avenue and Richardson Streets to the northeasterly corner of the premises and intersection with land now or formerly of Clara C. Smart; thence south eight degrees, twenty-four minutes zero seconds west, three hundred and forty-seven point three zero (347.30) feet, more or less, by land now or formerly of said Clara C. Smart, Steven D. and Pamela Schoonhoven and the Hyde School to the southeasterly corner of the premises; thence south eighty-eight degrees, nineteen minutes twenty seconds west and then south eighty-eight degrees, nineteen minutes thirty seconds west, two hundred and sixty-two point one zero (262.10) feet along land of said Hyde School to a point; thence south thirteen degrees, forty-six minutes thirty seconds west sixty-two point nine (62.9) feet more or less, still along land of said Hyde School to a point; thence north sixty-four degrees, twenty-eight minutes zero seconds west, still along land of said Hyde School, three hundred and eighty-three point six zero (383.60) feet more or less to the southwesterly corner of the premises; thence north sixteen degrees, fifty-one minutes thirty seconds east, two hundred and thirty-seven point seven (237.7) feet more or less to a point along the easterly side of Redlon Road, so-called, and intersection with land now or formerly of Redding; thence south

fifty-six degrees, thirty-three minutes zero seconds east, one hundred point zero (100.0) feet, more or less, along land of said Redding to a point; thence north thirty-one degrees, fifty minutes thirty seconds east one hundred (100) feet, more or less, to the northeasterly corner of land of said Redding, said point being the intersection of lots now or formerly of Redding, Johanson, and Jewell; thence south eighty degrees, three minutes zero seconds east ninety-seven point seven zero (97.70) feet, more or less, along land of said Jewell to a point; thence north twenty-nine degrees, thirty-eight minutes thirty seconds east ninety-nine point nine (99.9) feet, more or less, along land of said Jewell to the point of beginning.

The premises are subject to the following rights and easements:

1. Water and sewer rights and access to them reserved in warranty deed from E. Beatrice Cummings to Phyllis H. Wade dated May 6, 1947 and recorded in the Sagadahoc County Registry of Deeds in Book 249, Page 236 and shown on "Sketch Showing Wade Lot" and recorded in said Registry of Deeds in Plan Book 5, Page 24.

2. Storm water drainage easement from Thomas R. Gallagher and Dorris V. Gallagher to City of Bath dated October 20, 1982 and recorded in Book 614, Page 173 and shown on "Plan of Easements, Gallagher and Hyde School Properties" dated May 1983 and recorded in said Registry of Deeds in Plan Book 20, Page 25.

3. Utility easement from Jane Hyde Fenn et als. to Central Maine Power Company dated September 6, 1939 and recorded in Book 211, Page 447 may effect the premises.

4. Possible rights reserved to J. Horace McClure, Naomi H. Laskey and Robert W. Donnell et als., their heirs and assigns, to use the existing roads from their property to the public highway and to enter and connect with the existing sewer, water main and power lines, as set forth in deed from E. Beatrice Cummings to Lewis Lumber Company dated November 8, 1947 and recorded in Book 254, Page 51.

5. The premises are shown on a survey entitled "Standard Boundary Survey for Michael H. Dodge, Western Avenue, Bath, Maine", prepared by Coastal and Woodland Surveying, dated December 22, 1986, and recorded in Sagadahoc County Registry of Deeds in Plan Book 23, Page 74.

a. The survey shows sewer lines crossing the premises for which there is no easement on record.

For grantor's title, reference is made to deed from Homewood Associates and Ronald S. Smith, Jr., dated December 9, 1987 and recorded in the Sagadahoc County Registry of Deeds in Book 857, Page 138.

Exhibit B

PINE HILL CONDOMINIUM

Unit	Percentage Interest in Common Elements and Common Expense Liability	Vote in Association
1	4%	1
2	4%	1
3	4%	1
4	4%	1
5	4%	1
6	4%	1
7	4%	1
8	4%	1
9	4%	1
10	4%	1
11	4%	1
12	4%	1
13	4%	1
14	4%	1
15	4%	1
16	4%	1
17	4%	1
18	4%	1
19	4%	1
20	4%	1
21	4%	1
22	4%	1
23	4%	1
24	4%	1
25	4%	1