DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE STRATFORD ARMS CONDOMINIUM ASSOCIATION

THIS DECLARATION, made and entered into by Stratford Arms, a Wyoming partnership, (hereinafter referred to as the “Declarant”);

WITNESSETH:

WHEREAS, the Declarant is the legal title holder of the following described real estate located in Natrona County, Wyoming and described as:

Lot 8, Block 43, in the City of Casper, Natrona County, Wyoming

and

WHEREAS, the Declarant intends to and does hereby submit the above-described real estate, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon and all rights, privileges and easements belonging or in any way pertaining thereto, to the provisions of the Wyoming Condominium Ownership Act, WYO. STAT. §§ 34-20-101 et seq.; and

WHEREAS, the Declarant further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Parcel or any part thereof, and intends that all such future owners, occupants, mortgagees, and any other Persons hereinafter acquiring any interest in the Property shall hold such interest subject to certain rights, easements and privileges in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, as hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the co-operative aspects of residence on the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property;

NOW, THEREFORE, the Declarant, as the legal title holder of the real estate described above, and for the purposes set forth above, declares as follows:

1. DEFINITIONS. As used herein, unless the context otherwise requires:


“Board” or “Board of Directors” means the Board of Directors of the Stratford Arms Condominium Association.

“Building” means the building located on the Parcel and containing Units as shown by the Plat attached hereto as Exhibit A.

“By-Laws” means the By-Laws of the Stratford Arms Condominium Association adopted by the Board of Directors, a copy of which is attached hereto as Exhibit B and incorporated herein by this reference.

“Common Elements” means all of the Parcel except the Units, and shall include the Limited Common Elements, foundations, walls, windows, roof, pipes, ducts, electrical wiring and conduits of the Building (except pipes, ducts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit), flues, chutes, public utility lines, structural components of the Building (including support piers) and hallways, stairways, entrances and exits, any lobby, any storage areas, and all other portions of the Building, except the individual Units. Structural components located within the boundary of or running through a Unit and serving more than one Unit or serving or extending into the Common Elements or any portion thereof shall be part of the Common Elements.

“Condominium Instruments” means all documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the Declaration, Bylaws and Plat.

“Declarant” means Stratford Arms, a Wyoming partnership, and its successors and assigns in interest (other than purchasers of individual Units).

“Declaration” means this instrument, by which the above-described real estate is submitted to the provisions of the Act and all Exhibits attached to this instrument as such instrument and Exhibits may be amended from time to time pursuant to the terms of this instrument.

“Directors” has the same meaning as “Board” or “Board of Directors.”

“Limited Common Elements” means a portion of the Common Elements serving exclusively one or more Units but not all the Units, including specifically, but not by way of limitation, storage lockers, any stairway, and such portion of the perimeter walls, floors, ceilings, doors, vestibules and entryways, and all associated fixtures and structures therein as lie outside the Unit boundary.

“Majority” or “majority of the Unit Owners,” unless otherwise provided herein, means more than fifty percent (50%) of the Unit Owners.
(m) "Occupant" means a Person or Persons in possession of a Unit, regardless of whether said Person is a Unit Owner.

(n) "Parcel" means, unless the context indicates otherwise, that parcel or tract of real estate described above in this Declaration, submitted to the provisions of the Act.

(o) "Person" means an individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(p) "Plat" means the plat of survey of the Parcel and of all Units in the Property submitted to the provisions of the Act, consisting of a three dimensional horizontal and vertical delineation of all such Units and showing the measurements, elevations, locations and other data required by the Act, a plat of said Parcel and Property being attached hereto as Exhibit A and by this reference made a part hereof. Whenever in this Declaration or any amendment to this Declaration the term "Plat" or "Exhibit A" appears, it shall be deemed to include the plat recorded simultaneously with this Declaration, as said plat is hereafter amended and recorded.

(q) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained thereon or therein, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment thereon or therein, now or hereafter intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act, from time to time.

(r) "Record" or "recording" refers to the record or recording in the office of the County Clerk in Natrona County, Wyoming.

(s) "Unit" means one (1) of the four (4) condominium units shown on the Plat, together with one (1) garage numbered to correspond to the condominium unit to which it belongs with the letter "A" added at the end thereof, each of which is located in a separate building on the Property. (Garage 626A does not include the two foot section in the northwest corner thereof.) "Unit" includes all improvements and decorating contained within such area, provided however that such Unit shall not be deemed to include any plumbing or electrical, equipment or fixtures (except for plumbing and electrical equipment and fixtures serving only such Unit), or portions thereof, located in such Unit, or any part of the walls, windows, floor and ceiling constituting the perimeter boundaries of such area, and further provided that no structural components of the Building shall be deemed to be a part of such Unit, regardless of whether the same, or any part thereof, is located within the boundaries of such Unit or exclusively serves such Unit.
(t) "Unit Owner" means the Person or Persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the Common Elements appurtenant thereto. The Declarant shall be considered and treated as a "Unit Owner" for as long as it owns any of the Units.

2. SUBMISSION OF PROPERTY TO THE ACT. The Declarant, as the legal title holder in fee simple of the real estate legally described on page 1 of this Declaration expressly intends to, and by recording this Declaration does hereby, submit said Parcel and Property to the provisions of the Act.

3. PLAT. To the extent such data is available to the Declarant at the time this Declaration is filed, the Plat sets forth the measurements, elevations, locations and other data, with respect to (a) the Parcel and its exterior boundaries; (b) the Building and; (c) each Unit of the Building and its horizontal and vertical dimensions.

4. UNITS. The legal description of each Unit shall consist of the identifying term (be it number, letter, word, or any combination thereof) of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument shall legally describe a Unit by its identifying term as shown on the Plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. No Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his or her Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

5. ADMINISTRATION AND OPERATION OF THE PROPERTY.

(a). There has been or shall be formed an Association having the name "Stratford Arms Condominium Association," a Wyoming not-for-profit corporation, which Association shall be the governing body for all of the Unit Owners, for the purpose of maintenance, repair, replacement, administration and operation of the Property, as provided in this Declaration and the By-Laws. The By-Laws of the Association shall be adopted by the Board of Directors. The fiscal year of the Association shall be January 1 to December 31 and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of Unit Owners in accordance with the provisions of the Declaration and By-Laws. Each Unit Owner shall automatically become a member of the Association upon becoming a Unit Owner and shall remain a member of the Association so long as he or she shall be a Unit Owner. A Unit Owner's membership in the Association shall automatically terminate when he or she ceases to be a Unit Owner. Upon the transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall automatically succeed to the former Unit Owner's membership in the Association.
(b) Board of Directors.

(i). The Board of Directors (sometimes referred to herein as the “Directors”) of the Association shall consist of the owners of the four Units. If a Unit is owned by a corporation, partnership, limited liability company, trust, or other legal entity, the director representing such Unit shall be one person designated by such entity to be a member of the Board representing such owned Unit. If a person or entity owns more than one Unit, then such person or entity shall have one vote at meetings of the Board for each owned Unit. Three (3) Directors shall constitute a quorum.

(ii). If a Unit Owner is a trustee of a trust, a Director may be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner, attorney, accountant or employee of such Unit Owner or beneficiary. Directors shall receive no compensation for their services unless such compensation is expressly provided for in a resolution duly adopted by the Unit Owners.

(c). The Individual Directors, Board and officers of the Association, Declarant and beneficiaries of the Declarant (each an “Indemnified Party” and collectively the “Indemnified Parties”) shall not be liable to the Unit Owners for any mistake in judgment or for any other acts or omissions of any nature whatsoever as such individual Directors, Board, officers, Declarant or beneficiaries, except for any acts or omissions found by a court to constitute gross negligence, willful misconduct or fraud. The Association shall indemnify and hold harmless each of the Indemnified Parties against all contractual and other liabilities to others arising out of contracts made by or other acts of the Indemnified Parties on behalf of the Unit Owners, or arising out of their status as individual Directors, Board officers, Declarant or beneficiaries, unless any such contract or act shall have been made fraudulently, through willful misconduct, with gross negligence or contrary to the provisions of this Declaration and the By-Laws. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, without limitation, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which any Indemnified Party may be involved by virtue of such Person being or having been such individual Director, officer, Declarant or beneficiary; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which an Indemnified Party shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence, willful misconduct or fraud in the performance of his or her duties as individual Director, officer, Declarant or beneficiary, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel, selected by or in a manner determined by the Board, there is no reasonable ground
for such Indemnified Party being adjudged liable for gross negligence, willful misconduct or fraud in the performance of his or her duties as individual Director, officer, Declarant or beneficiary. The Association shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Subsection or the By-Laws, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the Indemnified Parties or out of the aforesaid indemnity in favor of the Indemnified Parties shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements at the time loss or damage is incurred by the Association or any Unit Owner due to such liability. Every agreement made by any Indemnified Party on behalf of the Unit Owners or Association shall be deemed to provide that such Indemnified Party is acting only as agent for the Unit Owners or Association and shall have no personal liability thereunder (except as a Unit Owner) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his or her percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements at the time of loss or damage is incurred by the Association or any Unit Owner due to such liability.

(d). During the period that Declarant or any affiliate of Declarant is engaged in any construction activities anywhere within the Building, or the marketing, leasing or sale of Units on the Property, Declarant and any such affiliate, and their respective agents, employees, successors, assigns, contractors, subcontractors, brokers, licensees and invitees and each of them shall be entitled to (i) have ingress and egress to and from the Property and use such portion of the Property and Common Elements, as may be necessary or desirable in connection with the remodeling, marketing, leasing, sales or brokerage activities, (ii) use and show one or more unsold and unoccupied Units, or portion or portions of the Common Elements, for such purposes deemed necessary or desirable in connection with such remodeling, leasing, marketing, sales or brokerage, and (iii) post and maintain such signs and lighting on the Property as deemed necessary or desirable in connection with (i) and (ii) above.

6. BOARD'S DETERMINATION BINDING. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any question of interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.

7. OWNERSHIP OF THE COMMON ELEMENTS. Each Unit Owner shall be entitled to a twenty-five percent (25%) ownership interest in the Common Elements. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separately from the percentage of
ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit, or said legal description may not specifically refer to the undivided percentage of ownership in the Common Elements corresponding to said Unit.

8. **USE OF THE COMMON ELEMENTS.**

(a). Right to Use the Common Elements.

(i). The use of the Common Elements and the Limited Common Elements and the right of the Unit Owners with respect thereto shall be subject to and governed by the Act, the Condominium Instruments and the rules and regulations of the Board. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and subject to easements made by or assigned to the Board or the Declarant) in common with all other Unit Owners, as may be required for the purposes of access and ingress to, egress from and use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend not only to each Unit Owner but also to his or her agents, servants, tenants, family members, invitees and licensees. Each Unit Owner shall have the right to the exclusive use and possession of any Limited Common Elements serving his or her own Unit alone or which are otherwise assigned to his or her Unit by the Board, which rights shall run with the Unit of such Unit Owner.

(ii). All pipes, wires, ducts, flues, chutes, conduits, public utility lines (to the outlets) and structural components located in or running through a Unit and serving more than one Unit or serving or extending into the Common Elements or any part thereof, shall be deemed part of the Common Elements but shall not be deemed to be Limited Common Elements. No Unit Owner may take any action which would interfere with the ability of the Association to repair, replace or maintain said Common Elements as provided herein.

(b). Such rights to use and possess the Common Elements shall be subject to a blanket easement over the Common Elements in favor of the Declarant and their representatives, agents, associates, employees, contractors, subcontractors, tenants, successors and assigns, over, under and through the Common Elements, or any part thereof, for purposes of access and ingress to and egress from the Common Elements, and for purposes of marketing, sales, brokerage, remodeling, installation, repair, replacement and restoration of utilities, driveways, buildings, landscaping and
making any other improvements on the Common Elements until the Declarant is no longer a Unit Owner.

9. **UTILITY EASEMENTS.**

(a). The right to use and possess the Common Elements, as set forth herein, shall be subject to a blanket easement over the Common Elements in favor of Stratford Arms Condominium Association, and all other public utilities serving the Property, granting such utilities the right to lay, construct, renew, operate and maintain conduits, cables, pipes, wires, transformers and switching apparatus, into, over, under, along and through the Common Elements for the purpose of providing utility services to the Property, together with the reasonable right of ingress to and egress from the Property for such purpose, and granting such utilities the right to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of a Unit, whether or not such walls lie in whole or in part within the Unit boundaries. The Board may hereafter grant other or additional easements for utility purposes for the benefit of the Property, over, under, along and on any portion of the Common Elements, and each Unit Owner hereby grants the Board an irrevocable power of attorney to execute, acknowledge and record or register for and in the name of such Unit Owner, such instruments as may be necessary or appropriate to effectuate the foregoing.

(b). Notwithstanding the foregoing, upon approval of a majority of the Unit Owners, portions of the Common Elements may be dedicated to a public body for purposes of streets or utilities. Upon approval by a majority of the Unit Owners, an easement may be granted for cable television. Any action pursuant to this Section 8 must be taken at a meeting of Unit Owners duly called for that purpose.

10. **STORAGE.** Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association, any Unit Owner, nor the Declarant shall be considered a bailee of any personal property stored in the garage associated with any Unit, and none of such Persons shall be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence.

11. **HEATING AND AIR CONDITIONING SYSTEMS.** All heating and air conditioning systems and all mechanical elements related thereto which serve exclusively a single Unit shall be deemed a part of that Unit.

12. **COMMON EXPENSES.** Each Unit Owner shall pay twenty-five percent (25%) of the expenses of administration and operation of the Common Elements and any other expenses incurred in conformance with the Declaration and By-Laws (which expenses are herein sometimes referred to as “common expenses”), including specifically, but not by way of limitation, charges for water and sanitation expenses from the City of Casper, Wyoming, and the maintenance and repair
of the Common Elements and any and all replacements and additions thereto (subject, however, to
the Board's ability, pursuant to Section 17 below, to assess the maintenance costs of any Limited
Common Elements to the Unit Owners benefited thereby). Payment of common expenses,
including any prepayment thereof required by contract for sale of a Unit, shall be in such amounts
and at such times as determined in the manner provided in the By-Laws. If any Unit Owner shall fail
or refuse to make any such payment of the common expenses when due, the amount thereof shall
constitute a lien on the interest of such Unit Owner in the Property as provided in the Act, provided,
however, that such lien shall be subordinate to the lien of a prior recorded first mortgage or trust
deed on the interest of such Unit Owner (the owner or holder of such first mortgage is hereinafter
referred to as a "first mortgagee"), except for the amount of the proportionate share of common
expenses which become due and payable from and after the date on which the first mortgagee either
takes possession of the Unit, accepts a conveyance or any interest therein (other than as security),
or causes a receiver to be appointed in a suit to foreclose its mortgage. The provisions of this Section
12 applicable to the priority of liens held by first mortgagees shall not be amended, changed,
modified or rescinded in any way without the prior written consent of all holders of first mortgage
liens on Units.

13. MORTGAGES AND OTHER LIENS.

(a). Each Unit Owner shall have the right, subject to the provisions herein, to make or
create, or cause to be made or created, any mortgage or other lien on or affecting his
or her respective Unit together with his or her respective ownership interest in the
Common Elements; provided, however, that from the date this Declaration is
recorded no Unit Owner shall have the right or authority to make or create, or cause
to be made or created, any mortgage or other lien on or affecting the Property or any
part thereof, except only to the extent of his or her own Unit and the respective
percentage interest in the Common Elements corresponding thereto. As long as the
Declarant owns any of the Units, the Declarant shall have the right to make or create,
or cause to be made or created, one or more mortgages or other liens on or affecting
all or some of the Units to which it then owns fee simple title, and the Common
Elements appurtenant thereto.

(b). Subsequent to the recording of the Declaration, no liens of any nature shall be created
or arise against any portion of the Property except against an individual Unit or Units.
No labor performed or materials furnished to any Unit with the consent or at the
request of the Unit Owner of such Unit shall be the basis for the filing of a
mechanic's lien claim against any other Unit or any other Unit Owner's interest in
the Common Elements. If the performance of the labor or furnishing of the materials
is expressly authorized by the Board, each Unit Owner shall be deemed to have
expressly authorized and consented to such performance of labor and furnishing of
materials, and each Unit Owner shall be liable for the payment of his or her Unit's
proportionate share of any due and payable indebtedness. Except as otherwise
provided in the Declaration, a Unit Owner shall not be liable for any claims, damages
or judgments entered as a result of any action or inaction of the Board, other than for mechanics’ liens as set forth above. Each Unit Owner’s liability for any judgment entered against the Board or the Association shall be limited to his or her proportionate share of the indebtedness, whether collection is sought through assessment or otherwise.

14. RIGHTS OF MORTGAGEES.

(a). No amendment shall be made to any of the Condominium Instruments without approval from Eligible Mortgagees (as hereinafter defined) representing a majority of the Units that are subject to mortgages held by Eligible Mortgagees.

(b). First mortgagees that request the Association to notify them regarding any proposed action that requires the consent of a specified percentage of eligible mortgage holders shall be deemed “Eligible Mortgagees.”

(c). The Unit Owners may not terminate the legal status of the Stratford Arms Condominium Association for reasons other than substantial destruction or condemnation of the Property without approval of a majority of the Eligible Mortgagees.

(d). Upon written request, any Eligible Mortgagee shall be entitled to: (i) inspect the books and records relating to the Property during normal business hours, upon reasonable notice; (ii) written notice of all meetings of the Association and shall be permitted to designate a representative to attend all such meetings; (iii) notice of any default in the obligations hereunder of the Unit Owner or Owners of such Unit or Units encumbered by such first mortgage lien if such default is not cured within any applicable grace period after notice of such default has been sent to such Unit Owner or Owners by the Association; and (iv) notice of any material amendment to the Condominium Instruments. However, the Association’s failure to provide any of the foregoing to a first mortgagee who has so requested same shall not affect the validity of any action or decision which is related to the foregoing.

(e). Upon written request, an Eligible Mortgagee of any one or more Units shall be entitled to timely written notice in the event of any substantial damage to or destruction of such Unit or Units, or of any part of the Common Elements, or in the event that any portion or all of such Unit or Units or the Common Elements is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority. Provided any applicable restoration provisions contained in this Declaration or in the Grant and Reservation of Easements have been complied with, no Unit Owner or other Person shall be entitled to priority over any mortgagee with respect to the distribution to such Unit Owner or other Person, with respect to such Unit, of any insurance proceeds payable
by reason of such damage or destruction or the proceeds of any such condemnation award or settlement.

(f) The provisions hereof are in addition to any other rights of mortgagees contained herein or under applicable law.

(g) When notice is to be given to any Eligible Mortgagee hereunder, the Board shall also give such notice to the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the Veterans Administration (VA), the Federal Housing Administration (FHA), the Farmer's Home Administration (FmHA), the Government National Mortgage Association (GNMA) and any other public or private secondary mortgage market entity (any one of which is herein referred to as an "Agency"), provided such Agency is participating in purchasing or guarantying mortgages of Units in the Property and further provided the Board has notice of such participation by the Agency to be notified.

(h) In the event approval of any Eligible Mortgagee is required hereunder, such approval shall be deemed to have been received by the Association in the event no written notice providing disapproval is received from such Eligible Mortgagee within 30 days after a written request for approval is sent to the Eligible Mortgagee by registered or certified mail, return receipt requested.

(i) Upon written request by the holder, insurer, or guarantor of the mortgage on any Unit, provided that such request states the name and address of the holder, insurer, or guarantor and the unit number of the Unit on which it holds (or insures or guarantees) the mortgage, the Association shall provide timely written notice to such party of: (i) any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage; (ii) any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage; (iii) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and (iv) any proposed action that requires the consent of a specified percentage of Eligible Mortgagees pursuant to subsection 14(a) or 14(c) above.

(j) No provision in the Condominium Instruments shall be construed to give a Unit Owner or any other party priority over the rights of any first mortgagee of a Unit with respect to distribution by the Association of insurance proceeds or a condemnation award for losses to or a taking of condominium Units and/or Common Elements.

15. **SEPARATE REAL ESTATE TAXES.** Real estate taxes shall be separately taxed to each Unit Owner for his or her Unit and his or her corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the Property as a whole, then each Unit
Owner shall pay his or her proportionate share thereof in accordance with his or her respective percentage of ownership interest in the Common Elements and, in such event, said taxes shall be a common expense.

16. INSURANCE.

(a) The Board shall have the authority to and shall obtain or cause to be obtained "All Risk" insurance for the Property, exclusive of the additions within, improvements to and decorating of the Units or Limited Common Elements by the Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements and the Units, with an agreed-amount endorsement, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Common Elements, Units or any part thereof to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board of the Association, as the trustee for each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in the Declaration, and for the first mortgagees on each Unit, if any. Each such policy of insurance shall also contain, if possible, a waiver of subrogation rights by the insurer against such insured Persons. The premiums for such insurance shall be a common expense. The Board shall notify all Persons insured under such policy in the event of any lapse, cancellation or material modification thereof.

(b) The Board also shall have authority to and shall obtain or cause to be obtained comprehensive public liability insurance, in such amounts as it deems prudent, but in all events to afford combined single limit coverage for bodily injury, death or property damage for any one Person or occurrence, with minimum limits of $1,000,000. Such policy shall be issued by a company rated at least "Excellent" under the Best rating system (or its successor as the leading insurance rating system) and, if such coverage is available, shall provide that the acts of any insured party shall not invalidate the policy as against any other insured party or otherwise adversely affect the rights of any other insured party under the policy. In addition, the Board shall have authority to and shall obtain or cause to be obtained workers' compensation and other liability insurance as it deems prudent. All such insurance policies shall insure the Unit Owners, individually and severally, any mortgagee of record, if any, the Association, its officers, Directors and Board, the Declarant, the beneficiary of the Declarant, the managing agent, if any, and their respective employees and agents and all Persons acting as their respective agents, from liability in connection with the ownership, existence, use or management of the Property. The Declarant and the beneficiary of the Declarant shall be included as additional insureds in their capacities as Unit Owners and Board members. The Unit Owners
(including the Declarant and its beneficiary, if applicable) shall be included as additional insureds but only with respect to that portion of the Property not reserved for their exclusive use. Each such policy of insurance shall cover claims of one or more insured parties against other insured parties. Each such policy of insurance shall also contain, if possible, a waiver of subrogation rights by the insurer against such insured Persons. The premiums for such insurance shall be a common expense. The Board shall notify all Persons insured under any such public liability policy in the event of any cancellation thereof, and shall retain in safekeeping any such public liability policy for ten (10) years after the expiration date of the policy.

(c). The Board also shall have authority to and shall obtain or cause to be obtained additional “All Risk” insurance and/or hazard and flood insurance, liability insurance, and fidelity bond coverage necessary to comply with requirements of the Federal National Mortgage Association (“FNMFA”) and/or Veterans Administration (“VA”) or such other Agency as is purchasing or guarantying mortgages of Units in the Property, as such requirements may exist from time to time.

(d). The Board also shall have authority to and may obtain or cause to be obtained such insurance as it deems prudent, in such amounts, from such sources and in such forms as it deems prudent, insuring the Property and each member of the Board and officer of the Association, and each member of any committee appointed pursuant to the By-Laws of the Association, from liability arising from the fact that any such Person is or was a Director or officer of the Association, or a member of such a committee. The premiums for such insurance shall be a common expense.

(e). The Board also shall have authority to and may obtain or cause to be obtained such other insurance as it deems prudent or necessary for the Property or any aspect of the ownership, operation or management thereof, in such amounts, from such sources and in such forms as the Board deems prudent. The premiums for such insurance shall be a common expense. All such policies maintained by the Board as described herein shall be reviewed annually by an independent insurance consultant chosen by the Board or otherwise acceptable to the Board.

(f). A Unit Owner shall be liable for any claim, damage or judgment entered as a result of the use or operation of his or her Unit or caused by his or her own conduct. Each Unit Owner shall be responsible for obtaining his or her own insurance on the contents of his or her own Unit, as well as his or her additions and improvements thereto, decorating, furnishings, personal property, therein and automobiles, other vehicles and personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure against his or her personal liability and loss or damage by fire or other hazards beyond the extent that his or her liability loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part
of the common expenses, as above provided, said Unit Owner may, at his or her
option and expense, obtain additional insurance.

(g). All proceeds of insurance policies purchased by the Board shall be paid to the Board,
as trustee for the insureds and their beneficiaries under such policy in direct ratio to
each such insured's respective interest therein, to be applied pursuant to the terms of
Condominium Instruments.

(h). The Board is hereby irrevocably appointed the agent for each Unit Owner, each
mortgagee, or the named insureds and their beneficiaries and any other holder of a
lien or other interest in the Property or any part thereof, to adjust and settle all claims
arising under insurance policies purchased by the Board and to execute and deliver
releases upon the payment of claims.

(i). The Board may cause any insurance policy required or authorized under this Section
16 to be maintained by the managing agent or another entity other than the Board, or
cause such insurance to be combined with any other insurance maintained by such
other entity, and, in that event, the Board shall be deemed to have satisfied the
requirements of this Section 16 provided the insurance coverage thereunder
otherwise satisfies the requirements of this Section 16.

17. MAINTENANCE, REPAIRS, REPLACEMENTS AND USE.

(a). Each Unit Owner at his or her own expense shall furnish and be responsible for all
maintenance of, repairs to and replacements within his or her own Unit.

(b). Maintenance, repairs and replacements of the Common Elements (including Limited
Common Elements) shall be furnished by the Association, and the cost of such
maintenance, repairs and replacements shall be part of the common expenses, subject
to the By-Laws, rules and regulations of the Association. At the discretion of the
Board, maintenance, repairs and replacements of the Limited Common Elements may
be assessed in whole or in part to the Unit Owners benefitted thereby, and further, at
the discretion of the Board, the Board may direct such Unit Owners, in the name and
for the account of such Unit Owners, to arrange for such maintenance, repairs and
replacements, to pay the cost thereof with the funds of the Unit Owner, and to
procure and deliver to the Board such lien waivers and contractor's and
subcontractor's sworn statements as may be required to protect the Property from all
mechanics' or materialman's lien claims that may arise therefrom.

(c). If, due to the act or neglect of a Unit Owner, or of his or her agent, servant, tenant,
family member, invitee, licensee or household pet, damage shall be caused to the
Common Elements, Limited Common Elements or to a Unit or Units owned by
others, and maintenance, repair or replacements are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repairs and replacements, as may be determined by the Association, to the extent not covered by the Association’s insurance.

(d). The cost of electricity required to operate the heating and air conditioning systems in a Unit shall be billed to and paid by the Unit Owners.

(c). The authorized representatives of the Board shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with maintenance, repairs, or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements.

18. ALTERATIONS, ADDITIONS OR IMPROVEMENTS. No alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses any alterations, additions or improvements of any of the Common Elements, as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within his or her Unit without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

19. DECORATING. Each Unit Owner at his or her own expense shall furnish and be responsible for all decorating within his or her own Unit and the Limited Common Elements serving his or her Unit, as may be required from time to time, including painting, decorating, wallpapering, washing, cleaning, and installing paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings. Each such Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings of his or her Unit, and such Unit Owner shall maintain said interior surfaces in good condition at his or her sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each such Unit Owner shall have the right to decorate such interior surfaces from time to time as he or she may see fit and at his or her sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as provided above) and any redecorating of Residential Units or Commercial Units, to the extent such redecorating of such Units is made necessary by damage to such Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses.

20. ENCROACHMENTS. If any portion of the Common Elements encroach or shall hereafter encroach upon any part or any Unit, or if any Unit shall encroach upon any portions of the Common Elements, or if any Unit shall encroach upon another Unit as a result of the remodeling, repair, reconstruction, settlement or shifting of the Building, there shall be deemed to be mutual
easements in favor of the owners of the Common Elements and the respective Unit Owners involved, to the extent of such encroachments, so long as the same shall exist; provided, however, that after the date this Declaration is recorded, a valid easement for an encroachment shall in no event be created in favor of any owner of a Unit (other than the Declarant and its successors and assigns) if such encroachment occurred as a result of the willful conduct of said owner or owners.

21. TRANSFER OF A UNIT.

(a). A Unit Owner may, without restriction under this Declaration, except for the restrictions on sales and leasing in subsections 21(d) and 21(e) below, sell, give, devise, lease or otherwise transfer his or her Unit, or any interest therein. Notice of any transfer under this subsection 21(a) shall be given to the Board within five (5) days following consummation of such transfer.

(b). The Board shall have the power and authority to bid and purchase, for and on behalf of the Association, any Unit, or interest therein, at a sale pursuant to mortgage foreclosure, a foreclosure of the lien for common expenses, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of a majority of the Board. Such consent shall set forth a maximum price which the Board or its duly authorized agent may bid and pay for said Unit.

(c). The Board shall have authority to make such mortgage arrangements and special assessments proportionately among the respective Unit Owners, and other such financing arrangements, as the Board may deem desirable, in order to close the purchase or lease of a Unit, or interest therein, by the Association. However, no such financing arrangement may be secured by an encumbrance on any interest in the Property other than the Unit, or interest therein, to be purchased or leased, and the percentage interest in the Common Elements appurtenant thereto.

(d). Restrictions on Leasing of Units.

(i). All of the provisions of this Subsection (d) shall apply to any sublease of a Residential Unit by a lessee thereof, and to any renewal, extension or assignment of the lease of a Unit, or interest therein, to the same extent as such provisions would apply to any initial or original lease of such Unit, or interest therein, by the Unit Owner thereof. No Unit, or interest therein, shall be leased for a term less than six (6) months. Any such lease shall be furnished to the Board within ten (10) days of occupancy.

(ii). Any agreement to lease or rent a Unit must be in writing. The lessee under every such lease shall be bound by and subject to all of the obligations, under the Declaration and By-Laws, of the Unit Owner making such lease, and the lease shall expressly so provide. Furthermore, the Unit Owner making such
lease shall not thereby be relieved from any of said obligations. Every such
lease shall also expressly provide that the Association may exercise against
the lessee thereunder any and all remedies available to the Association under
Section 23 of this Declaration, including, but not limited to, the right to take
possession of the Unit, or of the interest therein, leased thereunder. In
furtherance of the foregoing, each deed, lease, mortgage or other conveyance
instrument with respect to a Unit, and the acceptance thereof, shall be deemed
to assign, transfer and set over to the Association, and the Board, or either
one of them ("Assignees"), all interest of the lessor Unit Owner and/or any
other lessor of said Unit, or interest therein, in any lease of such Unit, or any
interest therein, or any extensions or renewals thereof, together with all rents
payable under same and all benefits and advantages to be derived therefrom,
to hold and receive same unto Assignees (together with all rights against any
guarantors of the lessee’s obligations under such lease) as security for the
payment of any lien which may exist against said Unit, or any interest therein,
for such Unit Owner’s unpaid proportionate share of the common expenses,
pursuant to this Declaration, and the performance by said Unit Owner of each
and all of said Unit Owner’s obligations under this Declaration, and any such
lease of a Unit, or any interest therein, shall contain and include such
provisions in furtherance of said assignment as the Board may approve and
deem prudent, from time to time, in order to effect such collateral
assignment; provided, however, that such assignment shall not be construed
as constituting the Assignee thereunder as a trustee or mortgagee in
possession. In the event of a default by such Unit Owner under the terms and
provisions of this Declaration, the Association and the Board, or either of
them, may elect to exercise each and all of the rights and powers conferred
upon them as Assignee by such assignment and to directly collect all rents
and other amounts due under such lease against the lessee thereunder;
provided, however, that such amounts so collected, after deducting therefrom
the expenses of operating such Unit and the expenses of such collection and
enforcement, shall be applied on account of any such lien for unpaid common
expenses. Any costs or expenses incurred in connection with the operation of
such Unit or in connection with such collection and enforcement (including,
without limitation, reasonable attorneys’ fees) shall be a common expense
and secured hereby, and the defaulting Unit Owner shall reimburse the
Association therefor immediately upon demand.

(iii). Notwithstanding anything hereinabove to the contrary, any such assignment
of the lease of a Unit, or any interest therein, by a Unit Owner, as hereinabove
described, shall be subordinate to any assignment of such lease which is
recorded prior to the date such lien for unpaid common expenses attaches and
which is owned or held by any first mortgagee, except for the amount of said
proportionate share of such common expenses which become due and
payable from and after the date on which such first mortgagee either takes possession of the lessor’s interest encumbered by such assignment, accepts a conveyance of any interest therein (other than as a security) or causes a receiver to be appointed in a suit to enforce such assignment. This provision shall not be amended or rescinded without the prior written consent of all such first mortgagees who are the holders or owners of any such collateral assignments recorded prior to the date of such amendment or rescission.

(iv). Upon issuance of a deed or deeds pursuant to foreclosure of any mortgage or other lien on such Unit, or interest therein, all right, title and interest of such assignor in and to said lease shall, by virtue of this assignment, thereupon vest and become the absolute property of the grantee or grantees in such deed or deeds without any further act or assignment by such assignor. Such assignor hereby irrevocably appoints the Association, and the Board, or either of them, as its agent and attorney in fact, to execute all instruments of assignment or further assurance in favor of such grantee or grantees in such deed or deeds, as may be necessary or desirable for such purpose.

(v). In the exercise of the powers herein granted the Association and the Board, no liability shall be asserted or enforced against the Association or the Board, such liability being hereby expressly waived and released by said assignor. Such Assignees shall not be obligated to perform or discharge any obligation, duty or liability under any such assigned lease, or under or by reason of this assignment, and such assignor shall and does hereby agree to indemnify such Assignees for and to hold them harmless of and from any and all liability, loss or damage which they may incur under such lease or under or by reason of this assignment and of and from any all claims and demands whatsoever which may be asserted against them by reason of any alleged obligations or undertakings on their part to perform or discharge any of the terms, covenants or agreements contained in such lease. Should any Assignee incur any such liability, loss or damage under such lease or under or by reason of this assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys’ fees, shall be a common expense and secured hereby, and assignor shall reimburse Assignee therefor immediately upon demand.

(vi). Although it is the intention of the parties that this assignment shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that the Assignees shall not exercise any of the rights or powers herein conferred upon them until a default shall occur under the terms and provisions of this Declaration. But upon the occurrence of any such default, the Assignees shall be entitled, upon notice to the lessee, to all rents and other amounts then due under such lease.
and thereafter accruing, and this assignment shall constitute a direction to and full authority to such lessee to pay all such amounts to the Assignees without proof of the default relied upon. Said lessee is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected in so doing) any notice or demand by any Assignee for the payment to Assignee of any rental or other sums which may be or thereafter become due under the lease, or for the performance of any of such lessee's undertakings under the lease, and shall have no right or duty to inquire as to whether any default under the Declaration has actually occurred or is then existing.

(e). Miscellaneous.

(i). Any transfer or lease of a Unit not in compliance with the terms of this Section 21 shall be void and of no effect. Further, if any transfer or lease of a Unit is made or attempted without complying with the provisions of this Section 21, such transfer or lease shall be subject to each and all of the rights and options of, and remedies and actions available to, the Association hereunder and otherwise.

(ii). A transfer or lease of a Unit, or interest therein, by or to the Board, the Declarant, the beneficiary of the Declarant or the holder of any mortgage on a Unit which comes into possession of the mortgaged Unit pursuant to the remedies provided in such mortgage, or pursuant to foreclosure of such mortgage, or pursuant to a deed (or assignment) in lieu of foreclosure of such mortgage, shall not be subject to the provisions of this Section 21.

(iii). All notices referred to or required under this Section 21 shall be given in the manner provided in Section 25 of this Declaration for the giving of notices.

(iv). The provisions of this Section 21 applicable to holders of mortgages shall not be amended or modified without the express and prior written consent of all holders of first mortgage liens on Units.

(v). The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Section 21, for the purpose of implementing and effectuating said provisions.

22. USE AND OCCUPANCY RESTRICTIONS.

(a). Subject to the provisions of this Declaration, the By-Laws and the rules and regulations of the Association, no part of the Property shall be used for any purpose other than housing.
Each Unit or any two or more adjoining Units used together shall be used as a residence for a single family or such other uses permitted by this Declaration and for no other purpose. That part of the Common Elements separating any two or more adjoining Units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining Units, provided the costs of making such alterations are paid in full by the Unit Owner or Unit Owners making such alterations, as provided in, and in accordance with the terms of, this Declaration, the By-Laws and rules and regulations of the Board or Association.

The Common Elements shall be used only by the Unit Owners and their tenants, agents, servants, family members, licensees and invitees and shall only be used for access and ingress to and egress from the respective Units and for such other purposes incidental to residential use of the Units, as applicable. Such use and the maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any easement presently in existence or entered into by the Board or by the Declarant at some future time, affecting any part or all of the Common Elements.

Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Property without the prior written consent of the Association. No Unit Owner shall permit anything to be done in his or her Unit or in the Common Elements which will result in the cancellation of any insurance maintained by the Association, or which would be a violation of any law or zoning code. No waste shall be committed in the Common Elements.

No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall 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 disrupts any other Unit Owner’s reasonable use and enjoyment of the Property. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Association, an unreasonable disturbance to others. Nor shall any Unit Owner connect any machine, appliance, accessory or equipment to the plumbing or ventilation system without the prior written consent of the Association.

23. REMEDIES.

(a). The violation of any rule or regulation adopted by the Association or the breach of any covenant or provision herein or in the By-laws shall, in addition to any other rights provided for in this Declaration or the By-laws, give the Association the right: (1) to enter upon the Unit, or any portion of the Property upon 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 structure, thing or condition ("Improvement") that
may exist thereon contrary to the intent and meaning of the provisions hereof. However, no Improvement shall be altered or demolished prior to institution of judicial proceedings, and neither the Association nor the officers, employees or agents thereof shall thereby be deemed guilty in any manner of trespass; (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (3) to take possession of such Unit Owner’s interest in the Property and to maintain an action for possession of such Unit in the manner provided by law.

(b). Provided, however, that, except in cases of emergency where damage to Persons or property is threatened, the Association shall not take any such action unless: (1) it has given the Unit Owner alleged to have violated any restriction, condition or regulation adopted by the Association or to be in breach of any covenant or provision contained herein or in the By-laws, a hearing on such allegations pursuant to rules and regulations adopted by the Association; (2) it has determined such allegations to be true; and (3) the Unit Owner shall not have desisted from such violation or breach or shall not have taken such steps as shall be necessary to correct such violation or breach within such reasonable period of time as determined by the Association and communicated to the Unit Owners. Any and all costs and expenses incurred by the Association in the exercise of its authority as granted in this Section 23, including but not limited to court costs, reasonable attorneys’ fees as determined by a court of competent jurisdiction, and costs of labor and materials shall be paid by the Unit Owner in violation, and, until paid by such Unit Owner, shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed by judicial action. Any such lien shall be junior and subordinate to the lien of a first mortgagee with respect to such Unit.

(c). Furthermore, if after the hearing and finding described above the Unit Owner fails to desist from such violation or to take such corrective action as may be required, the Association shall have the power to issue to the defaulting Unit Owner a notice in writing informing the defaulting Unit Owner that his or her rights to continue as a Unit Owner and to continue to occupy, use or control his or her Unit shall terminate 10 days after the date of such notice. If the Unit Owner fails to desist from such violation or to take such corrective action as may be required by the end of such ten day period, an action in equity may be filed by the Association against the defaulting Unit Owner for a decree declaring the termination of the defaulting Unit Owner’s right to occupy, use or control the Unit owned by him or her on account of the violation of a rule or breach of covenant or provision as aforesaid and ordering that all the right, title and interest of the Unit Owner in the Property shall be sold at a judicial sale upon such notice and terms as the court shall establish. The court shall: (1) enjoin and restrain the defaulting Unit Owner from reacquiring his or her interest at such judicial sale or by virtue of the exercise of any right of redemption which may be established; and (2) direct that any existing first mortgage be retired out of the
proceeds of such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in said decree. Any balance of proceeds after satisfaction of such charges and any unpaid assessments hereunder or any liens shall be paid to the Unit Owner. Upon the confirmation of such sale, the purchaser at the sale shall be entitled to a deed to the Unit and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession. It shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

(d). Any Unit Owner in default hereunder or under the provisions of the By-laws or any rule or regulation adopted by the Association shall pay to the Association, as an agreed common expense with respect to his or her Unit, all attorneys' fees incurred by the Association in enforcing the provisions of the By-laws, this Declaration or the rules and regulations of the Association as to which the Unit Owner is in default. Until such fees are paid by the Unit Owner, the amount thereof shall constitute a lien on the interest of the Unit Owner in the Property, which lien may be perfected and foreclosed by judicial action. Any such lien shall be junior and subordinate to the lien of a first mortgagee with respect to such Unit.

(e). The violation by the Association or a Unit Owner of any rule or regulation adopted by the Association or the breach of any provision herein or in the By-laws shall give an aggrieved Unit Owner the right to enjoin, abate or remedy the continuance of such breach by appropriate legal proceedings, either at law or in equity.

24. AMENDMENT.

(a). Except as otherwise expressly provided herein, this Declaration may be modified or rescinded only by the vote of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of Common Elements or by a written instrument setting forth such modification or rescission, signed by Unit Owners owning not less than seventy-five percent (75%) of the total ownership of Common Elements. Such modification or rescission shall be effective only if all lien holders of record have been notified by certified mail of such modification or rescission, and an affidavit by the secretary of the Association certifying such mailing is made a part of such instrument.

(b). If the Act, the Declaration or the By-Laws require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all the Unit Owners or all lien holders or both, as required by the Act, the Declaration or the By-Laws.
(c). No consent of the Declarant, Developer or Association shall be required if the Developer or Association shall amend this Declaration to comply with the legal requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity (any one of which is herein referred to as an "Agency"), provided such Agency is participating in purchasing or guaranteeing mortgages of Units in the Property and further provided the Board has notice of such participation by the Agency to be notified.

(d). No consent or agreement of any of the Unit Owners or mortgagees of Unit Owners of units other than those affected by the transfer, subdivision or combination shall be required if the Declarant, Developer or the Association desires to amend this Declaration in order to provide for the transfer of Limited Common Elements or the subdivision or combination of Units.

(e). Any modification or rescission of this Declaration shall be effective upon recording of such instrument in the Office of the County Clerk of Natrona County, Wyoming, provided, however, that no provisions in this Declaration may be modified or rescinded so as to conflict with the provisions of the Act.

25. NOTICES.

(a). Notices provided for in the Act, Declaration or By-Laws shall be in writing. Such notices shall be addressed to the Association or Board in care of the President of the Board of the Stratford Arms Condominium Association, addressed to his or her Unit; or at such other address as hereinafter provided. Such notices shall be addressed to any Unit Owner, as the case may be, at his or her Unit, or at such other address as hereinafter provided. Such notices shall be addressed to any mortgagee of a Unit, as the case may be, at the address provided the Association by such mortgagee for that purpose, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner or mortgagee of a Unit may designate a different address for notices by giving written notice to the Association. Notices required to be delivered to any devisee or recipient of a Unit from, or personal representative of a deceased Unit Owner shall be addressed to such party at the address appearing for such party in the records of the court where the estate of the deceased Unit Owner is administered. Notices addressed as above shall be deemed delivered when either mailed by United States registered or certified mail, or delivered in person with written acknowledgment of the receipt thereof.
(b). Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Unit Owner or Unit Owners whose Unit is subject to such mortgage or trust deed.

26. SEVERABILITY. Declarant intends and believes that each provision in this Declaration and the By-Laws comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Declaration or the By-Laws is found by a court of law to be in violation of any local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Declaration or the By-Laws to be illegal, invalid, unlawful, void or unenforceable as written, then it is Declarant's intent that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable; that the remainder of this Declaration and the By-Laws shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein; and that the rights, obligations and interests arising under the remainder of this Declaration and the By-Laws shall continue in full force and effect.

27. PERPETUITIES AND RESTRAINTS ON ALIENATION. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the descendants of the governor of the state of Wyoming on the date hereof, who are living on the date hereof.

28. GRANTEES. Each grantee of the Declarant, by the acceptance of a deed of conveyance, and each purchaser under any contract for such deed of conveyance, accepts said deed or contract subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby granted, created, reserved or declared and all impositions and obligations imposed shall be deemed and taken to be covenants running with the land, and shall bind any Person having at any time any interest or estate in the Property, and shall inure to the benefit of such grantee or purchaser in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

29. FAILURE TO ENFORCE. No terms, obligations, covenants, conditions, restrictions or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce the same, no matter how many violations or breaches may occur.

30. CASUALTY AND CONDEMNATION.

(a). In the event of a fire or other disaster causing loss, damage, or destruction to or of the Property, the proceeds of any policy insuring against the same and payable by reason thereof shall be applied to such reconstruction. As used throughout this Section 30,
reconstruction means restoration of the Property to substantially the same condition in which it existed prior to the fire or other disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as prior thereto.

(b). In the event of a taking or condemnation by competent authority of any part of the Property, the Association shall, if necessary, restore the improvements on the remaining portion of the Property to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed prior to the taking or condemnation. In the event that part or all of one or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Act and the percentage of ownership interest in the Common Elements allocated to such Unit or portion thereof (as determined by the Board on the basis of diminution in square footage of the Unit) shall be reallocated among the remaining Units on the basis of the relative percentage of ownership interests in the Common Elements of the remaining Units. In such cases, this Declaration and the Plat shall be amended accordingly, pursuant to the provisions of the Act. The allocation of any condemnation award, or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit’s percentage of interest in the Common Elements. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Elements other than the Limited Common Elements shall be allocated on the basis of each Unit Owner’s percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use and their mortgagees. The Association shall be designated to represent the Unit Owners in any proceeding, negotiation, settlement or agreement connected with a taking or condemnation. Upon the withdrawal of any Unit or portion thereof the responsibility for the payment of assessments on such Unit or portion thereof so withdrawn shall cease or shall be equitably reduced.

31. TRUSTEE AS UNIT OWNER.

(a). In the event title to any Unit is conveyed to a trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Unit Owners for all purposes and they shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligation shall continue to be a charge or lien upon the Unit and the beneficiaries of such trust, notwithstanding any
transfers of the beneficial interest of any such trust or any transfer of title to such Unit.

(b). No transfer of any Unit ownership shall take place by transfer of the beneficial interest in the land trust. No transfer of the beneficial interest in a land trust shall serve to transfer title or possession of any Unit unless the transfer is in compliance with all provisions of this Declaration.

IN WITNESS WHEREOF, Stratford Arms, a Wyoming partnership, has executed this instrument this ___ day of __________, 1999.

STRATFORD ARMS, a Wyoming partnership, by:

[Signature]

L. R. Brannan, Partner

[Signature]

James Cunningham, Partner
STATE OF Wyoming  )  
COUNTY OF Natrona  ) SS.

The foregoing DECLARATION OF CONDOMINIUM OWNERSHIP ASSOCIATION was subscribed and sworn to before me by L. R. Brannan, a partner in Stratford Arms, a Wyoming partnership, this 2nd day of July, 1999.

Witness my hand and official seal.

Rhonda K. Beck
NOTARY PUBLIC

My commission expires:

STATE OF ARIZONA  )  
COUNTY OF Cochise  ) SS.

The foregoing DECLARATION OF CONDOMINIUM OWNERSHIP ASSOCIATION was subscribed and sworn to before me by James Cunningham, a partner in Stratford Arms, a Wyoming partnership, this 2nd day of June, 1999.

Witness my hand and official seal.

William D. Duan
NOTARY PUBLIC

My commission expires: 8/31/99
BY-LAWS OF THE
STRATFORD ARMS CONDOMINIUM ASSOCIATION

ARTICLE I
Members
(Unit Owners)

Section 1. Eligibility. The Members of the Stratford Arms Condominium Association, a Wyoming not-for-profit organization, shall consist of the respective Unit Owners of the property known as the Stratford Arms Condominiums (the "Association"), located in Casper, Wyoming (called "Property"). These and other terms are used in these By-Laws as they are defined in the Declaration of Covenants, Conditions and Restrictions ("Declaration"), which Declaration is recorded in the office of the County Clerk of Natrona County, Wyoming. The words "member" or "members" as used in these By-Laws mean and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in the Declaration.

Section 2. Succession. The membership of each Unit Owner shall terminate upon the sale, transfer or other disposition of such person's or entity's ownership interest in the Property, whereupon said person's or entity's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

Section 3. Regular Meetings. The first annual meeting of Association members (the "First Meeting") may be held subject to the terms hereof, on any date, at the option of the First Board (as hereinafter defined), provided, however, that said First Meeting shall be held not more than sixty (60) days after Stratford Arms, a Wyoming partnership, the "Declarant" of the Stratford Arms Condominium Association, has sold and delivered its deed for at least three (3) of the Units or three (3) years after the Declarant has recorded its Declaration, whichever shall first occur. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held in the month of June in each year. All such meetings of Unit Owners shall be held at such place in Casper, Wyoming and at such time as specified in the written notice of such meeting which shall be delivered to all Unit Owners at least ten (10) days and not more than thirty (30) days prior to the date of such meeting.

Section 4. Special Meetings. Special meetings of the Unit Owners may be called by the President or by a majority of the directors of the Board, provided that said special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days nor more than thirty (30) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered.

Section 5. Delivery of Notice of Meetings. Notice of a meeting may be delivered either personally or by mail to a Unit Owner at the address given to the Board by said Unit Owner for such purpose, or to the Unit Owner's Unit, if no address for such purpose has been given to the Board.
STATE OF WYOMING  
COUNTY OF NATRONA

I, JAMES F. JONES, A REGISTERED WYOMING PROFESSIONAL LAND SURVEYOR, LICENSE NO. 5529, DO HEREBY CERTIFY THAT THIS MAP WAS MADE FROM NOTES TAKEN DURING AN ACTUAL SURVEY PERFORMED BY ME ON JUNE 10, 1999, AND THAT THIS MAP, TO THE BEST OF MY KNOWLEDGE AND BELIEF, CORRECTLY AND ACCURATELY REPRESENTS SAID SURVEY.

637786
Civil Engineering Professionals Inc.

IMPROVEMENT SURVEY
LOT 8, BLOCK 43
CITY OF CASPER
620-626 S. BEECH ST.
CASPER, WYOMING
JUNE, 1999     W.O.#99-59
If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States Mail addressed to the Unit Owner at his address as aforesaid, with postage prepaid thereon.

Section 6. Voting. Each Unit Owner shall have one vote at any meeting of the Association. If any Unit Owner consists of more than one person, shall be exercised as if the Unit Owner consisted of only one person, in accordance with the proxy or other designation made by the persons constituting such Unit Owner. The Declarant may exercise all voting rights with respect to the Units owned by it from time to time.

Section 7. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners, represented in person or by proxy, holding three (3) of the votes entitled to be cast at such meeting.

Section 8. Proxies. At any meeting of Unit Owners, a member of the Association entitled to vote may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact and in accordance with any rules and regulations. No proxy shall be valid after eleven months from the date of its execution.

ARTICLE II
Board of Directors

Section 1. General Powers. The affairs of the Association shall be managed by its board of directors.

Section 2. Number, Election and Term of Office. The Board of Directors (sometimes referred to herein as the "Board" or as "Directors") of the Association shall consist of the owners of the four Units. If a Unit is owned by a corporation, partnership, limited liability company, trust, or other legal entity, the director representing such Unit shall be one person designated by such entity to be a member of the Board representing such owned Unit. If a person or entity owns more than one Unit, then such person or entity shall have one vote at meetings of the Board for each owned Unit.

Section 3. Qualification. Each director, except for members of the First Board, shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a corporation, partnership or trust, a director may be an officer, partner, or beneficiary of such Unit Owner). If a director shall cease to meet such qualifications, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

Section 4. Meetings. A regular annual meeting of the Board shall be held without other notice than this Bylaw, immediately after, and at the same place as, the annual meeting of members. The Board may provide by regulations which the Board may, from time to time, adopt, the time and place for the holding of additional regular meetings of the Board without other notice than such regulation. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board, provided that each director is personally contacted and receives two (2) days notice. All meetings, whether regular or special, of the Board shall be open to all members, except for the
portion of any meeting held to discuss violations of rules and regulations of the Association or unpaid assessments owed to the Association, provided that the vote on any such matter shall be taken at a meeting or portion thereof open to any member. Any member may record the proceedings at meetings open to members, by tape, film or other means, subject to reasonable rules and regulations of the Board.

Section 5. Compensation. Directors shall receive no compensation for their services unless expressly provided for in resolutions adopted by the unanimous consent of the Directors.

Section 6. Quorum. A quorum shall consist of three of the Directors.

Section 7. Powers and Duties. The Board shall have the following powers and duties:

(a) to elect and remove the officers of the Association as hereinafter provided;
(b) to administer the affairs of the Association and the Property;
(c) to formulate policies for the administration, management and operation of the Property and the Common Elements;
(d) to adopt rules and regulations, after written notice of the meeting called to adopt such rules and regulations is given to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;
(e) to provide for the maintenance, repair and replacement of the Common Elements, and payment therefor, and to approve payment vouchers or to delegate such approval to the officers of the Association;
(f) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements;
(g) to appoint committees of the Board and to delegate to such committees the Board’s authority to carry out certain duties of the Board;
(h) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
(i) to estimate the amount of the annual budget, to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided, and to provide for reasonable reserves in accordance with the provisions of these Bylaws and the Act;
(j) to grant easements over certain areas of the Common Elements;
(k) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners, as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;
(l) to enter into management agreements, but any management agreement entered into before control of the Property is passed to the Association shall be terminable with or without cause and without payment of a fee upon not more than ninety (90) days notice, provided, however, that after control of the Property is passed to the
Association, any management agreement shall have a term of not more than three (3) years and shall be terminable for cause upon thirty (30) days notice; and
to exercise all other powers and duties of the board of directors referred to in the Declaration or these By-Laws or the Business Corporation Act and Not-For-Profit Corporation Act of the state of Wyoming.

The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by law, the Declaration or these By-Laws.

Section 8. Notice. Notice of any special meeting of the Board shall be given at least two days previously thereto by written notice delivered personally or sent by mail to each director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws. Written notice of any meeting of the Board at which the adoption of the proposed annual budget or any increase or establishment of an assessment is to be considered shall be mailed or delivered to all members not less than ten (10) and not more than thirty (30) days prior to any such meeting. Written notice of other meetings of the Board shall be delivered or given to each member at least 48 hours prior thereto, subject to written waiver of such notice signed by the person or persons entitled thereto received by the Board prior to such meetings.

Section 9. Non-Delegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the directors or the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners.

ARTICLE III
Officers

Section 1. Designation. At each annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

(a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;
(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary;
(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;
(d) such additional officers as the Board shall see fit to elect.
Any person may serve in more than one office, except that the President and the Secretary shall not be the same person.

Section 2. Powers. The respective officers shall have the general powers usually vested by statute or practice in such officers, provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Term of Office. Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified.

Section 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the members thereof at a special meeting of said Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by the Board at a special meeting thereof.

Section 5. Compensation. The officers shall receive no compensation for their services, unless expressly provided for by the unanimous resolution of the Directors.

ARTICLE IV
Assessments

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll taxes, legal and accounting fees, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel and power. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The estimated annual budget for each fiscal year and any amendments or changes thereto shall be approved by the Board.

Section 2. Assessments. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses for such year, one-twelfth (1/12) of his proportionate share of the common expenses for such year, as shown by the annual budget. Such proportionate share for each Unit Owner shall be one-fourth (1/4) of such common expenses. From and after the date the Declaration is recorded and until the deed to the first Unit is transferred and recorded, the Declarant shall pay, as the Declarant’s share of the respective aggregate monthly assessment for the common expenses, the amount of the actual operating expenses required to be paid during the previous month in connection with the operation of the Property. From and after the date the deed of the first Unit is transferred and recorded, the Trustee, as the Unit Owner of any Units or as the owner of a beneficial interest in any Unit, shall pay the amount of assessment applicable to each said Unit due and payable for each month until transfer of said Unit, as such assessment is
established by the Board pursuant to the terms of the Declaration and these By-Laws. Actual operating expenses shall mean those ordinary expenses attributed to the immediate fiscal period and shall not include capital expenditures, prepaid terms or inventory items to the extent attributable to subsequent fiscal periods.

Copies of said estimated annual budget and any amendments or changes thereto shall be furnished by the Board to each Unit Owner not less than thirty (30) days before the due date of the first monthly assessment based upon said annual budget or amended or changed annual budget. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as may be directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit or the Common Elements. The provisions of this Section 2 of Article IV, which affect the amount or manner of payment of the assessments payable hereunder by the Declarant, or which affect the amount or manner of payment of the Declarant’s proportionate share of the common expenses, shall not be changed, amended or modified without the prior written consent of the Declarant.

Section 3. Partial Year or Month. For the first fiscal year, the annual budget shall be as approved by the Declarant. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget.

Section 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. Supplemental Budget. In the event that during the course of any year it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget pursuant to the terms of the Act covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 6. Lien. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses, as assessed in the manner herein provided. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with the amount of late fees, if any, shall constitute a lien, as provided in the Act, on the interest of such Unit Owner in the Property, and upon the personal property of such Unit Owner in his Unit and located elsewhere on the Property, which lien may be perfected and foreclosed in the same manner as provided for the foreclosure of mortgages pursuant to Wyoming law and, without limiting the general nature of the foreclosure power granted herein, pursuant to the power of sale provisions of
Wyoming mortgage foreclosure law; provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage held by a first mortgagee on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date of the recording of a deed in lieu of foreclosure or a foreclosure sale. The provisions of this paragraph of this Section 6 applicable to the priority of liens held by first mortgagees shall not be amended, changed, modified or rescinded in any way without the prior written consent of all holders of first mortgage liens on Units on the Property. The Association or its successors and assigns, or the Board or its agents, shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suits and other fees and expenses, together with legal interest and reasonable attorneys' fees to be fixed by the court. Furthermore, if any Unit Owner shall fail or refuse to pay when due his proportionate share of the common expenses and such Unit Owner withholds possession of his Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Unit. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the laws of the state of Wyoming including, but not limited to, the forcible entry and detainer law, the Declaration or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments, late fees and collection costs.

Section 7. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine. Upon receipt of ten (10) days written notice to it or the Association from a Unit Owner or from the encumbrancer of a Unit, and upon payment of a reasonable fee, the Board shall furnish to said Unit Owner or encumbrancer a statement of the account setting forth the amount of any unpaid assessments or other charges due and owing from said Unit Owner.

Section 8. Discharge of Liens. The Board of Directors may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien. Any amounts due the Association hereunder shall constitute a lien on the interest of the Unit of the responsible Unit Owner, which lien may be perfected and foreclosed in the manner provided above. Any such lien shall be junior and subordinate to the lien of the first mortgagee with respect to such unit.

Section 9. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the sole benefit, use and account of all the Unit Owners.
Section 10. Capital Contributions. Upon the closing of the first sale of each Unit by the Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to one-sixth (1/6) of the proportionate share of the common expenses for the current year attributable to the Unit. Said amount shall be held and used by the Association for its working capital needs.

ARTICLE V
Contracts, Checks, Deposits and Funds

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the treasurer and countersigned by the president of the Association.

Section 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositaries as the Board may select.

Section 4. Gifts. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

Section 5. Interested Directors. No contract or other transaction between the Association and one or more of its directors or between the Association and any corporation, firm or association in which one or more of the directors of the Association are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board, or the meeting of a committee thereof, which authorizes or approves the contract or transaction, or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors; or

(b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.
Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

**ARTICLE VI**  
Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.

**ARTICLE VII**  
Use and Occupancy Restrictions

**Section 1. General.** No obnoxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall 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 disrupts any other Unit Owner’s reasonable use and enjoyment of the Property. In addition to the use and occupancy restrictions set forth in the Declaration, if any, and any rules and regulations promulgated by the Board, which are incorporated herein by reference, each Unit Owner shall fully comply with the terms of this Article VII. No Unit Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside a Residential Unit or on or about a Garage Unit, or which may be visible from the outside of a Unit (other than draperies, curtains or shades of a uniform light and neutral appearance subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Association or Board. No owner of a Unit shall display, hang, store or use any sign outside a Residential Unit or on or about a Garage Unit, in a hallway or elsewhere, which may be visible from the outside of his Unit, without the prior written permission of the Association or Board.

**Section 2. Animals.** No animals shall be raised, bred or kept in any Unit or the Common Elements, except for dogs, cats, small birds, fish and household pets of a Unit Owner commonly kept as household pets, provided said pets are not kept or bred for any commercial purpose, and provided that said pets shall be kept in strict accordance with the registration and administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, and further provided that said pets shall not, in the judgment of the Board, constitute a nuisance to others or cause damage to any of the Common Elements.

**Section 3. Trash.** Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulations of the Board.
Section 4. Storage. Articles of personal property belonging to any Unit Owner, such as baby carriages, camping vehicles, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in any common area.

ARTICLE VIII
Amendments

Until the date of the First Meeting, these By-Laws may be altered, amended or repealed and new by-laws may be adopted, by the affirmative vote of a majority of the directors in office. From and after the date of the First Meeting, these By-Laws, except this Article VIII and Article X, may be altered, amended or repealed and new by-laws may be adopted from time to time by action or approval of three-fourths (3/4) of all of the members at a regular meeting or special meeting, except as otherwise indicated in and with respect to any other provision of these By-Laws.

ARTICLE IX
Indemnification

Section 1. General. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that he is or was a member of the Board of Directors, an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees and expenses), judgments, fines, and amounts paid in settlement actually and reasonably incurred by or imposed on him in connection with such action, suit or proceeding, provided said person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful.

The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a member of the Board of Directors, an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees and expenses) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit provided said person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association.
Section 2. Success on the Merits. To the extent that a member of the Board of Directors, an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys’ fees and expenses) actually and reasonably incurred by him in connection therewith.

Section 3. Determination of Right to Indemnity. Any indemnification under Sections 1 and 2 shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Board of Directors, the officer or the member of such committee is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 or 2. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of those directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the Unit Owners.

Section 4. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the member of the Board of Directors, the officer or the member of such committee to be indemnified to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article IX.

Section 5. Non-Exclusivity. The indemnification provided by this Article IX shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification provided by this Article IX shall continue as to a person who has ceased to be a member of the Board of Directors, an officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE X

Construction

Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration. Said Declaration and these By-laws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. If there is any inconsistency or conflict between these Bylaws and the aforesaid Declaration, the provisions of the Declaration shall control. All words and terms used herein which are also used in the Declaration shall have the same definition as set forth in the Declaration.