

BY-LAWS

SECTION 1	Identity.....	1
SECTION 2	Applicability of By-laws.....	1
SECTION 3	Office.....	1
SECTION 4	Board of Directors.....	1
SECTION 5	Meeting of Unit Owners.....	7
SECTION 6	Title to Units.....	8
SECTION 7	Maintenance, Repair and Alteration of Property.....	8
SECTION 8	Insurance.....	9
SECTION 9	When Damaged Property Is To Be Reconstructed or Repaired.....	10
SECTION 10	Responsibilities and Procedures as to Payment for Repairs.....	11
SECTION 11	Common Charges and Special Assessments.....	11
SECTION 12	Condemnation.....	14
SECTION 13	Additions, Alterations or Improvements by the Board of Directors.....	15

SECTION 14 Additions, Alterations or Improvements by
the Unit Owners.....15

SECTION 15 Right of Access.....16

SECTION 16 Utility Services.....16

SECTION 17 Right of First Refusal.....16

SECTION 18 Mortgages.....19

SECTION 19 Notice of Lien or Suit.....20

SECTION 20 Membership in the Association.....21

SECTION 21 Miscellaneous.....21

SECTION 22 Modification or Amendment of By-laws.....21

SECTION 23 Conflicts.....22

SECTION 24 Provisions in Lease.....22

BY-LAWS

OF

TERRACE PLACE CONDOMINIUM ASSOCIATION, INC.

SECTION 1: IDENTITY: These are the By-Laws of TERRACE PLACE CONDOMINIUM ASSOCIATION, INC., hereinafter called the "Association", a corporation not organized for profit and existing under the laws of the State of Connecticut. The property to which the Declaration appended hereto and these By-Laws apply is located on Terrace Place, New Milford, Connecticut, and is more particularly described in the Declaration of Condominium, of which these By-Laws form a part. Said property has been submitted to the provisions of the UNIT OWNERSHIP ACT of the Connecticut General Statutes, as said Act now exists and as it may be from time to time amended. Said Declaration is to be recorded in the Office of the Town Clerk of the Town of New Milford.

SECTION 2: APPLICABILITY OF BY-LAWS: The provisions of these By-Laws are applicable to the owners of units of TERRACE PLACE CONDOMINIUM ASSOCIATION, INC., their tenants, servants and employees, and to the use and occupancy thereof. The term "property" as used herein shall include the land, all buildings and all improvements and structures thereon and all easements, rights, and appurtenances belonging thereto submitted to the provisions of the Unit Ownership Act of the Connecticut General Statutes.

SECTION 3: OFFICE: The Office of the Association and the Board of Directors shall be located within the buildings.

SECTION 4: BOARD OF DIRECTORS:

(a) NUMBER, QUALIFICATION, CLASSES AND ELECTION: Subject to the provisions of Section 4 (b) below, the affairs of the Association shall be governed by a Board of Directors consisting of Five (5) persons. The Board of Directors shall be divided into two (2) classes. The Unit Owners shall elect from among themselves Three (3) directors to serve for a period of One (1) year, and Two (2) directors to serve for a period of two (2) years. At the expiration of the initial term of office of each respective director, his or her successor shall be elected to serve for a period of two (2) years. The Directors shall hold office until their successors have been elected and have their first meeting. The term of at least three (3) members of the Board of Directors shall expire annually. At any meeting of Unit Owners

held to elect members to the Board of Directors, the candidates receiving the highest vote totals shall be elected for the longer terms and the candidates receiving a lesser number of votes shall be elected for the shorter term. After the initial election of Five (5) members, at each meeting thereafter the Two (2) or Three (3) candidates, as the case may be, receiving the highest number of votes shall be elected to fill said two (2) year term.

(b) SPECIAL PROVISIONS: When unit owners other than Declarant own more than one-third of the units in the condominium, they shall be entitled to elect not less than one-third of the members of the Board of Directors of the Association. Unit owners other than Declarant shall elect not less than a majority of the members of the Board of Directors of the Association not later than five (5) years after the date of the recording of the original Declaration, and, prior to the expiration of such five year period, shall be entitled to elect not less than a majority of the members of the Board of Directors upon the sale by the Declarant of sixty (60%) percent of the units in TERRACE PLACE CONDOMINIUM.

(c) ELIGIBILITY: All members of the Board of Directors, other than those members designated by Declarant pursuant to Section (b) above, shall be Unit Owners, it being understood that should any Unit be owned as a tenancy-in-common, joint tenancy with survivorship rights, by a partnership or a corporation, in a fiduciary capacity or otherwise, then in any such event such Unit Owner or Owners of a unit shall designate one (1) person having an ownership interest in any such unit as the representative of the interest in the total ownership of such unit, and such person shall be eligible for election or designation to the Board of Directors, provided, however, that in the case of corporate ownership, any officer or employee of such corporation shall be entitled to represent the ownership interest in a unit.

(d) POWERS AND DUTIES: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts or things except as by law or by the Declaration or by these by-Laws may not be delegated to the Board of Directors by the Unit Owners. Such powers and duties of the Board of Directors shall include but shall not be limited to the following:

1. Operation, care, upkeep and maintenance of the common elements.
2. Determination of the common expenses and special assessments required for the affairs of the Association, including, without limitation, the operation and maintenance of the property, the establishment of reserves to provide for maintenance, improvements, replacements, working capital, bad debts, depreciation, obsolescence

- and similar purposes as are deemed desirable.
3. Collection of the common expenses from the unit owners.
 4. Designation, removal, employment and dismissal of personnel necessary for the maintenance, repair and replacement of the common elements.
 5. Adoption and amendment of rules and regulations covering the details of the operation and use of the property provided, however, that those rules and regulations contained in the Declaration shall be amended in the manner provided for amending the Declaration.
 6. Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
 7. Purchasing or leasing or otherwise acquiring in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, units offered for sale or lease or surrendered by their owners to the Board of Directors.
 8. Purchasing of units at foreclosure or other judicial sales in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners.
 9. Selling, leasing, mortgaging (but not voting the votes appurtenant thereto) or otherwise dealing with units acquired by, and subleasing units leased by the Board of Directors or its designee, on behalf of all unit owners.
 10. Obtaining necessary insurance for the property, including the units.
 11. Making the repairs, additions and improvements to or alterations of the property and repairs to and restoration of the property in accordance with other provisions of these By-Laws after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.
 12. The Board of Directors shall have the power to enforce obligations of the unit owners, to allocate profits and expenses to approve payment vouchers, and to do everything else necessary and proper for the sound management of the Association. The Board shall have

power to levy fines against the unit owners for violations of reasonable rules and regulations established by it to govern the conduct of the unit owners. No fine may be levied for more than \$5 for any one violation; but for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against the unit owner or unit owners involved as if the fine were a common charge owed by the particular unit owner or unit owners.

13. The Board of Directors may employ a managing agent and/or manager for the association, at a compensation to be established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including but not limited to the duties granted to the Board of Directors as set forth above. The Board of Directors may delegate to the manager or managing agent such powers as may be necessary to carry out the function of the Board of Directors.

Notwithstanding anything contained herein or in any other condominium instruments to the contrary, so long as Declarant owns ten percent or more of the units in the condominium for sale in the ordinary course of business, no action may be taken by the Association that would be detrimental to the sale of said units by Declarant without the written agreement thereto by Declarant.

(e) REMOVAL OF MEMBERS OF THE BOARD OF DIRECTORS:

No member of the Board of Directors elected or designated by the Declarant pursuant to the provisions of SECTION 4 above may be removed. At a duly held regular or special meeting of the Unit Owners, any one or more of the members of the Board of Directors not designated by the Declarant may be removed with or without cause by a majority of the Unit Owners present and voting, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

(f) VACANCIES: Vacancies in the Board of Directors for members elected by the Unit Owners caused by any reason shall be filled by a vote of a majority of the remaining members of the Board of Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member whose term he is filling, or until his successor shall be elected. Any vacancy may be filled immediately by Declarant

by further designation, if Declarant initially designated such Director for which a vacancy exists, and Declarant is still entitled to designate, pursuant to the terms of these By-Laws.

(g) COMPENSATION: No member of the Board of Directors shall receive any compensation from the Association for acting as a Director.

(h) MEETINGS OF THE BOARD OF DIRECTORS: The first meeting of the Board of Directors following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by the newly elected or designated Board of Directors, and no notice shall be necessary. Thereafter, regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two (2) meetings shall be held each year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors by mail or hand-delivery, at least three (3) business days prior to the date of the meeting. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each member of the Board of Directors, given by mail or hand-delivery, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or by the Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Directors. Any member of the Board of Directors, may, at any time, waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by members of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof.

(i) QUORUM OF THE BOARD OF DIRECTORS: At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board, there shall be less than a quorum present, the majority of those present may adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice.

(j) ELECTION OF OFFICERS: At each annual organization meeting of the Board of Directors of the Association, the Board shall elect a President from the Board of Directors. In addition, the Board shall elect the Vice-President, Treasurer and Secretary of the Association. The Vice-President, Secretary and Treasurer need not be members of the Board of Directors, and the Secretary may be appointed by the Board of Directors. All officers and members of the Board of Directors having the responsibility of handling funds for the Association are to be bonded.

The President shall be the chief executive officer of the Association, shall preside at all meetings of the Association, shall preside at all meetings of the Unit Owners and the Board of Directors, and shall hold the general powers and duties which are incidental to the office of a president of a stock corporation, including, but not limited to, the power to appoint such committees from among the Unit Owners or their spouses from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association. The Vice-President shall take the place of the President or perform his duties whenever the President shall be absent or unable to act. The Secretary shall keep the Minutes of all meetings of the Unit Owners and the Board of Directors, and shall have charge of such books and records as the Board of Directors may direct. He shall, in general, perform all of the duties incidental to the office of a secretary of a stock corporation. The Treasurer shall have the responsibility for the Association funds and securities and shall be responsible for the keeping of full and accurate records and books of account. The Treasurer, at the expense of the Association, shall furnish such bond as may be required by the Board of Directors. All agreements, contracts, leases, deeds, checks and other instruments of the Association shall be executed by any two of the officers of the Association or by such other person or persons as may be designated by the Board of Directors. No officer shall receive compensation from the Association for acting as such an officer. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. All officers must be year-rounded resident Unit Owners, except that so long as the Board of Directors, or a majority thereof, is designated by the Declarant pursuant to Section 4, the officers need not be unit owners.

(k) LIABILITY OF THE BOARD OF DIRECTORS: The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligent or otherwise, and shall only be liable for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in

the common elements bears to the interest of all Unit Owners in the common elements.

(1) ACTION DETRIMENTAL TO DECLARANT: So long as the Declarant owns ten (10%) percent or more of the units in the condominium for sale in the ordinary course of business, no action may be taken by the Association which would be detrimental to the sales of units by the Declarant, without written agreement thereto by the Declarant; provided that an increase in assessments for common expenses or imposition of any special assessment without discrimination against the Declarant shall not be deemed to be detrimental to the sale of units.

SECTION 5: MEETINGS OF THE UNIT OWNERS:

(a) Annual meetings of the Unit Owners shall be held as hereinabove provided for.

(b) Place of Meeting: The meeting of the Unit Owners shall be held at the principal office of the Association, or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

(c) Special Meetings: It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by a resolution of the Board of Directors, or upon petition signed and presented to the Secretary by not less than 33-1/3 percent in the aggregate of the undivided interest in the common elements of all unit owners. The notice of any special meeting shall state the time and place of such meeting, and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(d) Notice of Meetings: The Secretary shall mail a notice for each annual or special meeting of the Unit Owners at least seven (7) days, but not more than twenty (20) days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held. Said notice shall be mailed to each Unit Owner of record at the unit address or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of notice of meeting in the manner herein shall be considered service of notice.

(e) Quorum: Except as otherwise provided herein, the presence in person or by proxy of Unit Owners having one-third of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners. If at any meeting of the Unit Owners there is not a quorum present, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the date the original meeting was called for.

(f) Conduct of the Meetings: The order of business

at the annual meeting of the Unit Owners or at any special meeting, as far as practicable, shall be:

1. Calling of the roll and certifying of the proxies.
2. Proof of Notice of meeting or waiver of notice.
3. Reading and disposal of any unapproved Minutes.
4. Receiving reports of officers.
5. Receiving reports of committees.
6. Election of inspector of election.
7. Election of directors, if necessary.
8. Old Business.
9. New Business.
10. Adjournment.

At all meetings of the Unit Owners or of the Directors, ROBERTS' RULES OF ORDER shall be followed.

(g) Majority of votes: A vote of the majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes, except wherein by the Declaration, these By-Laws, or by law, a higher percentage is required. Majority vote for the purposes of this paragraph is to be determined in the manner set forth in the definitions of the Declaration appended hereto.

SECTION 6: TITLE TO UNITS: Title to the units may be taken in the name of an individual or in the names of two or more persons as tenants-in-common, or as joint tenants with rights of survivorship, or in the name of a corporation or partnership, or in the name of a fiduciary.

SECTION 7: MAINTENANCE, REPAIR AND ALTERATION OF PROPERTY:

(a) The Association shall maintain accounting records according to generally accepted accounting principles. Such records shall include: (1) A record of all receipts and expenditures; (2) an account for each unit which shall designate the name and address of each unit owner, the amount of each assessment, the dates on which the assessment comes due, the amounts paid on account, and the balance due; (3) a record of the actual cost, irrespective of discounts and allowances, of the maintenance of the common elements; (4) an accurate account of the current balance in the reserve for replacement and for emergency repairs.

the common elements bears to the interest of all Unit Owners in the common elements.

(1) ACTION DETRIMENTAL TO DECLARANT: So long as the Declarant owns ten (10%) percent or more of the units in the condominium for sale in the ordinary course of business, no action may be taken by the Association which would be detrimental to the sales of units by the Declarant, without written agreement thereto by the Declarant; provided that an increase in assessments for common expenses or imposition of any special assessment without discrimination against the Declarant shall not be deemed to be detrimental to the sale of units.

SECTION 5: MEETINGS OF THE UNIT OWNERS:

(a) Annual meetings of the Unit Owners shall be held as hereinabove provided for.

(b) Place of Meeting: The meeting of the Unit Owners shall be held at the principal office of the Association, or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

(c) Special Meetings: It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by a resolution of the Board of Directors, or upon petition signed and presented to the Secretary by not less than 33-1/3 percent in the aggregate of the undivided interest in the common elements of all unit owners. The notice of any special meeting shall state the time and place of such meeting, and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(d) Notice of Meetings: The Secretary shall mail a notice for each annual or special meeting of the Unit Owners at least seven (7) days, but not more than twenty (20) days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held. Said notice shall be mailed to each Unit Owner of record at the unit address or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of notice of meeting in the manner herein shall be considered service of notice.

(e) Quorum: Except as otherwise provided herein, the presence in person or by proxy of Unit Owners having one-third of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners. If at any meeting of the Unit Owners there is not a quorum present, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the date the original meeting was called for.

(f) Conduct of the Meetings: The order of business

or who may come to act as agents or employees of the foregoing, and all unit owners and other persons entitled to occupy any unit or other portion of a condominium.

(c) Proceeds of Insurance Policies: The proceeds of insurance policies received by the Board of Directors (and the Unit Owners' mortgagees) shall be distributed, as follows:

1. If the damage for which the proceeds are paid is to be repaired or reconstructed, as hereinafter determined, the proceeds shall be expended for the purpose of such repairs. If there are any proceeds remaining after defraying the costs of repairs, said proceeds shall be distributed to any mortgagees of a Unit Owner, if any, to the extent of such mortgagees' interest, and all of the remainder of such proceeds, as the case may be, shall be distributed to such Unit Owner. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

2. If it is determined, as hereinafter provided, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to any mortgagees of a Unit Owner or Unit Owners, if any, to the extent of such mortgagees' interest, and all of the remainder of such proceeds, as the case may be, shall be distributed to such Unit Owner or Unit Owners. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

(d) Insurance by Unit Owners: Nothing contained herein shall be construed so as to prejudice the rights of the Unit Owners, and the Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation, and further provided that the liability of the carrier issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any other such additional insurance carried by any Unit Owner.

SECTION 9: WHEN DAMAGED PROPERTY IS TO BE RECONSTRUCTED OR REPAIRED:

(a) Except as hereinafter provided, damage to or destruction of any building or improvement located on the condominium property or serving the condominium shall be promptly repaired by the Association, using the proceeds of insurance, if any, on such building or improvement for that purpose, and all costs for repair or reconstruction in excess of available insurance proceeds shall be a common expense.

(b) If the condominium is damaged to the extent of two-thirds of its then replacement cost, and three-fourths of the

Unit Owners and the holders of mortgage liens affecting at least three-fourths of the units vote not to proceed with repair or restoration, the property remaining shall be deemed to be owned in common by the Unit Owners, and each Unit Owner shall own that percentage of the undivided interest in common as he previously owned in the common elements. Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the Unit Owner in the property; and the property shall be subject to an action for partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of insurance on the property, if any, shall be considered as one fund and shall be divided among all the Unit Owners in accordance with their interests therein, after first paying all liens out of each of the respective interests.

Notwithstanding anything to the contrary in these By-Laws, or in the Declaration of Condominium, no Unit Owner or any other party shall have priority over the rights of any first mortgagee to insurance proceeds or condemnation awards.

SECTION 10: RESPONSIBILITIES AND PROCEDURES AS TO PAYMENT FOR REPAIRS:

(a) If damage occurs only to those parts of one (1) unit for which the responsibility for maintenance and repairs is that of the Unit Owner, then the Unit Owner shall be responsible for the cost of reconstruction and repair after casualty, unless such damage is specifically covered by the Association insurance, in which event the Association shall be responsible for said costs. In all instances, the responsibility for actual construction and repair after a casualty shall be that of the Association.

(b) Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost necessary to replace the damaged property in as good a condition as it existed before the casualty.

SECTION 11: COMMON CHARGES AND SPECIAL ASSESSMENTS:

(a) Determination of Common Charges and Special Assessments. The Association shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common expenses and charges among the unit owners in proportion to their percentage interest in the common elements. The common expenses shall include, among other things, the cost of repairs and maintenance of the common elements and limited common elements and the cost of all insurance premiums on all

policies of insurance required to be or which have been obtained by the Association pursuant to these By-Laws and the fees and disbursements of the Board of Directors. The common expenses may also include such amounts as the Association may deem proper for the repair, operation and maintenance of the property, including without limitation an amount for a working reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Association or its designee, corporate or otherwise, on behalf of all unit owners, or any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Association shall advise all unit owners promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the Association, as aforesaid, and shall furnish copies of each budget on which such common charges are based to all unit owners and to their mortgagees.

Special assessments shall be payable as determined by the Board of Directors.

(b) Payment of Common Charges and Special Assessments.

All unit owners shall be obligated to pay the common charges assessed by the Association pursuant to the provisions of subsection (a) of this section at such time or times as the Association shall determine. 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, except if every unit owner is so exempted from the payment of all or part of the common expenses.

No unit owner shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him made in accordance with the provisions of Section 18 of these By-Laws, or such unit, together with the common elements appurtenant thereto. In addition, any unit owner may, subject to the terms and conditions specified in these By-Laws, provided that his unit is free and clear of lien and encumbrances other than a permissible first mortgage and the statutory lien of unpaid common charges, convey his unit to the Association, or its designee, corporate or otherwise, on behalf of all other unit owners, and in such event be exempt from common charges thereafter assessed. A purchaser of a unit shall be liable for the payment of common charges assessed against such unit prior to the acquisition by him of such unit, except that where a mortgagee or a purchaser at a foreclosure sale obtains title to a unit, such acquirer of title, his heirs, successors and assigns, shall not be liable for the entire unpaid share of the common charges or assessments by the Association or as chargeable

to such unit by such acquirer, but such charges or assessments, if not fully satisfied out of the proceeds of such sale, shall become common charges collectible from all of the unit owners, including such acquirer, his heirs, successors and assigns.

(c) Collection of Common Charges and Special Assessments.

The Association shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect any common charges due from any unit owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. At its option, the Board of Directors may authorize the common charges or special assessments to be collected by a mortgagee of one or more units or by any other servicing agent.

(d) Default in Payment of Common Charges and Special Assessments.

In the event of default by any unit owner in paying to the Association the common charges or special assessments as determined by the Association, or Board of Directors, such unit owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid common charges. The Association shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in any action to recover the same brought against such unit owner, or by foreclosure of the lien on such unit granted by the provisions of the Unit Ownership Act of the State of Connecticut.

(e) Foreclosure of Liens for Unpaid Common Charges:

In any action brought by the Association to foreclose a lien on a unit because of unpaid common charges, the unit owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Association, acting on behalf of all unit owners, shall have power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

(f) Statement of Common Charges, Special Assessments or Fines: The Association shall promptly provide any unit owner, so requesting the same in writing, with a written statement of all unpaid common charges due from such unit owner. The Association shall also provide a unit owner, upon written request, within fifteen (15) days of the receipt thereof, the following:

(i) Appropriate statements pursuant to subsection (b) of Section 47-87 of the General Statutes as the same may exist from time to time and, if applicable, with respect to rights of first refusal or other restraints on free alienability of units in the condominium.

(ii) A statement of any capital expenditures anticipated by the Association within twelve (12) months next following the date of the statement.

(iii) A statement of the status and amount of any reserve for replacement fund and any portion of such fund earmarked for any specified project by the Board of Directors.

In addition, the grantee of a unit shall be entitled to a statement from the Association setting forth the amount of unpaid assessments against his grantor and such grantee shall not be liable for nor shall the unit covered be subject to a lien for any unpaid assessments against the grantor in excess of the amount therein set forth.

(g) Abatement and Enjoinment of Violations by Unit Owners:
The violation of any rule or regulation adopted by the Association, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Association the right, in addition to any other rights set forth in these By-Laws:

(i) To enter the unit in which, or as which such violation or breach exists and to summarily abate and remove at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the interest and meaning of the provisions hereof and the Association shall not thereby be deemed guilty in any manner of trespass; or

(ii) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

SECTION 12: CONDEMNATION:

In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made for such taking shall be payable to the Unit Owners and their mortgagees. The Board of Directors of the Association is herewith given the express power to negotiate with the condemning authority with regard to the common elements and shall have the right to make a decision as to whether an appeal should be made for condemnation award for the common elements and shall be legally empowered by the

Unit Owners to bring such an appeal. If seventy-five per cent (75%) of the Unit Owners duly and promptly approve the repair and restoration of such common elements, the Unit Owners and their mortgagees shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If the amount of the award is insufficient, any deficiency shall be assessed against all Unit Owners as a common charge. In the event, however, that seventy-five per cent (75%) or more of the Unit Owners do not duly and promptly approve the repair and restoration of such common elements, the Unit Owners and their mortgagees shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds and restoration of the damage as provided in subsection (c) of SECTION 8 of these By-Laws. In any condemnation where there is no repair or restoration of the units themselves, the condemnation proceeds shall be paid to and belong to the Unit Owners and/or their mortgagees, as their respective interest may appear. The covenants contained in this paragraph are to be construed to be for the benefit of mortgagees. In the event of any dispute as to whether an award is attributed to the common elements or the unit, said dispute shall be specifically determined by the court entering the award on the condemnation.

SECTION 13: ADDITIONS, ALTERATIONS OR IMPROVEMENTS
BY THE BOARD OF DIRECTORS.

Whenever in the judgment of the Board of Directors common elements shall require additions, alterations or improvements costing in excess of Two Thousand Five Hundred (2,500) Dollars, said alterations or improvements shall not be made unless they have been approved by a majority of the Unit Owners present and voting at a meeting at which a quorum is present. When said approval has been obtained, all Unit Owners shall be assessed for the cost thereof as a common charge or special assessment. No addition, alteration, or improvement shall change or be a reason to change the undivided interest of each Unit Owner in and to the common elements. Notwithstanding the aforesaid, the Board of Directors shall not be required to obtain the approval of a majority of Unit Owners for a repair of a common element if such repair is of an emergency nature.

SECTION 14: ADDITIONS, ALTERATIONS OR IMPROVEMENTS
BY THE UNIT OWNERS.

No Unit Owner shall make any structural addition, alteration or improvements in or to his unit without the prior written consent of the Board of Directors and the mortgagee of his unit, provided further that the provisions of ARTICLE 16 of the Declaration of Condominium have been complied with. The Board of Directors shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's unit within thirty (30) days after

such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. Any application to any department of the Town of New Milford or to any other governmental authority for a permit to make an addition, alteration or improvement to or in any unit shall be executed only by the Board of Directors. Said application shall not obligate the Board of Directors to any liability to any contractors, subcontractors or materialmen on account of such addition, alteration or improvement, nor to any person having any claim for injury to persons or damage to property arising therefrom. The provisions of this section shall not apply to units owned by the Declarant until such units have been initially sold by the Declarant, fully paid for, and title closed. No addition, alteration or improvements shall change or be a reason to change the undivided interest of each Unit Owner in and to the common elements.

SECTION 15: RIGHT OF ACCESS:

Each Unit Owner shall grant a right of access to his unit to the manager and/or the managing agent, if any, and/or any other person authorized by the Board of Directors for the purpose of making inspections and for the purpose of correcting any conditions existing in his unit and threatening another unit or common element, or for the purpose of performing necessary installations, alterations or repairs to the mechanical or electrical services or other common elements in his unit or elsewhere in the building within which the unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

SECTION 16: UTILITY SERVICES:

Electricity shall be supplied by the public utility company serving the area directly to each unit through a separate meter for each unit, and each Unit Owner shall be required to pay the bills for electricity used by his unit and in the limited common elements serving his unit. The electricity serving the general common elements shall be metered and the Board of Directors shall pay all bills for electricity consumed therein as a common expense. Water is centrally metered and is included within the common charges.

SECTION 17: RIGHT OF FIRST REFUSAL.

No Unit Owner may effectively dispose of a unit or any interest therein by sale or lease, without first offering the same for sale or lease to the Board of Directors upon the terms and conditions hereinafter provided for, subject, however, to the use restriction contained in Article IX (0.) of the Declaration of Con-

dominium. The provisions of this section shall not apply with respect to any sale or conveyance by any Unit Owner of his interest to his spouse, to any of his children, or to his parent or parents, or to his brothers or sisters, or any one or more of them, nor shall it apply to any sale or lease of any unit owned by the Declarant nor shall it apply to any sale or lease of any unit owned by the Association.

(a) The Unit Owner intending to make a bona fide sale or lease of his unit or any interest therein, shall give to the Board of Directors notice of such intention, together with the name and address of the intended purchaser or lessee and the terms and conditions of the sale or lease, including the price. The Board of Directors shall thereafter have a period of fifteen (15) days within which it may buy or lease said unit on the same terms and conditions as contained in the outside offer. If the Board of Directors is going to buy said unit, then within said fifteen (15) day period, the Board of Directors shall deliver or mail, by registered mail, to the Unit Owner, an agreement to purchase said unit, and the sale shall be closed on the same date as set forth in the original offer to the selling Unit Owner. If the Board of Directors is going to lease said unit, then within said fifteen (15) day period, the Board shall deliver or mail, by registered mail, to the Unit Owner, an agreement to lease said unit upon the same terms and conditions, provided, however, the Board shall not lease a unit it does not own if such lease violates Article IX (O.) of the Declaration of Condominium. The lease shall start on the date the Unit Owner intended to commence leasing his unit. If the Board of Directors shall lease the unit, it shall have the right to sublease the unit subject to the provisions of Article IX (O.) of the Declaration of Condominium. Upon the failure of the Board of Directors to exercise said right of first refusal, the Unit Owner shall be free to sell or lease (subject to the terms of Article IX (O.) of the Declaration of Condominium) his unit without regard to the right of first refusal. If the proposed transaction is a lease and not in violation of Article IX (O.) of the Declaration of Condominium, the lease must state that the lessee agrees to abide by all of the terms and conditions and covenants of the Declaration of Condominium, and these By-Laws, and any rules and regulations as may hereafter be established from time to time by the Board of Directors, and a fully executed copy thereof delivered to the Board of Directors.

(b) If the Board of Directors does not elect to exercise its right of first refusal within fifteen (15) days after the receipt of the notice described in subparagraph (a) of this section, the Board of Directors shall, upon request of the Unit Owner, issue a certificate, to be executed by the President and the Secretary, in recordable form, which certificate shall be delivered to the Unit Owner, indicating that the Board of Directors does not desire to exercise its right of first refusal. Said certificate shall be

issued within ten (10) days after the Association acts on such request, and shall be binding on the Association and the Unit Owner.

(c) In the event of a transfer of a unit by gift, devise or inheritance, sale or conveyance by a Unit Owner of his interest to his spouse, children, parents, brothers or sisters as set forth in subparagraph (a) above, the Board of Directors shall have the right to approve or disapprove the acquisition of title by said gift, devise, or inheritance. Within ten (10) days after receipt of a notice of a gift, devise, or inheritance, the Board of Directors shall deliver or mail, by registered mail, to the Unit Owner or its legal representative of the Unit Owner, its approval or disapproval of the said gift, devise or inheritance, signed by the President and the Secretary. If the Board of Directors disapprove, it shall, in addition to the disapproval, deliver or mail, by registered mail, to the Unit Owner or legal representative of the Unit Owner, an offer to purchase the unit on behalf of all the Unit Owners. The price to be paid in this event shall be the fair market value of the unit, to be determined by arbitration in Connecticut in accordance with the then existing rules of the American Arbitration Association. The purchase price, in the event of such disapproval, shall be paid in cash, and the sale shall be closed within forty-five (45) days after the notice of the gift, devise or inheritance as above provided, or within ten (10) days after the determination of the price to be paid by the arbitrators, whichever is later. The Board of Directors can enforce their rights to purchase said unit and may obtain a judgment of specific performance of a sale upon the award rendered by the arbitrators in any court of competent jurisdiction. If the Board of Directors fails to purchase and pay for the unit within forty-five (45) days or ten (10) days, as the case may be, then notwithstanding the Board's disapproval, the gift, devise or inheritance shall be deemed to have been approved and the Board shall furnish the necessary certificate of approval as hereinbefore provided.

(d) The provisions of this section shall not apply to a transfer to or purchase or lease by a bank, a bona fide mortgage lender, life insurance company, mortgage company, or savings and loan association, which acquires its title as a result of owning a mortgage upon the unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor, or through foreclosure proceedings. Nor shall such provision apply to a transfer, sale or lease by a bank, life insurance company, mortgage company, or savings and loan association which so acquires its title. Neither shall such provision require the approval of the purchaser who acquires title to a unit at a duly authorized and advertised public sale with open bidding which is provided by law, such as, but not limited to, execution sale, foreclosure sale, judicial sale or tax sale.

(e) The Declarant (nor for any purposes of this section, any mortgagee of the Declarant or the Association) is not subject to the right of first refusal on the sale or lease of any unit owned by the Declarant; and no notice of the sale or other disposition of any such unit by the Declarant need be given to the Association or the Board of Directors thereof, nor to any person, firm or corporation.

(f) The Board of Directors shall not exercise any right of first refusal set forth herein without the prior approval of at least seventy-five per cent (75%) of the Unit Owners in the Condominium

SECTION 18: MORTGAGES:

(a) Notice to the Board of Directors: A Unit Owner who mortgages his unit, shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors. The Board of Directors shall maintain a book entitled "MORTGAGES ON UNITS" in which all the mortgages on units are to be listed.

(b) The Board of Directors shall, whenever requested in writing by a mortgagee of unit, after receipt of such written request, report any delinquency or default by such Unit Owner of the mortgaged unit.

(c) Notice of Default: The Board of Directors, when giving notice to a Unit Owner of default in paying common charges or special assessments, or other default, shall send a copy of such notice to each holder of a mortgage covering such unit, whose name and address has theretofore been furnished to the Board of Directors.

(d) Notice of Unpaid Common Charges and Special Assessments: The Board of Directors, whenever requested in writing by a mortgagee of a unit, shall promptly send to such mortgagee any of the unpaid common charges or special assessments due, or other default, from the owner of the mortgaged unit.

(e) Examination of Books: Each Unit Owner and each mortgagee of a unit shall be permitted to examine the books of account of the Association at reasonable times on business days.

(f) Limitation of Mortgages: Subject to Section 47-77(b) of the Connecticut General Statutes, no Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his unit unless and until he shall have paid in full,

to the Board of Directors, all unpaid common charges or special assessments theretofore assessed by the Board of Directors against his unit and until he shall have satisfied all unpaid liens against such unit, except assumed mortgages.

(g) Any first mortgagee who comes into possession of a unit, pursuant to the remedies provided for in the mortgage, or foreclosure of the mortgage, or deed or assignment in lieu of foreclosure, shall be exempt from any existing right of first refusal of any party as to the purchase of such unit from the mortgagor thereof.

(h) A mortgagee acquiring title to a unit by foreclosure, or by deed in lieu of foreclosure, shall continue to be considered a mortgagee with all of the rights, privileges, powers and immunities of the owner of such unit until such time as a document evidencing an intent to merger the legal and equitable interest is executed by the mortgagee and is recorded in the land records, at which time such mortgagee shall only be considered to be the owner of the unit.

(i) Financing Purchase of Units by Board of Directors: Acquisition of units by the Board of Directors on behalf of all Unit Owners may be made from the working capital in the hands of the Board of Directors, or, if such funds are insufficient, the Board of Directors may levy an assessment against each Unit Owner and in proportion to his ownership in the common elements as a common charge or special assessment which assessment shall be enforceable in the same manner as common charges, or the Board of Directors may, in its discretion, borrow money to finance the acquisition of such units, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit itself, together with the appurtenant interests thereto to be acquired by the Board of Directors. Notwithstanding any rights of the Board of Directors under this Paragraph, or under any other provisions of these By-Laws, the Board of Directors and/or the Association cannot at any one time hold title to more than twenty (20%) percent of the total number of the units in the Association.

SECTION 19: NOTICE OF LIEN OR SUIT: Each Unit Owner shall give notice to the Association of any lien upon his unit other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien. Failure to comply with this paragraph will not affect the validity of any judicial sale. Notice shall also be given to the Association of every suit or other proceeding which may affect the title to a unit within five (5) days after the Unit Owner receives knowledge of same.

SECTION 20: MEMBERSHIP IN THE ASSOCIATION: Ownership of a unit shall automatically make the Unit Owner a member of the Association.

SECTION 21: MISCELLANEOUS:

(a) Notices: All notices hereunder to the Association shall be sent by registered or certified mail to the Board of Directors, in care of the President of the Association and/or to the managing agent if there be a managing agent. All notices to any Unit Owner shall be sent by registered or certified mail to the building in which the unit is situated, or to such other address as may have been designated by him from time to time in writing to the Board of Directors. All notices to mortgagees of units shall be sent by registered mail or certified mail to their respective addresses as designated by them from time to time in writing to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address, which shall be deemed to have been given when received.

(b) Invalidity: The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or effect of the balance of these By-Laws.

(c) Captions: The captions inserted herein are inserted only as a matter of convenience and for reference and do not define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

(d) Waiver: No restriction, condition, obligation or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same.

(e) Votes in the Event of Joint Ownership of a Unit: In the event a unit is owned by more than one owner, if the co-owners cannot agree upon how to exercise their right to vote under these By-Laws, each co-owner shall have a proportionate vote based upon his or her proportionate ownership of the unit itself. A co-owner of a unit may permit the other co-owner of the unit to vote his or her interest by furnishing the other co-owner with a proxy.

SECTION 22: MODIFICATION OR AMENDMENT OF BY-LAWS: Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the vote of a majority of the unit owners, provided, however, that no amendment of these By-Laws shall be contrary to the requirements of Section 47-80 and

Section 47-70(a) of the Connecticut General Statutes, as amended and as the same may be amended from time to time and provided, further that said vote shall be taken at a meeting of the unit owners duly held for such purpose and further following written notice to the mortgagees of such units appearing on the records of the Association, except that if such amendment directly or indirectly changes the boundaries of any unit, the undivided interest in the common elements appertaining thereto, the liability for common elements appertaining thereto, the liability for common expenses or rights to common profits appertaining thereto, or the number of votes in the Association appertaining thereto, such amendment shall require the affirmative vote of seventy-five per cent (75%) of the unit owners and shall, in addition, require the consent of the mortgagees of all units subject to mortgage. The vote at such a meeting may be in person or by proxy. Notwithstanding any other provision herein, however, no amendment may become effective, except with the written approval of all mortgagees holding mortgages constituting first liens upon 51% or more units. It is further understood that the section providing that Declarant, so long as it is the owner of ten percent or more units, shall be entitled to elect at least one member of the Board of Directors, may not be amended nor may the clause be amended which provides that Declarant is exempt from the right of first refusal.

SECTION 23: CONFLICTS: These By-laws are set forth to comply with the requirements of the Unit Ownership Act of the State of Connecticut, as provided for in the Connecticut General Statutes, as amended. In the case of any conflict between these By-Laws and the provisions of the Unit Ownership Act or the Declaration, the provisions of said statutes or of the Declaration, as the case may be, shall control. Invalidity of any section of these By-Laws shall only render that section invalid, all other sections to remain in full force and effect.

SECTION 24: PROVISIONS IN LEASE: Any lease entered into by a Unit Owner shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior written consent of the Board of Directors, that the Tenant shall not sublet or assign the demised premises or any part thereof, without the prior written consent of the Board of Directors, and that the Association shall have the power to, but not the obligation to terminate such lease, and bring summary proceedings to evict a tenant in the name of the Landlord thereunder, in the event of a default by a tenant in the performance of said lease, or failure by a tenant to perform an obligation in the Declaration, By-Laws, or rules and regulations.

SCHEDULE A

TERRACE PLACE CONDOMINIUM consists of 22,930 square feet of land area with a single building covering approximately 5,455 square feet. The building is a 2-1/2 story brick construction consisting of twenty-one (21) one bedroom units with an additional 26'-6" x 25'-10" storage and meter room with washers and dryers. The building was constructed in two sections - the North-South wing in 1967, and the East-West wing in 1969. A parking area for twenty-one (21) cars, paved and striped, is provided in front of the building. Concrete and paved walks service the building front and back. Exterior lighting is provided for the parking area.

The building has a flat roof which was renewed in 1977. The building is insulated with 3-1/2" in the walls and 6" in the ceiling. All windows have combination storm windows and screens. Heat is electric with separate meters in each unit. All walls and ceilings are 1/2" gypsum wallboard. Party walls are of either concrete block or wood studs, double wall construction, for soundproofing. Air conditioning sleeves are installed in units A1, A3 through A6, B9 through B12, C15 through C18, D20 and D21.

All units are serviced off four separate hallways - Units A1 through A6 off one hallway, Units B7 through B12 off one hallway, Units C13 through C18 off one hallway, and Units D19 through D21 off one hallway.

Storage for Unit D20 and D21 is supplied at the end of the hallway on the top floor of "D" hallway. Storage for Units C17 and C18 is supplied at the end of the hallway on the top floor of "C" hallway. All other units are supplied with individual storage bins in the storage and meter room.

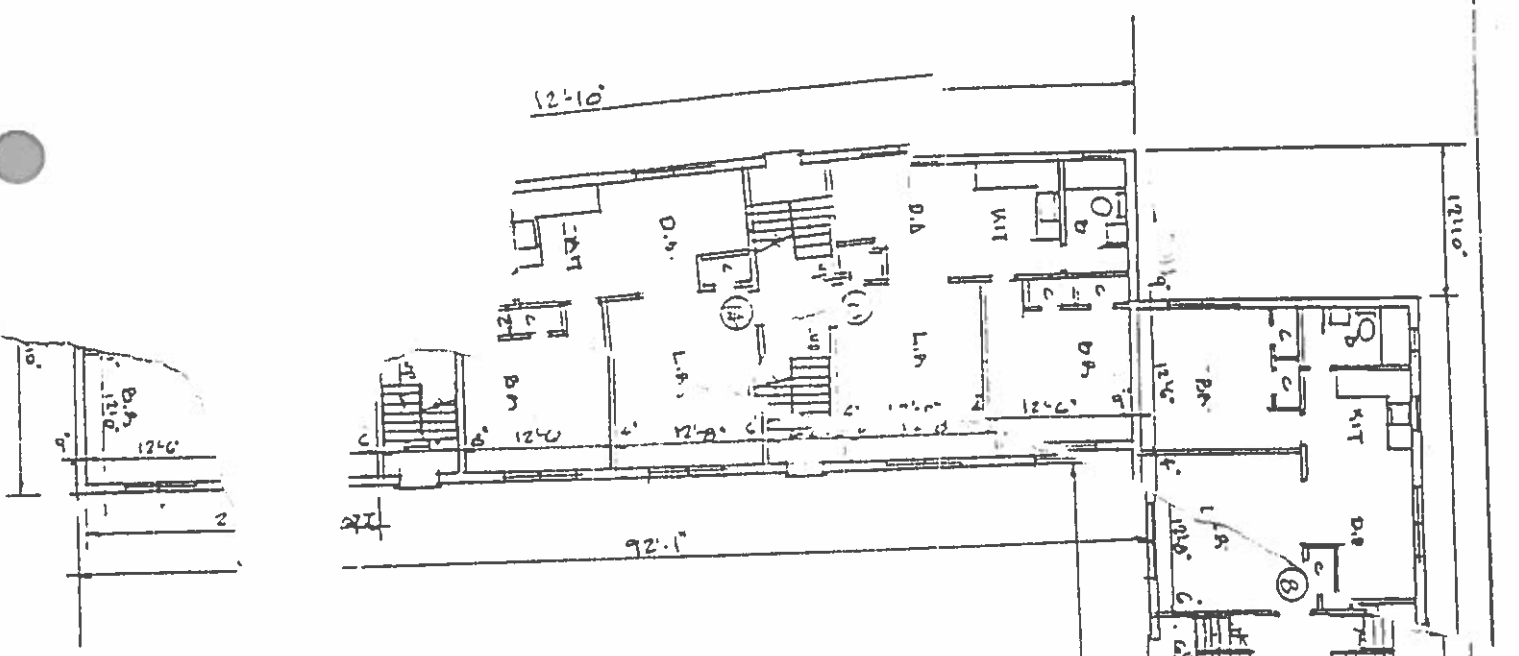
Washers and dryers are located in the storage and meter room, and are supplied and serviced by S.C.S. Appliance Service of New Milford, Connecticut.

No recreational amenities, passive or active, are provided for in this project.

UNIT SIZE AND DESCRIPTION:

MODEL A - Units A1 through A6, B7 through B12, C13 through C16 and D19 are approximately 620.4 square feet in size. The unit consists of a living room 12'-8" x 14'-4", bedroom 12'-6" x 12'-0", kitchen-dining 20'-2" x 9'-3", and bath 5'-0" x 9'-8". Each unit is equipped with an electric stove, refrigerator, hood fan, and hot water heater. Each unit is heated by electricity with separate meters. A cable television hook-up is installed in each unit.

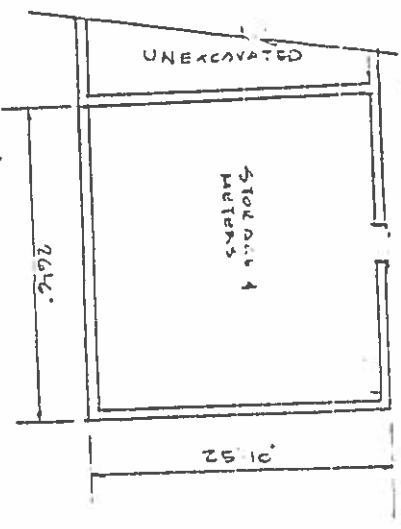
MODEL B - The same sizes and appliances as are set forth in Model A apply to Model B, with the exception of approximately 15 square feet of additional closet space. Units C17 and C18 are Model B.



AREAS OF LOWER LEVEL
 AREA OF UNIT C20A11, 42,42.81 SQ. FT.
 AREA OF COMMON AREAS 1004.51 SQ. FT.
 TOTAL 5247.32 SQ. FT.

LOWER LEVEL PLAN - ELEV. AT FLOOR = 1524.65
 ELEV. AT CEILING = 1532.65
 SCALE 1/8" = 1'-0"

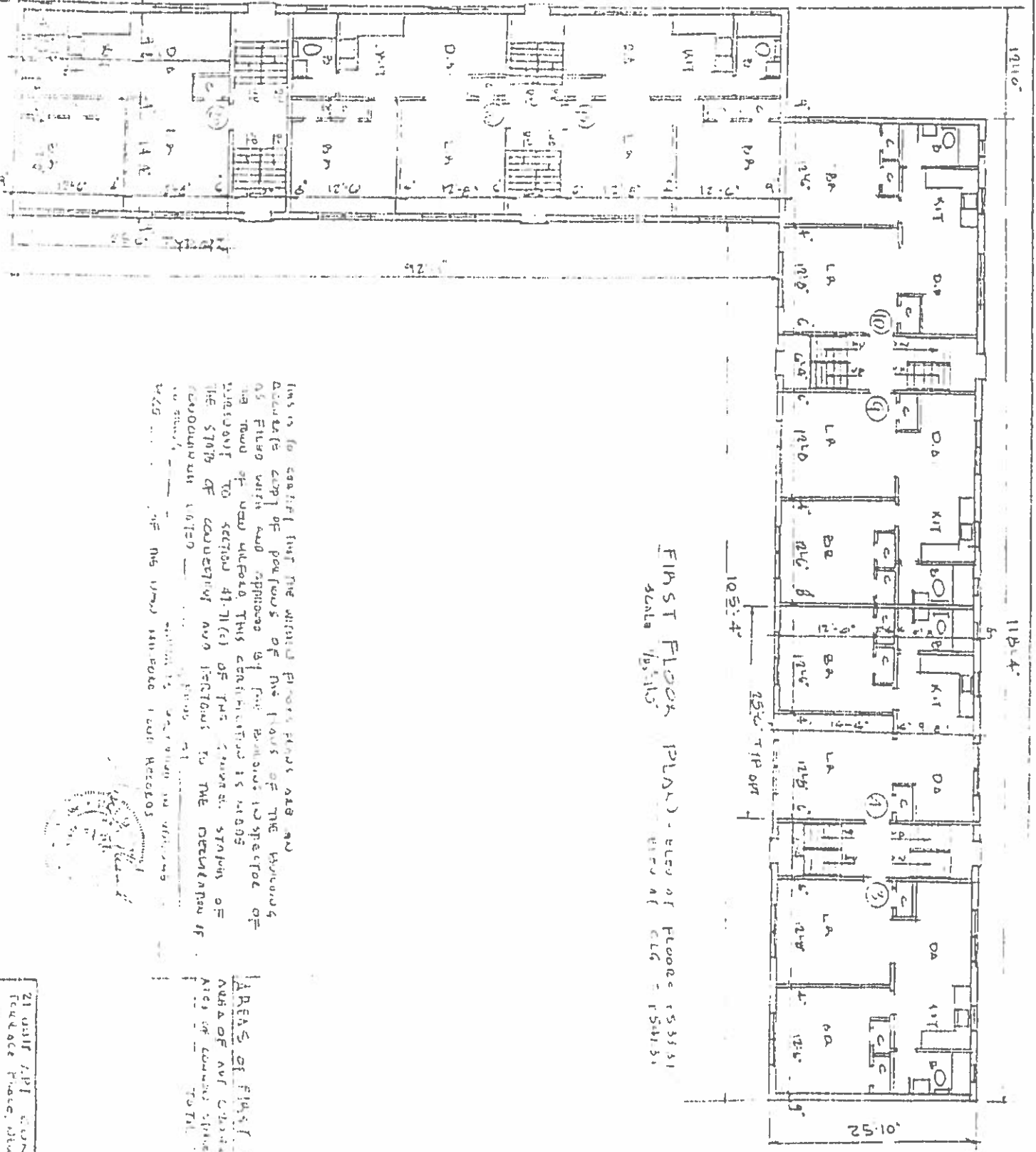
CELLAR PLAN - C84.513F
 SCALE 1/8" = 1'-0"



THIS IS TO CERTIFY THAT THE WITHIN FLOOR PLANS ARE AN ACCURATE COPY OF PORTIONS OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE BUILDING INSPECTOR OF THE CITY OF NEW HAVEN. THIS CERTIFICATION IS MADE IN FULL KNOWLEDGE OF THE SEVERAL STAGES OF THE CONSTRUCTION OF THE BUILDING AND PERTAINING TO THE DECLARATION OF CONDOMINIUM DATED _____ FILED BY _____ OF THE NEW HAVEN LAND RECORDS.



21-unit APT. complex - Terrace Commons
 Terrace Place, New Milford, CT
 1/8" = 1'-0"
 SAMUEL H. BROWN, ARCHITECT/ENGINEER
 100 STATE STREET, NEW HAVEN, CT 06510



FIRST FLOOR (PLAN) - USED OF PEOPLE 153531
 Scale 1/8" = 1'-0"

Plans for carrying out the design process plans are and
 describe copy of portions of the plans of the building
 as filed with and approved of the Bureau of the Inspector of
 and Town of New Mexico. This construction is to be
 in conformity with section 11-111 of the general statutes of
 the State of New Mexico and sections to the regulations of
 the Board of Architectural and Engineering Registration of
 the State of New Mexico.



AREAS OF FIRST FLOOR
 AREA OF AIR COND. UNITS
 AREA OF COND. SPACE
 TOTAL = 5403.7 SF

21 UNIT AIR CONDITIONING
 TOWER PLACE, NEW MEXICO
 STATE OF NEW MEXICO
 ARCHITECT
 711 UNIVERSITY AVENUE
 ALBUQUERQUE, NEW MEXICO 87131

92-10'

118'10"

92-1'

118'4"

105'4"

25'0" TYP. OPT.

91'52"

SECOND FLOOR PLAN - view of level 1541.97
Scale 1/8" = 1'-0"

SCHEDULE A-4

AREAS OF SECOND FLOOR

AREA OF APIS 5,411.97
 AREA OF APIS 1771.00
 AREA OF APIS 1270.8
 TOTAL OF APIS 8453.77
 AREA OF COMMON SPACE 1025.1
 TOTAL 9478.87

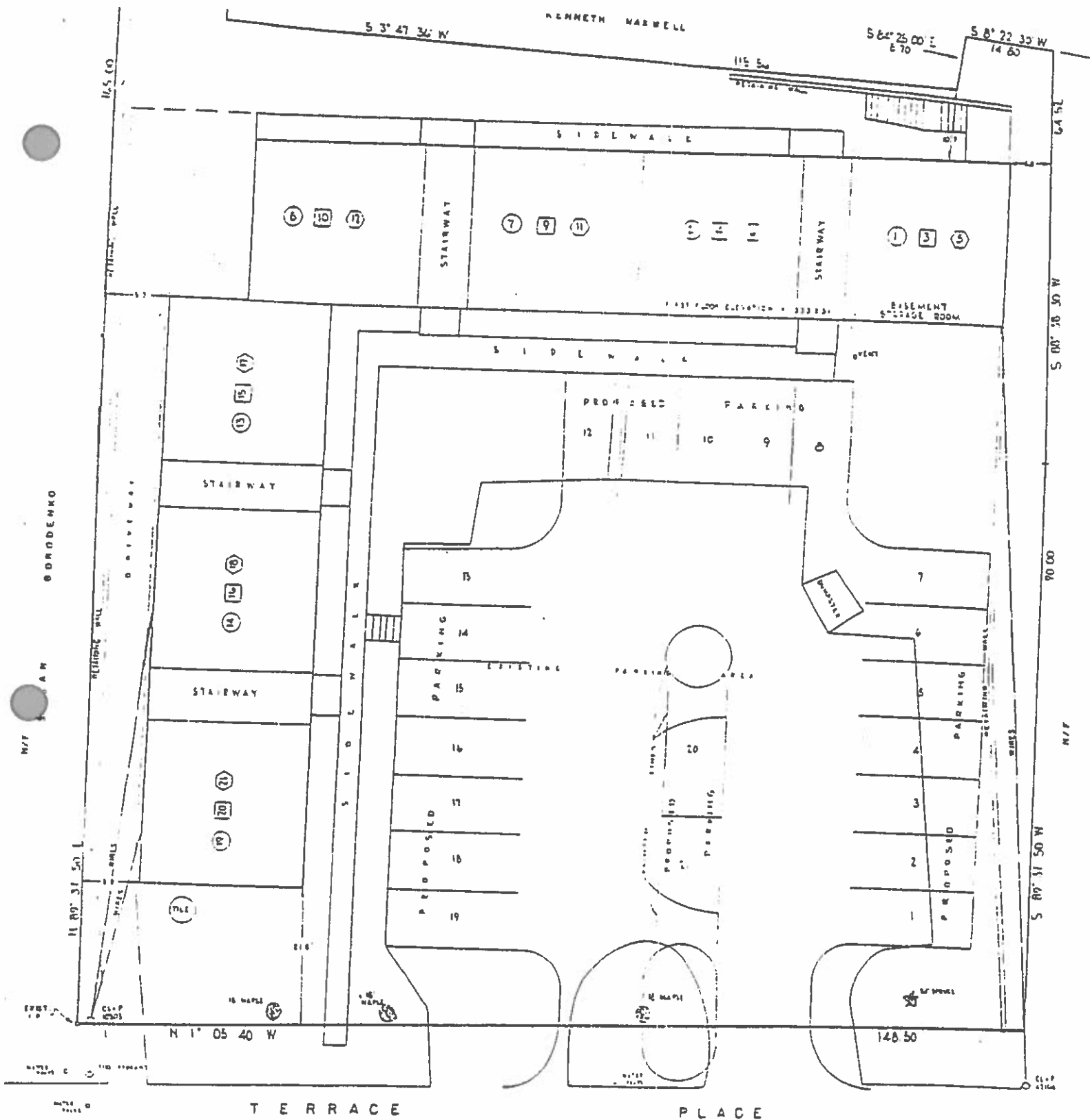
This is to certify that the above plans are an accurate copy of portions of the floor plan for the above as they were approved by the Building Inspector of the Town of New Bedford. This certification is given pursuant to section 41-111(c) of the General Statutes of the State of Massachusetts and in witness whereof I have hereunto set my hand and the seal of the Town of New Bedford this 15th day of August 1961.

 Town Clerk

21 UNIT APARTMENT BUILDING	105'4"	118'4"
SMALL APARTMENT BUILDING	105'4"	118'4"
74 SINGLE UNIT APARTMENT BUILDING	105'4"	118'4"

SCHEDULE B

ALL THAT CERTAIN tract, piece or parcel of land, with the buildings and improvements thereon, situated in the Town of New Milford, County of Litchfield and State of Connecticut, containing in area 22,930 square feet, and being shown and designated on a certain map entitled "Map of Property Prepared for William Glazer Terrace Place New Milford, Connecticut Scale: 1" = 10' Jan. 4, 1980". Said map is certified substantially correct as a Class A-2 Survey by C. James Osborne, Jr., R.L.S., P.C., New Milford, Connecticut. Said map is to be filed in the office of the Town Clerk of said Town of New Milford simultaneously with the recording of the within Declaration.



MAP
 PREPARED FOR
WILLIAM GLAZER
 TERRACE PLACE
 NEW MILFORD, CONNECTICUT
 SCALE 1" = 10' JAN 4, 1980

I HEREBY CERTIFY THAT THIS MAP IS SUBSTANTIALLY CORRECT TO THE DEGREE OF ACCURACY OF CLASS A-2 AS DESCRIBED IN CODE OF RECOMMENDED PRACTICE FOR STANDARDS OF ACCURACY OF SURVEYS AND MAPS APPROVED BY THE STATE BOARD OF GEO-SURVEYING ON OCT 1976



James Osborne Jr.
 JAMES OSBORNE JR. R.L.S., P.C.
 NEW MILFORD, CONNECTICUT

- NOTES:
- LOWER LEVEL
 - FIRST FLOOR

SCHEDULE C

DECLARATION OF UNIT OWNERSHIP BY
TOPAR, INC.

<u>Unit Number</u>	<u>Approximate Area (square feet)</u>	<u>Percentage of Undivided Interest</u>	<u>Limited Common Area</u>
1	620.4	4.76	Storage Bin
2	620.4	4.76	Storage Bin
3	620.4	4.76	Storage Bin
4	620.4	4.76	Storage Bin
5	620.4	4.76	Storage Bin
6	620.4	4.76	Storage Bin
7	620.4	4.76	Storage Bin
8	620.4	4.76	Storage Bin
9	620.4	4.76	Storage Bin
10	620.4	4.76	Storage Bin
11	620.4	4.76	Storage Bin
12	620.4	4.76	Storage Bin
13	620.4	4.76	Storage Bin
14	620.4	4.76	Storage Bin
15	620.4	4.76	Storage Bin
16	620.4	4.76	Storage Bin
17	635.4	4.78	Hall storage a
18	635.4	4.78	Hall storage a
19	620.4	4.76	Storage Bin
20	620.4	4.76	Hall storage a
21	620.4	4.76	Hall storage a

SCHEDULE A

TERRACE PLACE CONDOMINIUM consists of 22,930 square feet of land area with a single building covering approximately 5,455 square feet. The building is a 2-1/2 story brick construction consisting of twenty-one (21) one bedroom units with an additional 26'-6" x 25'-10" storage and meter room with washers and dryers. The building was constructed in two sections - the North-South wing in 1967, and the East-West wing in 1969. A parking area for twenty-one (21) cars, paved and striped, is provided in front of the building. Concrete and paved walks service the building front and back. Exterior lighting is provided for the parking area.

The building has a flat roof which was renewed in 1977. The building is insulated with 3-1/2" in the walls and 6" in the ceiling. All windows have combination storm windows and screens. Heat is electric with separate meters in each unit. All walls and ceilings are 1/2" gypsum wallboard. Party walls are of either concrete block or wood studs, double wall construction, for soundproofing. Air conditioning sleeves are installed in units A1, A3 through A6, B9 through B12, C15 through C18, D20 and D21.

All units are serviced off four separate hallways - Units A1 through A6 off one hallway, Units B7 through B12 off one hallway, Units C13 through C18 off one hallway, and Units D19 through D21 off one hallway.

Storage for Unit D20 and D21 is supplied at the end of the hallway on the top floor of "D" hallway. Storage for Units C17 and C18 is supplied at the end of the hallway on the top floor of "C" hallway. All other units are supplied with individual storage bins in the storage and meter room.

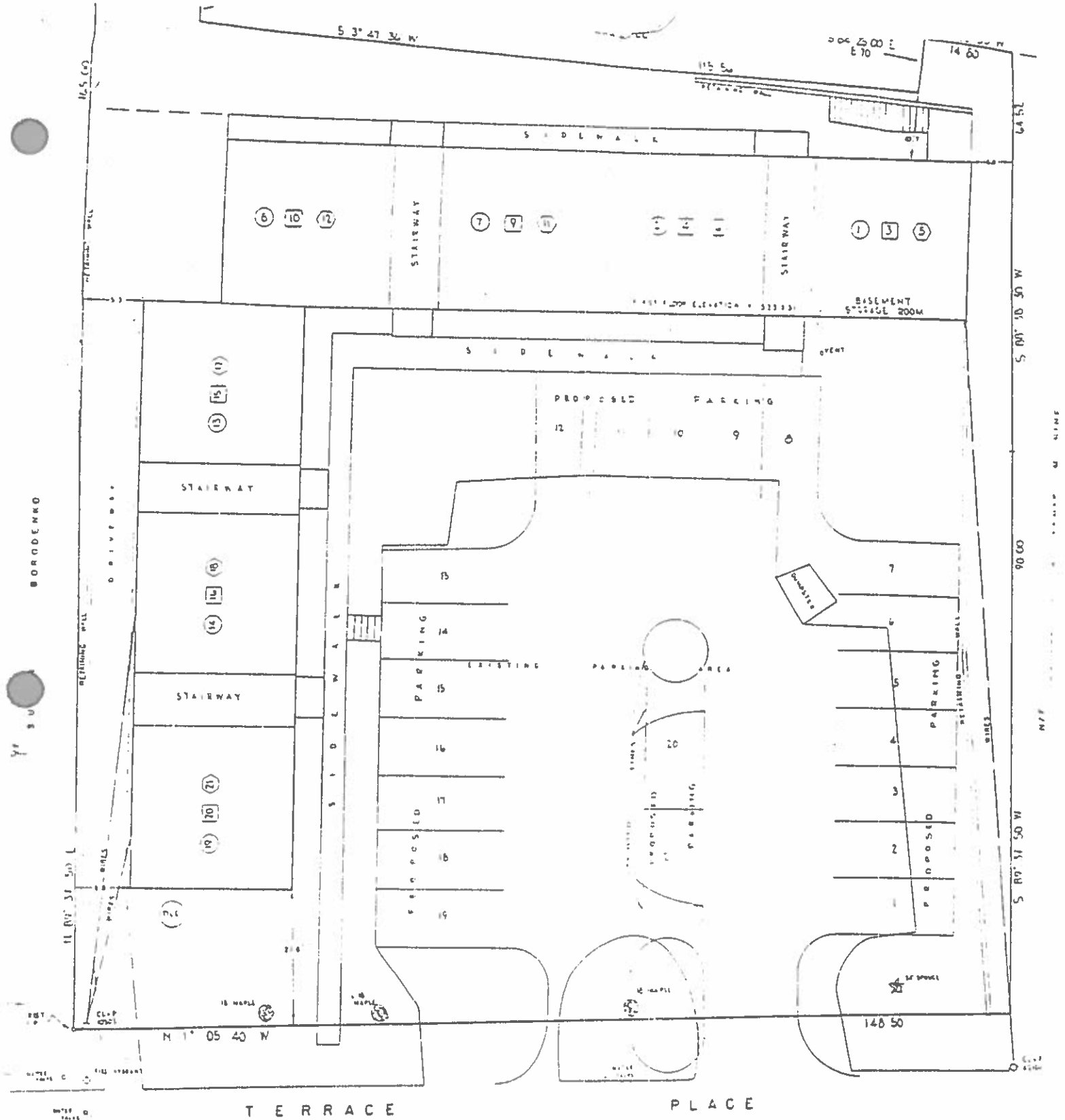
Washers and dryers are located in the storage and meter room, and are supplied and serviced by S.O.S. Appliance Service of New Milford, Connecticut.

No recreational amenities, passive or active, are provided for in this project.

UNIT SIZE AND DESCRIPTION:

MODEL A - Units A1 through A6, B7 through B12, C13 through C16 and D19 are approximately 620.4 square feet in size. The unit consists of a living room 12'-8" x 14'-4", bedroom 12'-6" x 12'-0", kitchen-dining 20'-2" x 9'-8", and bath 5'-0" x 9'-8". Each unit is equipped with an electric stove, refrigerator, hood fan, and hot water heater. Each unit is heated by electricity with separate meters. A cable television hook-up is installed in each unit.

MODEL B - The same sizes and appliances as are set forth in Model A apply to Model B, with the exception of approximately 15 square feet of additional closet space. Units C17 and C18 are Model B.



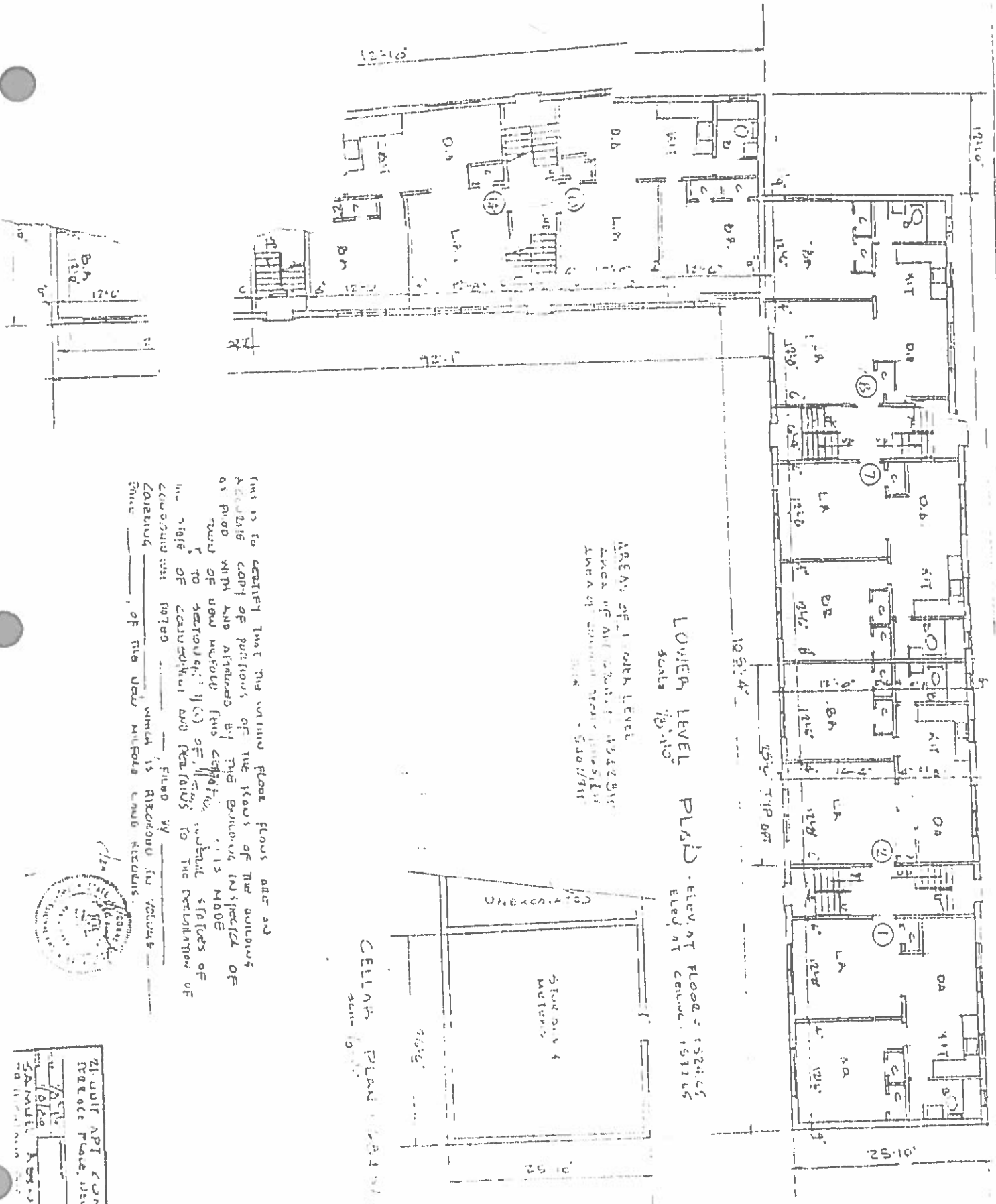
MAP
 PREPARED FOR
WILLIAM GLAZER
 TERRACE PLACE
 NEW MILFORD, CONNECTICUT
 SCALE 1" = 10' JAN 4, 1980

I HEREBY CERTIFY THAT THIS MAP IS SUBSTANTIALLY CORRECT TO THE DEGREE OF ACCURACY OF PLANS AS DESCRIBED IN CODE OF RECOMMENDED PRACTICE FOR STANDARDS OF ACCURACY OF SURVEYS AND MAPS APPROVED BY THE STATE BOARD OF REGISTRATION OCT. 1976

James Osborne Jr.
 JAMES OSBORNE JR. RLS. P.C.
 NEW MILFORD, CONNECTICUT



○ LOWER LEVEL
 □ UPPER LEVEL



LOWER LEVEL PLAN - ELEV. AT FLOOR - 1524.05
 ELEV. AT CEILING - 1531.65

AREAS OF INTEREST
 AREA OF INTEREST - 45.42 SQ. FT.
 AREA OF DAMAGE - 10.11 SQ. FT.
 DATE - 5/20/78

CELLAR PLAN 1524.05
 SCALE 1/8" = 1'-0"

This is to certify that the within floor plan and all
 details copy of portions of the plans of the building
 as shown with and attached by this building inspector
 and of any other parts of the building is made
 to be correct and true to the intention of
 the original and correct plans and specifications of
 the building and that the same is filed by
 the building inspector in volume _____
 of the New York State Building Code.



21-unit APT. COMPLEX, 1500
 FERRIS PLACE, NEW MILFORD, CT
 DATE 5/20/78
 BY [Signature]



A single vertical line runs down the left side of the page, serving as a margin line.

A pair of vertical lines runs down the page, defining a narrow column.

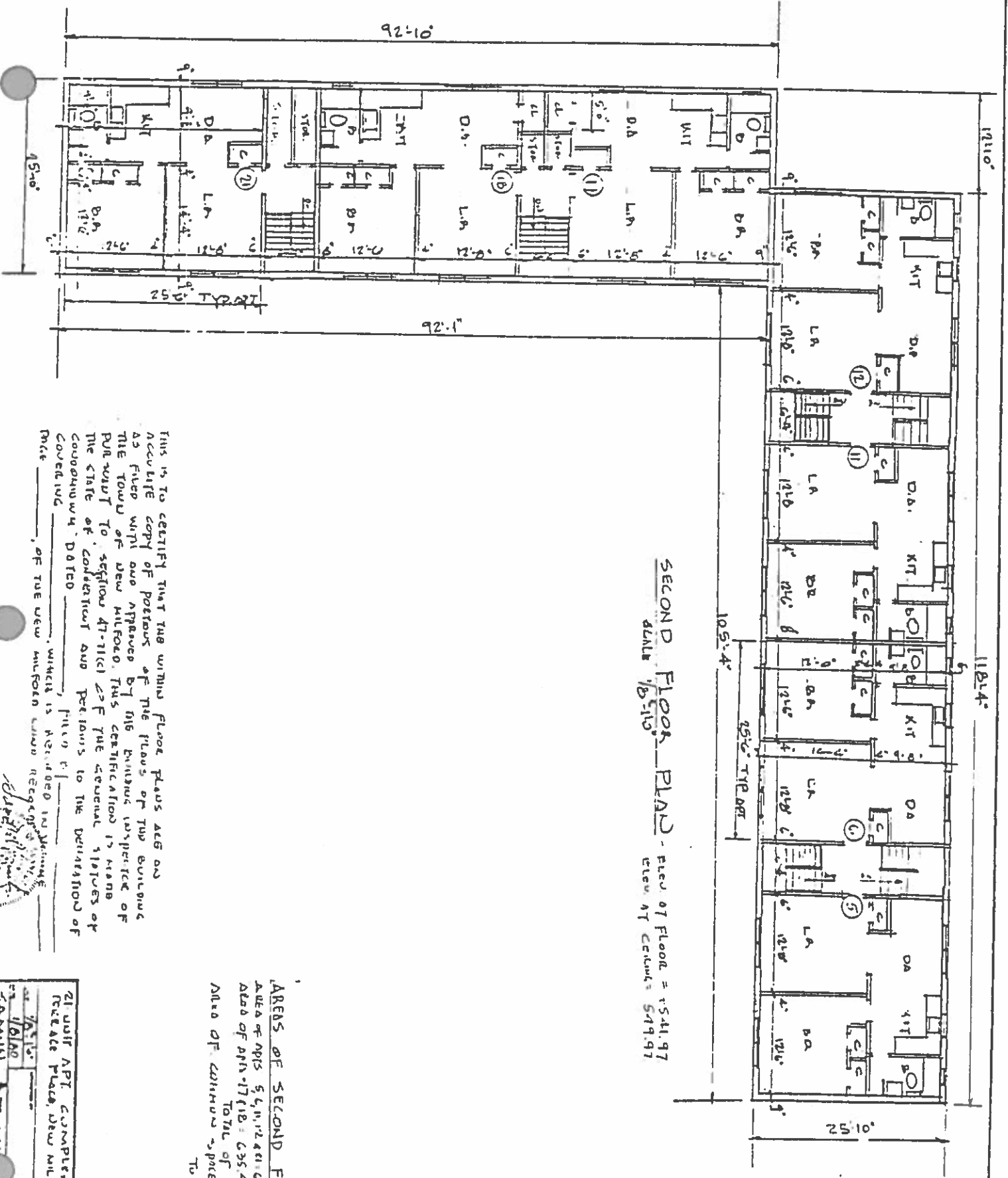
A pair of vertical lines runs down the page, defining a narrow column.

A pair of short vertical lines is located in the upper middle section of the page.

A single vertical line runs down the page, defining a narrow column.

A single vertical line runs down the page, defining a narrow column.

A single vertical line runs down the right side of the page, serving as a margin line.



SECOND FLOOR PLAN - Elev of Floor = 541.97
 Scale 1/8" = 1'-0"
 Elev. at Corners = 549.97

SCHEDULE A-4

AREAS OF SECOND FLOOR

AREA OF APTS 54, 172, 171, 170, 169, 168, 167, 166, 165, 164, 163, 162, 161, 160, 159, 158, 157, 156, 155, 154, 153, 152, 151, 150, 149, 148, 147, 146, 145, 144, 143, 142, 141, 140, 139, 138, 137, 136, 135, 134, 133, 132, 131, 130, 129, 128, 127, 126, 125, 124, 123, 122, 121, 120, 119, 118, 117, 116, 115, 114, 113, 112, 111, 110, 109, 108, 107, 106, 105, 104, 103, 102, 101, 100, 99, 98, 97, 96, 95, 94, 93, 92, 91, 90, 89, 88, 87, 86, 85, 84, 83, 82, 81, 80, 79, 78, 77, 76, 75, 74, 73, 72, 71, 70, 69, 68, 67, 66, 65, 64, 63, 62, 61, 60, 59, 58, 57, 56, 55, 54, 53, 52, 51, 50, 49, 48, 47, 46, 45, 44, 43, 42, 41, 40, 39, 38, 37, 36, 35, 34, 33, 32, 31, 30, 29, 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1

This is to certify that the within floor plans are an accurate copy of portions of the plans of the building as filed with me and approved by the Building Inspector of the Town of New Milford. This certification is made pursuant to sections 47-111c) of the General Statutes of the State of Connecticut and portions to the definition of covering. Dated _____, this _____ day of _____, 19____, which is recorded in _____ of the New Milford land records.

21 UNIT APT. COMPLEX, LEGGERS COMMONS
 RECREATION PLACE, NEW MILFORD, CT

1/10/80
 SA MULLER
 79 WICKHAMMS AVE., NEW MILFORD, CT, 06855

SCHEDULE B

ALL THAT CERTAIN tract, piece or parcel of land, with the buildings and improvements thereon, situated in the Town of New Milford, County of Litchfield and State of Connecticut, containing in area 22,930 square feet, and being shown and designated on a certain map entitled "Map of Property Prepared for William Glazer Terrace Place New Milford, Connecticut Scale: 1" = 10' Jan. 4, 1980". Said map is certified substantially correct as a Class A-2 Survey by C. James Osborne, Jr., R.L.S., P.C., New Milford, Connecticut. Said map is to be filed in the office of the Town Clerk of said Town of New Milford simultaneously with the recording of the within Declaration.

SCHEDULE C

DECLARATION OF UNIT OWNERSHIP BY
TOPAR, INC.

<u>Unit Number</u>	<u>Approximate Area (square feet)</u>	<u>Percentage of Undivided Interest</u>	<u>Limited Common Area</u>
1	620.4	4.76	Storage Bin
2	620.4	4.76	Storage Bin
3	620.4	4.76	Storage Bin
4	620.4	4.76	Storage Bin
5	620.4	4.76	Storage Bin
6	620.4	4.76	Storage Bin
7	620.4	4.76	Storage Bin
8	620.4	4.76	Storage Bin
9	620.4	4.76	Storage Bin
10	620.4	4.76	Storage Bin
11	620.4	4.76	Storage Bin
12	620.4	4.76	Storage Bin
13	620.4	4.76	Storage Bin
14	620.4	4.76	Storage Bin
15	620.4	4.76	Storage Bin
16	620.4	4.76	Storage Bin
17	635.4	4.78	Hall storage ar
18	635.4	4.78	Hall storage ar
19	620.4	4.76	Storage Bin
20	620.4	4.76	Hall storage ar
21	620.4	4.76	Hall storage ar

FIRST AMENDMENT TO BY-LAWS OF
DECLARATION OF CONDOMINIUM OF TOPAR, INC.

This amendment made this 27th day of August, 1980, to the By-Laws of the Declaration of Condominium of Topar, Inc., being dated February 8, 1980, and recorded in Volume 280 at Page 172 of the New Milford Land Records. The declarant Topar, Inc., is now the owner of all of the units in said condominium.

W I T N E S S E T H:

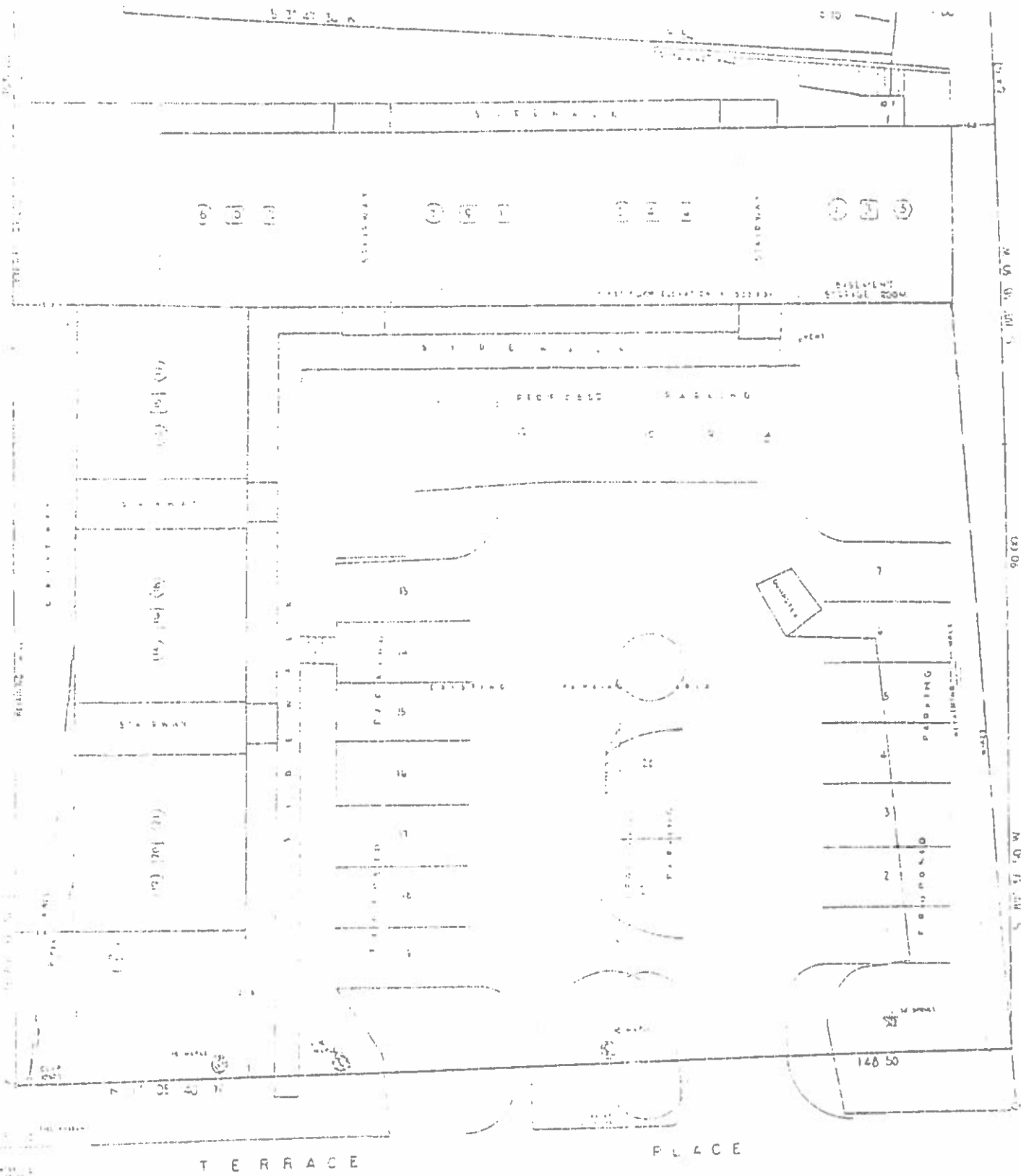
The By-Laws of Topar, Inc., are hereby amended as follows:

1. Section 4 (a). Section 4(a) is hereby deleted and the following placed in its stead:

"(a) NUMBER, QUALIFICATION, CLASSES AND ELECTION: Subject to the provisions of 4(b) below, the affairs of the Association are to be governed by the Board of Directors consisting of three persons, each of whom shall have one (1) vote. Until the first meeting at which the unit owners may vote, the Board of Directors is to consist of three persons who shall be designated or removed at the will of the declarant. The terms of at least one-third of such Board of Directors shall expire annually. From and after the first meeting of which the Unit owners may vote, the Board shall be composed of three (3) persons in accordance with 4(b) below. Upon the first election of members of the Board of Directors by the unit owners, such Board of Directors shall be divided into three (3) classes: one (1) director to serve for a period of three (3) years; one (1) Director to serve for a period of two (2) years; and one (1) Director to serve for a period of one (1) year. At the expiration of the initial term of office of each Director, his successor shall be elected to serve for a period of three (3) years. The Directors shall hold office until their successors have been elected.

2. Section 17(a) is hereby deleted and the following placed in its stead:

"(a) The Unit Owner intending to make a bona fide sale or lease of his unit or any interest therein, shall give to the



MAP
 PREPARED FOR
WILLIAM GLAZIER
 TERRACE PLACE
 NEW MILFORD, CONNECTICUT
 SCALE 1" = 10' JAN 4 1962

I HEREBY CERTIFY THAT THIS MAP IS SUBSTANTIALLY CORRECT
 AND THAT THE INFORMATION THEREON IS AS DESCRIBED IN
 THE ACCOMPANYING PLATTS AND STANDARDS IN ACCORDANCE
 WITH THE REQUIREMENTS PRESCRIBED BY THE STATE BOARD OF
 SURVEYORS AND MAPS.

JAMES OSBORNE JR. R.L.S. P.E.
 NEW MILFORD, CONNECTICUT



POWER LINES
 15' - 20'

PLAT NO. 1-1-7



SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM
OF TOPAR, INC.

This amendment made this 2nd day of October, 2006, pursuant to a duly warned meeting of the TERRACE PLACE CONDOMINIUM ASSOCIATION, INC, to Declaration of the Condominium of Topar, Inc., also known as TERRACE PLACE CONDOMINIUM, being dated February 8, 1980 and recorded in Volume 280 at Page 172 of the New Milford Land Records, as amended by First Amendment to Declaration of Condominium of Topar, Inc. dated August 29, 1980 and recorded in Volume 284 at Page 97 of the New Milford Land Records.

WITNESSETH:

The Declaration of Condominium of Topar, Inc., also known as TERRACE PLACE CONDOMINIUM, is hereby amended as follows:

Article XIV – USE, PURPOSE AND RESTRICTIONS, Section L. is deleted in its entirety and the following is adopted in its place:

L. It is hereby determined that occupancy of the units by unit owners is beneficial to the continued maintenance, safety and welfare of the condominium project and the unit owners; that it fosters interest in good management and upkeep of the project which directly affects the fair market value of all of the units contained therein and that numerous non-owner occupied units have the contrary effect on the premises. Accordingly, effective that date of recording of this amendment, no Owner may lease his or her unit to another person or persons with the following exceptions:

1. Lease by an owner to a family member, defined as owner's spouse, parent, grandparent, child, grandchild or sibling.
2. Special hardship circumstances. Conditions and application for lease due to hardship shall be set forth in rules and regulations adopted by the Board of Directors as necessary to carry out the intent of this amendment.
3. Any Owner who acquired title to his or her unit prior to date of the recording of this Second Amendment to Declaration and has a lease of record at the time of recording of this amendment is permitted to continue leasing the unit.

... Anna Szmaj, its President, duly authorized has caused this amendment to the Declaration of Condominium of Topar, Inc. to be executed the day and year first above written.

TERRACE PLACE CONDOMINIUM ASSOCIATION, INC.

Janet L. Britto
Janet L. Britto

By Anna Szmaj
Anna Szmaj, its President, hereunto duly authorized

Jeremy Ruman
34 Pines, Guilford

State of Connecticut)
) ss. New Milford
County of Litchfield)

The foregoing instrument was acknowledged before me this 2nd day of October, 2006 by Anna Szmaj, President of Terrace Place Condominium Association, Inc. a Connecticut corporation, on behalf of the corporation.



Jeremy Ruman
Commissioner of the Superior Court
Notary Public:
My commission expires: 11/30/2007

George A. Crocker

007736

TOWN CLERK
NEW MILFORD, CT
06 OCT -4 AM 9:39

BY-LAWS

OF

TERRACE PLACE CONDOMINIUM ASSOCIATION, INC.

SECTION 1: IDENTITY: These are the By-Laws of TERRACE PLACE CONDOMINIUM ASSOCIATION, INC., hereinafter called the "Association", a corporation not organized for profit and existing under the laws of the State of Connecticut. The property to which the Declaration appended hereto and these By-Laws apply is located on Terrace Place, New Milford, Connecticut, and is more particularly described in the Declaration of Condominium, of which these By-Laws form a part. Said property has been submitted to the provisions of the UNIT OWNERSHIP ACT of the Connecticut General Statutes, as said Act now exists and as it may be from time to time amended. Said Declaration is to be recorded in the Office of the Town Clerk of the Town of New Milford.

SECTION 2: APPLICABILITY OF BY-LAWS: The provisions of these By-Laws are applicable to the owners of units of TERRACE PLACE CONDOMINIUM ASSOCIATION, INC., their tenants, servants and employees, and to the use and occupancy thereof. The term "property" as used herein shall include the land, all buildings and all improvements and structures thereon and all easements, rights, and appurtenances belonging thereto submitted to the provisions of the Unit Ownership Act of the Connecticut General Statutes.

SECTION 3: OFFICE: The Office of the Association and the Board of Directors shall be located within the buildings.

SECTION 4: BOARD OF DIRECTORS:

(a) NUMBER, QUALIFICATION, CLASSES AND ELECTION: Subject to the provisions of Section 4 (b) below, the affairs of the Association shall be governed by a Board of Directors consisting of Five (5) persons. The Board of Directors shall be divided into two (2) classes. The Unit Owners shall elect from among themselves Three (3) directors to serve for a period of One (1) year, and Two (2) directors to serve for a period of two (2) years. At the expiration of the initial term of office of each respective director, his or her successor shall be elected to serve for a period of two (2) years. The Directors shall hold office until their successors have been elected and have their first meeting. The term of at least three (3) members of the Board of Directors shall expire annually. At any meeting of Unit Owners

held to elect members to the Board of Directors, the candidates receiving the highest vote totals shall be elected for the longer terms and the candidates receiving a lesser number of votes shall be elected for the shorter term. After the initial election of Five (5) members, at each meeting thereafter the Two (2) or Three (3) candidates, as the case may be, receiving the highest number of votes shall be elected to fill said two (2) year term.

(b) SPECIAL PROVISIONS: When unit owners other than Declarant own more than one-third of the units in the condominium, they shall be entitled to elect not less than one-third of the members of the Board of Directors of the Association. Unit owners other than Declarant shall elect not less than a majority of the members of the Board of Directors of the Association not later than five (5) years after the date of the recording of the original Declaration, and, prior to the expiration of such five year period, shall be entitled to elect not less than a majority of the members of the Board of Directors upon the sale by the Declarant of sixty (60%) percent of the units in TERRACE PLACE CONDOMINIUM.

(c) ELIGIBILITY: All members of the Board of Directors, other than those members designated by Declarant pursuant to Section (b) above, shall be Unit Owners, it being understood that should any Unit be owned as a tenancy-in-common, joint tenancy with survivorship rights, by a partnership or a corporation, in a fiduciary capacity or otherwise, then in any such event such Unit Owner or Owners of a unit shall designate one (1) person having an ownership interest in any such unit as the representative of the interest in the total ownership of such unit, and such person shall be eligible for election or designation to the Board of Directors, provided, however, that in the case of corporate ownership, any officer or employee of such corporation shall be entitled to represent the ownership interest in a unit.

(d) POWERS AND DUTIES: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts or things except as by law or by the Declaration or by these by-Laws may not be delegated to the Board of Directors by the Unit Owners. Such powers and duties of the Board of Directors shall include but shall not be limited to the following:

1. Operation, care, upkeep and maintenance of the common elements.
2. Determination of the common expenses and special assessments required for the affairs of the Association, including, without limitation, the operation and maintenance of the property, the establishment of reserves to provide for maintenance, improvements, replacements, working capital, bad debts, depreciation, obsolescence

and similar purposes as are deemed desirable.

3. Collection of the common expenses from the unit owners.
4. Designation, removal, employment and dismissal of personnel necessary for the maintenance, repair and replacement of the common elements.
5. Adoption and amendment of rules and regulations covering the details of the operation and use of the property provided, however, that those rules and regulations contained in the Declaration shall be amended in the manner provided for amending the Declaration.
6. Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
7. Purchasing or leasing or otherwise acquiring in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, units offered for sale or lease or surrendered by their owners to the Board of Directors.
8. Purchasing of units at foreclosure or other judicial sales in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners.
9. Selling, leasing, mortgaging (but not voting the votes appurtenant thereto) or otherwise dealing with units acquired by, and subleasing units leased by the Board of Directors or its designee, on behalf of all unit owners.
10. Obtaining necessary insurance for the property, including the units.
11. Making the repairs, additions and improvements to or alterations of the property and repairs to and restoration of the property in accordance with other provisions of these By-Laws after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.
12. The Board of Directors shall have the power to enforce obligations of the unit owners, to allocate profits and expenses to approve payment vouchers, and to do everything else necessary and proper for the sound management of the Association. The Board shall have

power to levy fines against the unit owners for violations of reasonable rules and regulations established by it to govern the conduct of the unit owners. No fine may be levied for more than \$5 for any one violation; but for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against the unit owner or unit owners involved as if the fine were a common charge owed by the particular unit owner or unit owners.

13. The Board of Directors may employ a managing agent and/or manager for the association, at a compensation to be established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including but not limited to the duties granted to the Board of Directors as set forth above. The Board of Directors may delegate to the manager or managing agent such powers as may be necessary to carry out the function of the Board of Directors.

Notwithstanding anything contained herein or in any other condominium instruments to the contrary, so long as Declarant owns ten percent or more of the units in the condominium for sale in the ordinary course of business, no action may be taken by the Association that would be detrimental to the sale of said units by Declarant without the written agreement thereto by Declarant.

(e) REMOVAL OF MEMBERS OF THE BOARD OF DIRECTORS:

No member of the Board of Directors elected or designated by the Declarant pursuant to the provisions of SECTION 4 above may be removed. At a duly held regular or special meeting of the Unit Owners, any one or more of the members of the Board of Directors not designated by the Declarant may be removed with or without cause by a majority of the Unit Owners present and voting, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

(f) VACANCIES: Vacancies in the Board of Directors for members elected by the Unit Owners caused by any reason shall be filled by a vote of a majority of the remaining members of the Board of Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member whose term he is filling, or until his successor shall be elected. Any vacancy may be filled immediately by Declarant

by further designation, if Declarant initially designated such Director for which a vacancy exists, and Declarant is still entitled to designate, pursuant to the terms of these By-Laws.

(g) COMPENSATION: No member of the Board of Directors shall receive any compensation from the Association for acting as a Director.

(h) MEETINGS OF THE BOARD OF DIRECTORS: The first meeting of the Board of Directors following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by the newly elected or designated Board of Directors, and no notice shall be necessary. Thereafter, regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two (2) meetings shall be held each year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors by mail or hand-delivery, at least three (3) business days prior to the date of the meeting. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each member of the Board of Directors, given by mail or hand-delivery, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or by the Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Directors. Any member of the Board of Directors, may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by members of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof.

(i) QUORUM OF THE BOARD OF DIRECTORS: At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board, there shall be less than a quorum present, the majority of those present may adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice.

(j) ELECTION OF OFFICERS: At each annual organization meeting of the Board of Directors of the Association, the Board shall elect a President from the Board of Directors. In addition, the Board shall elect the Vice-President, Treasurer and Secretary of the Association. The Vice-President, Secretary and Treasurer need not be members of the Board of Directors, and the Secretary may be appointed by the Board of Directors. All officers and members of the Board of Directors having the responsibility of handling funds for the Association are to be bonded.

The President shall be the chief executive officer of the Association, shall preside at all meetings of the Association, shall preside at all meetings of the Unit Owners and the Board of Directors, and shall hold the general powers and duties which are incidental to the office of a president of a stock corporation, including, but not limited to, the power to appoint such committees from among the Unit Owners or their spouses from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association. The Vice-President shall take the place of the President or perform his duties whenever the President shall be absent or unable to act. The Secretary shall keep the Minutes of all meetings of the Unit Owners and the Board of Directors, and shall have charge of such books and records as the Board of Directors may direct. He shall, in general, perform all of the duties incidental to the office of a secretary of a stock corporation. The Treasurer shall have the responsibility for the Association funds and securities and shall be responsible for the keeping of full and accurate records and books of account. The Treasurer, at the expense of the Association, shall furnish such bond as may be required by the Board of Directors. All agreements, contracts, leases, deeds, checks, and other instruments of the Association shall be executed by any two of the officers of the Association or by such other person or persons as may be designated by the Board of Directors. No officer shall receive compensation from the Association for acting as such an officer. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. All officers must be year-rounded resident Unit Owners, except that so long as the Board of Directors, or a majority thereof, is designated by the Declarant pursuant to Section 4, the officers need not be unit owners.

(k) LIABILITY OF THE BOARD OF DIRECTORS: The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligent or otherwise, and shall only be liable for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in

the common elements bears to the interest of all Unit Owners in the common elements.

(1) ACTION DETRIMENTAL TO DECLARANT: So long as the Declarant owns ten (10%) percent or more of the units in the condominium for sale in the ordinary course of business, no action may be taken by the Association which would be detrimental to the sales of units by the Declarant, without written agreement thereto by the Declarant; provided that an increase in assessments for common expenses or imposition of any special assessment without discrimination against the Declarant shall not be deemed to be detrimental to the sale of units.

SECTION 5: MEETINGS OF THE UNIT OWNERS:

(a) Annual meetings of the Unit Owners shall be held as hereinabove provided for.

(b) Place of Meeting: The meeting of the Unit Owners shall be held at the principal office of the Association, or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

(c) Special Meetings: It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by a resolution of the Board of Directors, or upon petition signed and presented to the Secretary by not less than 33-1/3 percent in the aggregate of the undivided interest in the common elements of all unit owners. The notice of any special meeting shall state the time and place of such meeting, and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(d) Notice of Meetings: The Secretary shall mail a notice for each annual or special meeting of the Unit Owners at least seven (7) days, but not more than twenty (20) days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held. Said notice shall be mailed to each Unit Owner of record at the unit address or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of notice of meeting in the manner herein shall be considered service of notice.

(e) Quorum: Except as otherwise provided herein, the presence in person or by proxy of Unit Owners having one-third of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners. If at any meeting of the Unit Owners there is not a quorum present, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the date the original meeting was called for.

(f) Conduct of the Meetings: The order of business

at the annual meeting of the Unit Owners or at any special meeting, as far as practicable, shall be:

1. Calling of the roll and certifying of the proxies.
2. Proof of Notice of meeting or waiver of notice.
3. Reading and disposal of any unapproved Minutes.
4. Receiving reports of officers.
5. Receiving reports of committees.
6. Election of inspector of election.
7. Election of directors, if necessary.
8. Old Business.
9. New Business.
10. Adjournment.

At all meetings of the Unit Owners or of the Directors, ROBERTS' RULES OF ORDER shall be followed.

(g) Majority of votes: A vote of the majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes, except wherein by the Declaration, these By-Laws, or by law, a higher percentage is required. Majority vote for the purposes of this paragraph is to be determined in the manner set forth in the definitions of the Declaration appended hereto.

SECTION 6: TITLE TO UNITS: Title to the units may be taken in the name of an individual or in the names of two or more persons as tenants-in-common, or as joint tenants with rights of survivorship, or in the name of a corporation or partnership, or in the name of a fiduciary.

SECTION 7: MAINTENANCE, REPAIR AND ALTERATION OF PROPERTY:

(a) The Association shall maintain accounting records according to generally accepted accounting principles. Such records shall include: (1) A record of all receipts and expenditures; (2) an account for each unit which shall designate the name and address of each unit owner, the amount of each assessment, the dates on which the assessment comes due, the amounts paid on account, and the balance due; (3) a record of the actual cost, irrespective of discounts and allowances, of the maintenance of the common elements; (4) an accurate account of the current balance in the reserve for replacement and for emergency repairs.

(b) Records maintained by the Association or by the manager shall be available for examination and copying by any unit owner, his duly authorized agents or attorneys, at the expense of the unit owner, during normal business hours and after reasonable notice.

(c) The responsibility of the Unit Owners shall be to maintain, repair and replace at their expense all portions of his unit, except the portions to be maintained, repaired and replaced by the Association. The Unit Owner shall not have any right to paint or otherwise decorate or change the appearance of any portion of the exterior of the building. The Unit Owner is responsible to promptly report to the Association any defect or need for repairs, the responsibility for which is that of the Association.

SECTION 8: INSURANCE: The Board of Directors of the Association of Unit Owners, as trustee for each of the Unit Owners, in the percentages established in the Declaration, shall be required to obtain and maintain to the extent obtainable without prejudice to the right of each Unit Owner to insure his own unit for his own benefit, the following insurance policies, which amounts must be reviewed every six (6) months:

(a) Fire Insurance: Said insurance shall include extended coverage, vandalism and malicious mischief endorsements in an amount sufficient for repair or replacement of the buildings and improvements, or portions of the buildings and improvements that in whole or in part comprise the common elements with reasonable deductibles and coinsurance clauses as the Board of Directors deem appropriate. Said insurance shall insure the property, but shall not include any personalty or other items included within the definition of a unit as same is set forth in the Declaration of Condominium. Said insurance shall cover the interest of the Association, the Board of Directors and the Unit Owners and their mortgagees, as their respective interests may appear, and may be written in the name of the Board of Directors as Trustee for said Association, and Unit Owners, and each policy shall contain a Connecticut standard mortgagee clause in favor of each mortgagee of a unit, which shall provide that loss, if any, thereunder shall be payable to such mortgagee as its interest may appear.

(b) Public Liability and Workmen's Compensation Insurance: Public liability and workmen's compensation insurance in such limits as the Board of Directors may from time to time determine is necessary shall be maintained by the Board of Directors as set forth above. Said liability master policy, which shall be in a minimum amount of at least \$500,000 per person, \$1,000,000 per accident shall contain waivers of cross liability claims between unit owners and the Association, covering the unit owners' association Board of Directors, the managing agent, if any, all persons acting

or who may come to act as agents or employees of the foregoing, and all unit owners and other persons entitled to occupy any unit or other portion of a condominium.

(c) Proceeds of Insurance Policies: The proceeds of insurance policies received by the Board of Directors (and the Unit Owners' mortgagees) shall be distributed, as follows:

1. If the damage for which the proceeds are paid is to be repaired or reconstructed, as hereinafter determined, the proceeds shall be expended for the purpose of such repairs. If there are any proceeds remaining after defraying the costs of repairs, said proceeds shall be distributed to any mortgagees of a Unit Owner, if any, to the extent of such mortgagees' interest, and all of the remainder of such proceeds, as the case may be, shall be distributed to such Unit Owner. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

2. If it is determined, as hereinafter provided, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to any mortgagees of a Unit Owner or Unit Owners, if any, to the extent of such mortgagees' interest, and all of the remainder of such proceeds, as the case may be, shall be distributed to such Unit Owner or Unit Owners. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

(d) Insurance by Unit Owners: Nothing contained herein shall be construed so as to prejudice the rights of the Unit Owners, and the Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation, and further provided that the liability of the carrier issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any other such additional insurance carried by any Unit Owner.

SECTION 9: WHEN DAMAGED PROPERTY IS TO BE RECONSTRUCTED OR REPAIRED:

(a) Except as hereinafter provided, damage to or destruction of any building or improvement located on the condominium property or serving the condominium shall be promptly repaired by the Association, using the proceeds of insurance, if any, on such building or improvement for that purpose, and all costs for repair or reconstruction in excess of available insurance proceeds shall be a common expense.

(b) If the condominium is damaged to the extent of two-thirds of its then replacement cost, and three-fourths of the

Unit Owners and the holders of mortgage liens affecting at least three-fourths of the units vote not to proceed with repair or restoration, the property remaining shall be deemed to be owned in common by the Unit Owners, and each Unit Owner shall own that percentage of the undivided interest in common as he previously owned in the common elements. Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the Unit Owner in the property; and the property shall be subject to an action for partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of insurance on the property, if any, shall be considered as one fund and shall be divided among all the Unit Owners in accordance with their interests therein, after first paying all liens out of each of the respective interests.

Notwithstanding anything to the contrary in these By-Laws, or in the Declaration of Condominium, no Unit Owner or any other party shall have priority over the rights of any first mortgagee to insurance proceeds or condemnation awards.

SECTION 10: RESPONSIBILITIES AND PROCEDURES AS TO PAYMENT FOR REPAIRS:

(a) If damage occurs only to those parts of one (1) unit for which the responsibility for maintenance and repairs is that of the Unit Owner, then the Unit Owner shall be responsible for the cost of reconstruction and repair after casualty, unless such damage is specifically covered by the Association insurance in which event the Association shall be responsible for said costs. In all instances, the responsibility for actual construction and repair after a casualty shall be that of the Association.

(b) Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost necessary to replace the damaged property in as good a condition as it existed before the casualty.

SECTION 11: COMMON CHARGES AND SPECIAL ASSESSMENTS:

(a) Determination of Common Charges and Special Assessments. The Association shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common expenses and charges among the unit owners in proportion to their percentage interest in the common elements. The common expenses shall include, among other things, the cost of repairs and maintenance of the common elements and limited common elements and the cost of all insurance premiums on all

policies of insurance required to be or which have been obtained by the Association pursuant to these By-Laws and the fees and disbursements of the Board of Directors. The common expenses may also include such amounts as the Association may deem proper for the repair, operation and maintenance of the property, including without limitation an amount for a working reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Association or its designee, corporate or otherwise, on behalf of all unit owners, or any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Association shall advise all unit owners promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the Association, as aforesaid, and shall furnish copies of each budget on which such common charges are based to all unit owners and to their mortgagees.

Special assessments shall be payable as determined by the Board of Directors.

(b) Payment of Common Charges and Special Assessments.

All unit owners shall be obligated to pay the common charges assessed by the Association pursuant to the provisions of subsection (a) of this section at such time or times as the Association shall determine. 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, except if every unit owner is so exempted from the payment of all or part of the common expenses.

No unit owner shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him made in accordance with the provisions of Section 18 of these By-Laws, or such unit, together with the common elements appurtenant thereto. In addition, any unit owner may, subject to the terms and conditions specified in these By-Laws, provided that his unit is free and clear of lien and encumbrances other than a permissible first mortgage and the statutory lien of unpaid common charges, convey his unit to the Association, or its designee, corporate or otherwise, on behalf of all other unit owners, and in such event be exempt from common charges thereafter assessed. A purchaser of a unit shall be liable for the payment of common charges assessed against such unit prior to the acquisition by him of such unit, except that where a mortgagee or a purchaser at a foreclosure sale obtains title to a unit, such acquirer of title, his heirs, successors and assigns, shall not be liable for the entire unpaid share of the common charges or assessments by the Association or as chargeable

to such unit by such acquirer, but such charges or assessments, if not fully satisfied out of the proceeds of such sale, shall become common charges collectible from all of the unit owners, including such acquirer, his heirs, successors and assigns.

(c) Collection of Common Charges and Special Assessments.

The Association shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect any common charges due from any unit owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. At its option, the Board of Directors may authorize the common charges or special assessments to be collected by a mortgagee of one or more units or by any other servicing agent.

(d) Default in Payment of Common Charges and Special Assessments. In the event of default by any unit owner in paying to the Association the common charges or special assessments as determined by the Association, or Board of Directors, such unit owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid common charges. The Association shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in any action to recover the same brought against such unit owner, or by foreclosure of the lien on such unit granted by the provisions of the Unit Ownership Act of the State of Connecticut.

(e) Foreclosure of Liens for Unpaid Common Charges:

In any action brought by the Association to foreclose a lien on a unit because of unpaid common charges, the unit owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Association, acting on behalf of all unit owners, shall have power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

(f) Statement of Common Charges, Special Assessments or Fines: The Association shall promptly provide any unit owner, so requesting the same in writing, with a written statement of all unpaid common charges due from such unit owner. The Association shall also provide a unit owner, upon written request, within fifteen (15) days of the receipt thereof, the following:

(i) Appropriate statements pursuant to subsection (b) of Section 47-87 of the General Statutes as the same may exist from time to time and, if applicable, with respect to rights of first refusal or other restraints on free alienability of units in the condominium.

(ii) A statement of any capital expenditures anticipated by the Association within twelve (12) months next following the date of the statement.

(iii) A statement of the status and amount of any reserve for replacement fund and any portion of such fund earmarked for any specified project by the Board of Directors.

In addition, the grantee of a unit shall be entitled to a statement from the Association setting forth the amount of unpaid assessments against his grantor and such grantee shall not be liable for nor shall the unit covered be subject to a lien for any unpaid assessments against the grantor in excess of the amount therein set forth.

(g) Abatement and Enjoinment of Violations by Unit Owners:
The violation of any rule or regulation adopted by the Association, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Association the right, in addition to any other rights set forth in these By-Laws:

(i) To enter the unit in which, or as which such violation or breach exists and to summarily abate and remove at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the interest and meaning of the provisions hereof and the Association shall not thereby be deemed guilty in any manner of trespass; or

(ii) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

SECTION 12: CONDEMNATION:

In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made for such taking shall be payable to the Unit Owners and their mortgagees. The Board of Directors of the Association is herewith given the express power to negotiate with the condemning authority with regard to the common elements and shall have the right to make a decision as to whether an appeal should be made for condemnation award for the common elements and shall be legally empowered by the

Unit Owners to bring such an appeal. If seventy-five per cent (75%) of the Unit Owners duly and promptly approve the repair and restoration of such common elements, the Unit Owners and their mortgagees shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If the amount of the award is insufficient, any deficiency shall be assessed against all Unit Owners as a common charge. In the event, however, that seventy-five per cent (75%) or more of the Unit Owners do not duly and promptly approve the repair and restoration of such common elements, the Unit Owners and their mortgagees shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage as provided in subsection (c) of SECTION 8 of these By-Laws. In any condemnation of the units themselves, the condemnation proceeds shall be paid to and belong to the Unit Owners and/or their mortgagees, as their respective interest may appear. The covenants contained in this paragraph are to be construed to be for the benefit of mortgagees. In the event of any dispute as to whether an award is attributed to the common elements or the unit, said dispute shall be specifically determined by the court entering the award on the condemnation.

SECTION 13: ADDITIONS, ALTERATIONS OR IMPROVEMENTS
BY THE BOARD OF DIRECTORS.

Whenever in the judgment of the Board of Directors common elements shall require additions, alterations or improvements costing in excess of Two Thousand Five Hundred (2,500) Dollars, said alterations or improvements shall not be made unless they have been approved by a majority of the Unit Owners present and voting at a meeting at which a quorum is present. When said approval has been obtained, all Unit Owners shall be assessed for the cost thereof as a common charge or special assessment. No addition, alteration, or improvement shall change or be a reason to change the undivided interest of each Unit Owner in and to the common elements. Notwithstanding the aforesaid, the Board of Directors shall not be required to obtain the approval of a majority of Unit Owners for a repair of a common element if such repair is of an emergency nature.

SECTION 14: ADDITIONS, ALTERATIONS OR IMPROVEMENTS
BY THE UNIT OWNERS.

No Unit Owner shall make any structural addition, alteration or improvements in or to his unit without the prior written consent of the Board of Directors and the mortgagee of his unit, provided further that the provisions of ARTICLE 16 of the Declaration of Condominium have been complied with. The Board of Directors shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's unit within thirty (30) days after

such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. Any application to any department of the Town of New Milford or to any other governmental authority for a permit to make an addition, alteration or improvement to or in any unit shall be executed only by the Board of Directors. Said application shall not obligate the Board of Directors to any liability to any contractors, subcontractors or materialmen on account of such addition, alteration or improvement, nor to any person having any claim for injury to persons or damage to property arising therefrom. The provisions of this section shall not apply to units owned by the Declarant until such units have been initially sold by the Declarant, fully paid for, and title closed. No addition, alteration or improvements shall change or be a reason to change the undivided interest of each Unit Owner in and to the common elements.

SECTION 15: RIGHT OF ACCESS:

Each Unit Owner shall grant a right of access to his unit to the manager and/or the managing agent, if any, and/or any other person authorized by the Board of Directors for the purpose of making inspections and for the purpose of correcting any conditions existing in his unit and threatening another unit or common element, or for the purpose of performing necessary installations, alterations or repairs to the mechanical or electrical services or other common elements in his unit or elsewhere in the building within which the unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

SECTION 16: UTILITY SERVICES:

Electricity shall be supplied by the public utility company serving the area directly to each unit through a separate meter for each unit, and each Unit Owner shall be required to pay the bills for electricity used by his unit and in the limited common elements serving his unit. The electricity serving the general common elements shall be metered and the Board of Directors shall pay all bills for electricity consumed therein as a common expense. Water is centrally metered and is included within the common charges.

SECTION 17: RIGHT OF FIRST REFUSAL.

No Unit Owner may effectively dispose of a unit or any interest therein by sale or lease, without first offering the same for sale or lease to the Board of Directors upon the terms and conditions hereinafter provided for, subject, however, to the use restriction contained in Article IX (O.) of the Declaration of Con-

dominium. The provisions of this section shall not apply with respect to any sale or conveyance by any Unit Owner of his interest to his spouse, to any of his children, or to his parent or parents, or to his brothers or sisters, or any one or more of them, nor shall it apply to any sale or lease of any unit owned by the Declarant nor shall it apply to any sale or lease of any unit owned by the Association.

(a) The Unit Owner intending to make a bona fide sale or lease of his unit or any interest therein, shall give to the Board of Directors notice of such intention, together with the name and address of the intended purchaser or lessee and the terms and conditions of the sale or lease, including the price. The Board of Directors shall thereafter have a period of fifteen (15) days within which it may buy or lease said unit on the same terms and conditions as contained in the outside offer. If the Board of Directors is going to buy said unit, then within said fifteen (15) day period, the Board of Directors shall deliver or mail, by registered mail, to the Unit Owner, an agreement to purchase said unit, and the sale shall be closed on the same date as set forth in the original offer to the selling Unit Owner. If the Board of Directors is going to lease said unit, then within said fifteen (15) day period, the Board shall deliver or mail, by registered mail, to the Unit Owner, an agreement to lease said unit upon the same terms and conditions, provided, however, the Board shall not lease a unit it does not own if such lease violates Article IX (O.) of the Declaration of Condominium. The lease shall start on the date the Unit Owner intended to commence leasing his unit. If the Board of Directors shall lease the unit, it shall have the right to sublease the unit subject to the provisions of Article IX (O.) of the Declaration of Condominium. Upon the failure of the Board of Directors to exercise said right of first refusal, the Unit Owner shall be free to sell or lease (subject to the terms of Article IX (O.) of the Declaration of Condominium) his unit without regard to the right of first refusal. If the proposed transaction is a lease and not in violation of Article IX (O.) of the Declaration of Condominium, the lease must state that the lessee agrees to abide by all of the terms and conditions and covenants of the Declaration of Condominium, and these By-Laws, and any rules and regulations as may hereafter be established from time to time by the Board of Directors, and a fully executed copy thereof delivered to the Board of Directors.

(b) If the Board of Directors does not elect to exercise its right of first refusal within fifteen (15) days after the receipt of the notice described in subparagraph (a) of this section, the Board of Directors shall, upon request of the Unit Owner, issue a certificate, to be executed by the President and the Secretary, in recordable form, which certificate shall be delivered to the Unit Owner, indicating that the Board of Directors does not desire to exercise its right of first refusal. Said certificate shall be

issued within ten (10) days after the Association acts on such request, and shall be binding on the Association and the Unit Owner.

(c) In the event of a transfer of a unit by gift, devise or inheritance, sale or conveyance by a Unit Owner of his interest to his spouse, children, parents, brothers or sisters as set forth in subparagraph (a) above, the Board of Directors shall have the right to approve or disapprove the acquisition of title by said gift, devise, or inheritance. Within ten (10) days after receipt of a notice of a gift, devise, or inheritance, the Board of Directors shall deliver or mail, by registered mail, to the Unit Owner or its legal representative of the Unit Owner, its approval or disapproval of the said gift, devise or inheritance, signed by the President and the Secretary. If the Board of Directors disapprove, it shall, in addition to the disapproval, deliver or mail, by registered mail, to the Unit Owner or legal representative of the Unit Owner, an offer to purchase the unit on behalf of all the Unit Owners. The price to be paid in this event shall be the fair market value of the unit, to be determined by arbitration in Connecticut in accordance with the then existing rules of the American Arbitration Association. The purchase price, in the event of such disapproval, shall be paid in cash, and the sale shall be closed within forty-five (45) days after the notice of the gift, devise or inheritance as above provided, or within ten (10) days after the determination of the price to be paid by the arbitrators, whichever is later. The Board of Directors can enforce their rights to purchase said unit and may obtain a judgment of specific performance of a sale upon the award rendered by the arbitrators in any court of competent jurisdiction. If the Board of Directors fails to purchase and pay for the unit within forty-five (45) days or ten (10) days, as the case may be, then notwithstanding the Board's disapproval, the gift, devise or inheritance shall be deemed to have been approved and the Board shall furnish the necessary certificate of approval as hereinbefore provided.

(d) The provisions of this section shall not apply to a transfer to or purchase or lease by a bank, a bona fide mortgage lender, life insurance company, mortgage company, or savings and loan association, which acquires its title as a result of owning a mortgage upon the unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor, or through foreclosure proceedings. Nor shall such provision apply to a transfer, sale or lease by a bank, life insurance company, mortgage company, or savings and loan association which so acquires its title. Neither shall such provision require the approval of the purchaser who acquires title to a unit at a duly authorized and advertised public sale with open bidding which is provided by law, such as, but not limited to, execution sale, foreclosure sale, judicial sale or tax sale.

(e) The Declarant (nor for any purposes of this section, any mortgagee of the Declarant or the Association) is not subject to the right of first refusal on the sale or lease of any unit owned by the Declarant and no notice of the sale or other disposition of any such unit by the Declarant need be given to the Association or the Board of Directors thereof, nor to any person, firm or corporation.

(f) The Board of Directors shall not exercise any right of first refusal set forth herein without the prior approval of at least seventy-five per cent (75%) of the Unit Owners in the Condominium.

SECTION 18: MORTGAGES:

(a) Notice to the Board of Directors: A Unit Owner who mortgages his unit, shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors. The Board of Directors shall maintain a book entitled "MORTGAGES ON UNITS" in which all the mortgages on units are to be listed.

(b) The Board of Directors shall, whenever requested in writing by a mortgagee of unit, after receipt of such written request, report any delinquency or default by such Unit Owner of the mortgaged unit.

(c) Notice of Default: The Board of Directors, when giving notice to a Unit Owner of default in paying common charges or special assessments, or other default, shall send a copy of such notice to each holder of a mortgage covering such unit, whose name and address has theretofore been furnished to the Board of Directors.

(d) Notice of Unpaid Common Charges and Special Assessments: The Board of Directors, whenever requested in writing by a mortgagee of a unit, shall promptly send to such mortgagee any of the unpaid common charges or special assessments due, or other default, from the owner of the mortgaged unit.

(e) Examination of Books: Each Unit Owner and each mortgagee of a unit shall be permitted to examine the books of account of the Association at reasonable times on business days.

(f) Limitation of Mortgages: Subject to Section 47-77(b) of the Connecticut General Statutes, no Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his unit unless and until he shall have paid in full,

to the Board of Directors, all unpaid common charges or special assessments theretofore assessed by the Board of Directors against his unit and until he shall have satisfied all unpaid liens against such unit, except assumed mortgages.

(g) Any first mortgagee who comes into possession of a unit, pursuant to the remedies provided for in the mortgage, or foreclosure of the mortgage, or deed or assignment in lieu of foreclosure, shall be exempt from any existing right of first refusal of any party as to the purchase of such unit from the mortgagor thereof.

(h) A mortgagee acquiring title to a unit by foreclosure, or by deed in lieu of foreclosure, shall continue to be considered a mortgagee with all of the rights, privileges, powers and immunities of the owner of such unit until such time as a document evidencing an intent to merger the legal and equitable interest is executed by the mortgagee and is recorded in the land records, at which time such mortgagee shall only be considered to be the owner of the unit.

(i) Financing Purchase of Units by Board of Directors: Acquisition of units by the Board of Directors on behalf of all Unit Owners may be made from the working capital in the hands of the Board of Directors, or, if such funds are insufficient, the Board of Directors may levy an assessment against each Unit Owner and in proportion to his ownership in the common elements as a common charge or special assessment which assessment shall be enforceable in the same manner as common charges, or the Board of Directors may, in its discretion, borrow money to finance the acquisition of such units, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit itself, together with the appurtenant interests thereto to be acquired by the Board of Directors. Notwithstanding any rights of the Board of Directors under this Paragraph, or under any other provisions of these By-Laws, the Board of Directors and/or the Association cannot at any one time hold title to more than twenty (20%) percent of the total number of the units in the Association.

SECTION 19: NOTICE OF LIEN OR SUIT: Each Unit Owner shall give notice to the Association of any lien upon his unit other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien. Failure to comply with this paragraph will not affect the validity of any judicial sale. Notice shall also be given to the Association of every suit or other proceeding which may affect the title to a unit within five (5) days after the Unit Owner receives knowledge of same.