

BY-LAWS

WALNUT BEACH CONDOMINIUM ASSOCIATION, INC.

ARTICLE I
NAME, SEAL AND OFFICES

Section 1. Name: The name of this corporation is WALNUT BEACH CONDOMINIUM ASSOCIATION, INC. ("Association").

Section 2. Seal: The seal of the Association shall be circular in form and shall bear the words "Corporate Seal". The Board of Directors may change the form of the seal or the inscription thereon at its pleasure.

Section 3. Offices: The principal office of the Association shall be at East Broadway, Milford, Connecticut, or at such other place as the Board of Directors may from time to time designate.
See Rev. of 8-4-81

ARTICLE II
PURPOSE

Section 1. Non-Profit Basis: 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 1. Unit Ownership: The property located on East Broadway in the Town of Milford, County of New Haven and State of Connecticut, as shown on a certain map entitled "Map 'A' Plan of Survey of property in Milford, Conn. prepared for: WALNUT BEACH CONDOMINIUM Scale : 1" = 40' July 9, 1973 Revised Nov 21, 1973 to show underground electrical & gas layouts; and to show parking areas and spaces, and sidewalks Rvsd to Nov 30, 1973 Fuller & Co., Inc. Engineers & Surveyors 1301 Wood Ave., B'p't., Conn. "

and has been submitted to the provisions of the Unit Ownership Act of the State of Connecticut by the Declaration of Beach Development Corp., recorded in the office of the Town and City Clerk of said Town of Milford, Connecticut, simultaneously herewith.

Section 2. Applicability of Bylaws: The provision of these Bylaws are applicable to the property of the Condominium, and to the use and occupancy thereof.

Section 3. Personal Application: All present and future Unit Owners, mortgagees, lessors, and occupants of the Units and their employees, and any other person 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 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 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.

Section 4. Definitions: The definitions of words and terms contained in the Declaration, Article II, shall apply to those words and terms as used in the Bylaws.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number and Qualifications: The affairs of the Condominium shall be operated by the Association, which in turn shall be governed by a Board of Directors consisting of five (5) persons, each of whom shall have one vote. Until the first meeting at which the Unit Owners may vote, the Board of Directors shall consist of five (5) persons who shall be designated or removed at the will of the Developer. The terms of at least one-third of such Board shall expire annually. From and after the first meeting at which the Unit Owners may vote, the Board of Directors shall be composed of five (5) persons, all of whom shall be Unit Owners, 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, a corporation, in a fiduciary capacity, or otherwise, then and in such event, such Unit Owner or Owners shall designate one (1) person having an ownership interest in such Unit, and such Person all be eligible for election to the Board of Directors provided, however, that in the case of corporate ownership, any designated officer or employee of such corporation shall be eligible to represent the ownership interest of such Unit. Upon the first election of the Board of Directors by the Unit Owners, such Board of Directors shall be divided into two (2) classes of three and two directorships respectively. The Unit Owners shall elect from among themselves by Majority vote three (3) directors to serve for a period of two (2) years, two (2) directors to serve for a period of one (1) year. At the expiration of this initial term of office of each director, his successor shall be elected to serve for a period of two (2) years. The directors shall hold office until their successors have been elected.

Section 2. 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 as are not by law or by the Bylaws directed to be exercised and done by the Unit Owners. 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 Areas.

(b) Determination of the Common Expenses required for the affairs of the Condominium.

(c) The collection of the Common Charges from the Unit Owners.

(d) The employment and dismissal of the personnel necessary for the maintenance, repair, replacement and operation of the Common Areas.

(e) Opening of bank accounts in the name of the Association and designating the signatories required therefor.

(f) Purchasing or leasing or otherwise acquiring the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease, or surrendered by their Unit Owners to the Board of Directors or to the Association.

(g) Purchasing of Units at foreclosure or other judicial sales in the name of the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(h) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Directors) or otherwise dealing with Units acquired by, and sub-leasing Units leased by the Association or its designee, corporate or otherwise, on behalf of all Unit Owners.

(i) Organizing corporations to act as designees of the Association in acquiring title to or leasing Units on behalf of all Unit Owners.

(j) Granting of licenses over the Property.

(k) Obtaining insurance on the Condominium, including Units.

(l) Making of repairs, additions and improvements to or alterations to and restoration of the Property.

(m) Leasing or otherwise acquiring the right to use, either exclusively or in common with others, recreational and other facilities for the benefit of Unit Owners.

(n) Adopting and amending reasonable Rules and Regulations governing the conduct of all people on the Property and the operation and use of the Condominium. The Board shall have the power to levy fines against the Unit Owners for violation thereof, for which they are responsible, provided that no fine may be levied for more than \$5.00 for any one violation; but for each day a violation continues after notice, it shall be considered a separate violation. Collection of fines may be enforced against the Unit Owner or Owners responsible as if the fines were a Common Charge owed by the particular Unit Owner or Owners.

(o) The Board of Directors may also enforce, by any legal means, the provisions of the Unit ownership Act, the Declaration, the Bylaws, and the Rules and Regulations for the use of the Condominium.

Section 3. Management: The Board of Directors may employ for the Condominium a manager, at a compensation established by the Board, to perform such duties and services as the Board shall authorize, or may enter into contracts or agreements with a managing agent and with any person, firm or corporation to perform such duties and services. The Board of Directors may authorize such manager, managing agent or such other person, firm or corporation engaged to perform such services to perform the duties listed in sub-sections (a), (c), (d) (k) and (l) of Section 2 and other duties consistent therewith, (provided the Board of Directors shall approve all insurance contracts) but shall not delegate to the manager, managing agent or person, firm or corporation engaged to perform such services, the powers of the Board of Directors set forth in sub-section (b), (e), (f) (g), (h), (i), (j), (m), (n), and (o) of Section 2.

Section 4. Removal of Directors: At any time after the first meeting of Unit Owners at which they may vote as hereafter provided, at any regular or special meeting of the Unit Owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Unit Owners following notice thereof in the call of the meeting and a successor may then and there or thereafter be elected to fill the vacancy thus created.

Section 5. Vacancies: Vacancies on 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 regular or special meeting of the Board of Directors held promptly after the occurrence of any such vacancy, even though the members present at such meeting shall 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 his successor shall be duly elected.

Section 6. Organization Meeting. The first regular meeting of the members of the Board of Directors following a meeting of the Unit Owners at which Directors are elected, shall be held within ten days thereafter at such time and place as shall be fixed by the Unit Owners at such meeting. No notice shall be necessary to the members of the Board of Directors in order legally to constitute such a meeting, providing a quorum shall be present at such first regular meeting.

Section 7. 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 Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given by the Secretary to each Director personally or by mail or telegraph at least three days prior to the day named for the meeting.

Section 8. Special Meetings: Special meetings of the Board of Directors may be called by the president on three days' notice to each director, given personally or by mail 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 at least two members of the Board of Directors.

Section 9. 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 shall constitute a waiver of notice by him of the time and place thereof. If all members of the Board are present at any meeting of the Board, no notice shall be required and any business may be transacted at such a meeting.

Section 10. 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 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 11. Fidelity Bonds: The Board of Directors shall obtain adequate fidelity bonds for all officers, employees and agents of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a Common Expense.

Section 12. Compensation: No member of the Board of Directors shall receive any compensation from the Association for acting as a director.

Section 13. Liability of the Board of Directors: The members of the Board of Directors shall not be liable to the Association or to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless, to the extent permitted by law, each of the members of the Board of Directors against all liability arising out of their conduct on behalf of the Association, unless such conduct shall have been in bad faith. 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 (except as Unit Owners). It is also intended that the liability of any Unit Owner arising out of any contract made by the Association or out of the aforesaid indemnity in favor of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the Common Areas bears to the interest of all Unit Owners in the Common Areas.

Section 14. Fiscal Year: The Board of Directors shall establish a fiscal year.

ARTICLE V UNIT OWNERS

Section 1. Eligibility: Any Person who acquires title to a Unit in the Condominium Property 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 such Condominium Unit. Until the first meeting at which Unit Owners may vote, the Association shall act without the vote of the Unit Owners. Thereafter, each Unit Owner shall be entitled to vote.

Section 2. First Voting Meeting: The first meeting at which members may vote shall be held within thirty (30) days after the sale of the last Unit by the Declarant, or within thirty (30) days after five years following the recording on the land records of the Declaration, or within thirty (30) days after declared by the Declarant, or upon a petition pursuant to the Unit Ownership Act whichever event shall first occur, on the call of the president.

Section 3. Annual Meetings: Annual meetings shall be held on the third Tuesday of October. At and after the first meeting at which Unit Owners may vote, there shall be elected by ballot of the Owners, a Board of Directors in accordance with the provisions of Article IV, Section 1 of these Bylaws. The Owner may also transact such business at such meeting as may properly come before them.

see Revision Dec 8-4-81

Section 4. Place of Meetings: Meetings of the Unit Owners shall be held at the principal office of the Association or such other suitable place convenient to the Unit Owners as may be designated by the president..

Section 5. Special Meetings: It shall be the duty of the president to call a special meeting of the Unit Owners when so directed by resolution of the Board of Directors or after the first meeting at which Unit Owners may vote, upon petition signed by not less than 25% in common interest in the aggregate of 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 6. Notice of Meeting: It shall be the duty of the secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) 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 as recorded on the records of the Association, 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 7. 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 8. Adjourned 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 scheduled.

Section 9. 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 of Committees.

(g) Election of members of the Board of Directors.

(h) Unfinished Business.

(i) New Business.

(j) Adjournment.

Section 10. Parliamentary Procedure: At all meetings of the Unit Owners or of the Board of Directors, Roberts Rules of Order, as to such date amended, shall be followed, except in the event of conflict, these Bylaws or Declaration, as the case may be, shall prevail.

Section 11. Quorum: Except as otherwise provided in these Bylaws, the presence, in person or by proxy, of Unit Owners having one-third of the total authorized votes of all Unit Owners shall constitute a quorum at any meeting of the Unit Owners.

Section 12. 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.

See Revision dated 2-4-81

Section 13. 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. A Majority of the total votes cast at a meeting at which a quorum shall be 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 14: Votes in the Event of Multiple Ownership of a Unit: In the event a Unit is owned by more than one Owner, if the co-owners cannot agree upon how to exercise their right to vote pursuant to these Bylaws, each owner shall have a proportionate right to vote based upon his or her proportionate right to vote based upon his or her proportionate 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. A vote for a whole Unit cast by a co-owner shall be held to be by valid proxy of the other co-owners, unless challenged at the same meeting in which cast.

ARTICLE VI
OFFICERS

Section 1. Designation: The principal officers of the Association shall be the president, the vice-president, the secretary and the treasurer, all of whom shall be elected by the Board of Directors. Any officer or employee of a corporate, partnership or fiduciary Unit Owner shall be eligible for such election. The president and the vice president shall be elected from among the members of 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, who need not be Unit Owners.

Section 2. Election of Officers: The officers of the Association shall be elected annually by the Board of Directors at the first Meeting of each new Board of Directors and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers: Upon the affirmative vote of a Majority of members of the Board of Directors, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purposes.

Section 4. 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 the general powers and duties which are usually vested in the office of president of a corporation, organized under the laws of the State of Connecticut, including but not limited to the power to appoint committees 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 5. 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 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 assigned to him by the Board of Directors or by the president.

Section 6. 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 and these Bylaws may direct; he shall give all notices required by the Bylaws unless otherwise provided; and he shall, in general, perform all the duties incident to the office of secretary of a corporation organized under the laws of the State of Connecticut.

Section 7. Treasurer: The treasurer shall have the responsibility for Association funds and securities and shall keep the financial records and books of account in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, 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 corporation organized under the laws of the State of Connecticut.

Section 8. Signatories to Documents: All agreements, contracts, deeds, leases, checks and other documents of the Association shall be executed by any officer of the Association or by such other person or persons as may be designated by the Board of Directors. Vouchers for the payment of Association funds shall be approved by the treasurer before payment.

Section 9. Compensation of Officers: No officer shall receive any compensation from the Association for acting as such.

ARTICLE VII OPERATION OF THE CONDOMINIUM

Section 1. Determination of Common Expenses 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 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, and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners and to their mortgages upon request. The Common Expenses shall include, among other things:

(a) the cost of repairs and maintenance of the Common Areas and of the Limited Common Areas;

(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 Article X, including the fees and expenses of the Trustee;

(c) the cost of providing hot and cold water for the property, including all Units, and of providing electric power and gas to the property exclusive of the Units.

(d) such amounts as the Board of Directors may deem proper for the operation of the Condominium including without limitation an amount for its working capital, a general operating reserve, a reserve fund for replacements, and sums necessary to make up any deficit in the Common Expenses for any prior year;

(e) expenses incurred in leasing or otherwise acquiring the right to use either exclusively or in common with others, recreational or other facilities for the benefit of Unit Owners;

(f) such amounts as may be required for the purchase or lease by the Board of Directors, or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit, or of any Unit to be acquired by foreclosure proceedings or proceedings in lieu of foreclosure or which is to be sold at judicial sale.

Section 2. Payment of Common Charges: All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Directors monthly or at such other time or times as the Board of Directors shall determine. The Board may authorize Common Charges to be collected by a mortgagee of one or more units or by the Manager.

Section 3. No Waiver of Liability for Common Expenses: No Unit Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by abandonment of his Unit.

Section 4. Non-Liability After Conveyance: 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 shall be made pursuant to the provisions of these Bylaws.

Section 5. Successor's Liability for Common Charges: A grantee who acquires a Unit shall be liable for, and the Unit conveyed shall be subject to a lien for, any unpaid assessments against the Unit, but not in excess of the amount set forth in a statement provided under Section 6 herein and Article IX, Section 2.

Section 6. Statement of Common Charges: The Association shall promptly provide any Unit Owner or grantee or prospective grantee so requesting the same in writing, a written statement of all unpaid Common Charges or other assessments due from such Unit Owner.

Section 7. Default in Payment of Common Charges: In the event of default by any Unit Owner in paying to the Association the Common Charges as determined by the Board of Directors, such Unit Owners shall be obligated to pay interest at the rate of twelve percent (12%) per annum on such Common Charges from the due date thereof, together with all expenses, including attorneys' fees incurred by the Association in any proceeding brought to collect such unpaid charges. The Association shall attempt to recover such Common Charges, together with interest thereon, and the expenses of the proceeding including such attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit under powers granted by the Unit Ownership Act. See revision of § 4-81

Section 8. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Association to foreclose a lien on a Unit because of any unpaid Common Charges, the Unit Owner shall be required to pay reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Association acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant thereto (other than for the election of members of the Board of Directors), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the liens securing the same.

Section 9. Maintenance, Repair and Replacement:

(a) Common Areas: The Association shall maintain, repair and replace all of the Common Areas and Limited Common Areas, and in the event such maintenance, repair or replacement was caused by the negligence or misuse of a Unit Owner, such expense shall be charged to such Unit Owner.

(b) Units: Each Unit Owner shall maintain, repair and replace at his own expense, all portions of his Unit, except the portions thereof to be maintained, repaired and replaced by the Association. Each Unit Owner shall be responsible for damage to any other Unit or to the Common Areas caused by his failure to properly maintain, repair, or make replacement to his Unit.

Section 10. Additions, Alterations, or Improvements by Board of Directors: Whenever, in the judgment of the Board of Directors, the Common Areas and facilities shall require additions, alterations or improvements the cost of which increase the existing common charges by more than 20% and the making of such additions, alterations, or improvements shall have been approved at an annual or special meeting of the Unit Owners and by those mortgagees

holding mortgages constituting first liens upon ten (10) percent of the undivided interest in the Common Areas, ^{subject to mortgages} 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 the cost of which does not increase the existing common charges by more than 20% may be made by the Board of Directors without further approval of the Unit Owners or any mortgagees of the Units and the costs thereof will constitute part of the Common Expenses. While the Declarant owns five (5) or more of the Units, no capital improvements to the Property shall be made by the Association, the cost of which increase the existing common charges by more than 20% without the approval in writing of the Declarant.

Section 11. Additions, Alterations, or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration or improvement 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 prior written consent of the Board of Directors. The Board of Directors shall answer any written request for such approval within thirty (30) days after the receipt thereof, and failure to do so within such time shall constitute a consent by the Board of Directors to the proposed addition, alterations, or improvements. Any application 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, without, however, incurring any liability on the part of the Association or any of them to any contractor, sub-contractor, or material man on account of such additions, 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 shall not apply to Units owned by the Declarant until such Units shall have been initially conveyed by the Declarant and paid for.

Section 12. Water Charges: Initial installation of water service shall be supplied by the Declarant to each unit. Charges for water consumed for normal household use shall be deemed a common expense, but additional charges may be levied against any Unit Owner for excessive consumption of water, in the reasonable judgment of the Board of Directors.

Section 13. Electricity and Gas Charges: Electricity and gas shall be supplied by the Public Utility Company serving the area directly to each Unit through separate meters, and each Unit Owner shall be required to pay the bill for electricity and gas consumed or used in his Unit, and at his Limited Common Areas. The electricity and gas serving the remaining Common Areas shall be separately metered, and the Board of Directors shall pay all bills for electricity and gas consumed in such portions of the Common Areas as a Common Expense.

Section 14. Right of Access: Each Unit Owner shall grant a right of access to his Unit to the manager, or any other person authorized by the Association, or the manager, for the purpose of making inspections or for the

purpose of correcting any condition originating in his Unit and threatening another Unit or Common Area, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Areas in his Unit, provided that requests for entry are made in advance and that any such entry be 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.

ARTICLE VIII USE OF PROPERTY

Section 1. Restrictions on the 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) The units shall be used for residential purposes, plus any professional use permitted by zoning, except as use is reserved to the Declarant for sales or administration purposes.

(b) The Common Areas shall be used only for the purposes for which they are intended.

(c) No nuisances shall be allowed in the Property, nor any use or practice which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents.

(d) No immoral, improper or offensive or unlawful use shall be made of the Property or anypart thereof, and all valid laws, zoning ordinances and regulations of all Governmental bodies having jurisdiction thereof shall be observed. Provisions of the law, orders, Rules, Regulations or requirements of any Governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Unit Owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) A portion less than a whole Unit shall not be rented, and no transient tenants may be accommodated.

(f) Until all Units are initially sold by the Declarant, the Declarant may make such use of the unsold Units and Common Areas as may facilitate such completion and sale, including but not limited to maintenance of a sales office, the showing of the Property, and the display of signs. The Declarant may rent or lease any such Units.

(G) (H) (I) Sec Rev of 1-10-78

(K) Sec revision of 2-4-81

Section 2. Rules and Regulations: Rules and Regulations concerning the use of the Units and the Common Areas may be made and amended from time to time by the Board of Directors. Copies of such Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time the same shall become effective. The initial Rules and Regulations which shall be effective until amended by the Board of Directors as hereinbefore set forth, are annexed hereto as Schedule 1 which is made a part thereof by this reference.

Section 3. 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 obligation contained in the Bylaws, or the breach of any obligation contained in the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth by 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 exists therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, at the cost of the Unit Owner, with attorneys' fees in accordance with the local bar association schedule of minimum fees, either at law or in equity, the continuance of any such breach.

(c) To levy charges against any Unit Owner in the amount equal to damages sustained by virtue of such Unit Owner's violation of the intent and meaning of the provisions of these Bylaws or of the Rules and Regulations promulgated hereunder, or that of guests or tenants under his control upon finding thereof by the Board.

(d) To levy summary charges against a Unit Owner for such violation, in addition to such damages, provided that no summary charges may be levied for more than \$5.00 for any one violation; but for each day a violation continues after notice, it shall be considered a separate violation. Collection of charges for damages or 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.

ARTICLE IX MORTGAGES

Section 1. Notice to Association: A Unit Owner who mortgages his Unit or the mortgagee shall notify the Association of the name and address of the mortgagee and shall file a conformed copy of the mortgage with the Association. The Association shall maintain such information in a book entitled "Mortgages of Units" provided that the failure of a Unit Owner to do so shall not affect the validity of a mortgage. *See Revision of 8-4-81*

Section 2. Statement of Common Charges. The Association, whenever so requested in writing by a mortgagee or by a prospective 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 3. Notice of Default: The Association, 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 if the name and address of such mortgagee has previously been furnished to the Association.

Section 4. Examination of Books: Each mortgagee of a Unit shall be permitted to examine the books of account of the Association at a reasonable time, on business days.

ARTICLE X INSURANCE

Section 1. Coverage: To the extent available, the Association shall obtain and maintain insurance coverage as set forth in Sections 2, 3 and 4 hereof. All insurance affecting the Property shall be governed by the provisions of this Article.

Section 2. Physical Damage: All buildings and improvements (as defined in Subsection (e) hereof), 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 risks of physical damage as follows:

(a) Amounts: As to real property, for an amount equal to not less than one hundred (100) percent of its replacement cost; as to personal property, for an amount equal to its actual cash value. Prior to obtaining any insurance on real property under this Section, and at least annually thereafter, the Board of Directors shall obtain an appraisal from a qualified appraiser for the purpose of determining the replacement cost of such real property.

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

(1) All risk coverage including water damage and flood insurance to the extent reasonably available;

(2) Vandalism and malicious mischief;

(3) 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, including without limitation, Builder's risk coverage for improvements under construction; and

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

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

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

(2) 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;

(3) 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.

(4) 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;

(5) Such reasonable deductible as to loss, but not coinsurance features, as the Board of Directors in its sole judgment deemed prudent and economical.

(6) That the insurance may not be cancelled or substantially modified (except for the addition of property or increases in amount of coverage) without at least thirty (30) days prior written notice to the named insured, and to all mortgagees of Units;

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

(8) The standard mortgagee clause, except that any loss otherwise payable to named mortgagees shall be payable in the manner set forth in subsection (10) hereof;

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

(10) Proceeds for losses shall be payable to the Trustee; and

(11) The named insured shall be the Association.

(d) Evidence of Insurance: Certificates of insurance signed by an agent of the insurer together with copies of all endorsements thereto and proof of payment of premiums, shall be delivered to all mortgagees of Units at the time such policies are issued, and at least ten (10) days prior to the expiration of any then current policies.

(e) Definition: As used in this Section, the term "all buildings and improvements" shall also include, without limitation, all Units and the standard unit partition walls, fixtures and installations initially installed by the Declarant, as shown on the copy of the engineering and architectural plans and specifications on file in the office of the Building Inspector, as from time to time amended, and replacements thereof; and 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. ✓

Section 3. Liability Insurance: The Board of Directors shall obtain and maintain public liability insurance for bodily injury and property damage in such limits as the Board of Directors may from time to time determine, 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 Areas, 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:

(a) 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.

(b) 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

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

Section 4. Workmen's Compensation Insurance: The Board of Directors shall obtain and maintain Workmen's Compensation Insurance to meet the requirements of the laws of the State of Connecticut.

Section 5. Other Insurance: The Board of Directors is authorized to obtain and maintain such other insurance as it may from time to time deem appropriate.

ARTICLE XI DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 1. Duty to Repair or Restore: Property damaged or destroyed shall be repaired or restored promptly by the Association, except as provided in Section 5(b) and Section 6(c) of this Article.

Section 2. 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. If such cost in the opinion of the Board of Directors may exceed \$5,000.00, the Board of Directors shall retain the services of an architect to assist in the determination of such estimates and in the supervision of repair and restoration.

Section 3. Collection of Construction Funds: Construction funds may consist of insurance proceeds, condemnation awards, proceeds of assessments against Unit Owners, payments by Unit Owners for damages to or destruction of Units, and other funds received on account of or arising out of injury or damage to the Property.

(a) 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 Article X, Section 2(c) (10).

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

and condemnation awards are insufficient to effect the necessary repair or restoration of Common Areas, such deficiency shall be charged against all Unit Owners as a Common Expense. The proceeds of assessments for such Common Expense shall be paid by the Board of Directors to the Trustee.

(d) Payments by Unit Owners: Payments received from Unit Owners pursuant to Section 5(b) (2) of this Article, shall be paid by the Board of Directors to the Trustee.

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

Section 4. 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 the 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 Areas 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.

Section 5. Units: Damage to or destruction of improvements situated within a Unit shall be repaired or restored (except after a determination not to repair or restore pursuant to Section 5(e) of this Article) as follows:

(a) Construction Funds:

(1) To the extent that such damage or destruction is covered by insurance of the Association or by condemnation award not specifically allocated to the Unit Owner, the proceeds of such insurance or award shall be made available for the repair or restoration of the Unit.

(2) To the extent that such damage or destruction is not covered by insurance of the Association or by a condemnation award not specifically allocated to the Unit Owner, such Unit Owner shall be responsible for the cost of repair and restoration.

(b) Performance of Work and Payment:

(1) If there is no damage to or destruction of Common Areas, or if the combined damage to or destruction of all affected Units and the Common Areas does not exceed \$5,000.00, the repair or restoration of the Unit shall be effected by the Unit Owner.

(2) If there is damage to or destruction of Common Areas and the combined damage to or destruction of all affected Units and the Common Areas exceeds \$5,000.00, the repair or restoration of the Unit shall be effected by the Association, to the extent that construction funds as described in Subsection (a) (1) of this Section are available and to the extent that the Unit Owner makes payment as hereafter provided. Each Unit Owner shall pay to the Board of Directors such sum as is necessary, according to the estimate of cost described in Section 2 of this Article, 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.

Section 6. Disbursement of Construction Funds: The Trustee shall deduct from the construction funds its actual costs, expenses and a reasonable fee for the performance of its duties, and shall disburse the balance in the following manner:

(a) Damage or Destruction not Exceeding \$5,000.00: In the event of damage or destruction of the Property not exceeding \$5,000.00, and upon receipt of proper certification of such fact from the Board of Directors, the Trustee shall deliver such balance to the Board of Directors, and the Board of Directors shall thereupon administer said balance in the same manner as required of the Trustee by this Article.

(b) Payment of Repair or Restoration: The Trustee shall apply such balance to pay directly, or to reimburse the Association for the payment for, the costs of repair or restoration of the Property including the cost of temporary repairs for the protection of the Property pending the completion of permanent repairs and restoration, upon written request of the Association in accordance with Subsection 7(a) of this Article, and upon an architect's certificate stating that the work represented by such payment has been completed satisfactorily.

(c) Contributions by Unit Owners: The Association shall maintain a separate account as to each Unit with respect to payments by a Unit Owner pursuant to Section 5(b) (2) of this Article, and expenditures of such payments. General expenses of administration, such as deductions by the Trustee for its costs, expenses and fees, shall be charged against the Association's construction fund and against the Unit Owners' payments pursuant to Section 5 (b) (2) of this Article, in proportion to the amounts of each. All portions of such payments by Unit Owners not expended as herein provided shall be refunded to the Unit Owner, and the mortgagees of their Units as their interests may appear.

(d) Surplus Funds: If, after payment of all repairs and restoration, and the refund of any excess payments by Unit Owners pursuant to Subsection (c) of this Section, there remains any surplus fund, such fund shall be paid to Unit Owners in proportion to their contributions resulting from assessments levied against them pursuant to Section 3(c) of this Article; provided, however, that no Unit Owner shall receive a sum greater than that actually contributed by him. Any surplus remaining after such payments shall be paid to the Association and shall be part of its general income; except that to the extent such surplus consists of condemnation awards for the taking of units described in Article XVI, Section 2 of the Declaration, it shall be paid to the Unit Owners in the proportion in which such awards were originally made.

(e) Determination not to Repair or Restore: If there is substantially total destruction of all of the improvements on the Property, and 3/4 of the Unit Owners vote not to proceed with repair or restoration, the Condominium shall be deemed terminated and any balance of construction funds, after the refund of any payments by Unit Owners pursuant to Subsections (c) and (d) of this Section, shall be disbursed in accordance with Section 47-84 of the Unit Ownership Act. In the event of dispute as to the fact of substantial total destruction, that issue shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

Section 7. Certificates: The Trustee may rely on the following certifications:

(a) By the Board of Directors: The Board of Directors shall certify to the Trustee in writing as to the following matters:

(1) Whether or not damaged or destroyed property is to be repaired or restored.

(2) Whether or not, in the opinion of the Board of Directors, the cost of repair or restoration may exceed \$5,000.00.

(3) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

(b) By Attorneys: The Board of Directors shall furnish the Trustee, in the event that any payments are to be made to a Unit Owner or mortgagee, with an Attorney's Certificate of Title based upon a search of the Land Records from the date of the recording of the original Declaration stating

the name of the Unit Owner, the mortgagees, and the percentage of undivided interest of the Unit in the Common Areas.

Section 8. Trustee: The Board of Directors shall enter into and keep in force a trust agreement with a bank in the State of Connecticut with trust powers to receive, administer and disburse funds pursuant to Article XI and XII. Such trust agreement shall incorporate the Declaration and Bylaws by reference and shall provide that upon termination thereof, all monies or funds held by the Trustee shall be turned over only to a successor trustee which shall also be a bank in the State of Connecticut with trust powers designated Trustee pursuant to this Article XII. No amendment of the Declaration or of these Bylaws affecting Article XI or this Article XII shall be binding on the Trustee until the Trustee receives notice of such amendment.

Section 9. Common Areas: For the purpose of this Article, the term "Common Areas" shall include without limitation those portions of Units which the Board of Directors has the obligation to maintain, repair and replace pursuant to Article XIII of the Declaration.

ARTICLE XII RECORDS

Section 1. Records and Audits: The Association shall keep detailed records of the actions of the Board of Directors and the manager, minutes of the meetings of the Board of Directors, minutes of the meetings of the Unit Owners, names of the Unit Owners and mortgagees, a copy of architectural and engineering plans and specifications as on file with the Building Inspector, and financial records and books of account for the Condominium, including chronological listing of receipts and expenditures, as well as a separate account for each Unit, which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amount paid thereon, and the balance remaining unpaid. Unless the Unit Owner notifies the Association of change in ownership, the Association may rely on the names of Unit Owners appearing on the municipal assessment date.

Section 2. Statement: A written report and statement summarizing all receipts and expenditures of the Association shall be rendered by the Board of Directors to all Unit Owners at least semi-annually.

Section 3. Annual Report: In addition to the semi-annual statement referred to above, an Annual Report of the receipts and expenditure of the Association, certified by an independent certified public accountant, shall be rendered by the Board of Directors to all Unit Owners and to all mortgagees of Units whose names appear in the book entitled "Mortgagees of Units," promptly after the end of each fiscal year.

Section 4. Examination of Records: Each Unit Owner and mortgagee shall be permitted to examine the books of account of the Association at reasonable times on business days, but not more than once a month.

ARTICLE XIII MISCELLANEOUS

Section 1. Notices: All notices hereunder shall be sent by mail to the Association at its office at East Broadway, Milford, Connecticut; to Unit Owners to the building in which such Unit is located; or to such other address as may have been designated by such Unit Owner from time to time in writing to the Association; to mortgagees at their addresses as designated by them from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed, except notice of changes of address which shall be deemed to have been given when received.

Section 2. Captions: The Captions herein are inserted 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 3. Gender: The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender, the use of singular shall be deemed to include the plural, when the context so requires.

ARTICLE XIV INVALIDITY, CONFLICT AND WAIVER

Section 1. 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 2. Conflict: These Bylaws are set forth to comply with the requirements of the Unit Ownership Act. In the event of any conflict between these Bylaws and the provisions of such Act or of the Declaration, the provisions of such Acts or of the Declaration, as the case may be, shall control.

Section 3. Waiver: No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violations or breaches thereof which may occur.

ARTICLE XV AMENDMENTS TO BYLAWS

Section 1. Method of Amendment: These Bylaws may be altered, amended or added to at any duly called meeting of the Unit Owners, provided:

(a) that the notice of the meeting shall contain a substantial statement of the proposed amendment;

(b) that the amendment shall be approved by Unit Owners holding fifty (50%) in the aggregate of the undivided ownership;

(c) that the amendment be approved in writing by the holders of first mortgages encumbering fifty-one (51%) percent of the undivided interest in the Common Areas subject to mortgages; and

(d) that said amendment shall be fully set forth in a duly recorded amendment to the Declaration.

Section 2. Effect of Amendments upon Encumbrances: No amendment or modification of the Bylaws will affect or impair the validity or priority of any mortgage encumbering the Unit or Units, nor the validity or priority of any other proper lien.

ARTICLE XVI TORT LIABILITY

Section 1. 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 insurance carried by a Unit Owner or by the Association.