

*Handwritten signature: Wade S. Hollister*

DECLARATION OF RESTRICTIONS, EASEMENTS, AND CONDITIONS

FOR

WATSON FARM

Table Of Contents

Page

ARTICLE I

Definitions

1.1	<u>Area of Common Responsibility</u>	2
1.2	<u>Assessments</u>	3
1.3	<u>Association</u>	3
1.4	<u>Board of Directors or Board</u>	3
1.5	<u>By-Laws</u>	3
1.6	<u>Common Expenses</u>	3
1.7	<u>General Common Area</u>	3
1.8	<u>Lot</u>	4
1.9	<u>Lot Assessment</u>	4
1.10	<u>Member</u>	4
1.11	<u>Mortgage</u>	4
1.12	<u>Mortgagee</u>	5
1.13	<u>Mortgagor</u>	5
1.14	<u>Open Space</u>	5
1.15	<u>Owner</u>	5
1.16	<u>Plat or Plats</u>	5
1.17	<u>Person</u>	5
1.18	<u>Properties</u>	6
1.19	<u>Special Use Properties</u>	6
1.20	<u>Watson Farm</u>	6

ARTICLE II

Restrictions and Protective Covenants

2.1	<u>Residential Purposes</u>	7
2.2	<u>Approval of Plan</u>	7
2.3	<u>Driveways</u>	7
2.4	<u>Maintenance Easements</u>	8
2.5	<u>Square Footage of Resident</u>	8
2.6	<u>No Business or Nuisance</u>	8
2.7	<u>Presumption of Approval of Plans</u>	8
2.8	<u>Subdivision</u>	9

2.9 Boats, Fishing Gear or Equipment, Unregistered Cars, Storage, Trucks, Rubbish, Trash and Waste Materials, and Rules and Regulations . . . . . 9

2.10 Easement of Open Space Land for Common Use . . . . . 10

2.11 Laundry . . . . . 10

2.12 Animals . . . . . 10

2.13 Setbacks . . . . . 11

2.14 Fences .. . . . 11

ARTICLE III

Easements for Utilities, Etc.

(a) . . . . . 12

(b) . . . . . 13

(c) . . . . . 13

(d) . . . . . 13

ARTICLE IV

Watson Farm Homeowners Association

4.1 The Area of Common Responsibility . . . . . 15

4.2 Personal Property and Real Property for Common Use . . . . . 15

4.3 Rules and Regulations . . . . . 16

4.4 Implied Rights . . . . . 16

4.5 Self-Help . . . . . 17

4.6 Right of Entry . . . . . 17

4.7 Services . . . . . 17

ARTICLE V

Maintenance

5.1 Maintenance . . . . . 18

ARTICLE VI

Insurance and Casualty Losses

6.1 Insurance . . . . . 19

6.2 No Partition . . . . . 22

6.3 Disbursement of Proceeds . . . . . 22

6.4 Damage and Destruction . . . . . 23

6.5 Repair and Reconstruction . . . . . 25

ARTICLE VII

Assessments

7.1	<u>Purpose of Assessments</u> . . . . .	25
7.2	<u>Creation of Assessments</u> . . . . .	25
7.3	<u>Computation of General Assessment</u> . . . . .	27
7.4	<u>Maximum Annual General Assessment</u> . . . . .	28
7.5	<u>Initial Capitalization of Association</u> . . . . .	29
7.6	<u>Date of Commencement of Assessments</u> . . . . .	29
7.7	<u>Special Assessments</u> . . . . .	30
7.8	<u>Lien for Assessments</u> . . . . .	30
7.9	<u>Effect of Nonpayment of Assessments:</u> <u>Remedies of the Association</u> . . . . .	31
7.10	<u>Capital Budget and Contribution</u> . . . . .	32
7.11	<u>Subordination of the Lien to Mortgages</u> . . . . .	33
7.12	<u>Exempt Lots</u> . . . . .	34
7.13	<u>Assessments on Lots Owned by Declarant</u> . . . . .	35
7.14	<u>Special Use Properties Areas and</u> <u>Special Use Properties Fees</u> . . . . .	36

ARTICLE VIII

Mortgage Provisions

8.1	<u>Payment of Taxes</u> . . . . .	37
8.2	<u>No Priority</u> . . . . .	37
8.3	<u>Notice to Mortgagee</u> . . . . .	37
8.4	<u>Management Agreement Limitations</u> . . . . .	38

ARTICLE IX

Annexation of Additional Property,  
Duration and Amendment

9.1	<u>Annexation of Additional Property</u> . . . . .	38
	(a) <u>Annexation Without Approval of Class A</u> <u>Membership</u> . . . . .	38
	(b) <u>Annexation With Approval of Class A</u> <u>Membership</u> . . . . .	39
	(c) <u>Development Plan</u> . . . . .	40
9.2	<u>Duration</u> . . . . .	41
9.3	<u>Amendment</u> . . . . .	41

**DECLARATION OF RESTRICTIONS, EASEMENTS, AND CONDITIONS****FOR****WATSON FARM**

This Declaration of Restrictions, Easements, and Conditions for WATSON FARM (hereinafter referred to as "Declaration"), made this 23rd day of February, 1994, by PALISADES, LTD., a Rhode Island business corporation, of the Town of South Kingstown, County of Washington, and State of Rhode Island (hereinafter referred to as "Declarant" and/or "Developer").

**W I T N E S S E T H :**

WHEREAS, the Declarant has filed in the Land Evidence Records of the Town of South Kingstown, County of Washington, State of Rhode Island, for the proposed development of land shown thereon a plat, consisting of Twenty-Six (26) sheets, entitled "WATSON FARM A RESIDENTIAL CLUSTER IN THE TOWN OF SOUTH KINGSTOWN RHODE ISLAND DEVELOPED BY: PALISADES, LIMITED C/O KEVIN GUARRIELLO P.O.B. # 7 PEACE DALE, RHODE ISLAND" 7/10/1990 - Preliminary Approval, 8/28/1990 - Final Submission, 12/31/1991 - Final Re-Submission, 5/19/1992 - Final Approval, hereinafter referred to as the "Master Plan";

WHEREAS, the Declarant is seized in fee simple of the Eighty-Nine (89) numbered lots and all other land as described and delineated on the master plan, collectively referred to as the "Real Estate"; and

WHEREAS, the Declarant is about to sell and convey the numbered platted lots as described and delineated on the master plan and, before doing so, desires to subject and impose upon the numbered platted lots mutual and beneficial restrictions, easements, charges, liens and conditions, hereinafter referred to as the "Restrictions", under a general plan or scheme of improvements for the benefit and complement of all the numbered platted lots on the master plan and the future owners thereof.

NOW, THEREFORE, the Declarant hereby declares that all of the numbered platted lots and all other land as described and delineated on the master plan are held and shall be held, conveyed, encumbered, leased, rented, used, occupied and improved, subject to the following restrictions, all of which are declared and agreed to be in furtherance of a plan for the development, improvement and sale of said lots, and are established and agreed upon for the purpose of enhancing and protecting the desirability and attractiveness of the Real Estate as a whole and said lots situated thereon. All the restrictions shall run with the land and shall be binding upon the Declarant and upon all parties having or acquiring any right, title or interest in and to the Real Estate or any part or parts thereof, subject to such restrictions.

#### ARTICLE I

##### Definitions

1.1 "Area of Common Responsibility" shall mean and refer to the General Common Area and Special Use Properties.

1.2 "Assessments" shall mean and refer to General Assessments, Special Assessments and Special Use Properties Fees.

1.3 "Association" shall mean and refer to Watson Farm Homeowners Association, a Rhode Island nonprofit corporation, its successors and assigns.

1.4 "Board of Directors" or "Board" shall be the elected body of the Association having its normal meaning under Rhode Island corporate law.

1.5 "By-Laws" shall refer to the By-Laws of Watson Farm Homeowners Association attached to the Declaration as Exhibit A and incorporated herein by this reference.

1.6 "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, including a reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation.

1.7 "General Common Area" shall mean all real and personal property now or hereafter beneficially owned or controlled under easement, in undivided fraction, by members of the Association for the common use and enjoyment of the Owners. The General Common Area shall contain properties shown and designated as such or as "Open Space" and "Perimeter Buffer" on the recorded plat of any portion of Watson Farm and shall be deeded in undivided fraction to the members of the Association by the Declarant. Deeds of conveyance shall specify that such

undivided fraction property is General Common Area to be held for the common use and enjoyment of all Owners and residents as set forth in this Declaration.

1.8 "Lot" shall mean a portion of the Properties other than the General Common Area intended for any type of independent ownership and use as may be set out in this Declaration and shown as the Eighty-Nine (89) numbered lots on the plat of Watson Farm filed in the Land Evidence Records of the Town of South Kingstown. Where the context indicates or requires, the term "Lot" includes any structure on the Lot.

1.9 "Lot Assessment" shall mean assessments for Common Expenses provided for herein or by an amendment hereto which shall be used for the purposes of promoting recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Lot against which the specific Lot Assessment is levied and for the purpose of maintaining the Properties within Watson Farm, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein. The Lot assessment shall be levied equally against Owners of Lots for such purposes that are authorized by this Declaration or by the Board of Directors from time to time.

1.10 "Member" shall mean and refer to a person or entity entitled to membership in the Association as provided herein.

1.11 "Mortgage" shall include a deed of trust as well as a mortgage.

1.12 "Mortgagee" shall include a beneficiary or holder of a deed of trust as well as a mortgagee.

1.13 "Mortgagor" shall include the trustor of a deed of trust as well as a mortgagor.

1.14 "Open Space" shall mean and include all real estate designated as "Open Space" and "Perimeter Buffer" on the plat.

1.15 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any Lot which is part of the Properties but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

1.16 "Plat" or "Plats" shall mean that certain plat entitled "WATSON FARM A RESIDENTIAL CLUSTER IN THE TOWN OF SOUTH KINGSTOWN RHODE ISLAND DEVELOPED BY: PALISADES, LIMITED C/O KEVIN GUARRIELLO P.O.B. # 7 PEACE DALE, RHODE ISLAND" 7/10/1990 - Preliminary Approval, 8/28/1990 - Final Submission, 12/31/1991 - Final Re-Submission, 5/19/1992 - Final Approval, consisting of Twenty-Six (26) sheets and recorded on February 23<sup>rd</sup>, 1994 at 3:30 p.m. in the Land Evidence Records of the Town of South Kingstown, endorsed as final plats by the Planning Board of the Town of South Kingstown and recorded in the Land Evidence Records of the Town of South Kingstown.

1.17 "Person" means a natural person, a corporation, a partnership, trustee, or other legal entity.



1.18 "Properties" shall mean and refer to the real property described in the Master Plan of WATSON FARM, and shall further refer to such additional property as may hereafter be annexed by amendment to this Declaration, or which is owned by or controlled under easement, by the Association members.

1.19 "Special Use Properties" shall mean and refer to General Common Area real and personal property designated by the Board of Directors as Special Use Properties. Only those Members who join, pay special fees, or otherwise comply with Special Use Properties regulations which the Board may adopt shall have a right to use and to enjoy such Special Use Properties. The designation Special Use Properties may be removed by a vote of a majority of the members of each class present in person or by proxy, at a meeting of the Association duly called for such purpose, provided that the Board of Directors shall recommend such approval.

1.20 "Watson Farm" shall mean the development consisting of that certain Eighty-Nine (89) lot residential cluster subdivision, as shown on the plat endorsed as the final plat by the Planning Board of the Town of South Kingstown and filed in the Land Evidence Records of said Town of South Kingstown.

ARTICLE II

Restrictions and Protective Covenants

The following restrictions and protective covenants are hereby imposed on said Lots One (1) to Eighty-Nine (89), inclusive, delineated on the master plan, and said restrictions

and protective covenants shall be binding upon the Declarant and its successors and assigns, and all persons claiming by, through or under them and upon all Owners of said Lots on the master plan, and the heirs and assigns of any such Owner:

2.1 Residential Purposes. Said numbered Lots on the master plan shall be used solely and exclusively for one-family private residence purposes.

2.2 Approval of Plan. No buildings or structures shall be erected or reconstructed upon said Lots unless or until the grading plan of the Lot, including the grade elevations of said buildings and structures, the plot plan showing the proposed location of said buildings, structures, and any fences upon said Lots, and the plans, specifications and details, including the architectural designs and building materials, of said buildings and structures shall have been approved in writing by the Declarant, its agent, nominee, or successor in interest.

2.3 Driveways. No Lot shall construct any driveway which accesses or connects to the main arterial road, Palisades Boulevard. Each numbered Lot shall have the right only to construct driveways or accesses to the feeder lane or court upon which the Lot has frontage, being Straw Lane, Petal Lane, Misty Court, Evergreen Court, Dawn Court, Blossom Court, or Aurora Court, respectively, as the case may be, as delineated on the master plan, and access to each Lot shall be only from Straw Lane, Petal Lane, Misty Court, Evergreen Court, Dawn

Court, Blossom Court, or Aurora Court, as delineated on the master plan.

2.4 Maintenance Easements. Declarant reserves for itself, and for its successors and assigns as Owners, and for the benefit of the WATSON FARM HOMEOWNERS ASSOCIATION, the perpetual easement to maintain the Real Estate designated as General Common Area and Open Space Land together with any and all drainage easements wheresoever located, all detention areas or other drainage facilities located thereon.

2.5 Square Footage of Residence. Each residence constructed on a Lot must have at least Seven Hundred Sixty-Eight (768) square feet of finished first-floor living space, not including porches, garages, attics or basements.

2.6 No Business or Nuisance. No Lot or any part thereof or house or building thereon shall at any time be used for carrying on any mechanical or manufacturing business or public trading of any kind. No nuisance, advertising sign, billboard or other advertising device shall be erected, placed or suffered to remain upon Lot, excepting a small suitable sign advertising for rent or for sale any particular dwelling or Lot, nor shall the premises be used in any way or for any purpose which may endanger the health, or unreasonably disturb the quiet of any Owner of adjoining land.

2.7 Presumption of Approval of Plans. Upon the completion of the construction of a dwelling house on a Lot, as evidenced by the issuance of a Certificate of Occupancy

therefor, it shall be conclusively presumed, insofar as any bona fide purchaser or mortgagee is concerned, that the location of said dwelling house and other buildings thereon has been approved by the Developer, its agent or nominee, and that all plans, specifications and details of such dwelling house and of any other buildings which shall then have been constructed on said premises, and all other plans hereinabove referred to, have been approved in writing by and lodged permanently with the Developer or its agent or nominee, unless there shall have been by then recorded with the land records a notice to the effect that such approval has been withheld.

2.8 Subdivision. The Developer reserves the right to subdivide the Real Estate in accordance with the master plan, but Lots deeded by it to any purchaser shall not be further subdivided at any time and shall be held by the Owner thereof as one entire parcel and shall not be sold or conveyed except as one whole and undivided parcel. The foregoing prohibition shall not be construed to prohibit minor boundary line adjustments between lots of the master plan, which do not result in the creation of an additional lot.

2.9 Boats, Fishing Gear or Equipment, Unregistered Cars, Storage, Trucks, Rubbish, Trash and Waste Materials and Rules and Regulations. Boats over sixteen (16') feet in length, fishing gear or equipment or other maritime equipment, and unregistered motor vehicles, shall not be stored on a Lot, except within a garage, house or building. No truck, other

than a pick-up, shall be stored or parked on a Lot in such a manner as to be visible to the occupants of a house on the other Lots. No rubbish, trash, or garbage or other waste materials shall be kept or permitted on any Lot except in sanitary containers located in appropriate areas concealed from public view and protected from animals. The Association may adopt rules and regulations regulating outside storage of materials and the prevention of unsightly appearance of Lots.

2.10 Easement of Open Space Land for Common Use. The Declarant, for itself, its successors and assigns, hereby declares that the Owners of the Lots shall have a mutual perpetual easement in and over the land area delineated as OPEN SPACE, for common use as described and delineated on the master plan for the purpose of conservation and recreational use. No buildings, structures or improvements shall be erected on the OPEN SPACE for use by any Lot Owner. The use of such OPEN SPACE lands shall be subject to such conditions, rules and regulations as may be adopted from time to time by the WATSON FARM HOMEOWNERS ASSOCIATION.

2.11 Laundry. All methods of hanging outdoor laundry for drying shall be within an enclosed area, otherwise invisible from any neighbor's view and the roads as shown on said master plan, or only to the rear of any house.

2.12 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on the Properties, except that no more than a total of two (2) dogs and such number of

cats, or other normal household pets as established by the Rules and Regulations may be kept in residences subject to Rules and Regulations adopted by the Association through its Board of Directors, provided that such pets are not kept, bred, or maintained for any commercial purpose. The Board shall have the absolute power to prohibit a particular individual pet from being kept on the Properties, including inside residences constructed thereon.

2.13 Setbacks. No portion of any Lot on said plat, nearer to any highway than the building lines established by the Zoning Ordinance of the Town of South Kingstown shall be used for any purpose other than that of a lawn; nothing herein contained, however, shall be construed as preventing the use of such portion of said Lots for walks and drives, the planting of trees or shrubbery, the growing of flowers or ornamental plants, or other plantings, for the purpose of beautifying said premises; but no vegetables, so-called, nor grains of the ordinary garden or field variety shall be grown upon such portion thereof; and no weeds, underbrush or other unsightly growths, shall be permitted to grow or remain anywhere upon said Lots, and no unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. Domestic vegetable gardens may be grown on the portion of the Lot inside the building lines.

2.14 Fences. There shall be no chain link fences, so-called, erected upon any lot. Fences on any lot shall be

approved in writing by the Declarant, its agent, nominee, or successor in interest.

### ARTICLE III

#### Easements for Utilities, Etc.

Notwithstanding any provisions contained in the Declaration to the contrary, Declarant hereby expressly reserves unto itself and its successors and assigns a nonexclusive, perpetual right, privilege, and easement with respect to Watson Farm for the benefit of Declarant, its successors, and assigns over, under, and/or in the Properties, except Lots conveyed to purchasers, without obligation and without charge to Declarant, for the purposes of construction, installation, relocation, development sale, maintenance, repair, replacement, use, and enjoyment, and/or otherwise dealing with Watson Farm and any other property now owned or which may in the future be owned by Declarant. The reserved easement shall constitute a burden on the title to the Properties except Lots conveyed to purchaser and specifically includes, but is not limited:

(a) the right of access, ingress, and egress for vehicular and pedestrian traffic over, under, on, or in Watson Farm; and the right to tie into any portion of Watson Farm with driveways, parking areas, and walkways; and the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services,

including, without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under, and/or over the Properties; and

(b) the right to construct, install, replace, relocate, maintain, repair, use, and enjoy signs, model residences, sales offices, construction offices and business offices as, in the sole opinion of Declarant, may be required, convenient, or incidental to the construction and sale by Declarant of Lots or residences in Watson Farm.

(c) An easement and right of way for access over, upon, and across the Properties, including, without limitation the General Common Area, for the construction, installation, repair, replacement, and maintenance of roads, drainage lines, ditches and structures, utilities of any and all types, including without limitation underground electrical, telephone and gas lines as may be required for the development of Watson Farm. This reserved easement shall specifically include the easement to dig and remove sand, loam, gravel, rocks and soil and to bury rocks, stumps, trees, and soil in any borrow and fill areas as may be required to complete any and all improvements shown on the plats. Declarant may dedicate and transfer to the Town of South Kingstown roads and easements over, under and in the General Common Area for the purpose of providing access and serving Watson Farm.



(d) No rights, privileges, and easements granted or reserved herein shall be merged into the title of any property, including, without limitation, Lots and the General Common Area, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released unless and until and except by delivery of a quit-claim deed from Declarant releasing such right, privilege, or easement by express reference thereto.

This subsection may not be amended without the written consent of the Declarant.

Declarant further reserves unto itself and its successors and assigns the power to grant blanket easements upon, across, over, and under all of the roads delineated on the Master Plan as Palisades Boulevard, Straw Lane, Petal Lane, Misty Court, Evergreen Court, Dawn Court, Blossom Court, and Aurora Court for ingress, egress, installation, replacing, repairing, and maintaining master television antenna systems, security, and similar systems, and all utilities, including, but not limited to, drainage, water, sewers, telephones, gas and electricity. The Board of Directors of the Watson Farm Homeowners Association (when formed and constituted) shall, upon written request, grant such easements as may be reasonably necessary for the development of any property made subject to this Declaration. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of

Directors shall have the right to grant such easement without conflicting with the terms hereof.

#### ARTICLE IV

##### Watson Farm Homeowners Association

For the purpose of maintenance of the land area delineated as OPEN SPACE on the master plan, together with any and all drainage easements wheresoever located, detention areas or other drainage facilities located thereon, and regulating the use of the Lots, land area delineated as OPEN SPACE, and enforcement of any and all covenants, restrictions and agreements applicable to the Real Estate and for the additional purpose of providing an entity for the furtherance of the interests of the Owners of the Lots on the master plan, each and every Owner of a Lot on the master plan by accepting a deed to a Lot with its undivided fraction of general common area property agrees to and shall be a member of, and subject to the obligations and duly adopted Articles of Incorporation, Bylaws, and Rules and Regulations of Watson Farm Homeowners Association, a nonprofit corporation, organized under the Laws of the State of Rhode Island, (hereinbefore referred to as the "Association"), and by acceptance of their deed so covenants and agrees.

4.1 The Area of Common Responsibility. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Area of Common Responsibility and all

improvements thereon (including furnishings and equipment related thereto), and shall keep it in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions hereof.

4.2 Personal Property and Real Property for Common Use.

The Association through action of its Board of Directors may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board acting on behalf of the Association shall accept any real or personal property, leasehold, or other property interests within Watson Farm conveyed to it by the Declarant.

4.3 Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include suspension of the right to vote and the right to use recreational facilities. The Board shall in addition have the power to seek relief in any court for violations or to abate unreasonable disturbances and to levy fines.

4.4 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably given to it herein or reasonably necessary to effectuate any such right or privilege.

4.5 Self-Help. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon a Lot, or any portion of the General Common Area to abate or remove, using such force as may be reasonably necessary, any improvement, thing or condition which violates this Declaration, the By-Laws, the rules and regulations, or the use restrictions. Unless an emergency situation exists, the Board shall give the violating Lot Owner ten (10) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Lot Owner and shall be collected as provided for herein for the collection of assessments.

4.6 Right of Entry. The Association shall have the right, in addition to and not in limitation of all the rights it may have, to enter on to Lots for emergency, security, or safety purposes, which may be exercised by the Association' Board of Directors, officers, agents, employees, managers, and all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the Owner or occupant of the Lot.

4.7 Services. The Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such

other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Properties, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Properties or the enforcement of this Declaration and the By-Laws. The Association may, but shall not be required to, arrange as an Association expense with third parties to furnish water, trash collection, sewer service, and other common services to each Lot.

ARTICLE V

Maintenance

5.1 Maintenance. The Association shall operate and maintain and keep in good repair the General Common Area together with any and all drainage easements wheresoever located, detention areas or other drainage facilities located thereon, and Special Use Properties. Such operation and maintenance of the General Common Area shall be funded by the General Assessments. Operation and maintenance of the Special Use Properties shall be funded by membership fees, user charges and special fees applicable to use thereof. Maintenance shall include but not be limited to maintenance, repair and replacement, subject to any insurance then in effect, of all fauna and flora, structures, and improvements

situated upon the General Common Area and Special Use Properties.

## ARTICLE VI

### Insurance and Casualty Losses

6.1 Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the General Common Area against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard.

The Board shall also obtain a public liability policy covering the General Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least ONE MILLION AND NO/100 (\$1,000,000.00) DOLLAR limit per occurrence, and a TWO HUNDRED FIFTY THOUSAND AND NO/100 (\$250,000.00) DOLLAR minimum property damage limit.

Premiums for all insurance on the General Common Area shall be common expenses of the Association included in the General Assessment, as defined in Article VII, Section 7.2. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in

determining whether the insurance at least equals the full replacement cost.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefitted parties, as further identified as (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Rhode Island and holding a rating of VI or better in the Financial Category as established by A. M. Best Company, Inc., if available and, if not available, the most nearly equivalent rating.

(b) All policies on the General Common Area shall be for the benefit of the Association, the Owners and their Mortgagees as their interests may appear.

(c) Exclusive authority to adjust losses under policies in force on the property obtained by the Association shall be vested in the Association's Board of Directors; provided, however, that no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants or their Mortgagees.

(e) The Association's Board of Directors shall conduct at least once every two (2) years, an insurance review which shall include a replacement cost appraisal, without respect to depreciation, of all insurable improvements on the General Common Area by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Washington County, Rhode Island area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

- (i) A waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners and their respective tenants, servants, agents and guests;
- (ii) A waiver by the insurer of its rights to repair and reconstruct instead of paying cash;
- (iii) That no policy may be cancelled, invalidated or suspended on account of any one or more individual Owner;
- (iv) That no policy may be cancelled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association or its duly authorized manager without prior demand in



writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner or Mortgagee;

(v) That any "other insurance" clause in any policy exclude individual Owners' policies from consideration.

(vi) That no policy may be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

6.2 No Partition. Except as is permitted in the Declaration, there shall be no physical partition of the General Common Area or Special Use Properties or any part thereof, nor shall any person acquiring any interest in the Properties or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 6.4 of this Article in the case of damage or destruction, or unless the Properties have been removed from the provisions of this Declaration. This section shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

6.3 Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the General Common Area or Special Use Properties or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners if any Lot is involved and with their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Lot and may be enforced by such Mortgagee.

(b) It is determined as provided for in Section 6.4 of this Article that the damage or destruction to the General Common Area or Special Use Properties for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 6.3(a) hereof.

6.4 Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall

proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the General Common Area shall be repaired or reconstructed unless at least seventy-five (75%) percent of the total vote of both the Class A and Class B Members of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the General Common Area damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the General Common Area shall not be repaired or reconstructed and no alternative improvements are authorized,

then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the General Common Area by the Association in a neat and attractive condition.

6.5 Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Association may levy a special assessment as permitted in Article VII, Section 7.7 of the Declaration against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

## ARTICLE VII

### Assessments

7.1 Purpose of Assessment. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

7.2 Creation of Assessments. Each Lot Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association:

(a) "General Assessments" for Common Expenses as may be from time to time specifically authorized by the Board of Directors;

(b) "Special Assessments" and assessments established and collected as hereinafter provided; and

(c) "Special Assessments" against any particular Lot which are established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration and the By-Laws. All such assessments, together with late charges (sometimes referred to herein as "Delinquent Payment Fees"), interest, not to exceed the maximum legal rate, costs, and reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made.

Each Owner by acceptance of his or her deed, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to all terms and provisions of this Declaration and to pay to the Association the assessments.

Each such assessment, together with Delinquent Payment Fees, interest costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Lot Owner of such Lot at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of

conveyance, except no first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual assessment for delinquents. Unless the Board otherwise provides, the assessments shall be paid in a single annual payment.

7.3 Computation of General Assessment. General Assessments shall be allocated equally, except as provided herein for exempt Lots, among all Lots within the Association and shall be for expenses determined by the Board of Directors to be for the benefit of the Association as a whole. It shall be the duty of the Board at least fifteen (15) days prior to the meeting at which the budget shall be presented to the membership to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared and shall separately list general expenses. The Board shall cause a copy of the budget, and the amount of the General Assessments to be levied against each Lot for the following year, to be mailed to each Lot Owner at least fifteen (15) days prior to the meeting. The budget and assessments shall become effective unless disapproved at the meeting by a vote of at

least a majority of both classes of the total Association membership or, after termination of the Class B membership, the majority vote of the total Association Class A membership whether or not a quorum is present. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget and General Assessment or the Board fails for any reason to determine the budget and General Assessment for the succeeding year, then and until such time as a budget and General Assessment shall have been determined as provided herein, the budget and General Assessment in effect for the then current year shall continue for the succeeding year.

7.4 Maximum Annual General Assessments. Until January 1, 1996, the maximum General Assessment shall be TWO HUNDRED AND NO/100 (\$200.00) DOLLARS per Lot. The maximum annual General Assessment may be increased as follows:

(a) From and after January 1, 1996, the General Assessment may be increased without the vote or written assent of a majority of each class of membership entitled to vote in any fiscal year by ten (10%) percent of the previous year's General Assessment.

(b) From and after January 1, 1998, the maximum General Assessment may be increased above that established by the formula set forth above, by the vote or written consent of a majority of each class of membership entitled to vote, present in person or by proxy, at a meeting duly called for this purpose.

7.5 Initial Capitalization of Association. Upon the initial transfer of a Lot by the Declarant to an Owner, such transferee or Owner shall pay to the Association the sum of TWO HUNDRED AND NO/100 (\$200.00) DOLLARS to be used for such purposes as determined by the Board of Directors. This amount shall be paid in addition to the amount prorated for the then existing annual General Assessment.

7.6 Date of Commencement of Assessments.

(a) The assessments provided for herein shall commence as to a Lot on the date the Lot is eligible to be conveyed to a third party by the Declarant, as permitted by the subdivision rules and regulations of the Town of South Kingstown, provided, however, that Lots owned by the Declarant eligible to be conveyed to a third party, shall be assessed at one-tenth (1/10) of the assessment applicable to other party owned Lots. The Declarant shall, however, be assessed the full assessment for any Lot owned by it, upon which a foundation is constructed.

(b) In the case of additional Properties annexed by amendment to this Declaration, on the first day of the month following said annexation, the assessment shall be due and payable in a manner consistent with this Declaration and on a schedule as the Board of Directors may provide.

(c) The first annual General Assessment on a Lot shall be adjusted and pro-rated according to the number of days then remaining in that fiscal year.



7.7 Special Assessments. In addition to the General Assessments authorized in this Article, the Association may levy a Special Assessment; provided, however, such assessment shall have the vote or written assent of at least a majority of both classes of the Association membership, present and voting in person or by proxy at a special meeting of the membership duly called for this purpose, or after the termination of the Class B membership, the majority of the Class A membership present and voting in person or by proxy at a special meeting of the membership duly called for this purpose. The Association may also levy a Special Assessment against any member to reimburse the Association for costs, including reasonable attorney's fees actually incurred in bringing a Member and his or her Lot into compliance with the provisions of the Declaration, the amendments thereto, By-laws, and the Association rules and regulations. Such Special Assessment against a particular Lot may be levied by a two-thirds vote of the entire membership of the Board of Directors after notice and hearing as provided for in the By-Laws. The costs of such repairs and maintenance and attorney's fees shall be added to and become a part of the General Assessment to which such Lot is subject. Said Special Assessment against a particular Lot shall be a lien and be enforced and collected in the same manner as a General Assessment.

7.8 Lien for Assessments. All sums assessed against any Lot pursuant to this Declaration, together with late charges,

interest, costs, and reasonable attorney's fees actually incurred, as provided herein, shall be secured by a lien on such Lot in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens of real estate taxes of the Town of South Kingstown and the Union Fire District; or (b) liens for all sums unpaid on a first Mortgage or any Mortgage by or to Declarant duly recorded in the Land Evidence Records of the Town of South Kingstown, and all amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument.

All other persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded in such Land Evidence Records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

7.9 Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. Any assessment delinquent for a period of more than ten (10) days shall incur a late charge (sometimes referred to herein as "Delinquent Payment Fees") in an amount as the Board of Directors may from time to time determine. The Association shall cause a notice of delinquency to be given to any Lot Owner who has not paid within ten (10) days following

the due date. If the assessment is not paid within thirty (30) days, the lien shall include the Delinquent Payment Fee, interest, not to exceed the maximum legal rate, on the principal amount due, and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after sixty (60) days, the Association may, as the Board of Directors shall determine, institute suit to collect such amounts and/or to foreclose its lien. Each Lot Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as a mortgage on real estate in the State of Rhode Island containing a Statutory Power of Sale. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the Lot. No Lot Owner may waive or otherwise except liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot.

All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest, then

to delinquent assessments, then to any unpaid installments of any assessments which are not the subject matter of suit in order of their coming due, and then to any unpaid installments of the assessments which are the subject matter of suit in the order of their coming due.

7.10 Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replacement assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect to both amount and timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and assessment as provided in Section 7.3 of this Article. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

7.11 Subordination of the Lien to Mortgages. The lien of the assessments, including interest, Delinquent Payment Fees, costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage or Mortgage by or to Declarant upon any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial

foreclosure of a first Mortgage or Mortgage by or to Declarant shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from Lien rights for any assessments thereafter becoming due. Where the Mortgagee of a first Mortgage of record, Declarant as the holder of the Mortgage, or other purchaser of a Lot obtains title, his or her successors and assigns shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all the Lots, including such acquirer, his or her successors and assigns.

7.12 Exempt Lots. The following Properties subject to this Declaration shall be exempt from the assessments created herein:

(a) Any portion of the Properties transferred to or dedicated to and accepted by the Town of South Kingstown, the Union Fire District, or any other public authority;

(b) Any portion of the Properties transferred to or dedicated to and accepted by a public utility;

(c) The General Common Area;

(d) Any portion of the Properties which is designated as and/or reserved for easements; and

(e) Any Lots shown on the Watson Farm plats which may not be presently sold or transferred by the Declarant, as an approved Lot subdivided in accordance with the subdivision rules and regulations of the Town of South Kingstown. It is intended by this subparagraph (e) to exempt the Lots which are in a phase that has not been bonded for construction or which are in a phase that cannot be sold until a certain date as provided in the approval of the Planning Board for the Watson Farm plats.

7.13 Assessments on Lots Owned by Declarant.

(a) After the commencement of assessment of payments as to any Lot, Declarant covenants and agrees to pay the full amount of the annual assessment for each Lot it owns on which a foundation has been constructed; notwithstanding anything contained herein to the contrary, the Declarant shall be required to pay only ten (10%) percent of the assessments for Lots that it owns on which a foundation has not been constructed and which are not exempt Lots as provided in Section 7.12 hereof.

(b) Notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money, (herein collectively called in-kind contribution). The amount by which monetary assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the

contribution. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Association and Declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

7.14 Special Use Properties Areas and Special Use Properties Fees. The Board of Directors shall have the power in its discretion from time to time to grant revocable licenses to some of the Lot Owners by designating portions of the Common Area as Special Use Properties Areas. Such Special Use Properties Areas shall be subject to such restrictions, reasonable charges and conditions on the use thereof as the Board may deem appropriate and shall be maintained by the Association or, at the Board's option, by the persons having the exclusive right to use the Special Use Properties Areas.

The Board of Directors may levy Special Use Properties Fees against the Lot Owners and their Lots for the use of the Special Use Properties and the purchase of

improvements and the maintenance and repair thereof and for all other expenses related thereto. Such Special Use Properties Fees shall be an assessments against such Lot Owners and Lots and shall be a lien on said Lots and shall be enforced and collected as provided in Section 7.9 of Article VII.

## ARTICLE VIII

### Mortgage Provisions

8.1 Payment of Taxes. First Mortgagees of Lots may, jointly and singularly, pay taxes or other charges which are in default and which may or have become a charge against any General Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such General Common Area. First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

8.2 No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Lot Owner, or any other party, priority over any rights of the first Mortgagee of a Lot pursuant to its Mortgage in the case of a distribution to such Lot Owner of insurance proceeds or condemnation awards for losses to or a taking of any General Common Area.

8.3 Notice to Mortgagee. Notwithstanding anything contained herein which might otherwise be construed to the contrary, a first Mortgagee, upon request, will be entitled to written notification from the Association of any default in the



performance by any Owner of a Lot, in which such Mortgagee has an interest, of any obligation under this Declaration, the By-Laws, or the Articles of Incorporation, which is not cured within sixty (60) days.

8.4 Management Agreement Limitations. Notwithstanding anything contained herein which might otherwise be construed to the contrary, any agreement for professional management of the Association, or any other agreement providing for services by the Declarant, may not exceed one year and must provide for termination by either party without cause and without payment of a termination fee on sixty (60) days written notice.

#### ARTICLE IX

##### Annexation of Additional Property, Duration and Amendment

###### 9.1 Annexation of Additional Property.

(a) Annexation Without Approval of Class A Membership. As the Owner thereof, or if not the Owner, with the consent of the Owner thereof, Declarant shall have the unilateral right, privilege and option, from time to time at any time until ten (10) years from the date this Declaration is recorded in the Land Evidence Records of the Town of South Kingstown, Rhode Island, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit B attached hereto and by reference made a part hereof, whether in fee simple or leasehold, by filing in the Land Evidence Records of

the Town of South Kingstown, Rhode Island, an amendment annexing such property. Such amendment to this Declaration shall not require the vote of Members. Any such annexation shall be effective upon the filing for record of such amendment.

Declarant shall have the unilateral right to transfer to any other person the said right, privilege and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in said Exhibit B attached hereto.

(b) Annexation With Approval of Class A Membership.

Subject to the written consent of the Owner thereof and of the Declarant, if the Class B membership has not terminated, upon the written consent or affirmative vote of a majority of the Class A Members, other than Declarant, of the Association present in person or by proxy at a meeting duly called for such purpose, the Association may annex real property other than that shown on Exhibit B and, following the expiration of the right in Section 9.1(a), the property shown on Exhibit B, to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the Land Evidence Records of the Town of South Kingstown, Rhode Island, a supplementary amendment in respect to the property being annexed. Any such supplementary amendment shall be signed by the President and the Secretary of the Association, and any such annexation shall

be effective upon filing unless otherwise provided therein. The time within which and the manner in which notice of any such meeting of the Class A Members of the Association, called for the purpose of determining whether additional property shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified by the By-Laws of the Association for regular or special meetings as the case may be.

(c) Development Plan. The Declarant intends to develop Watson Farm and the Properties in accordance with the master plan prepared by consultants and its planning department and placed on display in its reception and sales office, and other areas. The Declarant reserves the right to review and modify the master plan at its sole option from time to time based upon its continuing research, market surveys, and design programs. The master plan shall not bind the Declarant, its successors and assigns to strictly adhere to the master plan in the development of the land shown thereon, subject to any required approval of such modification by the Planning Board of the Town of South Kingstown.

The property described in Exhibit B when subjected to this Declaration as provided herein, and not before such time, shall become part of Watson Farm. Nothing herein shall be construed to obligate the Declarant to develop any lands other than as described in the approved Master Plan of WATSON FARM.

9.2 Duration. This Declaration and the covenants, conditions, restrictions, charges and liens contained herein shall be covenants running with the land and shall burden and bind the Properties, shall inure to the benefit of and be enforceable by the Declarant, the Association and each Owner, their respective legal representatives, heirs, successors and assigns, until January 1, 2019, after which time the Declaration shall be automatically renewed for successive periods of twenty-five (25) years, unless prior to the commencement of any such renewal period, an instrument terminating this Declaration shall be executed by the proper Association officers and recorded in the Land Evidence Records of the Town of South Kingstown, Rhode Island, or in such other place of recording as may be appropriate at the time of execution of such instrument, pursuant to a resolution to such effect approved in writing by not less than two-thirds (2/3) of the Class A votes, which resolution shall have been approved within six months prior to January 1, 2019, or within the six months prior to the end of any such twenty-five (25) year extension period.

9.3 Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant:

(a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is

reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title on any Lot Owner's Lot unless any such Owner shall consent thereto in writing. Further, so long as the Class B membership exists, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Owner.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the Class A Members and the consent of the Declarant, so long as the Class B membership exists.

The procedure for amendment by the Lot Owners after the Class B membership terminates shall be as follows: All

proposed amendments shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if two-thirds (2/3) of the Class A votes cast at such meeting, in person or by proxy, approve such amendment. Notice shall be given each Member at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute an addendum to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event shall be less than sixty (60) days after the date of the meeting of the Association at which such amendment was adopted), the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes necessary to adopt the amendment, the total number of votes cast in favor of such amendment, and the total number of votes cast against the amendment. Such amendment shall become effective upon recordation in the Land Evidence Records of the Town of South Kingstown.

The quorum required for any action authorized to be taken by the Association under this Section 9.2 shall be as follows:

The first time any meeting of the Members of the Association is called to take action under this Section 9.2,

the presence at the meeting of the Members or proxies entitled to cast twenty-five (25%) percent of the total vote of the Class A membership shall constitute a quorum. If the required quorum is not present at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such subsequent meeting shall be the presence of Members or proxies entitled to cast ten (10%) percent of the total vote of the Class A membership.

## ARTICLE X

### General Provisions

10.1 Enforcement. If any person, firm or corporation shall violate or attempt to violate any provision of this Declaration or the By-Laws, it shall be lawful for the Board of Directors, on behalf of the Association, the Declarant or any Lot Owner to prosecute any proceeding at law or in equity against the person, firm or corporation violating or attempting to violate the same, and either to prevent it or them from so doing or to recover damages or other amounts due for such violation.

Violation or breach of any provision of this Declaration or the By-Laws shall give the Declarant or the Association, their respective legal representatives, heirs, successors and assigns, in addition to all other remedies, the right to enter upon the Lot upon or as to which such violation or breach exists and summarily to abate and remove at the expense of the Lot Owner thereof, any improvement, thing or

condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof, if after ten (10) days' written notice of such violation it shall not have been corrected by the Lot Owner. Any such entry or abatement or removal shall not be deemed a trespass. Any person entitled to file a legal action for the violation of this Declaration or the By-Laws shall be entitled to reasonable attorney's fees as a part of such action. The failure to enforce any rights, reservations, restrictions, or conditions contained in this Declaration or the By-Laws, however long continued, shall not be deemed a waiver of this right to do so hereafter as to the same breach, or as to a breach occurring prior or subsequent thereto and shall not alter or affect its enforcement.

10.2 Indemnification. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on



behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall as a Common Expense maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

10.3 Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Association, his or her right of enjoyment to the General Common Area and facilities to the Members of his or her family, tenants, and social invitees.

10.4 Owner's Right to Support. Each Owner shall have the right to lateral support for his or her Lot, and such right shall be appurtenant to and pass with the title to each Lot.

10.5 Construction and Sale. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Lots shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the General Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited

to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Lots owned by the Declarant and the special use properties, if any, which may be owned by the Association, as models and sales offices. This section may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Section 10.5 shall terminate upon the earlier of (a) ten (10) years from the date this Declaration is recorded or (b) upon the Declarant's recording of a written statement that all sales activity by it has ceased.

10.6 Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

10.7 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

10.8 Captions. The captions of each Article and section hereof, as to the contents of each Article and section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or section to which they refer.

10.9 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions or this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now-living descendants of Elizabeth, Queen of England.

IN WITNESS WHEREOF, said PALISADES, LTD., a Rhode Island business corporation, has caused these presents and its corporate seal to be hereunto affixed the date first above-written.

PALISADES, LTD.,  
a Rhode Island business corporation,  
By: Anthony R. Guarriello  
Anthony R. Guarriello,  
President

STATE OF RHODE ISLAND  
COUNTY OF WASHINGTON

In South Kingstown, on the 23<sup>rd</sup> day of February, 1994, before me personally appeared ANTHONY R. GUARRIELLO, in his capacity as President of PALISADES, LTD., a Rhode Island business corporation, to me known and known by me to be the person executing the foregoing instrument and he acknowledged said instrument, by him so executed in said capacity, to be his free act and deed and the free act and deed of PALISADES, LTD., a Rhode Island business corporation.

Leonard R. Bongiorno  
Leonard R. Bongiorno, Esq.  
Notary Public  
My commission expires: 6/15/95

