

DECLARATION
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DECLARATION

SOUTH MILL VILLAGE

STILL HILL DEVELOPMENT CORPORATION, A Connecticut corporation with an office at Glastonbury, Connecticut does hereby declare:

ARTICLE I: SUBMISSION OF PROPERTY

Declarant submits the Property in the Town of Glastonbury, Connecticut described in Exhibit D-1, to the provisions of the Common Interest Ownership Act, (Public Act 83-474, as amended by Public Act 84-472) of the Connecticut General Statutes, for the purpose of creating SOUTH MILL VILLAGE and making the improvements shown on the Survey and Plans attached as Exhibits D-2 and D-3 .

ARTICLE II: DEFINITIONS

In the Condominium Instruments, the following words and phrases mean:

Section 2.1 - Act. The Common Interest Ownership Act, (Public Act - 83-474, as amended by Public Act 84-472) of the Connecticut General Statutes, and as it may be amended from time to time.

Section 2.2 - Allocated Interests. The undivided interest in the Common Elements, the Common Expense liability, and Votes in the Association, allocated to the Units in the Condominium. The Allocated Interests are described in ARTICLE IX of the Declaration and shown on Exhibit D-4.

Section 2.3 - Association. SOUTH MILL VILLAGE ASSOCIATION, INC., a non-stock corporation organized under the laws of the State of Connecticut. It is the Association of Unit Owners organized pursuant to Section 44 of the Act. This Association is not operated for profit.

Section 2.4 - Bylaws. The Bylaws of the Association, as they may be amended from time to time.

Section 2.5 - Common Elements. All portions of the Condominium other than the Units.

Section 2.6 - Common Expenses.

- (a) Expenses of administration, maintenance, repair or replacement of the Common Elements;
- (b) Expenses declared to be Common Expenses by the Instruments or by the Act;
- (c) Expenses agreed upon as Common Expenses by the Association; and
- (d) Such reserves as may be established by the Association whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association.
- (e) Any judgment rendered against the Association.

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Section 2.7 - Common Interest Community. The real property described in Exhibit D-1, subject to the Declaration of SOUTH MILL VILLAGE. Also, any additional real property added by amendment to this Declaration.

Section 2.8 - Condominium. A form of Common Interest Community in which portions of the real property are designated for separate ownership and the remainder of the real property is designated for common ownership. In a Condominium the undivided interests in the Common Elements are vested solely in the Unit owners.

Section 2.9 - Declarant. Still Hill Development Corporation, a Connecticut corporation or its successor as defined in Subsection 3(12) of the Act.

Section 2.10 - Declaration. This document, including any amendments.

Section 2.11 - Development Rights. The rights reserved by the Declarant under ARTICLE VIII or this Declaration to (a) create Units and Limited Common Elements within the Condominium; (b) add real property to the Condominium; (c) subdivide Units; (d) convert Units into Common Elements; or (e) withdraw real property from the Condominium.

Section 2.12 - Director. A member of the Executive Board.

Section 2.13 - Eligible Insurer or Mortgagee. The holder, insurer or guarantor of a first security interest given certain rights to receive notice, approve amendments and take the actions provided in ARTICLE XVIII of this Declaration.

Section 2.14 - Executive Board. The Board of Directors of the Association.

Section 2.15 - Improvements. Any construction or facilities existing or to be constructed on the land included in the Condominium, including but not limited to buildings, trees and shrubbery, paving, utility wires, pipes, and light poles.

Section 2.16 - Instruments. The Declaration, Survey and Plans, or any amendments thereto, recorded and filed pursuant to the provisions of the Act, and the Bylaws and Rules as amended from time to time. Any exhibit, schedule or certification accompanying an Instrument is a part of that Instrument.

Section 2.17 - Limited Common Elements. A portion of the Common Elements allocated by the Declaration or by the operation of Subsection (2) or (4) of Section 22 of the Act for the exclusive use of one or more but fewer than all of the Units. The Limited Common Elements in this Condominium are described in ARTICLE VI of this Declaration.

Section 2.18 - Majority or Majority of Unit Owners. The owners of more than fifty percent (50%) of the Votes in the Association. Any specified percentage, portion or fraction of Unit Owners, unless otherwise stated in the Instruments, means such percentage, portion or fraction in the aggregate of such portion of Votes.

Section 2.19 - Manager. A person, firm or corporation employed or engaged to perform management services for the Condominium and the Association.

Section 2.20 - Notice and Comment. The right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. The procedures for notice and comment are set forth in Section 25.1 of this Declaration.

Section 2.21 - Notice and Hearing. The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for notice and hearing are set forth in Section 25.2 of this Declaration.

Section 2.22 - Offer. Any advertisement, inducement, solicitation or attempt to encourage any person to acquire any interest in a Unit, other than as security for an obligation.

Section 2.23 - Person. An individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

Section 2.24 - Plans. The plans filed with this Declaration as Exhibit D-3, or amendments thereto.

Section 2.25 - Property. The land, all improvements, easements, rights and appurtenances which have been submitted to the provisions of the Act by this Declaration.

Section 2.26 - Purchaser. A person, other than a Declarant or a dealer, who by means of a voluntary transfer acquires a legal or equitable interest in a Unit, other than a tenant or lessee or a person holding a security interest.

Section 2.27 - Residential Purposes. Use for dwelling or recreational purposes, or both.

Section 2.28 - Rules. Rules for the use of Units and Common Elements and the conduct of persons within the Condominium, adopted by the Executive Board pursuant to the Declaration and Bylaws.

Section 2.29 - Security Interest. An interest in real property or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The Term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, collateral assignment, financing statement, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and other consensual lien or title retention contract intended as security for an obligation.

Section 2.30 - Special Declarant Rights. Rights reserved for the benefit of a Declarant to (a) complete improvements indicated on surveys and plans filed with this Declaration, or amendments thereto; (b) exercise any Development Right; (c) maintain sales, offices, management offices, trailers, signs advertising the Condominium, and models; (d) use easements through the Common elements for the purpose of making improvements within the Condominium or within real property which may be added to the Condominium; (e) merge or consolidate the Condominium with another condominium; (f) appoint or remove any officers of the Association or any Executive Board member during any period of Declarant control; or (g) reallocate the interests of the Unit Owners in conjunction with the exercise of

Development Rights. These provisions are set forth in Section 8.4 of this Declaration.

Section 2.31 - Survey. The survey or surveys filed with this Declaration as Exhibit D-2, or any revisions thereof.

Section 2.32 - Trustee. The person who may be designated pursuant to this Declaration, Section 23.12 and the Bylaws, as the Trustee for the receipt, administration, and disbursement of funds for insurance, casualty loss, condemnation or other similar funds.

Section 2.33 - Unit. A physical portion of the Condominium designate or separate ownership or occupancy, the boundaries of which are described in Section 5.2.

Section 2.34 - Unit Owner. The Declarant or other person who owns a Unit, but not a person having an interest in a Unit solely as security for an obligation. The Declarant is the initial owner of any Unit created by this Declaration.

Section 2.35 - Votes. The Votes allocated to each Unit as shown on Exhibit D-4.

ARTICLE III: NAME AND TYPE OF COMMON INTEREST COMMUNITY AND ASSOCIATION

Section 3.1 - Common Interest Community. The name of the Common Interest Community is SOUTH MILL VILLAGE. The Common Interest Community is a Condominium.

Section 3.2 - Association. The name of the Association is SOUTH MILL VILLAGE ASSOCIATION, INC. It is a non-stock corporation organized under the laws of the State of Connecticut.

ARTICLE IV: DESCRIPTION OF LAND

The entire Condominium is situated in the Town of Glastonbury, Connecticut. A legal description of the Condominium is found in Exhibit D-1. The recording data for recorded easements and licenses affecting the Common Interest Community is referred to in Exhibit D-5.

ARTICLE V: MAXIMUM NUMBER OF UNITS: BOUNDARIES

Section 5.1 - Number of Units. The Condominium presently contains eight Units. The Declarant reserves the right to create up to a total of two hundred sixty-two (262) Units.

Section 5.2 - Boundaries. Boundaries of each Unit created by the Declaration are located on the Survey and Plans and are more particularly described as follows:

- (a) Upper Boundary: The horizontal or sloping plane or planes of the unfinished lower surfaces of the roof bearing structure surfaces, beams, and rafters and of closed fireplace dampers, extended to an intersection with the vertical perimeter boundaries.
- (b) Lower Boundary: The horizontal plan or planes of the undecorated or unfinished upper surfaces of the

basement floors or slabs, extended to an intersection with the vertical perimeter boundaries.

- (c) Vertical Perimeter Boundaries: The planes defined by the inner surfaces of the studs and framing of the perimeter walls; the unfinished inner surfaces of poured concrete walls; the unfinished inner surfaces of the interior trim, fireplaces, and thresholds along perimeter walls and floors; the unfinished inner surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of all interior bearing studs and framing of bearing walls, columns, bearing partitions, and partition walls between separate Units.
- (d) Inclusions: Each Unit shall include the spaces and improvements lying within the boundaries described in Section 5.2(a), (b) and (c) above and shall also include the spaces and the improvements within such spaces containing any space heating, water heating and air conditioning apparatus and all electrical switches, wiring, pipes, ducts, conduits, and television, telephone and electrical receptacles and light fixtures and boxes serving that Unit exclusively, the surface of the foregoing being the boundaries of such Unit, whether or not such spaces are contiguous.
- (e) Exclusions: Except when specifically included by other provisions of Section 5.2, the following are excluded from each Unit: The spaces and improvements lying outside of the boundaries described in Section 5.2(a), (b) and (c) above and all chutes, pipes, flues, ducts, wires, conduits, and other facilities running through any interior wall or partition for the purpose of furnishing utility and similar services to other Units and Common Elements.
- (f) Inconsistency with Plans: If this definition is inconsistent with the Plans, then this definition shall control.

Section 5.3 - Identification of Units. All Units are identified by number and are shown on the Survey or Plans or both.

ARTICLE VI: LIMITED COMMON ELEMENTS

Section 6.1 - Limited Common Elements. The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

- (a) If any chute, flue, duct, wire, conduit, bearing wall, bearing column or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.
- (b) Any shutters, awnings, window boxes, mail boxes, doorsteps, stoops, porches, balconies, decks, patios, private landscaped areas with a depth of not more than eighteen feet (18') in the front and rear of Units, and

seven and one-half (7½) feet in depth on sideyards for end Units, and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit. The approximate location and dimensions of the porches, balconies, decks, patios and private landscaped areas shall be shown on the survey filed with the Declaration of that Unit.

- (c) Detached garages, the use of which is limited to the Units to which they are assigned as shown on the Survey and Exhibit D-4.
- (d) Chimneys in buildings, the use of which is limited to one (1) or more Units, but less than all Units.
- (e) Exterior storage and utility areas, the use of which is limited to the Unit or Units as shown on the Plans.
- (f) Meters for water, gas or electric service serving one (1) or more Units, but less than all Units.
- (g) Air conditioning components serving one (1) or more Units, but less than all Units.
- (h) Assigned parking spaces adjacent to or in close proximity to the Units, the use of which is limited to the Unit or Units as shown on the survey.

As to each of the foregoing, a right of use is reserved as an appurtenance to the particular Unit or Units as described above. The fee ownership of the Limited Common Elements is vested in all the Unit Owners.

ARTICLE VII: SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS

Subject to approval by the Glastonbury Town Plan and Zoning Commission, that portion of the Common Elements shown as unassigned parking spaces on the Survey may be subsequently allocated as Limited Common Elements. Any such allocation may be made in accordance with Section 8.1(g) by the Declarant or any successor holding Development Rights on that parcel. Following the release of those Development Rights by the Declarant or its successor, the Association may exercise the same rights by Amendment of this Declaration. Reference is made to ARTICLE XV regarding the procedures to be followed.

ARTICLE VIII: DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Section 8.1 - Reservation of Development Rights. The Declarant reserves the following Development Rights:

- (a) The right to create Units, Common Elements, and Limited Common Elements in the location shown as "Development Rights Reserved in this Area" on the Survey and Plans;
- (b) The right to add real property to the Condominium. The description of the land which may be added to the Condominium is contained in Exhibit D-7 and shown as "Additional Land" on the Survey shown in Exhibit D-2;

- (c) The right to subdivide Units in the location shown as "Development Rights Reserved in This Area" on the Survey and Plans;
- (d) The right to convert Units into Common Elements in the location shown as "Development Rights Reserved in This Area" on the Survey and Plans;
- (e) The right to withdraw real property ~ from the Condominium in the location shown as Development Rights Reserved in This Area" on the Survey and Plans.
- (f) The right to grant easements to public utility companies or the municipality and to convey improvements within those easements, and the right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities across the real estate designated "Development Rights Reserved in This Area" on the Survey for the purpose of furnishing utilities, passage and other services to buildings and improvements to be constructed on the real estate designated "Development Rights Reserved in This Area". If the Declarant grants any such easements, Exhibit D-5 shall be amended to include reference to the recorded easements.
- (g) The right to allocate as Limited Common Elements a number of parking spaces on the land designated "Development Rights Reserved in This Area" but subject to the approval of the Glastonbury Town Plan and Zoning Commission.

Section 8.2 - Limitations on Development Rights. The Development Rights reserve in Section 8.1 above are limited as follows:

- (a) The Development Rights may be exercised at any time, but not later than twenty-one (21) years after the recording of this initial Declaration;
- (b) The number of Units in any phase may not exceed that approved by the Glastonbury Town Plan and Zoning Commission;
- (c) The number of garages or parking spaces in any phase may not be less than those required by the Glastonbury Town Plan and Zoning Commission;
- (d) All buildings and improvements constructed within Phase I under the Development Rights will be architecturally consistent with the buildings and improvements constructed pursuant to this Declaration as initially recorded;
- (e) All residential Units and Common Elements within Phase I created pursuant to the Development Rights will be restricted to residential use in the same manner and to the same extent as the Units created under the initial Declaration;
- (f) No Development Rights may be exercised unless approved pursuant to Section 18.5;
- (g) Termination of the Development Rights referred to above may be affected by:

- (i) Expiration of the twenty-one (21) year period; or
- (ii) The filing of duly executed releases by persons holding such rights.

Section 8.3 - Phasing of Development Rights. No assurances are made by the Declarant regarding the areas shown in these Instruments as "Development Rights Reserved in This Area" as to portions where the Declarant will exercise its Development Rights or the order in which such portions or all of the areas will be developed. However, real property added to the Condominium will be contiguous. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions.

Section 8.4 - Special Declarant Rights. The Declarant reserves the following Special Declarant Rights, which may be exercised-anywhere within the Condominium, the right:

- (a) To complete improvements indicated on the Surveys and Plans filed with this Declaration or amendments thereto;
- (b) To exercise any Development Rights reserved in this Declaration or any amendments thereto;
- (c) To maintain trailers, sales offices, management offices, signs advertising the Condominium, and models;
- (d) Use easements through the Common Elements for the purpose of making improvements within the Condominium or within real property which may be added to the Condominium;
- (e) To merge or consolidate the Condominium with another Condominium;
- (f) To appoint or remove any officer of the Association or any executive member during any period of Declarant control subject to Section 8.8 of this Declaration; and
- (g) To reallocate the interests of the Unit Owners and amend the Declaration in conjunction with the exercise of Development Rights.

Section 8.5 - Models.

- (a) As long as the Declarant is a Unit Owner, the Declarant and its duly authorized agents, representatives and employees may maintain any Unit owned by the Declarant or any portion of the Common Elements as a model Unit or sales office or management office.
- (b) Subject to the approval of the Glastonbury Town Plan and Zoning Commission, the Declarant reserves the right to design and construct other models architecturally consistent with existing models, but not referred to in Exhibit D-4 or Plans as initially filed, in areas shown on Surveys as "Development Rights Reserved in This Area".

Section 8.6 - Construction; Declarant's Easement. The Declarant reserves the right to perform warranty work, and repairs and construction work, and to store materials in secure areas, in Units and Common Elements, and the further right to

control all such work and repairs, and the right to access thereto, until its completion. All work may be performed by the Declarant without the consent or approval of the Executive Board. The Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant Rights, whether arising under the Act or reserved in this Declaration.

Section 8.7 - Signs and Marketing. The Declarant reserves the right to post signs and displays in the Common Elements to promote sales of Units, and to conduct general sales activities, in a manner as will not unreasonably disturb the rights of the Unit Owners.

Section 8.8 - Declarant Control of the Association.

- (a) Subject to Subsection 8.8(b): There shall be a period of Declarant control of the Association, during which the Declarant, or persons designated by it, may appoint and remove the officers and members of the Executive Board. The period of Declarant control terminates no later than the earlier of: (i) sixty (60) days after conveyance of sixty percent (60%) of the Units that may be created to Unit Owners other than a Declarant; (ii) two (2) years after all Declarants have ceased to offer Units for sale in the ordinary course of business; or (iii) two (2) years after any right to add new Units was last exercised.
- (b) Not later than sixty (60) days after conveyance of one-third of the Units that may be created to Unit Owners other than a Declarant, at least one (1) member and not less than one-third of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.
- (c) Except as otherwise provided in Subsection 8.8(b), not later than the termination of any period of Declarant control the Unit Owners shall elect an Executive Board of at least three (3) members, all of whom shall be Unit Owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.
- (d) Notwithstanding any provision of this Declaration or Bylaws to the contrary, the Unit Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Executive Board with or without cause, other than a member appointed by the Declarant.
- (e) Within thirty (30) days after Unit Owners other than the Declarant elect a majority of the members of the Executive Board, the Declarant shall deliver to the Association all property of the Unit Owners and of the Association held by or controlled by the Declarant, including without limitation the following items:
 - (1) The original or a certified copy of the recorded Declaration as amended, the Association Articles of Incorporation, Bylaws, Minute Books and other books and records of the Association, and any Rules and Regulations which may have been promulgated;

- (2) An accounting for Association funds and financial statements, from the date the Association received funds and ending on the date the period of Declarant control ends. The financial statements shall be audited by an independent Certified Public Accountant and shall be accompanied by the accountant's letter expressing either (a) the opinion that the financial statements present fairly the financial position of the Association in conformity with generally accepted accounting principles, or (b) a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles, and the reasons therefor. The expense of the audit shall not be paid for or charged to the Association;
 - (3) Association funds or control thereof;
 - (4) All tangible personal property that has been represented by the Declarant to be the property of the Association, and inventories of these properties;
 - (5) A copy of any plans and specifications used in the construction of the improvements in the Common Interest Community;
 - (6) All insurance policies then in force in which the Unit Owners, the Association or its Directors and Officers are named as insured persons;
 - (7) Copies of any Certificates of Occupancy that may have been issued with respect to any improvements comprising the Common Interest Community;
 - (8) Any other permits issued by governmental bodies applicable to the Common Interest Community and which are currently in force or which were issued within one (1) year prior to the date on which Unit Owners other than the Declarant took control of the Association;
 - (9) Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective;
 - (10) A roster of Unit Owners and mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;
 - (11) Employment contracts in which the Association is a contracting party; and
 - (12) Any service contract in which the Association is a contracting party or in which the Association or the Unit Owners have any obligation to pay a fee to the persons performing the services.
- (f) Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant control. But, in that event, the Declarant may require, for the duration of the period of

Declarant control, that specified actions of the Association or Executive Board, as described in a recorded Instrument executed by the Declarant, be approved by the Declarant before they become effective.

- (g) The Declarant reserves the right to retain all personal property and equipment used in sales, management, construction and maintenance of the premises that has not been represented as property of the Association. All of the Declarant's personal property that is necessary for, and has been used exclusively in the operation and enjoyment of the Common Elements will remain the Declarant's property. The Declarant reserves the right to promptly remove such property after the sale of the last Unit, whether or not they have become fixtures.
- (h) During the period of Declarant control, the Declarant shall, at least every six (6) months, provide the Unit Owners with a current financial statement of the Association. The statement shall be on a cash basis, and need not be audited by an independent accountant. It shall include, without limitation:
- (1) All income and expenses for the calendar year to date;
 - (2) All accounts payable and receivable, including the ages of those accounts and showing all sums due to and from the Declarant and affiliates of the Declarant;
 - (3) The amount of any funded replacement reserves; and
 - (4) The balance of any other funds of the Association.

Section 8.9 - Limitations on Special Declarant Rights. Unless sooner terminate by a recorded Instrument execute by the Declarant, any Special Declarant Right may be exercised by the Declarant so long as: (1) the Declarant is obligated under any warranty or obligation; (2) owns any Units or any Security Interest on any Units; (3) holds a Development Right to create additional Units or Common Elements; or (4) for twenty-one (21) years after recording the Declaration, whichever is sooner. Earlier termination of certain rights may occur by Statute.

Section 8.10 - Transfer of Special Declarant Rights. A Special Declarant Right, create or reserve under this Declaration may be transferred only by an instrument evidencing the transfer recorded in any town wherein any portion of the Condominium is located.

Section 8.11 - Interference With Special Declarant Rights. Neither the Association nor any nit Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

ARTICLE IX: ALLOCATED INTERESTS

Section 9.1 - Allocation of Interests. The table showing Unit numbers and their allocated interests is attached as Exhibit D-4. These interests have been allocated in accordance with the formulas set out in this ARTICLE IX. These formulas are to be

used in reallocating interests if Units are added, or if Units are dissolved by the consolidation of one (1) or more Units in the Condominium, or if Units are converted into Common Elements.

Section 9.2 - Formulas for the Allocation of Interests. The interests allocated to each Unit have been calculated on the following formulas:

- (a) Undivided Interest in the Common Elements. The percentage of undivided interest in the Common Elements allocated to each Unit is based on the relative floor area of each Unit, including floor areas, if applicable, of Limited Common Elements referred to in Section 6.1, as compared to the floor area of all of the Units in the Condominium, including their Limited Common Elements. For the purpose of this calculation, the floor areas of exterior storage areas, detached garages and basements, but not crawl spaces or attics, are to be counted.
- (b) Liability for Common Expenses. The percentage of liability or Common Expenses allocated to each Unit is based on the relative floor area of each Unit, including floor areas, if applicable, of Limited Common Elements referred to in Section 6.1, as compared to the floor areas of all of the Units in the Condominium, including their Limited Common Elements. For the purpose of this calculation, the floor areas of exterior storage areas, detached garages and basements, but not crawl spaces or attics are to be counted. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Section 9.3 of this Declaration.
- (c) Liability for Common Elements Subject to Development Rights. During the period when the Declarant or its successor holds Development Rights over a portion of the Condominium, that portion of the Common Elements shall be the sole financial responsibility of the Declarant or its successor in accordance with the provisions of Section 5(c), 50(b) and 54 of the Act. Owners of Units created in phases subject to Development Rights will share assessments proportionally with other Unit Owners for Common Elements not subject to Development Rights.
- (d) Common Charge Adjustments and Assessments. As Units are created, or dissolved by consolidation of one (1) or more Units in the Condominium, or converted to Common Elements, on the first day of the month following the creation or dissolution of a Unit, the monthly assessments shall be adjusted in accordance with the formulas of this ARTICLE. Until the Association makes a Common Expense assessment, the Declarant shall pay all Common Expenses. After the assessment has been made by the Association, assessments shall be payable monthly, based on a budget adopted at least annually by the Association. If Common Expense liabilities are reallocated, Common Expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities. Any past due Common Expense assessment or installment thereof shall bear interest at the rate established by the Association as set forth in the

Bylaws but not exceeding eighteen percent (18%) per annum.

- (e) Votes. Each Unit in the Condominium shall have one (1) equal vote. Any specified percentage, portion or fraction of Unit Owners, unless otherwise stated in the Documents, means the specified percentage, portion, or fraction of all the Votes as allocated in Exhibit D-4.

Section 9.3 - Common Expenses Attributable to Fewer Than All Units.

- (a) Any Common Expense associated with the maintenance, repair or replacement of air conditioners or related equipment shall be assessed against the Unit or Units to which the Limited Common Element is assigned. Common Expenses associated with the maintenance, repair or replacement of other Limited Common Elements shall be assessed against each Unit in accordance with its Allocated Common Expense liability.
- (b) Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from such service.
- (c) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit.
- (d) Assessments to pay a judgment against the Association may be made only against the Units in the Condominium at the time the judgment was rendered, in proportion to their Common Expense liabilities.
- (e) If any Common Expense is caused by the misconduct of any Unit Owner, the Association may, after notice and hearing, assess that expense exclusively against his Unit.
- (f) If not separately metered, the costs of utilities shall be assessed in proportion to Unit floor area.
- (g) Fees, charges, late charges, fines and interest charged against a Unit Owner pursuant to the Instruments and the Act are enforceable as Common Expense assessments.

ARTICLE X: RESTRICTIONS ON USE, ALIENATION OR OCCUPANCY

Section 10.1 - Use and Occupancy Restrictions. Subject to the Special Declarant Rights reserved under ARTICLE VIII, the following use restrictions apply to Units and to the Common Elements:

- (a) All Units shall be used for residential purposes only.
- (b) No immoral, improper, offensive or unlawful use shall be made of the Condominium or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies, including the Association of this Condominium, shall be observed.
- (c) Parking spaces and garages designated as Limited Common areas are restricted to use by Unit Owners, their

tenants and invitees for parking of vehicles and the usual storage connected with home ownership. The parking of trucks, boats, commercial vehicles and campers is specifically prohibited.

- (d) The use of the Common Elements is subject to the Bylaws and the Rules of the Association as established.
- (e) For any period during which any assessed Common Charge remains unpaid, or for any period not to exceed thirty (30) days, for any infraction of its published Rules, the Executive Board may suspend the rights to use the Common Elements, except the right to access to the public street.

Section 10.2 - Restrictions on Alienation.

- (a) No Unit Owner shall be permitted to lease his Unit for transient or hotel purposes. No Unit Owner may lease less than the entire Unit. Any lease agreement shall be in writing and shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Bylaws and the Rules, as established and amended from time to time. The lease shall further provide that failure by the lessee to comply with the terms of the Instruments shall constitute a default under the lease.
- (b) A Unit may not be conveyed pursuant to a time sharing plan as defined under Chapter 734b of the Connecticut General Statutes.
- (c) A Unit may not be leased for a term of less than one hundred eighty (180) days.
- (d) The Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the Common Elements made without the Unit to which the interest is allocated is void.

Section 10.3 - Restrictions on Amount For Which a Unit May be Sold. There are no restrictions on the amount that may be received by a Unit Owner on sale, condemnation or casualty loss to a Unit or the Common Elements, except those Units of moderate income housing referred to in Section 10.4.

Section 10.4 - Restrictions on Moderate Income Housing Units. Notwithstanding the provisions of sections 10.1 and 10.2 above, Units in this Condominium to be dedicated as Moderate Income Housing Units and administered by the Town of Glastonbury Moderate Price Housing Program shall be subject to the Rules and Regulations of the Moderate Price Housing Program. Should inconsistencies exist between this Declaration, the Bylaws or the Rules, as established or amended from time to time, and those of the Moderate Price Housing Program, then in that event, the Rules and Regulations of the Moderate Price Housing Program shall govern the use, alienation or occupancy of those Units only. Reference is made to a document dated December 20, 1983 on file in the Glastonbury Land Records, Volume 283, Page 56, and as the same may be amended from time to time by the Town of Glastonbury. See Exhibit D-6 attached hereto.

ARTICLE XI: EASEMENTS AND LICENSES

All easements or licenses appurtenant to or which the Common Elements are subject are listed in Exhibit D-5 to this Declaration.

ARTICLE XII: REALLOCATION AND
ALLOCATION OF LIMITED COMMON ELEMENTS

Section 12.1 - Reallocation of Depicted Limited Common Elements. Limited Common Elements depicted on the Survey or Plans may be reallocated by an amendment to this Declaration executed by the Unit Owners between or among whose Units the reallocation is made. Detached garages and assigned parking spaces may not be reallocated between Unit Owners except by approval of the Glastonbury Town Plan and Zoning Commission and only after the Declarant has released its development rights on that parcel. The persons executing the amendment shall provide a copy thereof to the Association, which shall record it. The amendment shall be recorded in the names of the parties and the Condominium and shall specify to which Unit or Units the Limited Common Element is allocated.

Section 12.2 - Allocation of Limited Common Elements Not Previously Allocated. Common Element not previously allocated as a Limited Common Element may be so allocated only pursuant to provisions in ARTICLE VII of this Declaration. The allocations shall be made by amendments to this Declaration.

ARTICLE XIII: ADDITIONS, ALTERATIONS AND IMPROVEMENTS

Section 13.1 - Additions, Alterations and Improvements by Unit Owners.

- (a) No Unit Owner shall make any structural addition, structural alteration, or structural improvement in or to the Condominium without the prior written consent thereto of the Executive Board. The Executive Board shall answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement after Notice and Hearing within sixty (60) days after such request. Failure to do so within such time shall not constitute a consent by the Executive Board to the proposed action. The Executive Board shall review requests in accordance with the provisions of its Rules.
- (b) Subject to Subsection 13.1(a), a Unit Owner:
 - (1) May make any other improvements or alterations to the interior of his Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium;
 - (2) May not change the appearance of the Common Elements, or the exterior appearance of a Unit or any other portion of the Condominium, without permission of the Executive Board;
 - (3) After acquiring an adjoining Unit or an adjoining part of an adjoining Unit, may remove or alter any intervening partition or create apertures therein,

even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this Subsection is not an alteration of boundaries.

- (c) Any applications to any department or to any governmental authority for a permit to make any addition, alteration or improvement in or to any Unit shall be executed by the Association only. Such execution will not, however, create any liability on the part of the Association or any of its members to any contractor, sub-contractor or materialman on account of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.
- (d) All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the Owners of any Units other than those affected by such change.

Section 13.2 - Additions Alterations and Improvements by Executive Board. Subject to the limitations of Sections 19.2 and 19.3 of this Declaration, the Executive Board may make any additions, alterations or improvements to the Common Elements which, in its judgment, it deems necessary.

ARTICLE XIV: RELOCATION OF BOUNDARIES BETWEEN ADJOINING UNITS

Section 14.1 - Application and Amendment. Subject to approval of any structure changes pursuant to ARTICLE XIII, the boundaries between adjoining Units may be relocated by an amendment to this Declaration on application to the Association by the owners of those Units. If the owners of the adjoining Units have specified a reallocation between their Units of their allocated interests, the application shall state the proposed reallocations. Unless the Executive Board determines, within thirty (30) days after receipt of the application, that the reallocations are unreasonable, the Association shall consent to the reallocation and prepare an amendment that identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment shall be executed by those Unit Owners, contain words of conveyance between them, and the approval of all Security Interests in the affected Units and endorsed thereon. On recordation, the amendment shall be indexed in the name of the grantor and the grantee, and in the grantee's index in the name of the Association.

Section 14.2 - Recording Amendments. The Association shall prepare and record Surveys or Plans necessary to show the altered boundaries between adjoining Units, and their dimensions and identifying numbers.

The applicants shall pay for the costs of preparation of the amendment and its recording.

ARTICLE XV: AMENDMENTS TO DECLARATION

Section 15.1 - General. Except in cases of amendments that may be executed by the Declarant in the exercise of its Development Rights or by the Association under ARTICLES VII, XXIV and XXVII or by certain Unit Owners under ARTICLE XII and XIV of this Declaration and Section 38 of the Act, and except as prohibited in this ARTICLE and ARTICLE XVIII, this Declaration including the Surveys and Plans may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the Votes in the Association are allocated.

Section 15.2 - Limitation of Challenges. No action to challenge the validity of an amendment adopted by the Association pursuant to this Section may be brought more than one (1) year after the amendment is recorded.

Section 15.3 - Recordation of Amendments. Every amendment to this Declaration shall be recorded in every town in which any portion of the Condominium is located and is effective only on recordation. An amendment except an amendment pursuant to ARTICLE XIV of this Declaration shall be indexed in the grantee's index in the name of the Condominium and the Association and in the grantor's index in the name of the parties executing the amendment.

Section 15.4 - When Unanimous Consent Required. Except to the extent expressly permitted or required by other provisions of the Act and this Declaration, no amendment may create or increase Special Declarant Rights, increase the number of Units, change the boundaries of any Unit, the Allocated Interests of a Unit, or the uses to which any Unit is restricted, in the absence of unanimous consent of the Unit Owners.

Section 15.5 - Execution of Amendments. Amendments to this Declaration require by this Act to be recorded by the Association, which have been adopted in accordance with the Declaration and the Act, shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of the designation, by the president of the Association.

Section 15.6 - Special Declarant Rights. Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.

Section 15.7 - Consent of Holders of Security Rights. Amendments are subject to the consent requirements of ARTICLE XVIII.

ARTICLE XVI: AMENDMENTS TO BYLAWS

The Bylaws may be amended only by Vote of two-thirds of the members of the Executive Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purposes.

ARTICLE XVII: TERMINATION

Termination of the Condominium may be accomplished only in accordance with Section 38 of the Act, but subject to the Notice and Consent requirements of ARTICLE XVIII.

ARTICLE XVIII: MORTGAGEE PROTECTION

Section 18.1 - Introduction. This ARTICLE establishes certain standards and covenants which are for the benefit of the holders, guarantors and insurers of certain Security Interests as identified in Section 18.2 below. This ARTICLE is supplemental to, and not in substitution for, any other provisions of the Condominium, but in case of conflict, this ARTICLE shall control.

Section 18.2 - Definitions. As used in this ARTICLE, the following terms are defined:

- (a) Eligible Mortgagee: The holder of a first Security Interest on a Unit who has notified the Association, in writing, of its name and address, and that it holds a first Security Interest on a Unit. Such notice shall be deemed to include a request that the Eligible Mortgagee be given notices and other rights described in this ARTICLE.
- (b) Eligible Insurer: An insurer or guarantor of a first Security Interest who has notified the Association in writing of its name and address and that it has insured or guaranteed a first Security Interest on a Unit. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in this ARTICLE.
- (c) Percentage of Eligible Mortgagees: Wherever in this ARTICLE the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent by Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them such specified percentage of Votes in the Association when compared to the total allocated to all Units then subject to Security Interests held by Eligible Mortgagees.

Section 18.3 - Notice of Actions: The Association shall give prompt written notice to each Eligible Mortgagee and eligible insurer of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit in which there is a first Security Interest held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable.
- (b) Any delinquency in the payment of Common Expense assessments owed by an Owner whose Unit is subject to a first Security Interest held, insured, or guaranteed, by such Eligible Mortgagee or Eligible insurer, which remains uncured for a period of sixty (60) days.
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the
Section 18.4 - Prior Consent Required.
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 18.4.
- (e) Any judgment rendered against the Association.

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Section 18.4 - Prior Consent Required.

- (a) Document Changes. Notwithstanding any lower requirement permitted by this Declaration or the Act, no amendment of any material provision of the Instruments by the Association or Unit Owners described in this Subsection 18.4(a) may be effective without the Vote of at least sixty-seven percent (67%) of the Unit Owners (or any greater Unit Owner Vote required in this Declaration or the Act) and until approved in writing by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Development Right. Material includes, but is not limited to, any provision affecting:
- (1) Assessments, assessment liens or subordination of assessment liens;
 - (2) Voting rights;
 - (3) Reserves for maintenance, repair and replacement of Common Elements;
 - (4) Responsibility for maintenance and repairs;
 - (5) Reallocation of interests in the Common Elements or Limited Common Elements (except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only the Eligible Mortgagees holding Security Interests in such Units must approve such action);
 - (6) Rights to use Common Elements and Limited Common Elements;
 - (7) Boundaries of Units (except that when boundaries of only adjoining Units are involved, then only those Unit Owners and the Eligible Mortgagees with Security Interests on such Unit or Units must approve such action);
 - (8) Convertibility of Units into Common Elements or Common Elements into Units;
 - (9) Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;
 - (10) Insurance or fidelity bonds;
 - (11) Leasing of Units;
 - (12) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
 - (13) Establishment of self-management when professional management had been required previously by an Eligible Mortgagee of a Unit;
 - (14) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the Instruments;
 - (15) Termination of the Condominium after occurrence of substantial destruction or condemnation; and

(16) Any provision that expressly benefits the mortgage holders, insurers or guarantors.

(b) Actions. Notwithstanding any lower requirement permitted by the Declaration or the Act, the Association may not take any of the following actions without the approval of at least fifty-one percent (51%) of the Eligible Mortgagees or such higher percentage as set forth herein:

- (1) The conveyance or encumbrance of the Common Elements or any portion thereof (as to which an eighty percent (80%) Eligible Mortgagee approval is required). (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause);
 - (2) The establishment of self-management when professional management had been required previously by any Eligible Mortgagee;
 - (3) The restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Instruments;
 - (4) Termination of the Condominium (as to which a sixty-seven percent (67%) Eligible Mortgagee approval is required);
 - (5) The alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), in which case only the Owners of Units affected and Eligible Mortgagees of those Units need approve the action;
 - (6) The merger of this Condominium with any other Condominium;
 - (7) The granting of any easements, leases, licenses and concessions rough or over the Common Elements (excluding, however, any utility easements serving or to serve the Condominium and excluding any leases, Condominium licenses or concessions for no more than one (1) year);
 - (8) The assignment of the future income of the Association, including its rights to receive Common Expense assessments; and
 - (9) Any action taken not to repair or replace the Property.
- The foregoing consents do not apply to the exercise of any Development Rights.

(c) The Association may not change the period for collection of regularly budgeted Common Expense Assessments to other than monthly without the consent of all Eligible Mortgagees.

Section 18.5 - Development Rights. No Development Rights may be exercised or voluntarily abandoned or terminated by the Declarant unless all persons holding Security Interests in the

Development Rights consent to the exercise, abandonment or termination.

Section 18.6 - Inspection of Books. The Association shall permit any Eligible Mortgagee and Eligible Insurer to inspect the books and records of the Association during normal business hours.

Section 18.7 - Financial Statements. The Association shall provide each Eligible Mortgagee and each Eligible Insurer with a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent Certified Public accountant if:

- (a) The Condominium contains fifty (50) or more Units in which case the cost of the audit shall be a Common Expense; or
- (b) Any Eligible Mortgagee requests it, in which case the Eligible Mortgagee shall bear the cost of the audit.

Section 18.8 - Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible Insurer may attend any meeting which a Unit Owner may attend.

Section 18.9 - Enforcement. The provisions of this ARTICLE are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors, and may be enforced by any of them by any available means, in law, or in equity.

ARTICLE XIX: COLLECTION OF COMMON EXPENSES, LIENS AND FINES

Section 19.1 - Common Expenses, Liens and Fines.

- (a) Funds for the payment of current Common Expenses and for the creation of reserves for the payment of future Common Expenses shall be obtained by assessments against the Unit Owners in proportion to their interests in the Common Elements as referred to in ARTICLE IX. The common profits shall be paid to the Unit Owners in proportion to their Common Expense liabilities or to be credited to them to reduce their future Common Expense assessments.
- (b) The Association, acting through its Executive Board, shall have the right to levy fines for violations of restrictions and regulations contained in this Declaration, the Bylaws or the Rules in accordance with Section 45(11) of the Act.
- (c) The Association has a statutory lien on a Unit for any assessment levied against that Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes delinquent. Fees, charges, late charges, fines and interest charged pursuant to the Act and the Instruments are enforceable as assessments under this Section. If an assessment is payable in installments the full amount of the assessment is a lien from the time the first installment thereof becomes due.
- (d) A lien under this Section is prior to all other liens and encumbrances on a Unit except (1) liens and encumbrances recorded before the recordation of this Declaration; (2) a first or second Security Interest in

the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and (3) liens for real property taxes and other governmental assessments or charges against the Unit. The lien is also prior to all Security Interests described in Subdivision (2) of this Subsection to the extent of the Common Expense assessments based on the periodic budget adopted by the Association pursuant to Section 19.2 of this ARTICLE which would have become due in the absence of acceleration during the six (6) months immediately preceding institution of an action to enforce either the Association's lien or a Security Interest described in Subdivision (2) of this Subsection. This Subsection does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other assessments made by the Association.

- (e) Recording of this Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under the Act is required.
- (f) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within two (2) years after the full amount of the assessments becomes due; provided, that if an Owner of a Unit subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.
- (g) This Section does not prohibit actions to recover sums for which Subsection (c) of this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.
- (h) A judgment or decree in any action brought under this Section shall include costs and reasonable attorneys' fees for the prevailing party.
- (i) The Association's lien may be foreclosed in like manner as a mortgage on real property.
- (j) No Unit Owner may exempt himself from liability for payment of the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit against which the assessments are made.
- (k) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Unit Owner pursuant to Section 52-204 of the Connecticut General Statutes to collect all sums alleged to be due from that Unit Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Common Expense assessments based on a periodic budget adopted by the Association pursuant to the Act.
- (l) If a holder of a first or second Security Interest in a Unit forecloses that Security Interest, the Purchaser at the foreclosure sale is not liable for any unpaid

assessments against that Unit which became due before the sale, other than the assessments which are prior to that Security Interest under Subsection (d) of this Section. Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Unit Owners, including the Purchaser.

- (m) Any payments received by the Association in the discharge of a Unit Owner's obligation may be applied to the oldest balance due.

Section 19.2 - Budget Adoption and Ratification. Within thirty days after adoption of any propose a get for the Condominium, the Executive Board shall provide a summary of the budget to all the Unit Owners, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting sixty-seven percent (67%) of the Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected; the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Executive Board.

Section 19.3 - Ratification of Non-Budgeted Common Expense Assessments. If the Executive Board votes to levy a Common Expense assessment not included in the current budget in an amount greater than fifteen percent (15%) of the current annual operating budget, the Executive Board shall submit the Special Assessment to the Unit Owners for ratification in the same manner as a budget under Section 19.2.

Section 19.4 - Monthly payment of Common Expenses. All Common Expenses assessed under Sections 9.3 and 19.1 of this Declaration shall be due and payable monthly.

Section 19.5 - Acceleration of Common Expense Assessments. In the event of default or a period of ten (10) days by any Unit Owner in the payment of any Common Expense assessment levied against his or her Unit, the Executive Board shall have the right, after Notice and Hearing, to declare all unpaid assessments for the pertinent fiscal year to be immediately due and payable.

Section 19.6 - Commencement of Common Expense Assessments. Common Expense assessments shall begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs.

Section 19.7 - Personal Liability of Unit Owners. The Owner of a Unit at the time a Common Expense assessment or portion thereof is due and payable is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in the title to the Unit unless he or she agrees to assume the obligation.

Section 19.8 - Certificate of Payment of Common Expense Assessments. The Association on a written request shall furnish to a Unit Owner a statement in recordable form setting forth the amount of unpaid assessments against the Unit. The statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board and every Unit Owner.

Section 19.9 - Resale Certificate. The Association, within ten (10) business days after receipt of a written request by a Unit Owner, and payment of a reasonable fee for preparation of the Certificate and other documents, shall furnish a Certificate and other documents sufficient to enable the Unit Owner to comply with the requirements of Section 71 of the Act.

ARTICLE XX: RIGHT TO ASSIGN FUTURE INCOME

Subject to the Notice and Consent requirements of ARTICLE XVIII, upon an affirmative vote of the Unit Owners of Units to which at least fifty-one percent (51%) of the votes in the Association are allocated at a meeting called for that purpose, the Association may assign its future income, including its right to receive Common Expense assessments.

ARTICLE XXI: PERSONS AND UNITS SUBJECT TO INSTRUMENTS

Section 21.1 - Compliance with Instruments. All Unit Owners, tenants, persons holding Security Interests and occupants of Units shall comply with the Instruments. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the entering into occupancy of a Unit constitutes agreement that the provisions of the Instruments are accepted and ratified by such Unit Owner, tenant, secured party or occupant, and all such provisions are covenants running with the land and shall bind any Persons having at any time any interest or estate in such Unit.

Section 21.2 - Adoption of Rules. Subject to Notice and Comment, the Executive Board may adopt Rules regarding (1) the use and occupancy of Units; (2) the use, maintenance, repair, replacement and modification of Common Elements and Limited Common Elements; and (3) the activities of occupants.

ARTICLE XXII - RESPONSIBILITY FOR MAINTENANCE

Section 22.1 - Common Elements. The Association shall maintain, repair and replace all of the Common Elements, except the portions of the Limited Common Elements which are required by this Declaration to be maintained, repaired or replaced by the Unit Owners.

Section 22.2 - Units. Each Unit Owner shall maintain, repair and replace, at his own expense, all portions of his Unit, except the portion thereof to be maintained, repaired, or replaced by the Association. Reference is made to Exhibit B-2 of the Bylaws.

Section 22.3 - Limited Common Elements. Notwithstanding the provisions of Sections 22.1 and 22.2, each Unit Owner shall be responsible for removing snow, leaves and debris from all patios, balconies or decks as well as the watering of any private plantings located in the rear of the Unit, the installation and location of which had previously been approved by the Executive Board. If such Limited Common Elements is appurtenant or two or for such removal.

Each Unit Owner shall be responsible for the maintenance, repair and replacement of air conditioners and related equipment serving his Unit.

Section 22.4 - Access. Any person authorized by the Executive Board shall have the right of access to all portions of the Property for the purpose of correcting any condition threatening a Unit or the Common Elements, and for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing, replacing utility meters and related pipes, valves, wires and equipment, provided the requests for entry are made in advance and that such entry is at a time reasonably convenient to the affected Unit Owner. In case of an emergency, no such request or notice is required and such right of entry shall be immediate, whether or not the Unit Owner is present at the time.

Section 22.5 - Repairs Resulting From Negligence. Each Unit Owner shall reimburse the Association or any damages to any other Unit or to the Common Elements caused intentionally, negligently or by his failure to properly maintain, repair or make replacements to his Unit. The Association shall be responsible for damage to Units caused intentionally or negligently by its agents.

ARTICLE XXIII: INSURANCE

Section 23.1 - Maintaining Insurance. Commencing not later than the time of the first conveyance of a Unit to a person other than a Declarant, the Association shall obtain and maintain insurance as required by the Act and the Declaration to the extent reasonably available. Insurance premiums shall be a Common Expense.

Section 23.2 - Property Insurance. The Association shall maintain Property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured. The total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement value, if required by any Eligible Mortgagee, and in any event, not less than the higher of eighty percent (80%) of the actual cash value of the insured property or an amount sufficient to avoid coinsurance under any applicable insurance policy, at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies. The Association shall maintain insurance in an amount equal to the actual cash value of its personal property. Prior to obtaining any insurance on Common Elements under this Section, and at least annually thereafter, the Executive Board shall take reasonable steps satisfactory to the insurance company to determine the replacement cost of the Common Elements or obtain an agreed amount endorsement. The cost of appraisals shall be a Common Expense.

Section 23.3 - Other Provisions. Insurance policies required by Section 23.2 shall provide that:

- (a) The insurer waives its right to subrogation under the policy against any Unit Owner or member of his or her household.
- (b) No act or omission by any Unit Owner, unless acting within the scope of his or her authority on behalf of the Association, will void the policy or be a condition to recover under the policy;

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- (c) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the Policy, the Association's policy provides primary insurance.
- (d) Loss shall be adjusted with the Association;
- (e) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and, in the absence of such designation, to the Association, in either case to be held in-trust for each Unit Owner and such Unit Owner's Mortgagee;
- (f) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.
- (g) The name of the insured shall be substantially as follows: "South Mill Village Association, Inc. for the use and benefit of the individual owners".

Section 23.4 - Liability Insurance. The Association shall maintain liability insurance, including medical payments insurance, in an amount determined by the Executive Board but not less than \$1,000,000 covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements.

Section 23.5 - Other Provisions. Insurance policies carried pursuant to Section 23.3 shall provide that:

- (a) Each Unit Owner is an insured person under the policy with respect to liability arising out of his interest in the Common Elements or membership in the Association
- (b) The insurer waives its right to subrogation under the policy against any Unit Owner or member of his household;
- (c) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;
- (d) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance; and
- (e) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

Section 23.6 - Insurance Not Reasonably Available. If the insurance described in Section 23.2 and 23.4 is not reasonably available, the Association promptly shall cause notice of that

fact to be hand delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

Section 23.7 - Unit Owner Policies. An insurance policy issue to the Association does not prevent a Unit Owner from obtaining insurance for his own benefit.

Section 23.8 - Worker's Compensation Insurance. The Executive Board shall obtain and maintain Worker's Compensation Insurance to meet the requirements of the laws of the State of Connecticut.

Section 23.9 - Directors' and Officers' Liability Insurance. The Executive Board shall obtain and maintain directors' and officers' liability insurance, if available, covering all of the directors and officers of the Association in such limits as the Executive Board may, from time to time, determine.

Section 23.10 - Other Insurance. The Executive Board is authorize to obtain and maintain such other insurance as it may from time to time deem appropriate to protect the Association or the Unit Owners.

Section 23.11 - Insurance Certificates. An insurer that has issue an insurance policy shall issue certificates or memoranda of insurance to the Association and, on written request, to any Unit Owner or holder of a Security Interest. The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

Section 23.12 - Insurance Trustee. The Executive Board may enter into an agreement with a person in the State of Connecticut with trust powers to receive, administer and disburse funds pursuant to the Declaration and Bylaws.

Section 23.13 - Fidelity Bonds. Once thirty (30) Units have been created in the Condominium, the Executive Board shall obtain a blanket fidelity bond for all officers, employees and agents of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a Common Expense. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the Manager at any time while the bond is in force, and in no event less than three (3) months' assessments plus reserve funds. The bond shall include a provision that calls for thirty (30) days' written notice to the Association, to each holder of a Security Interest and to each servicer that services a FNMA-owned or FHLMC-owned mortgage on a Unit before the bond can be cancelled or substantially modified for any reason, except that if cancellation is for non-payment of premiums, only ten (10) days' notice shall be required.

ARTICLE XXIV: DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 24.1 - Duty to Repair or Restore. Any portion of the Condominium for which insurance is required under ARTICLE XXIII which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (a) the Condominium is terminated, in which case Section 38 of the Act applies, (b) repair or

replacement would be illegal under any state or local statute or ordinance governing health or safety, or (c) eighty percent (80%) of the Unit Owners, including every owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 24.2 - Replacement of Less Than Entire Property.

- (a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium.
- (b) Except to the extent that other persons will be distributees, (i) the insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lien holders, as their interests may appear, and (ii) the remainder of the proceeds shall be distributed to all the Unit Owners or lien holders, as their interests may appear, in proportion to the Common Expense liabilities of all the Units.
- (c) If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated on the vote as if the Unit had been condemned under Subsection 7(a) of the Act, and the Association shall promptly prepare, execute and record an Amendment to this Declaration reflecting the reallocations.

Section 24.3 - Plans and Specifications. Any repair or restoration must be either substantially in accordance with the architectural and engineering plans and specifications for the completed buildings or according to plans and specifications approved by the Executive Board and by a majority of the Unit Owners and the holders of first mortgages encumbering fifty-one percent (51%) of the Eligible Mortgagees, and if the damaged property contains Units, by all of the Owners of the Units therein, and their Eligible Mortgagees, which approvals shall not be withheld unreasonably.

Section 24.4 - Payment of Insurance Proceeds. Any loss covered by the property policy under Section 23.2 shall be adjusted with the Association, but the insurance proceeds for that loss may be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a Security Interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to the provisions of ARTICLE XXIV, the proceeds shall be disbursed first for the repair or restoration of the damaged property, and the Association, Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored, or the Condominium is terminated.

Section 24.5 - Certificates by the Executive Board. A trustee, if one is appointed under the provisions of Section 23.12, may rely on the following certifications in writing made by the Executive Board.

- (a) Whether or not damaged or destroyed property is to be repaired or restored; and
- (b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 24.6 - Certificates by Attorneys. If payments are to be made to nit hers or Mortgagees, the Executive Board, and the trustee, if any, shall obtain and may rely on an attorney's certificate of title or a title insurance policy based on a search of the Land Records of the Town of Glastonbury from the date of the recording of the original Declaration stating the names of the Unit Owners and the Mortgagees. This provision is not intended to discourage Mortgagees from giving notice to the Association of their mortgagee status.

ARTICLE XXV: RIGHTS TO NOTICE AND COMMENT: NOTICE AND HEARING

Section 25.1 - Right to Notice and Comment. Before the Executive Board amends the Bylaws or the Rules, whenever the Instruments require that an action be taken after "Notice and Comment", and at any other time the Executive Board determines, the Unit Owners have the right to receive notice of the proposed action and the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit Owner in writing and shall be delivered personally or by mail to all Unit Owners at such address as appears in the records of the Association, or published in a newsletter or similar publication which is routinely circulated to all Unit Owners. The notice shall be given not less than five (5) days before the proposed action is to be taken. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted meeting.

Section 25.2 - Right to Notice and Hearing. Whenever the Instruments require that an action be taken after "Notice and Hearing", the following procedure shall be observed: The party proposing to take the action (e.g. the Executive Board, a committee, an officer, the manager, etc.) shall give written notice of the proposed action to all Unit Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the Hearing. At the Hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 25.3 - Appeals. Any person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of persons other than the Executive Board by filing a written notice of appeal with the Executive Board within forty-five (45) days after being notified of the decision. The Executive Board shall conduct a Hearing within thirty (30) days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE XXVI: EXECUTIVE BOARD

Section 26.1 - Minutes of Executive Board Meetings. The Executive Board shall permit any Unit Owner to inspect the Minutes of Executive Board meetings during normal business hours. The Minutes shall be available for inspection within fifteen (15) days after any such meeting.

Section 26.2 - Powers and Duties. The Executive Board may act in all Instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in Section 26.3 of this ARTICLE and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Condominium which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws and Rules;
- (b) Adopt and amend budgets for revenues, expenditures and reserves;
- (c) Collect assessments for Common Expenses from Unit Owners;
- (d) Hire and discharge managing agents;
- (e) Hire and discharge employees and agents other than managing agents and independent contractors;
- (f) Institute, defend or intervene in litigation or administrative proceedings in the Association name on behalf of itself or two (2) or more Unit Owners on matters affecting the Condominium;
- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- (i) Cause additional improvements to be made as a part of the Common Elements;
- (j) Acquire, hold, encumber and convey in the Association name any right, title or interest to real property or personal property, but the Common Elements may be conveyed or subjected to a security interest only pursuant to Section 55 of the Act;
- (k) Grant easements for any period of time including permanent easements and leases, licenses and concessions for no more than one (1) year through or over the Common Elements;
- (l) Impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements, other than Limited Common Elements described in Subsections (2) and (4) of Section 22 of the Act, and for services provided to Unit Owners;
- (m) Impose charges or interest or both for late payment of assessments and, after Notice and Hearing, levy reasonable fines for violations of this Declaration, Bylaws and Rules of the Association.

- (n) Impose reasonable charges for the preparation and recordation of amendments to this Declaration, resale certificates and documents required by Section 71 of the Act or statements of unpaid assessments;
- (o) Provide for the indemnification of its officers and Executive Board and maintain Directors' and officer's liability insurance;
- (p) Assign its right to future income, including the right to receive Common Expense assessments, subject to the limitations set forth in ARTICLE XX of this Declaration;
- (q) Exercise any other powers conferred by this Declaration or the Bylaws;
- (r) Exercise all other powers that may be exercised in this State by legal entities of the same type as the Association;
- (s) Exercise any other powers necessary and proper for the governance and operation of the Association; and
- (t) By resolution, establish committees, permanent and standing, to perform any of the above functions of Directors under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within forty-five (45) days of the publication of such notice, and such committee action must be ratified, modified or rejected by the Executive Board in accordance with the procedures established in Section 25.3 of this Declaration.

Section 26.3 - Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Condominium or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term in accordance with Section 3.7 of the Bylaws.

ARTICLE XXVII: EMINENT DOMAIN

- (a) Taking Affecting Entire Unit; Reallocation of Interest. If a Unit is acquired by eminent domain or part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant that may not practically or lawfully be used for any purpose permitted by this Declaration, the award shall include compensation to the Unit Owner for that Unit and its allocated interests whether or not any Common Elements are acquired. On acquisition, unless the decree otherwise provides, that Unit's allocated interests are to be automatically reallocated to the remaining Units in proportion to the respective allocated interests of those Units before the taking, and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocations. Any remnant of a Unit

remaining after part of a Unit is taken under this Subsection is thereafter a Common Element.

- (b) Partial Taking; Reduction in Allocated Interest. Except as provided in Subsection (a), if part of a Unit is acquired by eminent domain, the award shall compensate the Unit Owner for the reduction in value of the Unit and its interest in the Common Elements, whether or not any Common Elements are acquired. On acquisition, unless the decree otherwise provides, (1) that Unit's allocated interests are reduced in proportion to the reduction in the size of the Unit (in accordance with the formulas for allocated interests established in ARTICLE IX), and (2) the portion of the allocated interest divested from the partially acquired Unit is automatically reallocated to the remaining Units in proportion to the respective allocated interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced allocated interests.
- (c) Taking of the Common Elements; Awards. If part of the Common Elements are acquire by eminent domain, the award shall compensate the Unit Owners affected by the taking for the reduction in value of the Units resulting from the acquisition and the portion of the award attributable to the Common Elements taken shall be paid to the Association. Any portion of the award attributable to the acquisition of a Limited Common Element shall be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.
- (d) Recordation of the Decree. The Court decree shall be recorded in every town in which any portion of the Condominium is located.

ARTICLE XXVIII: MISCELLANEOUS

Section 28.1 - Captions. The captions contained in the Instruments are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Instruments nor the intent of any provisions thereof.

Section 28.2 - Gender. The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural, and vice versa, whenever the context of the Instruments so requires.

Section 28.3 - Waiver. No provision contained in the Instruments is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 28.4 - Invalidity. The invalidity of any provision of the Instruments does not impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Instruments shall continue in full force and effect.

Section 28.5 - Conflict. The Instruments are intended to comply with the requirements of the Act and Chapter 600 of the Connecticut General Statutes. In the event of any conflict between the Instruments and the provisions of the Statutes, the provisions of the Statutes shall control. In the event of any

