

**AMENDED AND RESTATED DECLARATION
OF
TERRACE PLACE CONDOMINIUM ASSOCIATION, INC.**

This Amended and Restated Declaration is being recorded to update the original Declaration as recorded in _____, and all amendments thereto. Terrace Place Condominium Association, Inc. is hereby submitted to the Connecticut Common Interest Ownership Act, Chapter 828, as set forth in Article I, Section 1.1 herein below.

This Amended and Restated Declaration was approved by a vote of the owners of at least eighty percent (80%) of the votes allocated to the unit owners of Terrace Place Condominium Association, Inc., the Connecticut non-stock corporation which is the association of unit owners pursuant to Section 47-243 of the Connecticut General Statutes.

ARTICLE 1

DEFINITIONS

As used herein and unless the context otherwise requires, the following terms mean:

Section 1.1 – Act

The Common Interest Ownership Act, Section 47-200 *et. seq.* of the Connecticut Statutes, as the same may be amended from time to time. Amendments to the Act that are applicable to common interest communities already in existence will apply to this Community, however, amendments that are expressly applicable only to common interest communities created after the effective date of the amendments will not apply to this Community unless the Declaration is amended to incorporate such amendments to the Act.

Section 1.2 – Allocated Interests

The undivided interest in the Common Elements, the Common Expense liability, and votes in the Association allocated to each Unit in the Common Interest Community. The Allocated Interests are described in Article 7 of this Declaration and shown in the original Declaration and amendments thereto as Schedule C.

Section 1.3 – Association

Terrace Place Condominium Association, Inc., a nonstock corporation organized under the laws of the State of Connecticut. It is the association of unit owners pursuant to Section 47-243 of the Act.

Section 1.4 – Bylaws

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

Section 1.5 – Common Elements

All portions of the Common Interest Community other than the Units.

Section 1.6 – Common Expense Assessment

An assessment for Common Expenses against one (1) or more Units adopted by the Association. It includes fees, charges, late charges, fines, and interest charged against a Unit Owner pursuant to the Act, the Community Documents, or both.

Section 1.7 – Common Expenses

Expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves, including, but not limited to:

- (a) Expenses of administration, operation, Maintenance, Repair, or Replacement of the Common Elements and those portions of the Units for which the Association is responsible;
- (b) Expenses necessary or useful for the operation of the Association or the accomplishment of its purposes, or that the Association incurs in exercising its powers or performing its duties under the Community Documents, the Act, or other applicable law;
- (c) Expenses declared to be Common Expenses by the Community Documents or by the Act;
- (d) Expenses agreed upon as Common Expenses by vote of a majority of the Votes cast by Unit Owners at a meeting at which a quorum is present;
- (e) Expenses incurred by the Association for electricity, gas, water, sewer, telecommunication, and other utility charges not billed by the provider to individual Units; and
- (f) Allocations to reserves as may be established by the Association, whether held in trust or by the Association, including, but not limited to, reserves for Maintenance, Repair, Replacement, or addition to the Common Elements, to those portions of the Units for which the Association is responsible, and to any other real or personal property acquired or held by the Association.

Some costs and expenses imposed by the Association shall be Common Expenses but shall be assessed against fewer than all the Units as provided in Section 16.2 of this Declaration.

Section 1.8 – Community

The name of the common interest community shall be known as: Terrace Place.

Section 1.9 – Community Documents

The Declaration, Survey, and Plans recorded and filed pursuant to the provisions of the Act to create Terrace Place, and the certificate of incorporation, the Bylaws, and the Rules of the Association, as any of the foregoing may be amended from time to time. Any exhibit, schedule, or certification accompanying a document is a part of that document.

Section 1.10 – Damaged or Destroyed

A portion of the Community is Damaged or Destroyed (or suffers Damage or Destruction) if it suffers physical damage that is of a type and is caused by an occurrence of a type covered by the insurance the Association is required to carry by Section 47-255 of the Act, by insurance the Association is required to carry by this Declaration, or by other insurance carried by the Association.

Section 1.11 – Declaration

This Amended and Restated Declaration, including any amendments.

Section 1.12 – Director

A member of the Executive Board.

Section 1.13 – Eligible Insurer

See the definition in Section 15.2 of this Declaration.

Section 1.14 – Eligible Mortgagee

See the definition in Section 15.2 of this Declaration.

Section 1.15 – Executive Board

The board of directors of the Association pursuant to Subsections 47-245(a) and (b) of the Act, and Sections 33-1080 through 33-1139 of the Nonstock Corporation Act, except where superseded by the Act.

Section 1.16 – Improvements

Any buildings, facilities, amenities, landscaping, or infrastructure existing from time to time on the land included in the Community, including, but not limited to, buildings, paving, utility wires, pipes, light poles and trees, shrubbery, and lawns.

Section 1.17 – Limited Common Elements

A portion of the Common Elements allocated by the Declaration or by the operation of Subsections 47-221(2) or (4) of the Act for the exclusive use of one (1) or more but fewer than all of the Units. The Limited Common Elements in the Community are described in Article 5 of this Declaration.

Section 1.18 – Maintain, Repair, and Replace

To Maintain, Repair, and Replace (or to perform Maintenance, Repair, and Replacement) is the act of addressing and correcting deterioration, decay, wear and tear, and obsolescence to any portion of the Property which has not suffered Damage or Destruction.

Section 1.19 – Manager

A Person engaged by the Association to perform management services for the Community and the Association.

Section 1.20 – Notice and Comment

The right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. The procedures for Notice and Comment are set forth in Section 21.1 of this Declaration.

Section 1.21 – Notice and Hearing

The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in Section 21.2 of this Declaration.

Section 1.22 – Person

An individual, corporation, limited liability company, business trust, estate, trust, partnership, association, joint venture, public corporation, government, governmental subdivision or agency, instrumentality or any other legal or commercial entity.

Section 1.23 – Plans

The plans of the Community filed or recorded with the original Declaration of the Community

and the amendments, if any, made prior to this Declaration, as they may be further amended from time to time in the future.

Section 1.24 – Property

The land, all Improvements, easements, rights, appurtenances, and any other interests in real property that have been submitted to the provisions of the Act by this Declaration as amended from time to time.

Section 1.25 – Rules

Rules for the use of Units and Common Elements and for the conduct of Persons within the Community, adopted by the Executive Board pursuant to this Declaration, as they may be amended from time to time.

Section 1.26 – Security Interest

An interest in real property or personal property, created by conveyance or contract, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of leases or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.27 – Special Assessment

Any Common Expense Assessment assessed against the Units in accordance with Section 16.5 of this Declaration that is not adopted in the same resolution as the budget for the overall operation of the Community. Special Assessments include amendments to the current budget and assessments which, by their terms, become part of the budget once adopted.

Section 1.28 – Structure, Structural

The Structure of a building includes all components that support any portion of the building, that enclose the building or that keep the building weather tight. Any portion of the Structure of a building is Structural.

Section 1.29 – Survey

The surveys of the Common Interest Community filed or recorded with the original Declaration of the Common Interest Community and the amendments, if any, made prior to this Declaration, as they may be further amended from time to time in the future.

Section 1.30 – Unit

A physical portion of the Community designated for separate ownership or occupancy, the boundaries of which are described in Section 4.3 of this Declaration.

Section 1.31 – Unit Owner

A Person who holds legal title to a Unit. Unit Owner does not include a Person having an interest in a Unit solely as security for an obligation.

Section 1.32 – Votes

The votes allocated to each Unit.

ARTICLE 2

**NAME AND TYPE OF COMMON INTEREST
COMMUNITY AND ASSOCIATION**

Section 2.1 – Community

The name of the Community is Terrace Place. Terrace Place is a condominium.

Section 2.2 – Association

The name of the Association is Terrace Place Condominium Association, Inc. It is a nonstock corporation organized under the laws of the State of Connecticut.

ARTICLE 3

DESCRIPTION OF PROPERTY

Section 3.1 – Description of Property

The Community is situated in the Town of New Milford, Connecticut and is located on the real property described in the original Declaration and amendments thereto as Schedule B.

ARTICLE 4

NUMBER OF UNITS, IDENTIFICATION OF UNITS AND UNIT BOUNDARIES

Section 4.1 – Number of Units

The Community contains twenty-one (21) Units.

Section 4.2 – Identification of Units

All Units are identified by number and are shown on the Survey or Plans or both.

Section 4.3 – Unit Boundaries

The boundaries of each Unit are shown on the Survey and Plans as numbered Units with their identifying number and are described as follows:

- (a) Walls, floors, windows, exterior doors and ceilings are designated as boundaries of a Unit. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof are part of a Unit, and all other portions of the walls, floors, windows, exterior doors and ceilings are part of the Common Elements.
- (b) Inclusions: Each Unit shall include the space and Improvements lying within the boundaries described in Subsection 4.3(a) above, including the water heaters located within the Unit, and shall also contain any pipes, wires, ducts and conduits situated in the perimeter walls of the Unit serving only that Unit and all electrical switches, television, telephone and electrical receptacles situated within the Unit serving that Unit exclusively.
- (c) Exclusions: Except when specifically included by other provisions of Subsection 4.3(a) above, the following are excluded from each Unit: The spaces and Improvements lying outside of the boundaries described in Subsection 4.3(a) above, and all chutes, pipes, flues, ducts, wires, conduits and other facilities running through any interior wall or partition for the purpose of furnishing utility and similar services to other Units or Common Elements or both.
- (d) Guide to Interpretation: In applying or interpreting the Unit boundary definitions set out in this Section 4.3, the following principles shall be used where the boundary definitions do not otherwise provide a clear answer:
 - (i) Elements and materials that are visible from the outside of a Unit are part of the Common Elements.
 - (ii) Elements and materials that support the building in which a Unit is located or that keep that building weather-tight are part of the Common Elements.
 - (iii) Elements and materials that are visible only from the interior of the Unit and that may be subject to change or redecoration without fundamental change to the Structure of the building in which a Unit is located are part of the Unit.

- (iv) The hardware and supports necessary to operate any element, to permit it to move or function or to keep it in place are of the same character (Unit, Common Element, or Limited Common Element) as the element they serve.
- (e) If this definition is inconsistent with the Survey or Plans, then this definition shall control.

ARTICLE 5

DESCRIPTION OF LIMITED COMMON ELEMENTS

Section 5.1 – Limited Common Elements

The following portions of the Common Elements are Limited Common Elements:

- (a) If any space heating apparatus or air conditioning apparatus lies outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element, the use of which is limited to that Unit.
- (b) If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.
- (c) Any entrances and stairways to the Unit, including exterior doors and frames, storm/screen doors and frames, windows and frames, window screens and frames, shutters, awnings, and window boxes, designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common elements allocated exclusively to that Unit.
- (d) Storage bins and closets, which serve a single Unit, but which are located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit, which are further designated in the Schedules of the original Declaration. In particular, storage for Units C17, C18, D20 and D21 is located at the end of the hallway on the top floor of their respective buildings, and storage for Unit 6 is located on the first floor in the middle of the hallway in building A. All other Units are supplied with individual storage bins in the storage and meter room.
- (e) One (1) parking space per Unit as designated on the Survey, the use of which shall be limited to the Unit with the corresponding designation.
- (f) Mailboxes are Limited Common Elements to the Units with the corresponding letter and number indicated thereon.

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

ARTICLE 6

MAINTENANCE, REPAIR AND REPLACEMENT

Section 6.1 – Common Elements

The Association is responsible for the Maintenance, Repair and Replacement of the Common Elements, except the portions of the Limited Common Elements which are required by this Declaration to be Maintained, Repaired or Replaced by the Unit Owners.

Section 6.2 – Units

Each Unit Owner shall Maintain, Repair, and Replace, at the expense of the Unit Owner, all portions of the Unit except the portions thereof to be Maintained, Repaired, or Replaced by the Association. By Rule, the Association may adopt additional standards concerning Maintenance, Repair, and Replacement of Units for the purpose of avoiding adverse effects on the condition, use, or enjoyment of other Units or the Common Elements.

Section 6.3 – Limited Common Elements

Notwithstanding the provisions of Section 6.1 and Section 6.2, and subject to Rules as they are or may be adopted by the Executive Board, each Unit Owner shall be responsible for:

- (a) The Maintenance, Repair and Replacement of those Limited Common Elements allocated to their Unit pursuant to Article 5, Section 5.1(a), and all electrical switches, television, telephone, telecommunications and electrical receptacles, and light switches servicing the Unit Owner's Unit exclusively.
- (b) The Maintenance, Repair and Replacement of windows and frames, and window screens and frames, allocated to their Unit as Limited Common Elements.

Common expenses associated with the Maintenance, Repair or Replacement of all other Limited Common Elements shall be assessed against all the Units in accordance with their allocated Common Expense liability.

Section 6.4 – Access

- (a) Any Person authorized by the Executive Board shall have the right of access to all portions of the Property for the purpose of carrying out the Association's powers and duties including, but not limited to:

- (i) Performing inspections;
 - (ii) Adjusting insurance claims;
 - (iii) Maintaining, Repairing, and Replacing the Common Elements and portions of the Units for which the Association is responsible;
 - (iv) Restoring portions of the Units and the Common Elements that have been Damaged or Destroyed;
 - (v) Making additions, alterations, and improvements to the Common Elements;
 - (vi) Exterminating insects and vermin; and
 - (vii) Correcting any condition threatening a Unit or the Common Elements.
- (b) Requests for entry to a Unit or Limited Common Element shall be made in advance and any such entry shall be made at a time reasonably convenient to the affected Unit Owner consistent with the availability of contractors and others employed or engaged by the Association. In case of an emergency, no such request or notice shall be required and such right of entry shall be immediate, whether or not the Unit Owner is present at the time.
- (c) If a Unit is damaged as a result of access obtained under this Subsection 6.4(a), the Association will be responsible for the prompt repair of the Unit, except as provided in Subsection 16.2(f) of this Declaration.

Section 6.5 – Failure to Maintain, Repair, and Replace

- (a) If a Unit Owner fails to Maintain, Repair or Replace a Unit or any other portion of the Community for which the Unit Owner is responsible after the Unit Owner knew or should have known that such Maintenance, Repair or Replacement was needed, and following Notice and Hearing, the Unit Owner continues to fail to do so, the Association may perform such Maintenance, Repair or Replacement on behalf of the Unit Owner. If the Association does take such action, the Association may assess that expense against the Unit Owner and the Unit.
- (b) If a Unit Owner fails to Maintain, Repair, or Replace a Unit or any other portion of the Community for which the Unit Owner is responsible and such failure creates a condition that threatens another Unit or the Common Elements, the Association may take such actions as are necessary to correct such condition without prior notice or with only such prior notice as can reasonably be given consistent with the threat. If the Association does take such action, the Unit Owner shall reimburse the Association for the cost of correcting the condition.

- (c) Maintenance Standards. Unit Owners shall observe the requirements of the maintenance standards that are incorporated in and attached to the Rules (the “Maintenance Standards”), as the same may be amended from time to time by the Executive Board. Such Maintenance Standards require or may require that certain portions of Units must be inspected at specified intervals by the Association or by an inspector or inspectors designated by the Association, that they be replaced or repaired at specified intervals, or with reference to manufacturers’ warranties, whether or not the individual component is deteriorated or defective, and that they be replaced or repaired with items or components meeting particular standards or specifications established by the Executive Board.

Section 6.6 – Conduct of Maintenance, Repair, and Replacement by the Association

The Association, acting at the direction of the Executive Board, and not the Unit Owner of any affected Unit, shall have the exclusive authority to select, contract with, direct, retain, and replace all contractors and vendors for all activities to Maintain, Repair, and Replace portions of the Property for which funds of the Association are used or to be used.

Unit Owners and occupants, regardless of whether their Unit or Limited Common Element is affected by such work, shall not interfere with or attempt to direct the work of contractors or vendors hired by the Association to perform work in the Property.

Section 6.7 – Work Done by or at the Direction of Unit Owners or Tenants of Units

- (a) Any work done to any portion of the Property by any Unit Owner or tenant of a Unit or by any Person hired by or working at the direction of any Unit Owner or tenant of a Unit, whether compensated or not, shall be subject to the requirements set out below. These requirements shall be in addition to any requirements created by or pursuant to other portions of the Community Documents or by applicable law.
- (b) Any Person performing work for which a license or registration is required, must hold the appropriate license or registration.
- (c) If a permit is required from any department or governmental authority for the work, the permit must be obtained at the expense of the Unit Owner or tenant of the Unit before the work is commenced. Copies of all permits, as well as inspection reports, orders, and certificates of occupancy or completion issues in relation to the permit shall be furnished to the Association.
- (d) Any Person performing work, who is required to carry workers’ compensation insurance by the State of Connecticut, shall maintain such insurance.
- (e) Any Person performing work, except for Unit Owners and tenants of Units and

members of their respective households, shall maintain liability insurance in an amount of not less than one million (\$1,000,000.00) dollars for bodily injury or for property damage for any single occurrence.

- (f) The Executive Board may adopt other reasonable requirements for the performance of such work by Rule.

ARTICLE 7

ALLOCATED INTERESTS

Section 7.1 – Allocation of Interests

The table showing unit numbers and their allocated interests is attached and shown in Schedule C of the original Declaration and amendments thereto.

Section 7.2 - Formulas for the Allocation of Interests

The Interests allocated to each Unit have been calculated on the following formulas:

- (a) Undivided Interest in the Common Elements. The percentage of the undivided interest in the Common Elements allocated to each Unit is based on the relative floor area of each Unit as compared to the floor area of all of the Units in the Common Interest Community. The square footage allocated to each Unit is set forth in the original Declaration and amendments thereto as Schedule C. The total percentage of the undivided interest in all the Units equals 100%.
- (b) Liability for the Common Expenses. The percentage of liability for Common Expenses allocated to each Unit is based on the relative floor area of each Unit as compared to the floor area of all of the Units in the Common Interest Community. The square footage allocated to each Unit is set forth in the original Declaration and amendments thereto as Schedule C. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article 16 of this Declaration.
- (c) Votes. Each residential unit in the Common Interest Community shall have one (1) Vote as shown on Schedule C in the original Declaration and amendments thereto.

ARTICLE 8

RESTRICTIONS ON USE, ALIENATION, OR OCCUPANCY

Section 8.1 – Use and Occupancy Restrictions for the Units and Common Elements

The following use restrictions apply to all Units and to the Common Elements:

- (a) Each Unit shall be occupied as a single-family residence, including home professional pursuits not requiring employees, regular visits from the public or unreasonable levels of mail, shipping, trash or storage. No sign indicating commercial or professional uses may be displayed outside a Unit or inside a Unit so as to be visible from the outside.
- (b) No Unit Owner shall permit anything to be done or kept in the Common Interest Community which will result in the increase in the rate of insurance or cancellation of insurance coverage, with respect to the Association's public liability insurance or the property insurance on any Unit in the Common Interest Community.
- (c) Other than an automobile, including an SUV, sedan, pickup truck, or motorcycle or scooter, no vehicles of any kind, including (i) campers, (ii) trailers, (iii) boats, or (iv) vehicles that have more than four (4) single-tired wheels or having a maximum gross weight vehicle restriction greater than eight thousand (8000) pounds, may be parked or stored on any part of the Community, except those vehicles temporarily on the property for purposes of servicing the property itself or one of the Units. No unlicensed, unregistered or inoperable automobile may be placed or stored in the Community at any time, either temporarily or permanently. Vehicles may not be parked on roadways, or in such a manner as to block access to driveways, fire hydrants, sidewalks running perpendicular to drives, pedestrian crossing areas, designated fire lanes, dumpsters, or clear two-lane passage by vehicles on roads and drives. Commercial logos may be placed on vehicles only with prior written approval of the Executive Board. There shall be no more than one (1) vehicle per Unit parked in the Community. Each vehicle must be parked within their designated, marked parking space, providing sufficient space for the operator and occupants of an adjacent vehicle to enter and exit such vehicle. Vehicles in violation of this Subsection or any applicable Rules may be towed at the expense of the owner of such vehicle.
- (d) All Unit Owners shall comply with and conform to all applicable laws and regulations of the State of Connecticut and all ordinances, rules and regulations of the Town of New Milford. Any Unit Owner who violates or fails to comply with any of the foregoing shall hold the Association and other Unit Owners harmless from all fines, penalties, costs and prosecutions for such violation thereof or noncompliance therewith.
- (e) The Association may adopt Rules regulating and restricting the installation of

antennas, cable wires, and satellite dishes in the Common Interest Community. However, any such Rule, as it applies to the Units and Limited Common Elements may not exceed the limitations set by the Federal Communications Act.

- (f) No clothes, sheets, blankets, laundry or any other kind of articles, other than holiday decorations on doors only shall be hung outside of any building or exposed or placed on the outside walls, doors of a building or on trees. No electrical wiring or other conduits shall be installed or placed outside of Units. Unit Owners shall not cause or permit anything other than curtains and conventional draperies and holiday decorations to be hung, displayed or exposed on the inside of windows without the prior written consent of the Executive Board. Holiday decorations may be installed or displayed no earlier than thirty (30) days prior to the holiday being celebrated and shall be removed no later than fifteen (15) days after the holiday being celebrated. No signs of any kind, including "for sale" signs, may be placed in the Common Elements or in the Units so as to be visible from the exterior of the Units.

By Rule, the Association may provide additional restrictions on and definitions of signs, flags, and exterior displays as well as procedures for approval and for the administration of this Section. However:

- (i) No Rule may prohibit display on a Unit or on a Limited Common Element adjoining a Unit, of the United States flag, the flag of the State of Connecticut or signs regarding candidates for public or Association office or ballot questions but the Association may adopt reasonable Rules governing the time, place, size, number, and manner of those displays; and
- (ii) A Unit Owner or other resident of a Unit may attach to an entry door or entry door frame of such Unit an object, the display of which is motivated by observance of a religious practice or sincerely held religious belief, provided that, except to the extent allowed by the First Amendment to the United States Constitution and Section 3 of Article First of the Constitution of the State of Connecticut, such item may not:
 - (A) Threaten the public health or safety;
 - (B) Hinder the opening and closing of an entry door;
 - (C) Violate any federal, state, or local law;
 - (D) Contain graphics, language, or any display that is obscene or otherwise patently offensive;
 - (E) Individually or in combination with each other item displayed or affixed to an entry door frame have a total size greater than twenty-five (25) square inches; or

- (F) Individually or in combination with each other item displayed or affixed on an entry door have a total size greater than four (4) square feet.
- (g) No machinery of any kind (other than normal household appliances) shall be placed or operated within any Unit, provided that this provision shall not apply during the construction, reconstruction or repair of any approved building within any Unit.
- (h) No noxious or offensive activities may be carried on in any Unit or in the Common Elements, nor may anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants or which interferes with the peaceful possession and proper use of the property by its residents. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof will be observed. Each Unit Owner will be obligated to maintain their own Unit and keep it in good order and repair.
- (i) There shall be no obstruction of the Common Elements or Limited Common Elements nor shall anything be stored or placed in the Common Elements without the prior written consent of the Executive Board. There shall be no hoarding in Units or Limited Common Elements, nor shall there be any other conduct that prevents or inhibits easy access in, through or around Units, Limited Common Elements or Common Elements. The Association has the right to conduct inspections to ensure compliance with this subsection.
- (j) Unit Owners may make no exterior landscaping additions or alterations without the prior written consent of the Executive Board.
- (k) No animals, birds or reptiles of any kind may be raised, bred or kept in the Common Interest Community, except for dogs, cats and fish, which may be regulated as to activities, character, breed, size, number and species by Rule, provided that no change in a Rule shall require the removal of any pet then being kept in the Common Interest Community as long as the pet or pet's owner does not behave improperly. Not more than one (1) dog or one (1) cat may be kept in any Unit. Pets may not be kept, bred or maintained for any commercial purposes.

If the Executive Board, after Notice and Hearing, determines that a pet, or the pet's owner, has done or permitted any of the following, the owner will permanently remove the pet from the Community upon three (3) days' written notice of the Executive Board's Notice of such determination:

- (i) The pet repeatedly makes noise that disturbs other residents;
- (ii) The pet attacks or attempts to attack a person or another pet; or

- (iii) The pet is repeatedly allowed to run loose.

No dog will be permitted in any portion of the Common Elements unless carried or on a leash not to exceed twenty (20) feet. Any droppings in the Common Elements will be picked up and removed immediately to a dumpster or other trash disposal containers. The owner will compensate any person hurt or bitten by any dog and will hold the Association harmless from any claim resulting from any action of their pet whatsoever.

Trained guide dogs and other service animals are permitted if such animals serve as aides to Persons with disabilities and such animals have been trained or provided by an agency or service qualified to provide or train such animals. Animals will be permitted as reasonable accommodations for Persons with disabilities to the extent they are permitted by applicable law. Applicable conduct rules shall apply to trained guide dogs and other service animals.

- (l) The use of Units and Common Elements is subject to the Declaration, the Bylaws and the Rules of the Association. The Association shall have the power to make such further Rules as it deems necessary. The Association shall further have the right to set and levy fines for violations of these restrictions and the Declaration, the Bylaws and the Rules. For each day that a violation continues after notice it shall be considered a separate violation. Any fine so levied is to be considered as a Common Expense to be levied against the particular Unit Owner involved, and collection may be enforced by the Association in the same manner as it is entitled to enforce collection of Common Expenses.
- (m) The Association may adopt rules and regulations that affect use and occupancy of Units only to: (i) implement a provision of the Declaration; (ii) regulate any behavior in or occupancy of a Unit which violates the Declaration or adversely affects the use and enjoyment of other Units or the Common Elements by other Unit Owners; or (iii) restrict the leasing of Units to that extent that the rules are reasonably designed to meet underwriting requirements of institutional lenders who regularly make loans in Common Interest Communities or regularly purchase such mortgages. Provided, however, that no such restriction affecting the use or occupancy of Units may be effective unless it has been recorded on the New Milford Land Records in the name of the Association as grantor and grantee.
- (n) Any requests for reasonable accommodation, pursuant to applicable law, shall be made to the Executive Board and in accordance with any applicable rules.

Section 8.2 - Restrictions on Alienation

- (a) A Unit may not be conveyed pursuant to a time-sharing plan as defined under Chapter 734(b) of the Connecticut General Statutes.

- (b) No Unit Owner, including but not limited to a Person, corporation, trust, limited liability company, partnership, or any entity or individual, directly or indirectly, may have an ownership interest in more than one (1) Unit. For purposes of this Subsection, the following shall be deemed to have an ownership interest in a Home.
 - (i) A relative, child, sibling, partner or spouse of a Unit Owner;
 - (ii) A manager or member of a limited liability company;
 - (iii) An officer, member of the Executive Board, or shareholder of a corporation;
 - (iv) A partner in a partnership; or
 - (v) The trustee or beneficiary of a trust.

- (c) Leasing of a Unit is prohibited, with the following exceptions:
 - (i) Lease by a Unit Owner to a family member, defined as the Unit Owner's spouse, parent, grandparent, child, grandchild, or sibling.
 - (ii) Any Unit Owner who was leasing their Unit as of October 2, 2006 may lease their Unit. until the Unit Owner's conveyance of the Unit.
 - (iii) Any such lease, as authorized pursuant to this Subsection 8.2(c)(i) and 8.2(c)(ii), must be for a minimum of one (1) year and must be in writing and provided to the Executive Board prior to commencement of the lease. Any tenant shall be required to meet with the Executive Board prior to residing in the Unit to review the Declaration, Bylaws and Rules and Regulations.
 - (iv) Notwithstanding the foregoing, under no circumstance may there be more than thirty percent (30%) of Units leased at any given time.

- (d) Each new Unit Owner shall, upon the acquisition of title to a Unit, pay a one-time fee in an amount equal to one percent (1%) of the purchase price of the Unit to the Association. All such sums shall be deposited in the Association's capital reserve account. Each new Unit Owner shall meet with the Executive Board within four (4) weeks of acquiring title to the Unit to review the Association's Declaration, Bylaws and Rules and Regulations.

- (e) Section 8.2(d) above shall not apply to any of the following transfers or acquisitions:
 - (i) The transfer of a Unit to a family member without consideration;
 - (ii) The transfer of a Unit from a trust to a beneficiary of the trust or from the beneficiary or settler of a trust to the trust; or
 - (iii) The transfer of a Unit to a firm, corporation, partnership, limited

liability company or other business entity by the holder of more than twenty percent (20%) of the ownership interest in the entity or from such an entity to the holder of more than twenty percent (20%) of the ownership interest in the entity.

Section 8.3 Rules Affecting the Use and Occupancy of Units

Except as required or permitted by other provisions of the Declaration, the Association may adopt Rules that affect the use or occupancy of Units only to:

- (i) Implement a provision of the Declaration;
- (ii) Regulate any behavior in or occupancy of a Unit which violates the Declaration or adversely affects the use and enjoyment of other Units or the Common Elements by other Unit Owners; or
- (iii) Restrict the leasing of a Unit to the extent that the Rules are reasonably designed to meet underwriting requirements of institutional lenders that regularly make loans on units in common interest communities or regularly purchase such mortgages.

ARTICLE 9

EASEMENTS, LICENSES AND OTHER ENCUMBRANCES

Section 9.1 – Easements and Licenses

The Common Interest Community is presently subject to the easements and licenses set forth the original Declaration and the amendments thereto, if any, made prior to this Declaration, as they may be further amended from time to time in the future.

ARTICLE 10

ALLOCATION AND REALLOCATION OF LIMITED COMMON ELEMENTS SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS

Limited Common Elements may be allocated or reallocated pursuant to the provisions of Section 47-227 of the Act. All amendments shall specify to which Unit or Units the Limited Common Element is allocated.

ARTICLE 11

ADDITIONS, ALTERATIONS AND IMPROVEMENTS

Section 11.1 – Additions, Alterations, and Improvements to Units by Unit Owners

A Unit Owner may make any improvements or alterations to the interior of the Unit that do not impair the Structural integrity or mechanical systems or lessen the support of any portion of the Community. A Unit Owner may not remove partitions between Units or otherwise combine two or more Units.

Section 11.2 – Additions, Alterations, and Improvements to or Affecting Common Elements by Unit Owners

- (a) Unless permitted by the Executive Board as provided in Section 11.3 of this Declaration, a Unit Owner:
 - (i) May not make any improvements or alterations to the interior of the Unit that may impair the Structural integrity or mechanical systems or lessen the support of any portion of the Community; and
 - (ii) May not make any addition, alteration, or improvement to, attach anything to or change the appearance of any portion of the Common Elements or the exterior appearance of any other portion of the Community including, but not limited to, landscaping of and in the Common Elements.

- (b) A Unit Owner or occupant of a Unit may make Structural or nonstructural changes to the Unit or to the Common Elements in order to accommodate the needs of handicapped individuals as required by the Federal Fair Housing Amendments Act of 1988. The plans for such changes shall first be submitted to the Executive Board for approval as to Structural integrity, safety, compliance with building and other codes, and consistency with the aesthetic integrity of the Community. All exposed elements of such changes will be surfaced, painted, and trimmed in a manner consistent with surface materials, paint colors, and trim styles of the other Improvements.

Section 11.3 – Approval by Executive Board of Certain Additions, Alterations, and Improvements by Unit Owners

- (a) A Unit Owner may submit a written request to the Executive Board for approval to do anything that is otherwise prohibited or regulated under Section 11.2 of this Declaration. The Executive Board shall answer any written request for such approval, after Notice and Hearing to the applicant, within sixty (60) days after it receives the request. Failure to answer within such time, or as otherwise extended by agreement of the applicant, shall be deemed to be a denial by the Executive Board of the proposed action.
- (b) In acting on any request made under Subsection 11.3(a), the Executive Board shall observe the requirements and limitations of all applicable laws, ordinances, and regulations, including, but not limited to the Federal Fair Housing Amendments Act of 1988.
- (c) The Executive Board may establish time limits and impose conditions on its approval of an application under Subsection 11.3(a). These may include, but are not limited to, the following:
 - (i) That the addition, alteration, or improvement be made by contractors holding particular licenses or certifications, having particular qualifications, or having specified levels of insurance coverage.
 - (ii) That the Unit Owner obtain and pay for all necessary permits and other governmental approvals for the addition, alteration, or improvement.
 - (iii) That the work be done in a specified manner or only during specified times.
 - (iv) That the addition, alteration, or improvement be completed by a certain deadline.
 - (v) That the Unit Owner Maintain, Repair, and Replace the addition, alteration, or improvement or reimburse the Association for the costs of Maintenance, Repair, and Replacement.
 - (vi) That the approval and the conditions imposed on the approval be incorporated in a written agreement, signed on behalf of the Association and by the Unit Owner and recorded on the land records of each town in which any portion of the Community is located.
- (d) The Association may require the Unit Owner to pay an application fee, at the time the application is made, at such later time as the Executive Board determines, or both, to reimburse the Association for its costs in considering and acting on the application including, but not limited to, recording charges and the reasonable fees

of attorneys and design professionals.

- (e) In the absence of a recorded agreement to the contrary, any addition, alteration, or improvement installed by a Unit Owner will be Maintained, Repaired, and Replaced by the Unit Owner at the expense of the Unit Owner. If the Unit Owner fails to Maintain, Repair, or Replace the addition, alteration, or improvement, the Association may, in addition to any other remedies available under the Community Documents or the Act, and after Notice and Hearing:
 - (i) Perform the needed Maintenance, Repair, or Replacement and assess the cost of the work against the Unit; or
 - (ii) Remove the addition, alteration, or improvement, restore the affected portions of the Property to their original condition and assess the cost of the restoration against the Unit.
- (f) The Executive Board may grant approval for a type or class of modifications or installations by adopting a Rule, after Notice and Comment.
- (g) The Executive Board may establish forms and procedures for the making and processing of applications under this Section.
- (h) Nothing in this Section shall be deemed to require the Executive Board to approve or disapprove any particular request. Neither shall the approval or disapproval of any prior request require the Executive Board to approve or disapprove any other request at a later date.

Section 11.4 – General Provisions Relating to Additions, Alterations, and Improvements by Unit Owners

- (a) Any applications to any department or to any governmental authority for a permit to make any additions, alteration or improvement in or to any Unit shall be executed by the Association only. Such execution will not, however, create any liability on the part of the Association or any of its members to any contractor, sub-contractor or materialman on account of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.
- (b) No additions, alterations, and improvements to the Units and Common Elements that will materially increase the premiums of any insurance policies carried by the Association or by the owners of any other Units shall be made by any Unit Owner unless approved in writing by the Executive Board.

Section 11.5 – Additions, Alterations, and Improvements by the Executive Board

Subject to the limitations of Sections 16.4 and 16.5 of this Declaration, the Executive Board may make any additions, alterations, and improvements to the Common Elements, which, in its judgment, it deems necessary, appropriate, or useful. Any one-time addition, alteration, or improvement costing greater than fifteen percent (15%) of the annual operating budget shall require at least three (3) competing bids and also approval by a majority of the Votes cast by Unit Owners at a meeting at which a quorum is present. Necessary maintenance and repairs are excluded from such requirement. Any work or contract with a value or cost greater than fifteen percent (15%) of the annual operating budget shall be reviewed by counsel for the Association.

ARTICLE 12

AMENDMENTS TO DECLARATION

Section 12.1 – Amendment – Generally

Except as otherwise provided in the Act or in this Declaration, including the Survey, this Declaration may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the Votes in the Association are allocated.

Section 12.2 – Limitation on Challenges

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

Section 12.3 – Recording and Execution of Amendments

Every amendment to this Declaration shall be recorded on the land records of each town in which any portion of the Community is located and is effective only on recording. An amendment shall be indexed in the name of the Community and the Association as grantees and in the name of the parties executing the amendment as grantors.

Section 12.4 – When Unanimous Consent Required

Except to the extent expressly permitted or required by other provisions of the Act or this Declaration, no amendment may create or increase Special Declarant Rights, increase the number of Units, or change the boundaries of any Unit or the Allocated Interests of any Unit or the use to which any Unit is restricted in the absence of the unanimous consent of the Unit Owners.

Section 12.5 – Amendments Relating to Use and Occupancy

- (a) By vote or agreement of Unit Owners of Units to which at least eighty percent (80%) of the Votes in the Association are allocated, amendments to this Declaration may be adopted which prohibit or materially restrict the permitted uses or occupancy of a Unit or the number or other qualifications of Persons who may occupy Units or which alter any such existing prohibitions or material restrictions.
- (b) Any amendment approved under this Section, must provide reasonable protection for a use or occupancy permitted at the time the amendment was adopted.

Section 12.6 – Notice to Unit Owners of Amendments to the Declaration

Following the adoption of an amendment to this Declaration by the Association, the Association shall give all Unit Owners notice of its action and include with it a copy of such amendment.

Section 12.7 – Consent of Holders of Security Interests

Amendments are subject to the consent requirements of Article 15 of this Declaration.

ARTICLE 13

BYLAWS

The Bylaws of the Association may be amended only by vote of at least two-thirds (2/3) of the members of the Executive Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose.

ARTICLE 14

TERMINATION

The Condominium may be terminated only in accordance with the provisions of Section 47-237 of the Act.

ARTICLE 15

MORTGAGEE PROTECTION

Section 15.1 – Introduction

This article establishes certain standards and covenants which are for the benefit of the holders of certain Security Interests. This Article is supplemental to, and not in substitution for, any other provisions of the Declaration, but in the case of conflict, this Article shall control.

Section 15.2 – Supplemental Definitions

As used in this Article and elsewhere in this Declaration, the following terms shall have the following meanings:

- (a) “Eligible Insurer” shall mean an insurer or guarantor of a first Security Interest in a Unit that has notified the Association in writing, of its name and address, that it has insured or guaranteed such Security Interest, and the identification of the Unit on which it has insured or guaranteed such Security Interest. Such notice shall be deemed to include a request that the Association give the Eligible Insurer the notices and other rights described in this Article.
- (b) “Eligible Mortgagee” shall mean the holder of a first Security Interest in a Unit that has notified the Association in writing, of its name and address, that it holds a first Security Interest in a Unit, and the identification of the Unit on which it holds such Security Interest. Such notice shall be deemed to include a request that the Association notify the Eligible Mortgagee of any proposed action requiring the consent of a specified percentage of holders of first Security Interests and that the Eligible Mortgagee be given the other notices and rights described in in this Article.
- (c) “Material Adverse Action” shall mean any amendment to the Declaration or any action of the Executive Board or the Association that is of a material adverse nature to holders of first Security Interests in a Unit, including, but not limited to, any of the following:
 - (i) Abandonment, partition, subdivision, encumbrance, sale, or transfer of any Common Elements, other than the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Elements;
 - (ii) Any change in the procedures that protect the interest of a holder of a first Security Interest when handling any losses or proceeds from condemnation, destruction, or liquidation of all or part of the Community, or from termination of the Community;
 - (iii) Any change in the Unit Owner’s interest in or obligations to the Community in order to levy assessments or charges, to allocate distribution of homeowner’s insurance proceeds or condemnation awards, or to determine Unit Owner’s interest in the Common Elements;
 - (iv) Changes in the priority of liens for assessments made against the Units;
 - (v) Reductions in reserves for Maintenance, Repair, and Replacement of Common Elements (other than use of reserves for the purpose for which the

reserve was established);

- (vi) Responsibility for Maintenance, Repair, and Replacement of the Common Elements;
- (vii) Reallocations of interests in the Common Elements or rights to their use, except reallocation made under Article 10 of this Declaration;
- (viii) Redefinition of any Unit boundaries (except that when only boundaries between adjoining Units are involved, then only the approval of the Unit Owners of such Units and the holders of all Security Interests in such Units is required);
- (ix) Conversion of Units into Common Elements or of Common Elements into Units;
- (x) Expansion or contraction of the Community, or the addition, annexation, or withdrawal of property to or from the Community, except as otherwise provided in this Declaration;
- (xi) Imposition of any restrictions on the leasing or rental of Units;
- (xii) Imposition of any restrictions on a Unit Owner's right to sell or transfer a Unit; and
- (xiii) Any action to terminate the Community or use of insurance proceeds for any purpose other than to rebuild.

Section 15.3 – Consent Required

- (a) No Material Adverse Action may be taken by the Association or by the Executive Board or shall be effective until approved by Eligible Mortgagees holding Security Interests in more than fifty percent (50%) of the Units that are subject to Security Interests held by Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration).
- (b) The approval or consent of any Person holding a Security Interest in a Unit of any Material Adverse Action shall be deemed granted if a refusal to consent in a record is not received by the Association within sixty (60) days after the Association delivers notice of the proposition requiring consent to the holder of the Security Interest or mails the notice to such holder by certified mail, return receipt requested. The Association may rely on the last-recorded Security Interest of record in delivering or mailing notice to the holder of such Security Interest.
- (c) Unless otherwise expressly provided, wherever in this Declaration the request,

approval or consent of a specified percentage of holders of Security Interests on Units is required, it shall mean the request, approval, or consent of holders of first Security Interests in Units which, in the aggregate, have allocated to them such specified percentage of Votes in the Association when compared to the total allocated to all Units then subject to first Security Interests.

Section 15.4 – Notice of Certain Actions or Events

The Association shall give prompt written notice by certified mail, return receipt requested, or by any express or courier service that produces a receipt, to each Eligible Mortgagee and Eligible Insurer, and each Unit Owner hereby consents to and authorizes such notice, of the following:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Community (for this purpose material includes a condemnation or property loss greater than ten percent (10%) of the annual Common Expense budget) or any Unit in which there is a first Security Interest held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable;
- (b) Any delinquency or default in the payment of Common Expense Assessments owed by an Owner whose Unit is subject to a first Security Interest held, insured, or guaranteed, by such Eligible Mortgagee or Eligible Insurer, which remains uncured for a period of sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or
- (d) Any proposed action which would require the consent of a specified percentage of holders of first Security Interests on Units.

Section 15.5 – Other Mortgagee Rights

- (a) The Association shall permit any Eligible Mortgagee or Eligible Insurer to inspect the books and records of the Association during normal business hours on the same terms as Unit Owners.
- (b) A majority of the holders of first Security Interests on Units may require professional management of the Community.

Section 15.6 – Financial Statements

- (a) The Association shall provide any Eligible Mortgagee or Eligible Insurer, which submits a written request, with a copy of the most recently available annual financial statement of the Association.

- (b) If so requested by a majority of the holders of first Security Interests on Units, the Association shall have its financial records audited.

Section 15.7 – Enforcement

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

Section 15.8 – Attendance at Meetings

Any representative of an Eligible Mortgagee or Eligible Insurer may attend any meeting which a Unit Owner may attend.

ARTICLE 16

ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 16.1 – Apportionment of Common Expenses

Except as provided in Section 16.2, all Common Expenses shall be assessed against all Units in accordance with their share of the Common Expenses as shown in the original Declaration and amendments thereto as Schedule C.

Section 16.2 – Common Expenses Attributable to Fewer than All Units

- (a) Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from such service.
- (b) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit.
- (c) Any assessment to pay a judgment against the Association may be made only against the Units in the Community at the time the judgment was rendered, in proportion to their Common Expense liabilities.
- (d) If any Common Expense is caused by the willful misconduct, failure to comply with a written maintenance standard promulgated by the Association, or gross negligence of any Unit Owner or tenant or guest or invitee of a Unit Owner or tenant, the Association may, after Notice and Hearing, assess the portion of that Common Expense in excess of any insurance proceeds received by the Association under its insurance policy, whether that portion results from the application of a deductible or otherwise, exclusively against that Unit Owner's Unit.

- (e) Fees, charges, late charges, fines and interest charged against a Unit Owner or the occupant of a Unit pursuant to the Community Documents and the Act are enforceable as Common Expense Assessments against the Unit or Units owned by such Unit Owner.
- (f) If the Association incurs any expense in connection with any action taken under Section 11.3 of this Declaration, the Association may assess that expense against the Unit Owner and the Unit, following Notice and Hearing to the affected Unit Owner.
- (g) Portions of the cost of repairing or replacing Units allocated to individual Units under the provisions of Section 20.2 shall be assessed against the Unit or Units to which they are allocated. If the Association, or anyone acting at the direction of the Association, incurs any expense for maintenance, repair or replacement of any portion of a Unit, made or performed for the purpose of correcting a condition threatening a Unit or the Common Elements pursuant to Section 6.4(a), the Association may assess that expense against the Unit Owner and the Unit, following Notice and Hearing to the affected Unit Owner.
- (h) All reasonable attorney's fees and costs incurred by the Association in collecting past due common charges, assessments and other sums due from a Unit Owner, with or without the commencement of a foreclosure action or other legal proceedings, or incurred in representing the Association in any foreclosure actions brought against a Unit Owner in which the Association is named as a defendant, shall be added to and included in the amount due to the Association from the Unit Owner as a Common Expense.
- (i) All reasonable attorney's fees and costs incurred by the Association in enforcing the provisions of the Declaration, the Bylaws, and the Rules or any applicable law, ordinance, or regulation relating to the Common Interest Community against a Unit Owner or a tenant or other occupant of a Unit, with or without the commencement of litigation, arbitration, mediation, administrative proceedings, or hearing before the Executive Board, may be assessed against the Unit and its Unit Owner as a Common Expense:
 - (i) by the Executive Board after Notice and Hearing; or
 - (ii) as awarded by a court or arbitration.

Section 16.3 – Liens and Lien Foreclosures

- (a) The Association has a statutory lien on a Unit to the maximum extent, for the maximum amount, and with the maximum priority permitted by the Act and other applicable law from time to time.

- (b) This Section does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other assessments made by the Association.
- (c) This Section does not prohibit actions against Unit Owners to recover sums for which the Association has a lien or prohibit the Association from taking a deed in lieu of foreclosure.
- (d) A judgment or decree in any action brought under this Section shall include costs and reasonable attorney's fees for the prevailing party.
- (e) Subject to the provisions of Subsection 16.3(f), the Association's lien may be foreclosed in like manner as a mortgage on real property.
- (f) The Association may not commence an action to foreclose a lien on a Unit under this Section unless:
 - (i) The Unit Owner, at the time the action is commenced, owes a sum equal to at least two (2) months of Common Expense assessments based on the periodic budget last adopted by the Association pursuant to Section 16.4 of this Declaration;
 - (ii) The Association has made a demand for payment in a written or electronic communication as required by the Act;
 - (iii) The Executive Board has either voted to commence a foreclosure action specifically against that Unit or has adopted a standard policy that provides for foreclosure against that Unit; and
 - (iv) The Association has complied with any other provisions of the Act relating to the commencement of an action to foreclose its lien.
- (g) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Unit Owner pursuant to Section 52-504 of the Connecticut General Statutes to collect all sums alleged to be due from that Unit Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Common Expense assessments based on a periodic budget adopted by the Association pursuant to Section 16.4 of this Declaration.
- (h) If a holder of a first or second Security Interest in a Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid assessments against that Unit which became due before the sale, other than the assessments which are prior to that Security Interest under the Act. Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses

collectible from all the Unit Owners, including the purchaser.

- (i) Any payments received by the Association in the discharge of a Unit Owner's obligation may be applied to the oldest balance due or in such other order as the Executive Board may determine, notwithstanding any designation or other indication from the Unit Owner as to how the payment is to be applied.
- (j) Every aspect of a foreclosure, sale, or other disposition under this Section, including the method, advertising, time, date, place, and terms, shall be commercially reasonable.

Section 16.4 – Budget Adoption, Rejection, and Approval

- (a) The Executive Board, at least annually, shall adopt a proposed budget for the Common Interest Community for consideration by the Unit Owners.
- (b) Not later than thirty (30) days after the adoption of a proposed budget, the Executive Board shall provide to all Unit Owners a summary of the budget, including a statement of the amount of any reserves, and a statement of the basis on which such reserves are calculated and funded. Simultaneously, the Executive Board shall set a date not less than ten (10) days or more than sixty (60) days after providing the summary for either a meeting of the Unit Owners or a vote by ballot without a meeting to consider approval of the budget. If, at that meeting or in the vote by ballot without a meeting, Unit Owners holding a majority of all of the Votes in the Association vote to reject the budget, the budget is rejected; otherwise the budget is approved. The absence of a quorum at such meeting or participation in the vote by ballot without a meeting shall not affect rejection or approval of the budget. If a proposed budget is rejected, the budget last approved by the Unit Owners continues until Unit Owners approve a subsequent budget.

Section 16.5 – Adoption, Rejection, and Approval of Special Assessments

- (a) The Executive Board, at any time, may propose a Special Assessment.
- (b) Not later than thirty (30) days after adoption of a proposed Special Assessment, the Executive Board shall provide to all Unit Owners a summary of the Special Assessment. If such Special Assessment, together with all other Special Assessments, including emergency Special Assessments, proposed by the Executive Board in the same calendar year, do not exceed fifteen percent (15%) of the Association's last adopted periodic budget for that calendar year, the Special Assessment is effective without approval of the Unit Owners. Otherwise, the Executive Board shall set a date not less than ten (10) days or more than sixty (60) days after providing the summary for either a meeting of the Unit Owners or a vote by ballot without a meeting to consider approval of the Special Assessment. If, at such meeting or in the balloting, Unit Owners holding a majority of all of the Votes

in the Association vote to reject the Special Assessment, the Special Assessment shall be rejected; otherwise the Special Assessment shall be approved. The absence of a quorum at such meeting or participating in the vote by ballot without a meeting shall not affect the rejection or approval of the Special Assessment.

- (c) Special Assessments as proposed by the Executive Board may be payable in installments, may be payable over periods in excess of one (1) year and may provide for lump sum prepayment at a discount. If a special assessment is adopted to repay a loan to the Association, the assessment resolution may provide for the adjustment of the assessment when and if the loan payments are adjusted in accordance with the terms of the loan.
- (d) Notwithstanding the provisions of Subsection 16.5(b), if the Executive Board determines by a two-thirds (2/3) vote that a Special Assessment is necessary to respond to an emergency:
 - (i) the Special Assessment becomes effective immediately in accordance with the terms of the vote;
 - (ii) notice of the Special Assessment must be provided promptly to all Unit Owners; and
 - (iii) the Executive Board may spend the funds paid on account of the Special Assessment only for the purposes described in the vote.

Section 16.6 – Certificate of Payment of Common Expense Assessments

The Association on request made electronically or in writing shall furnish to a Unit Owner a statement in recordable form setting forth the amount of unpaid Common Expense Assessments against the Unit. The statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board and every Unit Owner. The Executive Board may, from time to time, establish a fee for the preparation of the statement.

Section 16.7 – Payment of Common Expense Assessments

- (a) All Common Expenses assessed under Section 16.4 of this Declaration shall be due and payable monthly.
- (b) All other Common Expenses shall be due and payable on the first day of the month following the month in which they are assessed or charged unless other payment terms are established by the Executive Board in the resolution adopting the assessment.

Section 16.8 – Acceleration of Common Expense Assessments

In the event of default by any Unit Owner in the payment of any Common Expense Assessment levied against the Unit for a period of ten (10) days after the payment is due, the Executive Board may, after Notice and Hearing, require all unpaid assessments for the pertinent fiscal year to be immediately due and payable and, at a later date, to reverse such a requirement.

Section 16.9 – No Waiver of Liability for Common Expenses

Unit Owners may not exempt themselves from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 16.10 – Personal Liability of Unit Owners

The Owner of a Unit at the time a Common Expense Assessment or portion thereof is due and payable is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in title to the Unit unless such successor agrees to assume the obligation and the Association is provided with written proof of the assumption.

ARTICLE 17

ASSOCIATION BORROWING AND ASSIGNMENT OF FUTURE INCOME

Section 17.1 – Notice of Proposed Borrowing

At least fourteen (14) days before the closing of any loan to the Association, the Executive Board shall:

- (a) Disclose in a written or electronic communication to all Unit Owners the amount and terms of the loan and the estimated effect of such loan on any Common Expense Assessment; and
- (b) Afford the Unit Owners a reasonable opportunity to submit written or electronic comments to the Executive Board with respect to such loan.

Section 17.2 – Approval of Assignment of Future Income

The Association may borrow money and assign its right to future income as security for a loan only provided:

- (a) The loan transaction and the assignment have been approved by the Executive Board;
- (b) Unit Owners holding a majority of all of the Votes in the Association vote in favor

of or agree to the assignment; and

- (c) The Association has complied with the requirements of Section 17.1 of this Declaration.

ARTICLE 18

PERSONS AND UNITS SUBJECT TO DOCUMENTS; RULES AND ENFORCEMENT

Section 18.1 – Compliance with Community Documents

All Unit Owners, tenants, holders of Security Interests, and occupants of Units shall comply with the Community Documents. The acceptance of a deed or mortgage or the exercise of any incident of ownership, or the entering into a lease, or the entering into occupancy of a Unit constitutes agreement that the provisions of the Community Documents are accepted and ratified by such Unit Owner or other Person and shall bind any Person having at any time any interest or estate in such Unit.

Section 18.2 – Compliance with Laws

All Unit Owners, tenants, holders of Security Interests, and occupants of Units shall comply with all laws, ordinances, and governmental regulations applicable to the Common Interest Community or the activities of Persons within the Common Interest Community.

Section 18.3 – Adoption of Rules

- (a) The Executive Board may adopt, amend or repeal Rules only after Notice and Comment.
- (b) Rules concerning the Common Elements, including Limited Common Elements, may regulate any conduct, condition, or activity, including use and occupancy.
- (c) Rules concerning the Units may regulate any conduct, condition, or activity that is not use and occupancy.
- (d) Rules concerning the Units may also regulate the use and occupancy of a Unit only to the extent permitted by Subsection 8.3 of this Declaration.
- (e) The Executive Board may not adopt a Rule which contravenes an express provision of this Declaration or a right reasonably inferable from an express provision of this Declaration, but the Executive Board may adopt a Rule implementing, refining, or applying an express provision of this Declaration so long as such Rule does not contravene an express provision of this Declaration or a right reasonably inferable therefrom.

Section 18.4 – Notice to the Unit Owners of Changes to Rules

Following the adoption, amendment, or repeal of a Rule, the Association shall give all Unit Owners notice of its action and include with it a copy of any new or amended Rule.

Section 18.5 – Limitation on Challenges

No action to challenge the validity of any adoption, amendment, or repeal of a Rule adopted may be brought more than one (1) year after the date that notice of the amendment was given to the Unit Owners.

Section 18.6 – Certification of Rules

Amendments to the Rules that have been duly adopted shall be prepared and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

Section 18.7 – Abatement and Enjoinment of Violations by Unit Owners

The violation or breach of any provision of the Community Documents shall give the Association the right, after Notice and Hearing except in case of an emergency, in addition to any other rights set forth in this Declaration:

- (a) To enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any Improvement, thing, or condition (except for additions or alterations of a permanent nature that may exist therein) that violates or breaches any provision of the Community Documents or creates a danger to the Common Elements or other Units contrary to the intent and meaning of the provisions of the Community Documents, and the Association shall not thereby be deemed liable for any manner of trespass;
- (b) To bring appropriate legal proceedings, either at law or in equity, to enjoin, abate, or remedy the continuance of any such breach; or
- (c) To bring appropriate legal proceedings, either at law or in equity, for specific performance of the Community Documents.

Section 18.8 – Suspension of Privileges for Non-Payment or Breach

- (a) If a Unit Owner fails to pay any Common Expense Assessment, the Executive Board, after Notice and Hearing, may suspend any right or privilege of the Unit Owner and all occupants of the Unit, except as provided in Subsection 18.8(c), until such assessment is paid.

- (b) If a Unit Owner or occupant of the Unit violates or breaches any provision of the Community Documents, the Executive Board, after Notice and Hearing, may suspend any right or privilege of the Unit Owner and all occupants of the Unit, except as provided in Subsection 18.8(c), for a period not to exceed the longer of thirty (30) days or until the breach is cured.
- (c) The suspension of any right or privilege under this Section:
 - (i) Shall not deny a Unit Owner or other occupant of a Unit access to the Unit or the Limited Common Elements appurtenant to the Unit;
 - (ii) Shall not suspend a Unit Owner's right to vote or participate in meetings of the Association;
 - (iii) Shall not prevent a Unit Owner from seeking election as a Director or officer of the Association;
 - (iv) Shall not permit the Association to withhold services provided to a Unit or a Unit Owner by the Association if the effect of withholding the service would be to endanger the health, safety, or property of any Person; and
 - (v) Shall not take effect until ten (10) days after the Executive Board notifies the Unit Owner of its decision to suspend the use of the Common Elements, unless the Executive Board in its discretion determines such suspension should take effect sooner based on safety or other concerns.

ARTICLE 19

INSURANCE

Section 19.1 – Coverage

To the extent it is reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

Section 19.2 – Property Insurance

- (a) Property Insurance will cover:
 - (i) The Project Facilities (which term means all buildings on the Property, including the Units and all fixtures, equipment and any Improvements and

betterments, whether part of a Unit or a Common Element, and such personal property of Unit Owners as is normally insured under an extended coverage endorsement for building coverage if they will be financed by a mortgage) excluding land, excavations, portions of foundations below the undersurface of the lowest basement floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from property policies; and

- (ii) All personal property owned by the Association.
- (b) Property insurance shall be for the following amounts:
- (i) The Project Facilities for an amount equal to one hundred percent (100%) of their insurable replacement cost at the time the insurance is purchased and at each renewal date; and
 - (ii) Personal property owned by the Association for an amount equal to its actual cash value.
 - (iii) The deductible may not exceed one percent (1%) of the insurable replacement cost of the Project Facilities.
- (c) Appraisals: The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing said replacement cost of the Project Facilities and the actual cash value of the personal property. The cost of such appraisals shall be a Common Expense.
- (d) Risks Insured Against: The insurance shall afford protection against fire and all other hazards that are normally covered by the standard extended coverage endorsement and all other perils customarily covered for similar types of projects.
- (e) Other Provisions: Insurance policies required by this Section shall provide that:
- (i) The insurer waives its right to subrogation under the policy against any Unit Owner or member of his household;
 - (ii) No act or omission by any Unit Owner, unless acting within the scope of their authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;
 - (iii) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance;
 - (iv) Loss shall be adjusted with the Association;

- (v) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose and, in the absence of such designation, to the Association, in either case to be held in trust for each Unit Owner and such Unit Owner's mortgagee;
- (vi) The insurer may not cancel or refuse to renew the policy until sixty (60) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner, and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses;
- (vii) If obtainable, the policy must include an "Inflation Guard Endorsement" and a "Building Ordinance or Law Endorsement"; and
- (viii) The name of the insured shall be substantially as follows: "Terrace Place Condominium Association, Inc., for the use and benefit of the individual Unit Owners."

Section 19.3 – Liability Insurance

- (a) Liability insurance shall be commercial general liability insurance, including medical payments insurance, in an amount determined by the Executive Board but in no event less than One Million Dollars (\$1,000,000.00), covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements.
- (b) Other Provisions: Insurance policies carried pursuant to this Section shall provide that:
 - (i) Each Unit Owner is an insured Person under the policy with respect to liability arising out of their interest in the Common Elements or membership in the Association;
 - (ii) The insurer waives its rights to subrogation under the policy against any Unit Owner or member of his household;
 - (iii) No act or omission by any Unit Owner, unless acting within the scope of their authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;
 - (iv) If, at the time of a loss under the policy, there is other insurance in

the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance; and

- (v) The insurer may not cancel or refuse to renew the policy until sixty (60) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner, and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

Section 19.4 – Fidelity Insurance

Fidelity insurance shall be obtained for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The insurance policy shall name the Association as the insured and shall cover the maximum funds that will be in the custody of the Association or the Manager at any time while the policy is in force and in no event less than the sum of three (3) months' assessments plus reserve funds. The insurer may not cancel or refuse to renew the policy until sixty (60) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

Section 19.5 – Unit Owner Policies

Each Unit Owner shall obtain and maintain property insurance covering the contents of the Unit, restoration and other costs that the Association may assess against the Unit in accordance with this Declaration, including Sections 16.2 and 20.2(b). Each Unit Owner shall deliver evidence of insurance to the Association, upon the Association's request. At least once in each calendar year and any time the deductible under the Association's property insurance policy is changed, the Association shall give notice to each Unit Owner of the need to obtain individual coverage for restoration and other costs that may be allocated against the individual Units under the provisions of Subsections 16.2(f) and 20.2(b) of this Declaration. However, the failure of the Association to furnish such notice shall not create any liability on the part of the Association or prevent it in any way from making the allocations provided for in Subsection 20.2(b).

Section 19.6 – Workers' Compensation Insurance

The Executive Board shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Connecticut.

Section 19.7 – Directors' and Officers' Liability Insurance

The Executive Board shall obtain and maintain directors' and officers' liability insurance, if available, covering all of the Directors and officers of the Association as well as other individuals typically covered under such policies. The insurance shall, as far as reasonably available, include such coverage as is necessary to satisfy the Association's duty of indemnification to its officers and Directors.

Section 19.8 – Other Insurance

The Association may carry other insurance which the Executive Board considers appropriate to protect the Association or the Unit Owners.

Section 19.9 – Premiums

Insurance premiums shall be a Common Expense.

ARTICLE 20

DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 20.1 – Restoration

- (a) Any portion of the Property for which insurance is required under Section 47-255 of the Act or for which insurance carried by the Association is in effect, whichever is more extensive, which is Damaged or Destroyed shall be restored promptly by the Association unless:
 - (i) The Community is terminated;
 - (ii) Restoration would be illegal under any state or local statute or ordinance governing health or safety; or
 - (iii) Eighty percent (80%) of the Unit Owners, including every Unit Owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.
- (b) The Association, acting through the Executive Board, and not the Unit Owner or Unit Owners of affected Units, shall have the exclusive authority to select, contract with, direct, retain, and replace all contractors and vendors for all activities to restore any portion of the Property that has been Damaged or Destroyed for which funds of the Association or insurance proceeds payable to the Association are used or to be used.

Section 20.2 – Cost

- (a) Except as provided in Sections 16.2 and 20.2(b), the cost of restoring Common Elements and Limited Common Elements which are the responsibility of the Association in excess of insurance proceeds shall be a Common Expense assessed against all Units.
- (b) The costs of Repair or Replacement in excess of insurance proceeds resulting from a deductible shall be allocated as follows:
 - (i) If the Repair or Replacement is entirely to the Common Elements, the excess shall be a Common Expense assessed against all Units under Section 16.1.
 - (ii) If the Repair or Replacement is entirely to a single Unit, the excess shall be assessed against the affected Unit only, under Subsection 16.2(g).
 - (iii) If the Repair or Replacement is to two or more Units or to one or more Units and the Common Elements, the excess shall be prorated among the affected Unit or Units and Common Elements as the case may be in the same proportion as the total cost of Repair or Replacement to each of the affected Units and Common Elements bears to the total cost of Repair or Replacement to all of the affected Units and Common Elements. In calculating this portion, the Association may rely on itemized bills or reports from the contractor or contractors making the repairs or on estimates prepared by an adjuster or construction estimator engaged by the company issuing the property insurance coverage required under Section 19.2 or engaged by the Association. The portion of the excess allocated to an affected Unit under this Subsection 20.2(b)(iii) shall be assessed against the Unit under Section 16.2(g). The portion of the excess allocated to the Common Elements shall be assessed against all Units under Section 16.1.

Section 20.3 – Plans

The Property that must be restored shall be restored to its original condition, subject to changes in building codes and other applicable laws and regulations and to the availability of building components and materials and in accordance with either the original Plans and specifications, if available, or other plans and specifications which have been approved by the Executive Board, Unit Owners holding a majority of all of the Votes in the Association, including the Unit Owners of every Unit for which the plans and specifications are proposed to be changed, and more than fifty percent (50%) of Eligible Mortgagees.

Section 20.4 – Restoration of Less Than the Entire Property

If all of the Property is not to be restored by the Association:

- (a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community;
- (b) Except to the extent that other Persons will be distributees:
 - (i) The insurance proceeds attributable to Units and Limited Common Elements that are not restored shall be distributed to the owners of those Units and the owners of the Units to which those Limited Common Elements were allocated, or to lien holders, as their interests may appear; and
 - (ii) The remainder of the proceeds shall be distributed to all the Unit Owners or lien holders, as their interests may appear, in proportion to the Common Expense liabilities of all the Units.
- (c) If the Unit Owners vote not to restore any Unit, that Unit's Allocated Interests are automatically reallocated on the vote as if the Unit had been condemned under Subsection 47-206(c) of the Act, and the Association shall promptly prepare, execute, and record an amendment to this Declaration reflecting the reallocations.

Section 20.5 – Insurance Proceeds

The insurance trustee, or if there is no insurance trustee, then the Association, shall hold any insurance proceeds in trust for the Association, Unit Owners, and lien-holders as their interests may appear. Subject to the provisions of Section 20.1, the proceeds shall be disbursed first for the restoration of the damaged Property, and the Association, Unit Owners, and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely restored, or the Common Interest Community is terminated.

Section 20.6 – Certificates by the Executive Board

An insurance trustee, if any, may rely on the following certifications in writing made by the Executive Board:

- (a) Whether or not Damaged or Destroyed Property is to be restored; and
- (b) The amount or amounts to be paid for restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 20.7 – Certificates by Attorneys

If payments are to be made to Unit Owners, holders of Security Interests, or other lien holders, the Executive Board and the insurance trustee, if any, shall obtain and may rely on an attorney's certificate of title or a title insurance policy based on a search of the land records of each town in which any portion of the Common Interest Community is located from the date of the recording of the original Declaration stating the names of the Unit Owners, holders of Security Interests, and other lien holders.

ARTICLE 21

RIGHTS TO NOTICE AND COMMENT; NOTICE AND HEARING

Section 21.1 – Notice and Comment

Before the Executive Board amends the Bylaws or the Rules, whenever the Common Interest Community documents require that an action be taken after "Notice and Comment," and at any other time the Executive Board determines, the Association shall give notice to the Unit Owners at least ten (10) days before the date on which the Executive Board will act. The notice shall include:

- (a) A statement that the Executive Board is considering an amendment to the Bylaws or the Rules or other action;
- (b) A copy of the text of the proposed amendment, addition, or deletion; and
- (c) The date on which the Executive Board will act on the proposal after considering comments from the Unit Owners.

Section 21.2 – Notice and Hearing

- (a) The procedures set out in this Section 21.2 shall be followed:
 - (i) Whenever the Community Documents require that an action be taken after Notice and Hearing; and
 - (ii) Before the Association brings an action or institutes a proceeding against a Unit Owner, except if the action is brought to prevent immediate or irreparable harm or to foreclose a lien for an assessment attributable to a Unit or fines imposed against a Unit Owner.
- (b) The hearing must be held during a regular or special meeting of the Executive Board.
- (c) Not less than ten (10) business days prior to the hearing, the Association shall send

written notice of the hearing to the Unit Owner and to any other parties the Association considers appropriate.

- (i) The notice shall be sent to the affected Unit Owner by regular mail.
 - (ii) The notice shall be sent to any other parties in any manner permitted by the Bylaws.
 - (iii) The notice given under this Subsection 21.2(c) shall be in addition to any other notice of the meeting of the Executive Board required to be given by the Association.
- (d) The notice shall include the following:
- (i) The date, time, and place of the hearing;
 - (ii) A description of the alleged violation or the nature of the claim against the Unit Owner;
 - (iii) Instructions as to how the Unit Owner can participate in the hearing and present the Unit Owner's position; and
 - (iv) An explanation of the consequences of not participating in the hearing.
- (e) At the hearing, the Unit Owner shall have the right, personally or through a representative, to present information orally, in writing, or both, subject to reasonable rules of procedure established by the Executive Board to assure a prompt and orderly resolution of the issues. The Executive Board may also receive information from anyone else who, in the opinion of the Executive Board, will assist it in making a decision. The hearing shall not be conducted as a formal trial. All information presented shall be considered in making a decision but shall not bind the decision makers.
- (f) The Executive Board shall make its decision and send notice of its decision within thirty (30) days after the conclusion of the hearing. Notice of the decision shall be sent to the Unit Owner by regular mail.

ARTICLE 22

THE EXECUTIVE BOARD

- (a) **Powers and Duties.** The Association's Executive Board may act on behalf of the Association and 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 By-Laws or this Declaration may not be delegated to the Executive Board by the Unit Owners. Therefore, the Executive Board:
- (i) Shall adopt and may amend By-Laws and rules and regulations;
 - (ii) Shall adopt and may amend budgets for revenues, expenditures and reserves;
 - (iii) May collect assessments for Common Expenses from Unit Owners;
 - (iv) May hire and discharge employees, agents and independent contractors, other than managing agents;
 - (v) May hire and discharge managing agents;
 - (vi) May Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Common Interest Community, subject to the limitations placed on the Association's authority to institute and maintain proceedings alleging construction defects set forth in Section 47-261f of the Act;
 - (vii) May make contracts and incur liabilities;
 - (viii) May regulate the use, occupancy, Maintenance, Repair, Replacement and modification of Common Elements;
 - (ix) May cause additional improvements to be made as a part of the Common Elements;
 - (x) May acquire, hold, encumber and convey in its own name any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to the Act;
 - (xi) May grant easements, leases, licenses and concessions through or over the Common Elements;
 - (xii) May impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements, other than Limited Common Elements and for services provided to Unit Owners;

- (xiii) May impose charges or interest or both for late payment of assessments and, after Notice and Hearing, levy reasonable fines for violations of the Declaration, the Bylaws, or the Rules of the Association;
- (xiv) May impose reasonable charges including reasonable attorneys' fees, if incurred, for the preparation and recordation of amendments to the Declaration, resale certificates required by the Act or statements of unpaid assessments;
- (xv) May provide for the indemnification of Association officers and Executive Board and maintain directors' and officers' liability insurance;
- (xvi) Subject to Section 47-261e of the Act and Article 17 of this Declaration, assign the Association's right to future income, including the right to receive Common Expense assessments;
- (xvii) May exercise any other powers conferred by the Act, this Declaration or the Bylaws;
- (xviii) May exercise all other powers that may be exercised in this state by legal entities of the same type as the Association; and
- (xix) May exercise any other powers necessary and proper for the governance and operation of the Association.
- (xx) Adopt rules and regulations that affect the use or occupancy of units that may be used for residential purposes only to:
 - (A) Prevent any use of a Unit which violates the Declaration;
 - (B) Regulate any occupancy of a Unit which violates the Declaration or adversely affects the use and enjoyment of other Units or the Common Elements by other Unit Owners; or
 - (C) Restrict the leasing of Units to the extent that those rules are reasonably designed to meet first mortgage underwriting requirements of institutional lenders who regularly purchase or insure first mortgages on units in common interest communities, provided no such restriction shall be enforceable unless notice thereof is recorded on the land records of each municipality in which any part of the Common Interest Community is located.
- (xxi) If a tenant of a Unit Owner violates the Declaration, the Bylaws or the Rules of the Association, in addition to exercising any of its powers against the Unit

Owner, the Association may:

- (A) Exercise directly against the tenant the powers described in Subsection (a) of this section;
- (B) After giving notice to the tenant and the Unit Owner and an opportunity to be heard, levy reasonable fines against the tenant or Unit Owner, or both, for the violation; and
- (C) Enforce any other rights against the tenant for the violation which the Unit Owner as Landlord could lawfully have exercised under the Lease, including any such right to bring a summary process action under Chapter 832 of the Connecticut General Statutes, provided however, that the tenant or Unit Owner fails to cure the violation within ten (10) days after the Association notifies the tenant and Unit Owner of that violation.

In furtherance of the foregoing, such powers and duties of the Executive Board shall also include but shall not be limited to the following:

- (xxii) Operation, care, upkeep and maintenance of the Common Elements.
 - (xxiii) Determination of the Common Expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the property and for the establishment of reserves to provide for maintenance, improvements, replacements, working capital, bad debts, depreciation, obsolescence and similar purposes as are deemed desirable.
 - (xxiv) Collection of the Common Expenses from the Unit Owners.
 - (xxv) Opening of bank accounts on behalf of the Association and designating the signatories required thereafter.
 - (xxvi) Selling, leasing, mortgaging (but not voting the votes appurtenant thereto) or otherwise dealing with Units acquired by, and subleasing Units leased by the Executive Board or its designee, on behalf of all Unit Owners.
 - (xxvii) Obtaining necessary insurance for the property, including the Units.
 - (xxviii) The Executive Board shall have the power to enforce obligations of the Unit Owners, to allocate profits and expenses, and to do anything and everything else necessary and proper for the sound management of the Association.
- (b) Limitations. The Executive Board may not act on behalf of the Association to amend the Declaration, to terminate the Condominium, or to elect members of the Executive

Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

- (c) Amendments to the Declaration required by the Act to be recorded by the Association shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.
- (d) In addition to any other discretion the Executive Board has under applicable law, The Executive Board may determine whether to take enforcement action exercising the Association's power to impose sanctions, by commencing an action for a violation of the Community Documents, or by commencing or defending any other action or proceeding relating to the rights, powers or obligations of the Association, which may include a determination of whether to compromise any claim for unpaid assessments or other claim made by or against the Association. The Executive Board does not have a duty to take enforcement or other action if it determines that, under the facts and circumstances presented:
 - (i) The Association's legal position does not justify taking any or further action;
 - (ii) The covenant, restriction or Rule being enforced is, or is likely to be, construed as inconsistent with law;
 - (iii) Although a violation may exist or have occurred, it is not so material as to be objectionable to a reasonable Person or to justify expending the Association's resources; or
 - (iv) It is not in the Association's best interests to take enforcement action.
- (e) The Executive Board's decision under subsection 22(d) not to take action under one set of circumstances does not prevent the Executive Board from taking action under another set of circumstances, except that the Executive Board may not be arbitrary or capricious in taking enforcement action.

ARTICLE 23

CONDEMNATION

If part or all of the Common Interest Community is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be in accordance with Section 47-206 of the Act.

ARTICLE 24

INVALIDITY

The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

ARTICLE 25

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 26

GENDER

The use of the masculine in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

ARTICLE 27

CONFLICTS

This Declaration is set forth to comply with the requirements of the Act. In the case of any conflict between this Declaration and the provisions of the Act, as the same now exists and as it may from time to time be amended, the provisions of that statute shall control.

ARTICLE 28

CAPTIONS

The captions contained in the documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the documents or the intent of any provision thereof.

In the Presence of:

Terrace Place Condominium Association, Inc.

By: _____

Its President

STATE OF CONNECTICUT)

)

ss: New Milford

COUNTY OF LITCHFIELD)

The foregoing instrument was acknowledged, before me, this _____ day of _____, 2024, by _____, president of The Terrace Place Condominium Association, Inc. as their free act and deed, and the free act and deed of said corporation.

Commissioner of Superior Court
Notary Public

Certified to be the Amended and Restated Declaration of Terrace Place Condominium Association, Inc., adopted by vote of at least eighty percent (80%) of its Unit Owners, and

dated as of _____, 2024.

Its Secretary