

**DECLARATION
OF
CARLSON'S RIDGE
NEW MILFORD, CONNECTICUT**

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DECLARATION

CARLSON'S RIDGE

Pulte Homes of New England, LLC a Michigan limited liability company with an office at 257 Turnpike Road, Suite 200, Southborough, Massachusetts, does hereby declare:

ARTICLE I

SUBMISSION OF PROPERTY

Declarant submits the Property in the Town of New Milford, Connecticut described in Exhibit A-1, to the provisions of the Common Interest Ownership Act, [Chapter 828] of the Connecticut General Statutes, for the purpose of creating Carlson's Ridge, a condominium development.

ARTICLE II

DEFINITIONS

In the Common Interest Community Documents, the following words and phrases mean:

Section 2.1 - Act. The Common Interest Ownership Act, [Chapter 828] of the Connecticut General Statutes.

Section 2.2 - Allocated Interests. The undivided interest in the Common Elements, the Common Expense liability, and Votes in the Association, allocated to the Units in the Common Interest Community. The Allocated Interests are described in Article X of the Declaration and shown on Exhibit A-2.

Section 2.3 - Association. Carlson's Ridge Homeowner's Association, Inc., a non-stock corporation organized under the laws of the State of Connecticut. It is the Association of Unit Owners pursuant to Section 47-243 of the Act.

Section 2.4 - By-laws. The Bylaws of the Association, as they may be amended from time to time.

Section 2.5 - Common Elements. All portions of the Common Interest Community other than the units. The Declarant is the initial owner of the Common Elements. Each Unit Owner will be transferred its allocated interest in the Common Elements as an appurtenance to the conveyance of each individual unit.

Section 2.6 - Common Expenses. The expenses for the operation of the Common Interest Community as set forth in Section 20.1 of this Declaration.

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Section 2.7 - Common Interest Community. The real property described in Exhibit A-1, subject to the Declaration - Carlson's Ridge.

Section 2.8 - Declarant. Pulte Homes of New England, LLC a Michigan limited liability company, or its successor as defined in Section 47-202(12) of the Act.

Section 2.9 - Declaration. This document, including any amendments.

Section 2.10 - Development Rights. The rights reserved by the Declarant under Section 9.1 of this Declaration.

Section 2.11 - Director. A member of the Executive Board.

Section 2.12 - Documents. The Declaration, Survey and Plans recorded and filed pursuant to the provisions of the act, the by-laws and the rules, as they may be amended from time to time. Any exhibit, schedule or certification accompanying a document is a part of that document.

Section 2.13 - Eligible Mortgagee. The holder of a first Security Interest in a unit which has notified the Association in writing of its name and address and that it holds a first security interest in a unit. Such notice shall be deemed to include a request that the eligible mortgagee be given the notices and other rights described in Article XIX.

Section 2.14 - Eligible Insurer. An insurer or guarantor of a first Security Interest in a unit which has notified the Association in writing of its name and address and that it has insured or guaranteed a first Security Interest in a unit. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Article XIX.

Section 2.15 - Executive Board. The Board of Directors of the Association.

Section 2.16 - Improvements. Any construction or facilities existing or to be constructed on the land included in the Common Interest Community, such as buildings, paving, utility wires, pipes, and light poles.

Section 2.17 - Limited Common Elements. A portion of the Common Elements allocated by the Declaration or by the operation of [Subsection (2) or (4) of Section 47-221 of the Act for the exclusive use of one or more but fewer than all of the Units. The Limited Common Elements in this Common Interest Community are described in Article VI of the Declaration.

Section 2.18 - Manager. A person, firm or corporation employed or engaged to perform management services for the Common Interest Community and the Association.

Section 2.19 - Notice and Comment. The right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. These provisions are set forth in Section 25.1 of the Declaration.

Section 2.20 - Notice and Hearing. The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. These provisions are set forth in Section 25.2 of the Declaration.

Section 2.21 - Person. An individual, corporation, business trust, estate, trust, limited liability company, limited liability partnership, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

Section 2.22 - Plans. The plans filed with the Declaration as Exhibit A-4, as they may be amended or supplemented from time to time.

Section 2.23 - Property. The land, all improvements, easements, rights and appurtenances, which have been submitted to the provisions of the Act by this Declaration.

Section 2.24 - Rules. Rules for the use of Units and Common Elements and for the conduct of persons within the Common Interest Community, adopted by the Executive Board pursuant to this Declaration or the Bylaws.

Section 2.25 - Security Interest. An interest in real property or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 2.26 - Special Declarant Rights. Rights reserved for the benefit of the Declarant to maintain sales offices, management offices, signs advertising the Common Interest Community and models within the Common Interest Community; and to appoint or remove any officer of the Association or any Executive Board Member during any period of Declarant Control; and to install and use easements through the Common Elements for the purpose of making improvements within the Common Interest Community, and to exercise any other rights enumerated in Article IX of the Declaration.

Section 2.27 - Survey. The survey filed with the Declaration as Exhibit A-3, as it may be amended or supplemented from time to time.

Section 2.28 - Unit. A physical portion of the Common Interest Community designated for separate ownership or occupancy the boundaries of which are described in Section 5.3 of this Declaration.

Section 2.29 - Unit Owner. The Declarant or other person who owns a unit. Unit Owner does not include a person having an interest in a Unit solely as security for an obligation. The Declarant is the initial owner of any Unit created by this Declaration.

Section 2.30 - Votes. The votes allocated to each Unit as shown on Exhibit A-2. Any specified percentage, portion, or fraction of Unit Owners, unless otherwise stated in the Instruments, means the specified percentage portion or fraction in the aggregate of such portion of Votes. No votes allocated to a Unit owned by the Association may be cast. Votes in the Executive Board or a committee shall be on the basis of one vote per person holding the office. Votes may be cast by written consent to corporate action, by proxy, by voting at a meeting, or by absentee written ballot.

ARTICLE III

NAME AND TYPE OF COMMON INTEREST COMMUNITY AND ASSOCIATION

Section 3.1 - Common Interest Community. The name of the Common Interest Community is Carlson's Ridge. The Common Interest Community is a Condominium.

Section 3.2 - Association. The name of the Association is Carlson's Ridge Homeowner's Association, Inc. It is a non-stock corporation organized under the laws of the State of Connecticut.

ARTICLE IV

DESCRIPTION OF LAND

The entire Common Interest Community is situated in the Town of New Milford, Connecticut. A legal description of the Common Interest Community is found at Exhibit A-1.

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ARTICLE V

MAXIMUM NUMBER OF UNITS; BOUNDARIES

Section 5.1 - Number of Units. The Common Interest Community contains two (2) residential Units. The Declarant may create an additional forty-six (46) residential Units and additional Common Elements and Limited Common Elements to the Common Interest Community to result in a total of forty-eight (48) residential Units within the Common Interest Community. The Common Interest Community has a maximum area of 33.134 acres. There will be a maximum average of one and one-half (1.5) units per acre within the Common Interest Community.

Section 5.2 - Identification of Units. All Units are identified by number and are shown on the Survey or Plans or both. The Units created by this initial Declaration are shown on Exhibits A-3 and A-4 to this Declaration.

Section 5.3 - Boundaries. Boundaries of each Unit created by the Declaration are shown on the Survey and Plans as numbered Units with their identifying number and are described as follows:

- (a) **General:** Walls, floors, windows, exterior doors and ceilings are designated as boundaries of a Unit. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof are a part of the Unit, and all other portions of the walls, floors, windows, exterior doors and ceilings are a part of the Common Elements. Boundaries are more particularly described as follows:
- (b) **Upper Boundary:** The horizontal or sloping plane or planes of the undecorated or unfinished lower surfaces of the ceiling bearing structure surfaces, beams and rafters, each extended to an intersection with the vertical perimeter boundaries.
- (c) **Lower Boundary:** The horizontal plane or planes of the upper surfaces of the garage floor extended to an intersection with the vertical perimeter boundaries.
- (d) **Vertical Perimeter Boundaries:** The planes defined by the unfinished inner surfaces of the perimeter walls; the unfinished inner surfaces of the interior trim, and thresholds along perimeter walls and floors; the unfinished inner surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of wall surfaces of all interior bearing studs and framing of bearing

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walls, columns, bearing partitions, and partition walls between separate units.

- (e) **Inclusions:** Each Unit shall include the spaces and Improvements lying within the boundaries described in Section 5.3 (a), (b), and (c) and (d) above, and shall also contain any pipes, wires, ducts and conduits situated in the perimeter walls of the Unit serving only that Unit.
- (f) **Exclusions:** Except when specifically included by other provisions of Section 5.3, the following are excluded from each Unit: The spaces and Improvements lying outside of the boundaries described in Section 5.3 (a), (b), and (c) and (d) above; and all chutes, pipes, flues, ducts, wires, conduits, skylights, windows, doors and other facilities running through or within any inferior wall or partition for the purpose of furnishing utility and similar services to other Units or Common Elements or both.
- (g) **Inconsistency with Plans:** If this definition is inconsistent with the Survey and Plans, then this definition shall control.

ARTICLE VI

LIMITED COMMON ELEMENTS

Section 6.1 - Limited Common Elements. The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

- (a) If any chute, flue, duct, wire, conduit, bearing wall, bearing column or any other fixture lies outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element the use of which is limited to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.
- (b) Any shutters, awnings, window boxes, doorsteps, stoops, porches, decks, balconies, patios and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries are Limited Common Elements allocated exclusively to that Unit and their use is limited to that Unit.
- (c) Any space heating, water heating and air conditioning apparatus and all electrical switches, television, telephone and electrical receptacles and light switches serving one unit exclusively, but located outside the Unit's boundaries are limited Common

Elements allocated exclusively to that Unit and their use is limited to that Unit.

- (d) Each meter box enclosure shall be a limited common element appurtenant to the Units that are served by the utility meters located therein.

As to each of the foregoing: (i) In the case of a Limited Common Element assigned to a single unit, the owner of that unit is hereby vested with a right and exclusive easement in and to such Limited Common Element; and (ii) in the case of a Limited Common Element assigned to more than one Unit, each owner of a unit to which such Limited Common Element is assigned is hereby vested with a right and non-exclusive easement in and to such Limited Common Element; as an appurtenance to the particular Unit or Units as described above.

ARTICLE VII

MAINTENANCE REPAIR AND REPLACEMENT

Section 7.1 - Common Elements. The Association shall maintain, repair and replace all of the Common Elements, except the portions of the Limited Common Elements which are required by this Declaration to be maintained, repaired or replaced by the Unit Owners.

Section 7.2 - Units. Each Unit Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, except the portions thereof to be maintained, repaired or replaced by the Association.

Section 7.3 - Limited Common Elements. Each Unit Owner shall be responsible for the maintenance, repair and replacement of those Limited Common Elements described in Article VI Subsection 6.1 (c) of this Declaration. The Association shall be responsible for the maintenance, repair and replacement of all other Limited Common Elements. All storm and screen windows and doors, whether interior or exterior, shall be the property of the Unit Owner to which they are attached and shall be furnished, installed, maintained, repaired and replaced at the sole expense of such Unit Owner, provided, however, that there shall not be any change, replacement or repair of any of the above items without the prior approval of the Executive Board. The cost of maintenance and repair of any privacy screen or screened-in porch shall be borne by the Unit Owner to whose appurtenant patio or deck it is attached. If any privacy screen or screened-in porch is not maintained, repaired or replaced to the Executive Board's satisfaction, the Association may, at their sole and absolute discretion, cause the maintenance, repair or replacement to be performed and assess the cost of same to the owner(s) of the units benefitting from such work. Said assessment shall be a common

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expense constituting a lien on the Unit(s) until paid. The fences located between each of the Units are not to be considered privacy screens for the purposes of this provision.

Section 7.4 - Access. Any person authorized by the Executive Board shall have the right of access to all portions of the property for the purpose of correcting any condition threatening a Unit or the Common Elements, and for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing, replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the affected Unit Owner. In case of an emergency, no such request or notice shall be required and such right of entry shall be immediate, whether or not the Unit Owner is present at the time.

Section 7.5 - Repairs Resulting From Negligence. Each Unit Owner shall reimburse the Association for any damages to any other Unit or to the Common Elements caused intentionally, negligently or by his or her failure to properly maintain, repair or make replacements to his or her Unit. The Association shall be responsible for damage to Units caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements.

ARTICLE VIII

SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS

There are no subsequently allocated Limited Common Elements within the Carlson's Ridge Common Interest Community.

ARTICLE IX

DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

Section 9.1 - Reservation of Development Rights. The Declarant reserves the following Development Rights:

- (a) The right to add Units and Limited Common Elements on those parcels of land described in Exhibit A-6 and as delineated as "Development Rights Reserved in this Area" on the survey, Exhibit A-3.
- (b) To amend and Supplement this Declaration and the survey and floor plans and exhibits as may be reasonably necessary or desirable to facilitate the practical, technical, administrative or functional integration of Units and Limited Common Elements into the Common Interest Community in the exercise of the Declarant's Development Rights in those areas shown as "Development Rights

Reserved in this Area" as defined in Exhibits A-3 and A-6 hereto into the Carlson's Ridge Condominium Project.

- (c) The right to construct underground or overground utility lines, pipes, wires, ducts, conduits, and other facilities over, under, on and across the land shown on the survey for the purpose of furnishing utility and other services to the buildings and improvements proposed to be constructed on the land shown on the survey as "Development Rights Reserved in This Area." The Declarant also reserves the right to grant easements to the Town of New Milford, if required, and other municipal authorities, and to public utility companies, and to convey improvements within those easements anywhere in the Common Interest Community for municipal and public utility purposes.
- (d) The right to subdivide Units into Units, Limited Common Elements, and Common Elements.
- (e) The right to convert Units into Common Elements.
- (f) The right to add unspecified real property pursuant to Section 47-241.
- (g) The right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the land not designated "Development Rights Reserved in this Area" on the Survey for the purpose of furnishing utility and other services to buildings and Improvements to be constructed on the land designated on the Survey as "Development Rights Reserved in this Area." The Declarant also reserves the right to withdraw and grant easements to municipalities or utility companies and to convey Improvements within those easements anywhere in the Common Interest Community for the above-mentioned purposes. If the Declarant grants any such easements, Schedule A-1 will be amended to include reference to the recorded easement.

Section 9.2 - Limitations on Development Rights. The Development Rights reserved in Section 9.1 are limited as follows:

- (a) The Development Rights may be exercised at any time, but not more than ninety-nine (99) years after the recording of the initial Declaration.
- (b) Not more than a total of forty-eight (48) Units may be created in the Common Interest Community.

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- (c) The quality of construction of any buildings and improvements to be created on the property shall be consistent with the quality of those constructed pursuant to this Declaration as initially recorded. However, architectural styles for newly created Units may vary and designs may be modified to accommodate site conditions.
 - (d) No units created pursuant to the Development Rights will be restricted entirely to residential use. However, the primary use of all Units so created will be residential and will only allow home professional pursuits and occupations as permitted by the Town of New Milford Zoning Regulations and not requiring regular visits from the public or unreasonable levels of mail, shipping, storage or trash.
 - (e) No Development Rights may be exercised unless approved pursuant to Section 19.5 of this Declaration.

Section 9.3 - Phasing of Development Rights. Any Development Right may be exercised with respect to the area in which the Declarant has reserved Development Rights at different times, and no assurances are made by the Declarant regarding the boundaries of such portions, or the order in which those portions may be subjected to the exercise of Development Rights. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions.

Section 9.4 - Special Declarant Rights. The Declarant reserves, the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Common Interest Community:

- (a) To maintain sales offices, management offices, models and signs advertising the Common Interest Community.
- (b) To appoint or remove any officer of the Association or any Executive Board Member during any period of Declarant Control subject to the provisions of Section 9.6 of this Declaration.
- (c) To exercise any Development Right reserved in this Declaration.
- (d) To use and create easements through the Common Elements for the purpose of making improvements within the Common Interest Community or for the purpose of exercising any Development Rights, including the right to create easements for purposes of access and the installation of utilities.
- (e) To use easements through the Common Elements for the purpose of making improvements within the Common Interest Community;

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- (f) To appoint or remove any officer of the Association or any Executive Board member during any period of Declarant control.

Section 9.5 - Models, Sales Offices and Management Offices. As long as the Declarant is a Unit Owner, the Declarant and its duly authorized agents, representatives and employees may maintain any Unit owned by the Declarant or any portion of the Common Elements as a model unit or sales office or management office.

Section 9.6 - Improvements Under Construction; Declarant's Easement. The Declarant reserves the right to modify and vary the interior design, layout and arrangement of any Unit, and the size, location, type and model of unsold Units, and the size, location and exterior design of buildings, provided that the Units shall remain substantially the same in size, materials and other particulars and that such modifications do not result in an increase of obligations with respect to Common Elements of any unit owner, other than Declarant, at the time of such modifications and that the overall design remains essentially the same as that shown on the plans shown to purchasers. The Declarant reserves the right to perform warranty work, repairs, construction work; to store materials in secure areas and in Units and Common Elements; and the further right to control all such work and repairs, and the right of access thereto, until its completion. All work may be performed by the Declarant without the consent or approval of the Executive Board. The Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant's Rights, arising under the Act or reserved in the Declaration.

Section 9.7 - Signs and Marketing. The Declarant reserves the right to post signs and displays in the Common Elements to promote sales of Units, and to conduct general sales activities, in a manner as will not unreasonably disturb the rights of Unit Owners.

Section 9.8 - Declarant's Personal Property. The Declarant reserves the right to retain all personal property and equipment used in sales, management, construction and maintenance of the premises that has not been represented as property of the Association. The Declarant reserves the right to remove from the property any and all goods and improvements used in development and marketing and construction whether or not they have become fixtures.

Section 9.9 - Declarant Control of the Association.

- (a) Subject to Subsection 9.9(b): There shall be a period of Declarant control of the Association, during which the Declarant, or persons designated by it, may appoint and remove the officers and members of the Executive Board. The period of Declarant control terminates no later than the earlier of: (1) Sixty days after conveyance of sixty percent of the Units that may be created to Unit Owners other than a Declarant; (2) Two years after all

Declarants have ceased to offer Units for sale in the ordinary course of business; or (3) Two years after any right to add new units was last exercised; or, (4) the date the Declarant, after giving written notice to Unit Owners, records an instrument voluntarily suspending all rights to control activities of the Association. A Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of that period, but in that event the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

- (b) Not later than sixty days after conveyance of one-third of the Units that may be created to Unit Owners other than a Declarant, at least one member and not less than one-third of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.
- (c) Except as otherwise provided in subsection 8.10(a), not later than the termination of any period of Declarant control the Unit Owners shall elect an Executive Board of at least three members, at least a majority of whom shall be Unit Owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.
- (d) Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Unit Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Executive Board with or without cause, other than a member appointed by the Declarant.

Section 9.10 - Limitations on Special Declarant Rights. Unless sooner terminated by a recorded instrument executed by the Declarant, any Special Declarant Right may be exercised by the Declarant so long as the Declarant is obligated under any warranty or obligation, owns any units or land subject to Special Declarant Rights, or any Security Interest in any Units, or for ninety-nine (99) years after the recording of the initial Declaration whichever is sooner. Earlier termination of certain rights may occur by statute.

Section 9.11 - Interference With Special Declarant Rights. Neither the Association nor any Unit Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

ARTICLE X

ALLOCATED INTERESTS

Section-10.1 - Allocation of Interests. The table showing Unit numbers and their allocated interests is attached as Exhibit A-2. These interests have been allocated in accordance with the formulas set out in this Article X.

Section 10.2 - Formulas for the Allocation of Interests. The Interests allocated to each Unit have been calculated on the following formulas:

- (a) **Undivided Interest in the Common Elements.** The percentage of the undivided interest in the Common Elements allocated to each Unit is based on one equal share assigned to each Unit, regardless of the size of each Unit, divided by the total number of units that have been created. The maximum extent to which the above will be changed will be determined by the total number of Units that are added to Carlson's Ridge. Thus, if all Units are created, each Unit shall have a one/forty-eighth (1/48) share of the Common Expense liability.
- (b) **Liability for the Common Expenses.** The percentage of liability for Common Expenses allocated to each Unit will be equal to the percentage of the undivided interest in the common elements allocated to each Unit within the Common Interest Community. Nothing contained in this subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article XX of this Declaration.
- (c) **Votes.** Each residential Unit in the Common Interest Community shall have one equal vote. In the event of the exercise of Development Rights by the Declarant as herein set forth, each additional Unit so created shall have one equal vote.

ARTICLE XI

RESTRICTIONS ON USE, ALIENATION OR OCCUPANCY

Section 11.1 - Use and Occupancy Restrictions. Subject to the Special Declarant Rights reserved under Article IX, the following use restrictions apply to all Units and to the Common Elements:

- (a) Each Unit is restricted to residential use as a single family residence except for home professional pursuits not requiring regular visits from the public or unreasonable levels of mail,

shipping, trash or storage requirements. No sign indicating commercial or professional uses may be displayed outside a Unit. A single family residence is defined as a single housekeeping Unit, operating on a non-profit, non-commercial basis, between its occupants, cooking and eating with a common kitchen and dining area, with no more overnight occupants than two per bedroom as designated on the plans on file with the building official of the Town of New Milford.

- (b) The use of Units and Common Elements is subject to the Bylaws and Rules of the Association.
- (c) No change shall be made in, the color of any exterior window, door, window covering, glass or screen of a unit, except with the prior written consent of the Executive Board. All window covering, or other such covering of the exterior doors and windows, shall be uniform in color as prescribed by the Executive Board. The unit owner shall not cause anything to be affixed, attached to, hung, displayed or placed on the exterior walls, including awnings and/or storm shutters, doors or windows of the building, nor shall the unit owner grow any type of plant, shrubbery, flower, vine, or grass outside his unit, except with the prior written consent of the Executive Board, and further, when approved, subject to the rules and regulations adopted by the Executive Board. No clothes line or similar device shall be allowed on any portion of the condominium property nor shall clothes be hung anywhere except where designated by the Executive Board.
- (d) Garages are restricted to use by the Unit Owners as storage and as a parking space for vehicles. By regulation, the Association may provide additional restrictions with respect to type restrictions and permitted uses within the Garages.
- (e) Nothing may be done or kept in any Unit that will increase the rate of insurance of the buildings, or the contents thereof, beyond the rates applicable for residential apartments without prior written consent of the Executive Board. No Unit Owner may permit anything to be done or kept in his Unit that will result in the cancellation of insurance on any of the buildings, or the contents thereof, or that would be in violation of any law.
- (f) All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof will be observed. Each Unit Owner will be obligated to maintain his own Unit and keep it in good order and repair.

- (g) Except pursuant to the provisions of this Declaration, nothing may be done to any Unit that will impair the structural integrity of the building or buildings or which will structurally change them. No Unit Owner may do any work which may jeopardize the soundness or safety of the Property, reduce the value thereof, or impair any easements, right of purchase, or any interest constituting a Common Element.
- (h) Notwithstanding any of the provisions of this Section, as long as the Declarant is a Unit Owner, the Declarant and its duly authorized agents, representatives, and employees may use any Unit owned by the Declarant or any portion of the Common Elements as a model Unit or sales office. The Declarant may enter the Unit to complete construction and perform warranty work. The Declarant may also enter into short-term leases on a day-to-day basis as a part of providing temporary occupancy to purchasers prior to closing. The Declarant may also maintain management offices, signs, and displays advertising the Common Interest Community.
- (i) The association may adopt rules and regulations that affect the use or occupancy of units that may be used for residential purposes only to: (1) Prevent any use of the unit which violates the declaration; (2) regulate any occupancy of a unit which violates the declaration or adversely affects the use and enjoyment of other units or the common elements via the unit owners; (3) or restrict the leasing of residential units to the extent the rules are reasonably designed to meet underwriting requirements of institutional lenders who regularly purchase or insure first mortgages on units in common interest communities. Provided, however, no such restriction affecting the use or occupancy of a unit shall be affected unless it has been recorded on the land records under the name of the association as grantor and grantee.
- (j) The use of the Units and Common Elements is subject to the Declaration, and to the Bylaws and the Rules of the Association.
- (k) For any period during which any Common Expense assessment remains unpaid or, after Notice and Hearing, for any period not to exceed thirty (30) days, for any infraction of its published Rules, the Executive Board may suspend the right to use Common Elements not necessary to give access to a public street.

Section 11.2 - Restrictions on Alienation. A Unit may not be conveyed pursuant to a time sharing plan as defined under Chapter 734b of the Connecticut General Statutes. A Unit may not be leased for a term of less than one (1) year. All

leases and rental agreements shall be in writing and subject to the requirements of the documents and the Association. Under a lease, the occupancy of each Unit is restricted by the terms of Section 116-030 of the New Milford Zoning Regulations to no more than three (3) individuals, one of whom must be fifty-five (55) years of age or older (the "Senior Resident") and one (1) of whom may be a child of twenty-one (21) years of age or older. In no event shall any occupant be under twenty-one (21) years of age. There is no restriction on the amount for which a Unit may be sold or otherwise transferred. However, Units may not be purchased for investment purposes, i.e., by a person or entity not intending to occupy the Unit. Notwithstanding the foregoing, a nonresidence family member may purchase up to one Unit for persons who will reside in the Unit.

Section 11.3 - Occupancy Restrictions.

- (a) Except for those activities that are conducted as a part of the marketing and construction that the Declarant is obligated to complete pursuant to reservations of its easement pursuant to Section 47-235 of the Act and the use for sales purposes reserved pursuant to Section 47-234 of the Act and the construction and development program of the Successor Declarant under such reservation, no industry, business, trade or commercial activities, other than home professional pursuits, employees, public visits or non-residential storage, mail, or other uses of a Unit shall be conducted, maintained, or permitted. A single project "For Sale" sign, not exceeding the area permitted for builders under the New Milford Zoning Regulations, advertising Units on which construction is being undertaken, after the issuance of the initial building permit, and until one year following the issuance of the final initial certificate of occupancy for the Unit may be posted at the entrance of the community, and a sign not exceeding 12 square feet in area may be posted on each Unit on which construction is being undertaken for such period.
- (b) No storage of trash will be permitted within or outside of any building in such a manner as to promote the spread of fire or encouragement of vermin.
- (c) In the event any sales or service tax is imposed upon a Unit that is not owner-occupied or that is otherwise not imposed equally on all Unit Owners, the landlord or other Unit Owner will pay such tax through the Association as an additional Common Expense Assessment. The Association may require certificates of status from Unit Owners in order to enforce and determine applicability of such impositions.
- (d) Single families shall be defined as a group of individuals living together as a single, noncommercial, nonprofit household, cooking and eating together with a common kitchen and dining area. The following forms of occupancy are prohibited: single family residences containing three or

more individuals who may or may not be unrelated, who are: (a) supervised under an institutional or governmental program related to a mental illness, handicap, or mental retardation that, by its character or activities, would impose additional supervision, security, administration, or insurance burdens on the Association; or (b) persons in transition from incarceration. Nothing shall prohibit the unsupervised ownership, occupancy, or other accommodation of persons by virtue of their mental retardation, handicap, or familial status as defined by the federal Fair Housing Act.

- (e) **Age Restriction.** Occupancy of each Unit is restricted by the terms of Section 116-030 of the New Milford Zoning Regulations to no more than three (3) individuals, one of whom must be fifty-five (55) years of age or older (the "Senior Resident"), and one (1) of whom may be a child of twenty-one (21) years of age or older. In no event shall any occupant be under twenty-one (21) years of age.
- (f) Notwithstanding the foregoing, in the event that the Senior Resident dies or enters into a long-term care facility, if his or her spouse (the "Remaining Spouse") is a resident at such time, the Remaining Spouse may thereafter acquire title to such Unit or continue to reside in the Unit, so long as the Remaining Spouse is twenty-one (21) years of age or older. PROVIDED, HOWEVER, that in the event of the remarriage of the Remaining Spouse or in the event that the Remaining Spouse cohabitates with another individual, said new spouse or individual must be fifty-five (55) years of age or older, and in the event of the subsequent sale of the Unit, the above-described restriction regarding use by a Senior Resident shall fully apply.

ARTICLE XII

EASEMENTS, LICENSES

All easements or licenses to which the Common Interest Community is subject are listed in Exhibit A-1 to the Declaration. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to its powers.

Section 12.1 - General. The recording data for recorded easements and licenses appurtenant to or included in the Common Interest Community or to which any portion of the Common Interest Community is or may become subject by virtue of a reservation in this Declaration is recited in Exhibit A-1 to this Declaration.

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Section 12.2 - Easement of Unit Owners in Common Elements. Subject to the provisions of this Declaration, and of Subdivision (6) of Subsection (a) of Section 47-244 of the Act, and of Sections 47-254 of the Act, the Unit Owners are hereby vested with an easement:

- (a) In the Common Elements for purposes of access to their Units; and
- (b) To use the Common Elements for all other purposes consistent with this Declaration, the provisions of all municipal, state and federal laws, ordinances, rules and regulations.

ARTICLE XIII

ALLOCATION AND REALLOCATION OF LIMITED COMMON ELEMENTS

No limited Common Element depicted on the Survey or Plans may be reallocated except as part of a reallocation of boundaries of Units pursuant to Article XV of this Declaration.

Section 13.1 - Allocation of Limited Common Elements Not Previously Allocated. There are no subsequently allocated Limited Common Elements within the Common Interest Community.

ARTICLE XIV

Section 14.1 - Additions, Alterations and Improvements by Unit Owners.

- (a) A Unit Owner:
 - (i) May make any improvements or alterations to the interior of his or her Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Common Interest Community; and
 - (ii) May not change the appearance of the Common Elements, or the exterior appearance of a Unit or any other portion of the Common Interest Community, without permission of the Executive Board; and
 - (iii) After acquiring an adjoining Unit or an adjoining part of an adjoining Unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the

Common Interest Community. Removal of partitions or creations of apertures under this Subdivision is not an alteration of boundaries.

- (b) A Unit Owner may submit a written request to the Executive Board for approval to do anything that he or she is forbidden to do under Section 14.1(a)(ii). The Executive Board shall answer any written request for such approval, after notice and hearing within 60 days after the request thereof. Failure to do so within such time shall not constitute a consent by the Executive Board to the proposed action. The Executive Board shall review requests in accordance with the provisions of its rules.
- (c) Any applications to any department or to any governmental authority for a permit to make any addition, alteration or improvement in or to any Unit shall be executed by the Association only. Such execution will not, however, create any liability on the part of the Association or any of its members to any contractor, subcontractor 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.
- (d) All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the owners of any Units other than those affected by such change.

The provisions of this section shall not apply to the Declarant in the exercise of any special Declarant Right.

Section 14.2 - Additions, Alterations and Improvements by Executive Board. Subject to the limitations of Section 20.5 and 20.6 of this Declaration, the Executive Board may make any additions, alterations or improvements to the Common Elements which, in its judgment, it deems necessary.

ARTICLE XV

RELOCATION OF BOUNDARIES BETWEEN ADJOINING UNITS

Section 15.1 - Application and Amendment. Subject to approval of any structural changes pursuant to Article XIV, the boundaries between adjoining units may be relocated by an amendment to the Declaration on application to the Association by the owners of those Units. If the owners of the adjoining Units have specified a reallocation between their Units of their allocated interests, the application shall state the proposed reallocations. Unless the Executive Board determines, within thirty days after receipt of the application, that the reallocations are unreasonable, the Association shall consent to the reallocation and prepare an amendment to this Declaration that

identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment shall be executed by those Unit Owners, contain words of conveyance between them, and the approval of all holders of security interests in the affected Units shall be endorsed thereon. On recordation the amendment shall be indexed in the name of the grantor and the grantee, and in the name of the Association.

Section 15.2 - Recording Amendments. The Association shall prepare and record Surveys or Plans necessary to show the altered boundaries between adjoining Units, and their dimensions and identifying numbers.

The applicants shall pay for the costs of preparation of the amendment to this Declaration, including any Surveys and Plans, and for their recording, including all attorney's fees incurred in connection therewith.

ARTICLE XVI

AMENDMENTS TO DECLARATION

Section 16.1 - General. Excepting cases of amendments that may be executed by the Declarant in the exercise of its Development Rights, or by certain Unit Owners under Section 5.1 of this Declaration and Section 47-237 of the Act, and except as limited by Section 6.4 and Article XIX of this Declaration, this Declaration, including the Surveys and Plans may be amended only by vote or agreement of Unit Owners of Units to which at least 67% of the votes in the Association are allocated.

Section 16.2 - Limitation of Challenges. No action to challenge the validity of an amendment adopted by the Association pursuant to this section may be brought more than one year after the amendment is recorded.

Section 16.3 - Recordation of Amendments. Every amendment to this Declaration shall be recorded in the Land Records of the Town of New Milford and is effective only on recording. An amendment except an amendment pursuant to Article XV of this Declaration, shall be indexed in the grantee's index in the name of the Common Interest Community and the Association and in the grantor's index in the name of the parties executing the amendment.

Section 16.4 - Amendments Relating to the Use of Units, Etc. Any amendment relating to the use of a Unit, the relocation of boundaries between Units and Common Elements, or the extension or creation of Development Rights may be approved by the affirmative vote or agreement of Owners of Units to which eighty (80%) percent or more of the votes in the Association are allocated; provided, however that said approval complies with the requirements of Section 47-236(j) of the Act.

Section 16.5 - Execution of Amendments. Amendments to this Declaration required by the Act to be recorded by the Association, which have been adopted in

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accordance with this Declaration and the Act, shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

Section 16.6 - Special Declarant Rights. Provisions in the Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.

Section 16.7 - Consent of Holders of Security Rights. Amendments are subject to the consent requirements of Article XIX.

Section 16.8 - Development Rights Amendments. To exercise any Development Right reserved under Section 9.1 of this Declaration, the Declarant shall prepare, execute and record an amendment to the Declaration. If necessary, the Declarant shall also record new surveys and plans necessary to conform to the requirements of Subsections (a), (b) and (d) of Section 47-228 of the Act and an amended Schedule A-2 to this Declaration.

The amendment to the Declaration shall assign an identifying number to each new Unit created and allocate the allocated interests among all Units within the Common Interest Community. The amendment shall describe any Common Elements, Limited Common Elements and Units created thereby and designate the Unit to which each Limited Common Element is allocated to the extent required by Subsection 47-227(a) of the Act.

ARTICLE XVII

AMENDMENTS TO BYLAWS

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

ARTICLE XVIII

TERMINATION

Termination of the Common Interest Community may be accomplished only in accordance with Section 47-237 of the Act.

ARTICLE XIX

MORTGAGEE PROTECTION

Section 19.1 - Introduction. This article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain

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Security Interests. This Article is supplemental to, and not in substitution for, any other provisions of the Documents, but in the case of conflict, this Article shall control.

Section 19.2 - Percentage of Eligible Mortgagees. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding First Security Interests in Units which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Units then subject to Security Interests held by Eligible Mortgagees.

- (a) **Eligible Mortgagee:** The holder of a first Security Interest on a Unit who has notified the Association, in writing, of its name and address, and that it holds a mortgage on a Unit. Such notice shall be deemed to include a request that the Eligible Mortgagee be given notices and other rights described in this Article.
- (b) **Eligible Insurer:** An insurer or guarantor of a first Security Interest who has notified the Association in writing of its name and address and that it has insured or guaranteed a first Security Interest on a Unit. Such notice shall be deemed to include a request that the eligible insurer be given the notices and other rights described in this Article.
- (c) **Percentage of Eligible Mortgagees:** Wherever in this Article the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent by Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them such specified percentages of votes in the Association when compared to the total allocated to all Units then subject to Security Interests held by Eligible Mortgagees.

Section 19.3 - Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee and eligible insurer of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Common Interest Community or any Unit in which there is a first Security Interest held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable.
- (b) Any delinquency in the payment of Common Expense assessments owed by a Unit Owner whose Unit is subject to a first Security Interest held, insured, or guaranteed, by such Eligible Mortgagee or Eligible Insurer, which remains uncured for a period of 60 days.

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- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 19.4.
- (e) Any judgment rendered against the Association.

Section 19.4 - Consent Required.

- (a) **Document Changes.** Notwithstanding any lower requirement permitted by the Declaration or the Act, no amendment of any material provision of the Documents by the Association or Unit Owners described in this Subsection 19.4(a) may be adopted without the vote of at least 67% of the Unit Owners (or any greater Unit Owner vote required in the Declaration or the Act) and until approved in writing by at least 51 % of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by the Declaration). Material includes, but is not limited to, any provision affecting:
 - (i) Increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens, or subordination of assessment liens;
 - (ii) Voting rights;
 - (iii) Reductions in reserves for maintenance, repair and replacement of Common Elements;
 - (iv) Responsibility for maintenance and repairs;
 - (v) Reallocation of interests in the Common Elements or Limited Common Elements (except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only the Eligible Mortgagees holding a Security Interest in such Units must approve such action);
 - (vi) Rights to use Common Elements and Limited Common Elements;
 - (vii) Redefinitions of Boundaries of Units (except that when boundaries of only adjoining units are involved, or a unit is being subdivided, then only those unit Owners are the

Eligible Mortgagees holding Security Interests in such Unit or Units must approve such action);

- (viii) Convertibility of Units into Common Elements or Common Elements into Units;
- (ix) Expansion or contraction of the Common Interest Community, or the addition, annexation or withdrawal of property to or from the Common Interest Community; except with respect to the addition to the Common Interest Community of common elements, limited common elements and units pursuant to the exercise of the Declarant's development rights pursuant to Article IX of this Declaration;
- (x) Hazard or fidelity insurance requirements;
- (xi) Imposition of restrictions on leasing of units;
- (xii) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (xiii) A decision by the Association of a project that consists of fifty (50) or more units to establish self-management when professional management previously existed and had been required previously by an Eligible Mortgagee of a Unit;
- (xiv) Restoration or repair of the property (after a hazard damage or partial condemnation) in a manner other than that specified in the Documents;
- (xv) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation; and
- (xvi) Any provision that expressly benefits mortgage holders, insurers or guarantors.

(b) **Actions.** Notwithstanding any lower requirement permitted by the Declaration or the Act, the Association may not take any of the following actions, other than rights reserved to the Declarant as Special Declarant Rights without the approval of at least 51% of the Eligible Mortgagees or such higher percentage as set forth herein:

- (i) Convey or encumber the Common Elements or any portion thereof (as to which a 67% Eligible Mortgagee approval is required). (The granting of easements for public utilities or

for other public purposes consistent with the intended use of the Common Elements by the Common Interest Community shall not be deemed a transfer within the meaning of this clause);

- (ii) The termination of the Common Interest Community, for reasons other than substantial destruction or condemnation, as to which a 67% Eligible Mortgagee approval is required;
 - (iii) The alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), in which case only the owners of Units affected and Eligible Mortgagees of those Units need approve the action; and
 - (iv) The merger of this Common Interest Community with any other Common Interest Community.
- (c) The Association may not change the period for collection of regularly budgeted Common Expense Assessments to other than monthly without the consent of all Eligible Mortgagees. The Association can accept prepayment of Common Expense Assessments, and may in its discretion, authorize discounts for such prepayment.
- (d) The failure of an Eligible Mortgagee to respond within 30 days to any written request of the Association for approval of a non-material addition or amendment to the Documents shall constitute an implied approval of the addition or amendment.

Section 19.5 - Development Rights and Special Declarant Rights. No Development Rights may be exercised or voluntarily abandoned or terminated by the Declarant unless all persons holding Security Interests in the Development Rights or Security Interests in the Property which are senior to the Declaration consent to the exercise, abandonment or termination of said Development Rights.

Section 19.6 - Inspection of Books. The Association shall permit any Eligible Mortgagee and Eligible Insurer to inspect the books and records of the Association during normal business hours.

Section 19.7 - Financial Statements. The Association shall provide any Eligible Mortgagee or Eligible Insurer which submits a written request, with a copy of an annual financial statement of the Association within 90 days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if:

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- (a) the Common Interest Community contains fifty or more Units, in which case the cost of the audit shall be a Common Expense; or
- (b) any Eligible Mortgagee requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

Section 19.8 - Enforcement. The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors, and may be enforced by any of them by any available means, in law, or in equity.

Section 19.9 - Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible Insurer may attend any meeting which a Unit Owner may attend.

Section 19.10 - Appointment of Trustee. In the event of damage or destruction under Article XXIII or condemnation of all or a portion of the Common Interest Community, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to Section 23.2(d)(v). Such Trustee may be required to be a corporate trustee licensed by the State of Connecticut. Proceeds will thereafter be distributed pursuant to Section 24.4 or pursuant to a condemnation award. Unless otherwise required, the members of the Board of Directors, acting by majority Vote through the president, may act as Trustee.

ARTICLE XX

ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 20.1 - Definition of Common Expenses. Common Expenses shall include:

- (a) Expenses of administration, maintenance, and repair or replacement of the Common Elements;
- (b) Expenses declared to be Common Expenses by the Documents or by the Act;
- (c) Expenses agreed upon as Common Expenses by the Association; and
- (d) Such reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or hold by the Association.