

BYLAWS OF

BALANCE ROCK CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

NAME AND ORGANIZATION

Section 1.01. The Association shall be known as BALANCE ROCK CONDOMINIUM ASSOCIATION, INC., hereinafter called the "Association" a corporation organized not for profit and existing under the laws of the State of Connecticut.

Section 1.02. The Association shall be a non-stock corporation organized under the Non-Stock Corporation Act of the State of Connecticut. Its principal place of business shall be upon the condominium premises; unless a different place of business shall be designated by the Directors.

Section 1.03. These Bylaws shall govern the administration of the Association and the management of the Condominium Property.

Section 1.04. All present and future Owners, tenants, future tenants or employees of Unit Owners or tenants, or any other person who might use the facilities of the project in any manner are subject to these Bylaws. The acceptance of a deed or conveyance, or the mere acquisition, or rental or possession of any of said Units will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE II

PURPOSE

The purpose shall be to operate property on a not-for-profit basis in accordance with the provisions set forth in the Certificate of Incorporation.

ARTICLE III

PLAN OF UNIT OWNERSHIP

Section 3.01. Unit Ownership. The land located on Balance Rock Road in the Town of Seymour, County of New Haven and State of Connecticut, together with all improvements constructed thereon as is described in the Declaration of Condominium of which these Bylaws are a part has been submitted to the provisions of the Unit Ownership Act of the State of Connecticut by said Declaration recorded simultaneously herewith in the Office of the Town Clerk of said Seymour and shall hereinafter be known as BALANCE ROCK CONDOMINIUM (hereinafter called "The Condominium").

Section 3.02. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Property of the Condominium and to the use and occupancy thereof.

Section 3.03. Application. All present and future Unit Owners, mortgagees, lessees, and occupants of the Units and their employees and any other persons who may use the facilities of the Condominium in any manner are subject to these

Bylaws, the Declaration, and to the Rules and Regulations established by the Board of Directors of the Association (the "Board of Directors") as hereinafter set forth. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit by any of the foregoing persons other than a mortgagee of Declarant shall constitute an agreement that these Bylaws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with and the acceptance of a deed or conveyance by a mortgagee of Declarant shall constitute an agreement that the estate of any such mortgagee in and to any such Unit shall be subject to these Bylaws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time. Unless otherwise specifically stated herein, the term "Unit Owner" shall mean "Declarant" wherein Declarant has not constructed and conveyed by deed a Unit and "individual purchasers" wherein Declarant has constructed and conveyed by deed a Unit.

Section 3.04. Office. The principal office of the Association and the Board of Directors shall be located upon the condominium premises, or at such place as the Board of Directors may designate from time to time.

Section 3.05. Definitions. Unless otherwise defined herein, the definitions of words, terms, and phrases contained in the Declaration shall apply to those words, terms and phrases, as used herein.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01. Number, Qualification, and Classes: Subject to Section 4.02 below, the affairs of the Condominium shall be governed by a Board of Directors consisting of seven (7) persons. Each Director shall be entitled to one (1) vote. The Directors shall hold office until their successors have been elected and have their first meeting.

Section 4.02. Special Provisions.

(a) Declarant, subject to the further provisions of the Unit Ownership Act, for a period of Five (5) years from the date of the recording of the Declarant shall, during such period, be entitled to elect all seven (7) members of the Board of Directors until such time as it shall have conveyed title to more than one-third (1/3) of the Units at which time Declarant shall be entitled to elect four (4) members of the Board of Directors.

(b) Thereafter, Declarant shall continue to elect a majority of the Board of Directors until the earlier of the following events: (i) sale by Declarant of sixty (60%) percent of the Units, (ii) completion of seventy-five (75%) percent of the Units provided at least one (1), but no more than one (1) Unit is sold in any six (6) month period, or (iii) five (5) years after the date of recording of the Declarant, at which time Declarant, for so long as it owns at least 10% of the Units, shall be entitled to elect one (1) member of the Board of Directors.

(c) Upon the occurrence of any event set forth in Section 4.02 (a), the Board of Directors shall give not less than thirty (30), nor more than forty (40) days notice of a special meeting of the Unit Owners to elect from among the then Unit Owners those members of the Board of Directors provided for in this Section 4.02.

(d) Upon the occurrence of any event set forth in Section 4.02 (b) above, the Board of Directors shall give not less than thirty (30) nor more than forty (40) days notice of the first Annual Meeting to elect from among the then Unit Owners those members of the Board of Directors provided for in this Section 4.02.

Section 4.03. Election, Term of Office and Eligibility.

(a) Except as provided in Section 4.02 the Unit Owners shall elect Directors at each subsequent annual meeting. The term of at least one-third (1/3) of the members of the Board of Directors shall expire annually. The term of office shall be one year.

The members of the Board of Directors shall hold office until their respective successors have been elected by the Unit Owners. The Board of Directors initially appointed by Declarant shall act until the election has been completed at said first meeting. At any vote for membership on the Board of Directors, and for all other voting purposes, each Unit Owner, including Declarant to the extent that Declarant is still a Unit Owner, shall have one vote for each position to be filled. If at any meeting for election of membership to the Board of Directors more than twice the number of candidates to be elected at such meeting are nominated, then and in such event there shall be two ballots for membership. At the end of the first ballot, the field of nominees shall be reduced so that there are no more than twice as many candidates running as there are positions to be filled, with the lowest vote getters being eliminated. A second ballot shall be held, and on the second ballot, the top vote getters on the basis of the weighted votes will be elected. If there are not more than twice the number of nominees for the number of positions to be filled, then there shall be one ballot, with the top vote getters being elected to membership on the Board. If the candidates are being elected for varying period of years, the candidate polling the highest vote will be considered elected for the longest period of years. After the first annual meeting of the Unit Owners, succeeding annual meetings shall be held on the second Tuesday of January at 8:00 P.M. At each annual meeting, members of the Board of Directors shall be elected by ballot of the Unit Owners in accordance with these Bylaws. Notwithstanding any other provisions of the Bylaws to the contrary, however, so long as Declarant shall hold for sale in the ordinary course of business ten percent or more of the Units in the Condominium, Declarant shall be entitled to designate not less than one member of the Board of Directors. At such time as Declarant no longer holds such percentage of Units, the member of the Board designated by Declarant shall vacate the Board and the place vacated by Declarant's representative shall be filled by the remaining members of the Board as herein provided for the unexpired portion of the term.

Notwithstanding the foregoing at any time after Unit Owners other than the Declarant are entitled to elect the member or members of the Board of Directors of the Association, the Association shall call and give not less than thirty (30), nor more than forty (40) days notice of the meeting of the Unit Owners for this purpose. Such meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

(b) All members of the Board of Directors, other than those members elected by Declarant pursuant to Section 4.02, shall be Unit Owners except as hereinafter set forth, it being understood that should any Unit be owned as a tenancy in common, joint tenancy with survivorship rights, or be owned by a partnership, or a corporation in fiduciary capacity or otherwise, then in any such event, such Unit

Owner or Owners of a Unit shall designate one (1) person having an ownership interest in any such Unit as the representative of the interest in the total ownership of such Unit, and such person shall be eligible for election to the Board of Directors, provided, however, that in the case of corporate ownership, any officer or employee of such corporation shall be eligible to represent the ownership interest in a Unit. Notwithstanding the foregoing, the spouse of an owner, may be a Director, provided, that the spouse is residing in the Condominium.

Section 4.04. Powers and Duties: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and shall do all such acts and things except as by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the Unit Owners. The powers and duties of the Board of Directors shall be discharged in a manner consistent with the operation of this Condominium. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep, and maintenance of the Common Elements.
- (b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- (c) Collection of the common charges from the Unit Owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance, operation, repair, and replacement of the Common Elements.
- (e) Adoption of amendment of rules and regulations covering the details of the operation and use of the Property.
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- (g) Purchasing of Units at foreclosures or other judicial sales in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Unit Owners.
- (h) Organizing corporation to act as designees of the Board of Directors in acquiring title to or leasing of Units on behalf of all Unit Owners.
- (i) Obtaining of insurance for the Property, including the Units, pursuant to the provisions of Section 7.09 hereof.
- (j) Making of repairs, additions, and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(k) Enforcing the obligations of Unit Owners.

(l) Granting of licenses over Common Elements.

(m) Recording of annual statement of Condominium Officers and their addresses, and name and address of the Condominium insurance carrier with the Clerk of the Town of Seymour on or before January 31, of each year.

Section 4.05. Managing Agent and Manager: The Board of Directors may employ for the Condominium, or join in employment by other condominiums, a managing agent or a manager at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not limited to the duties listed in subdivisions (a), (c), (d), (i), and (j) of Section 4.04. The Board of Directors may delegate to the manager or managing agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (k), (l), and (m) of Section 4.04.

Section 4.06. Removal of Members of the Board of Directors: At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Directors (other than a member of the Board of Directors elected by Declarant pursuant to Section 4.02) may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected by the Unit Owners to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 4.07. Vacancies: Subject to Section 4.02, vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose. The members of the Board of Directors present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so replaced and until a successor shall be elected at the next annual meeting of the Unit Owners.

Section 4.08. Organization Meeting: The first meeting of the members of the Board of Directors following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Unit Owners at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 4.09. Regular Meetings: Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 4.10. Special Meetings: Special meetings of the Board of Directors may be called by the President on three (3) days notice to each member of the

Board of Directors, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one (1) member of the Board of Directors.

Section 4.11. Waiver of Notice: Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board, without objection, shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.12. Quorum of Board of Directors: At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 4.13. Fidelity Bonds: The Board of Directors shall obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums of such bonds shall constitute a common expense.

Section 4.14. Compensation: No member of the Board of Directors shall receive any compensation from the Association for acting as such.

Section 4.15. Liability of the Board of Directors: The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 4.16. Fiscal Year: The Board of Directors shall establish a fiscal year.

ARTICLE V

Unit Owners

Section 5.01. Title to Units: Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, or in the name of a corporation or partnership, or in the name of a fiduciary.

Section 5.02. Annual Meetings: In accordance with Section 4.02 (d) Declarant shall notify all Unit Owners of the first Annual Meeting of the Unit Owners which shall be held not less than thirty (30), nor more than forty (40), days after such notice. Thereafter, the annual meetings of the Unit Owners shall be held on the 2nd Tuesday in January of each succeeding year. At such meetings the Board of Directors shall be elected in accordance with the requirements of Section 4.02 of these Bylaws.

Section 5.03. Place of Meetings: Meetings of the Unit Owners shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

Section 5.04. Special Meetings: It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by not less than twenty-five (25%) percent of the Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5.05. Notice of Meetings: It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners at least three (3) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Unit address or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5.06. Waiver of Notice: Any Unit Owner may at any time waive notice of any meetings of the Unit Owners in writing, and such waiver shall be deemed equivalent to the giving of such notice.

Section 5.07. Adjournment of Meetings: If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 5.08. Eligibility: Any person who acquires title to a Unit shall be a member of the Association. There shall be one membership for each Unit owned within the Condominium. Such membership shall be automatically transferred upon the conveyance of any Unit. Until the first meeting at which Unit Owners may vote,

the Association shall act without vote of the Unit Owners. Thereafter, each Unit Owner shall be entitled to vote.

Section 5.09. Voting: Voting shall be on a percentage basis and the percentage vote to which each Unit Owner is entitled is the percentage of undivided ownership assigned to his Unit in the Declaration as amended from time to time. A majority of the total percentage votes cast at a meeting at which quorum is present shall be binding upon all Unit Owners for all purposes except when a higher percentage is required by these Bylaws, the Declaration, or by law.

Section 5.10. Votes in the Event of Multiple Ownership of a Unit: In the event a Unit is owned by more than one person, if such persons cannot agree upon the exercise of their right to vote pursuant to the Bylaws, each person shall have a fractional vote based upon his fractional share of ownership of the Unit. A co-owner of a Unit may permit the other co-owner of the Unit to vote his interest by furnishing the other co-owner with a proxy. In the absence of any co-owner, a vote for a whole Unit cast by a co-owner shall be held to be by valid proxy of the absent co-owner, unless challenged at the time the vote is cast.

Section 5.11. Order of Business: The order of business at all meetings of the Unit Owners shall be as follows, to the extent required:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Report on committees.
- (g) Call for nominations for the Board of Directors (at annual meetings).
- (h) Election of members of the Board of Directors (at annual meetings).
- (i) Unfinished business.
- (j) New business.
- (k) Adjournment.

Section 5.12. Parliamentary Procedure: At all meetings of the Unit Owners or of the Board of Directors, Roberts' Rules of Order, as then amended, shall be followed, unless such Rules conflict with these Bylaws or the Declaration in which case these Bylaws or the Declaration shall prevail.

Section 5.13. Quorum: Except as otherwise provided in these Bylaws, the presence, in person or by proxy, of persons owning 33 and 1/3 percent of the total common interest in the Condominium shall constitute a quorum at any meeting of the Unit Owners.

Section 5.14. Proxies: Votes may be cast in person or by proxy. Proxies must be filed with the Secretary at or before the time of each meeting. A Unit Owner may designate any person, who need not be an Owner, to act as proxy. The designation of any such proxy shall be made in writing, signed by the Unit Owner, and shall be revocable at any time by written notice to the Secretary by the Unit Owner designating the proxy.

ARTICLE VI

Officers

Section 6.01. Designation: The principal officers of the Association shall be the President, the Vice President, and the Secretary/Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Directors. All officers shall be Unit Owners.

Section 6.02. Election of Officers: The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 6.03. Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose.

Section 6.04. President: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Unit Owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the laws of the State of Connecticut, including but not limited to, the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 6.05. Vice President: The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 6.06. Secretary: The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the laws of the State of Connecticut.

Section 6.07. Treasurer: The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and be responsible for the deposit of all monies and other valuable effects in the name of the Association, or the managing agent, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the laws of the State of Connecticut.

Section 6.08: Agreements, Contracts, Deeds, Checks, etc.: All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Directors.

Section 6.09. Compensation of Officers: No officer shall receive any compensation from the Association for acting as such.

ARTICLE VII

Operation of the Condominium

Section 7.01. Determination of Common Elements and Fixing of Common Charges: The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the Unit Owners according to their percentage of undivided ownership as established by the Declaration. The common expenses shall include, among other things (a) the costs of repairs and maintenance of the Common Elements and Limited Common Elements and (b) the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of Section 7.09 and the fees and disbursements of the insurance trustee, if any. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital for the Condominium, for a general operating reserve, a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The Board of Directors shall advise all Unit Owners, promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board of Directors, as aforesaid.

Section 7.02. Payment of Common Charges: All Unit Owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section 7.01 at such time or times as the Board of Directors shall determine.

(a) No Unit Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a sale, transfer, or other conveyance by him of such Unit, together with the Appurtenant Interests, as defined in Article VII. A grantee who acquires title to a Unit shall be liable for the payments of common charges assessed against such Unit prior to his acquisition of such Unit but not in excess of the amount set forth in any statement provided pursuant to Section 7.02 (b). In accordance with Connecticut General Statutes, Section 47-77 (b), any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Unit's unpaid dues or charges which accrue prior to the acquisition of title to such Unit by the mortgagee except as provided by statute.

(b) Upon the written request of a Unit Owner or his proposed grantee, the Board of Directors shall prepare a statement: (i) of all unpaid common charges assessed against the Unit to be transferred, (ii) of all capital expenditures anticipated by the Association within the twelve (12) months next following the date of the statement, and (iii) of the status and amount of any

reserve fund and whether any portion of such fund has been set aside for any specified purpose.

Section 7.03. Collection of Assessments: The Board of Directors shall assess common charges against the Unit Owners from time to time and at least annually and shall take prompt action to collect any common charge due from any Unit Owner which may remain unpaid for more than thirty (30) days from the due date for payment thereof.

Section 7.04. Default in Payment of Common Charges: In the event of default by any Unit Owner in payment of common charges as determined by the Board of Directors, such Unit Owner shall be obligated to pay interest at the rate of twelve (12%) percent per annum on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common charges. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by the provisions of the Unit Ownership Act of the State of Connecticut or by compromise thereof on such terms and conditions as it shall approve in its sole discretion. No such lien shall be prior to the lien of any mortgage on any one or more Units.

Section 7.05. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Directors to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall (subject to the prior right of any mortgagee on any one or more Units) be entitled to the appointment of a receiver to collect the same. The Board of Directors, acting on behalf of all Unit Owners, shall have the right to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant thereto, convey, or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges ("assessments") shall be maintainable without foreclosing or waiving the lien securing the same.

Section 7.06. Statement of Common Charges: The Board of Directors shall promptly provide any Unit Owner or Grantee requesting in writing a written statement of all unpaid common charges due from such Unit Owner with such a statement.

Section 7.07. Statement to Mortgagees: A first mortgagee, upon request, will be entitled to notification from the Association of any default in the performance by the individual Unit Borrower of any obligation under the Condominium documents which is not cured within sixty (60) days.

Section 7.08. Abatement and Enjoinment of Violations by Unit Owners: The violation of any rule or regulation adopted by the Board of Directors, or the breach of any Bylaw contained herein including the obligation to pay common charges, or the breach of any provision of the Declaration shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws:

(a) To enter the Unit in which, or as to which, such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing, or condition that may exist therein contrary to

the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass.

(b) To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach at the cost, including attorney's fees, of such Unit Owner.

(c) If the Board of Directors has adopted and published Rules and Regulations governing the use of the Common Elements or Limited Common Elements and the personal conduct of any person thereon violates those Rules and Regulations, to suspend such use by any such person for violation of such Rules and Regulations for a period not to exceed thirty (30) days for a single violation.

(d) To levy summary charges against a Unit Owner for such violation, in addition to any damages, provided that no summary charges may be levied for more than \$10.00 for any one violation, but each day a violation continues after notice, it shall be considered a separate violation. Collection of charges for damages of summary charges may be enforced against the Unit Owner or Owners involved as if the charge were a common charge owed by the particular Unit Owner or Owners.

Section 7.09. Maintenance and Repairs:

(a) Units: All maintenance of and repairs to any Unit, structural or non-structural, ordinary or extraordinary, shall be at the sole cost and expense of the Owner of such Unit. All other repairs shall be performed by the Association in accordance with Section 7.11. Each Unit Owner shall be responsible for all damages to any and all other Units, the Common Elements and/or the Limited Common Elements caused intentionally, negligently, or by his failure properly to maintain, repair, or make replacements to his Unit. The replacement of exterior window glass shall be at the sole cost and expense of the Unit Owner.

(b) Common Elements: All maintenance, repairs, and replacements to the Common Elements and the Limited Common Elements (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board of Directors and be charged to all the Unit Owners as a common expense.

Section 7.10. Insurance: To the extent available, the Board of Directors shall obtain and maintain blanket hazard insurance policies covering the condominium property as set forth herein. All insurance affecting the Condominium shall be governed by the provisions of this Article.

A. Physical Damage: The Property and all of the personal property owned by the Association shall be insured, for the benefit of the Association, the Unit Owners, and mortgagees of Units, against risk of physical damage as follows:

(1) Amounts: As to property, a master policy affording fire, extended coverage and additional perils in an amount sufficient for repair or replacement of the buildings and improvements or portions of the buildings and improvements that in whole or in part comprise the Common Elements with reasonable deductibles and coinsurance clause as the Board of Directors deems appropriate.

(2) Risks Insured Against: The insurance shall afford protection against loss or damage by reason of:

(a) Fire and other perils normally covered by extended coverage;

(b) Vandalism and malicious mischief;

(c) Such other risk of physical damage as from time to time may be customarily covered with respect to buildings and improvements similar in construction, location, and use as those on the Property of the Condominium, including, without limitation, builder's risk coverage for improvements under construction; and

(d) Such other risks of physical damage as the Board of Directors may from time to time deem appropriate.

(3) Other Provisions: The insurance shall include, without limitation, the following provisions:

(a) Waivers by the insurer of rights of subrogation, other than those based on fraud or criminal acts, against the Association and the Unit Owners;

(b) That the insurance shall not be affected or diminished by reason of any other insurance carried by any Unit Owner or mortgagee of a Unit;

(c) That the insurance shall not be affected or diminished by any act or neglect of any Unit Owner or any occupants or owners of any improvements when such act or neglect is not within the control of the Association;

(d) That the insurance shall not be affected or diminished by failure of any Unit Owner or any occupants or owners of any improvements to comply with any warranty or condition when such failure to comply is not within the control of the Association;

(e) That the insurance may not be canceled or substantially modified (except for the addition of property or increases in amount of coverage) without at least thirty (30) days prior written notice both to the named insured and to the named mortgagees.

(f) Provisions for identification of mortgagees of Units and for the allocation of their several interests to specific Units;

(g) The standard mortgagee clause, except that any loss otherwise payable to named mortgagees shall be payable in the manner set forth in Section 7.10 (A) (3) (j);

(h) Adjustment of loss shall be made with the Board of Directors of the Association;

(i) Proceeds for losses shall be payable to the Board of Directors, as trustee, subject to the prior rights of mortgagees of Declarant under the terms of the mortgages held by them on one or more Units; and

(j) All insurance coverage shall be written in the name of the Association for the benefit of each of the Unit Owners and their mortgagees as their interests may appear on the percentages of their undivided interest in the Common Elements.

(4) Evidence of Insurance: Certificates of insurance signed by an agent of the insurer, together with copies of all endorsements thereto shall be delivered to all Unit Owners and mortgagees of Units at the times such policies are issued, and of any subsequent changes in values of limits therein or termination thereof.

(5) Definition: As used in this Section, the term "the Property" shall exclude fixtures, alterations, installations, or additions situated within a portion of the Property used exclusively by an individual Unit Owner and made or acquired at the expense of an individual Unit Owner of that portion of the Property.

B. Liability Insurance: The Board of Directors shall obtain and maintain a master liability insurance policy in the minimum amount of \$1,000,000 as required by Section 47-83 of the Connecticut General Statutes, insuring the Association, the Board of Directors, the Manager (at the discretion of the Board of Directors), and each Unit Owner with respect to his liability arising from ownership, maintenance, or repair of the Common Elements and/or Limited Common Elements, including, without limitation, liability arising from construction operations. Such liability insurance shall also cover cross-liability claims among Unit Owners and the Association. The Board of Directors shall review such limits at least annually. The insurance provided under this Section shall include, without limitation, the following provisions.

(1) That the insurance shall not be affected or diminished by any act or neglect of any Unit Owner or any occupants or owners of any improvements when such act or neglect is not within the control of the Association;

(2) That the insurance shall not be affected or diminished by failure of any Unit Owner or any occupants or owners of any improvements to comply with any warranty or condition when such failure to comply is not within the control of the Association; and

(3) Waivers by the insurer of rights of subrogation, other than those based on fraud or criminal acts, against the Association and the Unit Owners.

C. Workmen's Compensation Insurance: The Board of Directors shall obtain, if necessary, Workmen's Compensation Insurance to meet the requirements of the laws of the State of Connecticut.

D. Other Insurance: The Board of Directors is authorized to obtain and maintain such other insurance as it may from time to time deem appropriate.

Section 7.11. Damage to or Destruction of Property:

A. Duty of Repair or Restore: Property damaged or destroyed shall be repaired or restored promptly by the Association except as provided in Section 47-84 (b) of Connecticut General Statutes and Sections 7.09, and 7.11 (E) and (F).

B. Estimate of Cost: Promptly after damage to or destruction of the Property, and thereafter as it deems advisable, the Board of Directors shall obtain reliable and detailed estimates of the cost of repair or restoration.

C. Collection of Construction Funds: Construction funds may consist of the following:

(1) Insurance Proceeds: The Board of Directors shall adjust losses under physical damage insurance policies of the Association. Such losses shall be payable in accordance with Section 7.10 (A) (3) (j).

(2) Condemnation Awards: Condemnation awards shall be payable in accordance with Article XV of the Declaration.

(3) Assessments against Unit Owners: If the insurance proceeds and condemnation awards are insufficient to effect the necessary repair or restoration of Common Elements, such deficiency shall be charged against all Unit Owners as a common expense.

(4) Payments by Unit Owners: Payments received from Unit Owners pursuant to Section 7.11 (E).

(5) Payments by Others: Any other funds received by the Board of Directors on account of or arising out of injury or damage to the Property.

D. Plans and Specifications: Any repair or restoration must be either substantially in accordance with the architectural and engineering plans and specifications for the original buildings, and shall also include such improvements and fixtures as may have been installed by any particular Unit Owner and as to which payment for such repair or reconstruction is forthcoming, or according to plans and specifications approved by the Board of Directors and by a majority of the Unit Owners and the holders of first mortgages encumbering fifty-one (51%) percent of the undivided interest in the Common Elements subject to mortgages; and if the damaged property contains any Units, by all of the Owners of the Units therein, which approvals shall not be withheld unreasonably.

E. Units: Damage to or destruction of improvements situated within a Unit shall be repaired or restored by the Association (except for ordinary maintenance and repairs pursuant to Section 7.09 and except a determination not to repair or restore pursuant to Section 7.11 (F) hereof) as follows:

To the extent that such damage or destruction is not covered by insurance of the Association or by a condemnation award specifically allocated to the Unit Owner, such Unit Owner shall be responsible for the cost of repair and restoration and shall pay to the Board of Directors such sum as is necessary, according to the estimate of cost described in Section 7.11 (B), to cover any part of the cost of repair or restoration which is not covered by insurance of the Association or by a condemnation award not specifically allocated to the Unit Owner, provided,

however, that the Association shall proceed with the repair of the Unit only when, as, and if funds are provided, as set forth herein.

F. Determination not to Repair or Restore: If the Condominium is damaged to the extent of two-thirds (2/3) of its then replacement cost, and the Unit Owners owning an aggregate of seventy-five (75%) percent of the total common interest in the Condominium, and the holders of mortgage liens affecting at least seventy-five (75%) percent of the total common interest in the Condominium vote not to proceed with repair or restoration, the Condominium shall be deemed terminated and the Property remaining shall be deemed owned in common by the Unit Owners, as provided in the Unit Ownership Act, subject, however, to the prior rights of mortgagees of Declarant and subject to the provisions of the Declaration.

Section 7.12. Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions

(a) All units shall be used for residential purposes only.

(b) A unit owner shall not make structural modifications, alterations in his unit.

(c) No unit owner shall subdivide a unit into two or more specific dwelling units.

(d) A Unit Owner does grant right of entry to the management agent or to any other person authorized by the Board of Directors or the Association in case of any emergency originating in or threatening his Unit, whether the Owner is present at the time or not.

(e) The Board of Directors may adopt and enforce such regulations as they deem appropriate or necessary in the management of the Condominium. All regulations shall be adopted by the Directors at a meeting duly called for the purpose and shall require a majority vote of all the Directors then serving. A copy of all regulations adopted by the Board of Directors shall be mailed to each Condominium Owner and shall at all times be available for inspection in the principal office of the Condominium. If a regulation adopted by the Board of Directors has received a vote of a majority of Owners at a regular or special meeting of Unit Owners and is promulgated as provided herein or is set forth herein, the Board of Directors may levy a fine, not to exceed \$10.00 for a single violation, for each violation thereof.** Any fine so levied is to be considered a Common Charge to be paid by the particular Unit Owner involved, and collection may be enforced by the Board of Directors in the same manner as they are entitled to enforce collection of Common Charges.

(f) Rules and Regulations as established as of the date of the filing of these Bylaws are annexed hereto and made a part hereof as if fully recited herein.

Section 7.13. Additions, Alterations, or Improvements by the Board of Directors. Whenever in the judgement of the Board of Directors the Common Elements shall require additions, alterations, or improvements costing in excess of \$100.00, and the making of such additions, alterations, or improvements shall have been approved by a majority in interest of the Unit Owners, the Board of

Section 7.13. Additions, Alterations, or Improvements by the Board of Directors. Whenever in the judgement of the Board of Directors the Common Elements shall require additions, alterations, or improvements costing in excess of \$100.00, and the making of such additions, alterations, or improvements shall have been approved by a majority in interest of the Unit Owners, the Board of Directors shall proceed with such additions, alterations, or improvements and shall assess all Unit Owners for the cost thereof as a common charge. Any additions, alterations, or improvements costing \$100.00 or less may be made by the Board of Directors without approval of the Unit Owners or any mortgagees of Units and the costs thereof shall constitute part of the common expenses.

Section 7.14. Additions, Alterations, or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration, or improvements in or to any building nor shall he paint or otherwise decorate or change the appearance of any portion of the exterior of any building without the prior written approval thereto of the Board of Directors. Any application to the City of Stamford or to any department or to any other governmental authority for a permit to make an addition, alteration, or improvement in or to any Unit shall be executed by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors or any of them to any contractor, sub-contractor, or materialman on account of such addition, alteration, or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 7.14 shall not apply to Units owned by Declarant until such Units shall have been initially conveyed by Declarant.

Section 7.15. Use of Common Elements: A Unit Owner shall not place or cause to be placed in the Common Elements other than the areas designated as storage areas, any furniture, packages, or objects of any kind. The public areas shall be used for no purpose other than for normal transit through them. No aerials or other items shall be attached to the outside of the building or suspended from a door or window in the building. The outside Common Elements shall be used for any reasonable and appropriate purpose.

Section 7.16. Use of Limited Common Elements: Limited Common Elements as defined and set forth in Exhibit M of the Declaration of Condominium shall be used by those parties designated in said Exhibit.

Section 7.17. Right of Access: Each Unit Owner shall grant a right of access to his Unit to the manager and/or the managing agent and/or any other person authorized by the Board of Directors for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or Common Element or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services (or other Common Elements) in his Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 7.17, any costs of repairs shall be borne in accordance with the provisions of Section 7.09.

Section 7.18. Utilities: Each unit is supplied with 100 amp electrical service separately metered and billed. Each unit has its own television outlet and telephone outlet. Hot water and heat are provided through common hot water heaters and oil fired hot water boiler fed radiators. Water is provided by the Town of Seymour through common facilities.

ARTICLE VIII

Mortgages

Section 8.01. Notice to Board of Directors: A Unit Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his mortgagee. Upon request, the Unit Owner shall provide the Board of Directors with a conformed copy of his note and mortgage.

Section 8.02. Notice of Unpaid Common Charges: The Board of Directors whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid common charges due from, or any other default by, the Owner of the mortgaged Unit.

Section 8.03. Notice of Default: The Board of Directors when giving notice to a Unit Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Directors, but the Board of Directors shall have no responsibility for failure to give such notice to the mortgagee of such Unit.

Section 8.04. Examination of Books: Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Association during regular business hours on business days, but not more often than once a month.

ARTICLE IX

Restrictions Upon Sales, Leases, and Mortgages of Units

Section 9.01. Appurtenant Interests: As used herein Appurtenant Interests shall mean: (1) the undivided percentage interest in the Common Elements appurtenant to a Unit and (2) the interest of such Unit Owner in any other assets of the Condominium.

Section 9.02. No Severance of Ownership: No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interest, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interest of any Unit may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

ARTICLE X

Tort Liability

Each Unit Owner shall be deemed to have released and exonerated each other Unit Owner and the Association, and the Association shall be deemed to have released and exonerated each Unit Owner, from any tort liability other than that based on fraud or criminal acts to the extent to which such liability is satisfied by proceeds of liability insurance carried by a Unit Owner or by the Association.

ARTICLE XI

Records

Section 11.01. Records: The Declarant and the Association shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of the Unit Owners and accounting records according to generally accepted accounting practices. Such records shall include: (a) a record of all receipts and expenditures; (b) an account for each Unit which shall designate the name and address of each Unit Owner, the amount of each assessment, the dates on which the assessment comes due, the amounts paid on the account, and the balance due; (c) a record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements; and (d) an accurate account of the current balance in the reserve for replacement and for emergency repairs.

Section 11.02. Annual Report: An Annual Report of the receipts and expenditures of the Condominium Association, prepared by an independent public accountant, shall be tendered by the Board of Directors to all Unit Owners. The Annual Report will be a certified audit if requested in accordance with Section 47-81 of the Connecticut General Statutes.

Section 11.03. Examination of Records: Records maintained by the Declarant, by the Association, or by the manager shall be available for examination and copying by any Unit Owner, his duly authorized agents or attorneys, at the expense of the Unit Owner, during normal business hours and after reasonable notice.

ARTICLE XII

Rights of First Mortgagees

Notwithstanding anything contained herein to the contrary, unless at least seventy-five (75%) percent of the first mortgagees (based upon one vote for each first mortgage owned), or owners (other than the sponsor, developer or builder) of the individual Condominium Units have given their prior written approval, the Condominium Home Owners Association shall not be entitled to:

(1) by act of omission, seek to abandon or terminate the Condominium project;

(2) change the pro rata interest or obligations of any individual Condominium Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (ii) determining the pro rata share of ownership of each Condominium Unit in the Common Elements;

(3) partition or subdivide any Condominium Unit;

(4) by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium project shall not be deemed a transfer within the meaning of this clause); and

(5) use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for other than the repair replacement, or reconstruction of such Condominium Property, except as provided by statute in case of substantial loss to the Units and/or Common Elements of the Condominium project.

ARTICLE XIII

Lease

A unit owner intending to lease a unit or any interest therein shall give to the Association notice of the prospective lease together with the name and address of the intended leasee and a copy of the intended lease agreement. The lease shall contain a specific agreement on the part of the intended leasee that the leasee shall be bound by and shall agree to the Declaration of Condominium, Bylaws and Rules and Regulations. The lease shall further provide that in the event that the leasee violates the terms and conditions of the Declaration, Bylaws and Rules and Regulations of the Condominium, that the lease shall be terminated. In the event a unit owner leases his unit, he shall be liable to the Association for the full and faithful compliance with the Declaration, Bylaws and all Rules and Regulations by the leasee. The unit owner shall cure any failure of the leasee to comply with the Declaration, Bylaws and Rules and Regulations of the Condominium within Five (5) days of written notice. In the event the unit owner and/or leasee fails to cure the complained of violation within the Five (5) day period, the unit owner shall immediately commence an action in summary process to obtain possession of the leased premises. In the event the unit owner fails to commence a summary process action as above prescribed, the Association may, as the unit owner's agent, commence an action in summary process in the unit owner's name to terminate the respective leasee's rights to possession in the unit; and, the legal fees, costs and damages sustained by the Association necessary to the prosecution of the summary action and termination of the leasee's right to possession shall be specially assessed against the unit owner, and shall be payable to the Association in monthly installments not to exceed \$100.00 per month.

ARTICLE XIV

Miscellaneous

Section 14.01. Notices: All notices hereunder shall be sent registered or certified mail to the Board of Directors, care of the managing agent, or if there be no managing agent, to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time by notice in writing to all Unit Owners and to all mortgagees of Units. All notices to any Unit Owner shall be sent by registered or certified mail to the Unit address or to such other address as may have been designated by them from time to time, in writing, to the Board of Directors. All notices to mortgagees of Units

shall be sent by registered or certified mail to their respective addresses, as designated by such Unit Owner from time to time, in writing, to the Board of Directors, provided however, that the Board of Directors shall not be liable for any failure to notify any mortgagee. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 14.02. Invalidity: The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws.

Section 14.03. Captions: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 14.04. Gender: The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 14.05. Waiver: No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XV

Amendments to Bylaws

These Bylaws may be altered, amended, or added to at any duly called meeting of Unit Owners, provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by Unit Owners holding more than a fifty (50%) percent interest in the aggregate of the undivided ownership; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. No amendment will affect or impair the validity or priority of Unit Owners and holders of a mortgage encumbering a Unit or Units nor the validity of priority of any other proper liens, nor any rights or remedies of any mortgagee of Declarant under the terms of any mortgage on any one or more Units without the consent of seventy-five (75%) percent of the Unit Owners and all mortgagees of Units. No amendment made to these Bylaws shall be contrary to Section 47-80 of the Connecticut General Statutes. No amendment may be made to these Bylaws contrary to any right of the Declarant pursuant to Section 4.03 of the Bylaws.

ARTICLE XVI

Conflicts

These Bylaws are set forth to comply with the requirements of the Unit Ownership Act of the State of Connecticut, as provided for in the Connecticut General Statutes as amended. In the case of any conflict between these Bylaws and the provisions of the Unit Ownership Act or the Declaration, the provisions of said Statutes or of the Declaration, as the case may be, shall control. Invalidity of any Section of these Bylaws shall only render that Section invalid, all other Sections remain in full force and effect.

ARTICLE XVII

Notice To Federal Home Loan Mortgage Corporation (FHLMC)

In the event of any loss to or taking of the common elements of the condominium, and such loss or taking exceeds Ten Thousand (\$10,000.00) Dollars, or in the event there is damage to a unit which is covered by a mortgage purchased in whole or in part by the Federal Home Loan Mortgage Corporation (FHLMC), which ownership by the Federal Home Loan Mortgage Corporation (FHLMC) exceeds One Thousand (\$1,000.00) Dollars, the Association of the Unit Owners and/or the Board of Directors of the Association shall give to the Federal Home Loan Mortgage Corporation (FHLMC) notice in care of the servicer, at such servicer's address, in writing, of any such loss or taking.