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DECLARATION OF CONDOMINIUM
OF
ANGLESEA II CONDOMINIUMS

Pursuant to the provisions of the
Rhode Island Condominium Act, as amended
R.I.G.L. §34-36.1 et. seq.

DECLARATION OF CONDOMINIUM
OF
ANGLESEA II CONDOMINIUMS

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DECLARATION OF CONDOMINIUM

ANGLESEA II CONDOMINIUMS
WARWICK, RHODE ISLAND

THIS DECLARATION is made as of the ____ day of September, 2000, by Anglesea, L.P., a Rhode Island limited partnership whose principal address is 8221 Old Courthouse Road, Suite 204, Vienna, Virginia 22812, (the "Declarant"), as the owner in fee simple of the Real Estate hereinafter described.

ARTICLE I
SUBMISSION

Section 1.1. **Declarant; Property; Name.** Declarant, the owner in fee simple of the Real Estate described on Exhibit A attached hereto, (the "Real Estate") located in the City of Warwick, State of Rhode Island, hereby submits the Real Estate, together with and subject to all easements, restrictions, agreements, rights and appurtenances thereto belonging and the Buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of the Rhode Island Condominium Act, as amended, R.I.G.L §34-36.1 et seq. (the "Act"), and hereby creates with respect to the Property a phased condominium, to be known as Anglesea II Condominiums (the "Condominium"). The Condominium hereby created will consist of Phase IA which contains four (4) units to be located on Real Estate described on Exhibit A-l attached hereto. Additional Phases may be added to the Condominium. The Declarant reserves the right to create an additional fifty (50) Units. The maximum number of Units in the Condominium, therefore, will be fifty-four (54) Units if all planned Phases are built. Declarant reserves the right to add additional real estate to the Condominium for the purposes of creating additional Condominium Units.

Section 1.2. **Easements, Restrictions and Licenses.** Included among the easements, restrictions, agreements, rights and appurtenances referred to in Section 1.1. above are the following:

(a) SUBJECT TO rights reserved by the Declarant to grant easements to appropriate utility and service companies, cable television, private parties and governmental agencies for utilities and service lines.

(b) SUBJECT TO easements recorded in the Land Evidence Records of the City of Warwick.

(c) SUBJECT TO those specific easements delineated in Article 6.1 of this Declaration.

ARTICLE 2
DEFINITIONS

Section 2.1. **Terms Defined in the Act.** Capitalized terms are defined herein or in the Plats and Plans; otherwise they shall have the meanings specified or used in the Act.

Section 2.2. **Terms Specifically Defined in this Declaration.** In addition to the terms hereinabove defined, the following terms shall have the following meanings in this Declaration, the By-laws, and Plats and Plans:

(a) "Association" means the Unit Owner's Association of the Condominium, which is known as Anglesea II Condominium Association.

(b) "Master Association" means the property owners of the Anglesea development which is known as ANGLESEA HOMEOWNERS ASSOCIATION.

(c) "Building" means any residential, service or recreational structure, tennis court, pedestrian trail or other improvement now or hereafter constructed on the Property.

(d) "By-laws" means the document having that name and providing for the governance of the Association, pursuant to Section 34-36.1-3.06 of the Act, as such document may be amended from time to time.

(e) "Common Elements" means all portions of the Condominium other than the Units.

(f) "Condominium" means the Condominium described in Section 1. 1 above.

(g) "Condominium Documents" includes the Declaration, Plats and Plans, By-laws and Rules and Regulations.

(h) "Declarant" means the Declarant described in Section 1.1 above.

(i) "Declaration" means this document, as the same may be amended from time to time.

(j) "Development Rights" means those rights which the Declarant has reserved to itself as set forth in Article 16 and elsewhere in this Declaration.

(k) "Executive Board" means the Executive Board of the Association.

(1) "General Common Expense" means Common Expense excluding Limited Expenses.

(m) "Insurance Trust Agreement" means that certain agreement (if any) between the Association and the Insurance Trustee providing for the management and disbursement of insurance proceeds in accordance with Section 10.1 hereof.

(n) "Insurance Trustee" means that certain entity responsible for the management and disbursement of insurance proceeds pursuant to the Insurance Trust Agreement (if any).

(o) "Limited Common Elements" (or in the singular, a "Limited Common Element") means those parts of the Property either described in the Act as being limited common elements or described herein or in the Plats and Plans as being limited common elements.

(p) "Limited Expense" means the expenses, if any, described in Section 3.3 and Section 8.1.(d) of this Declaration.

(q) "Monthly Assessment" means the Unit Owner's share of the anticipated Common Expenses, allocated by Unit, for each month of the Association's fiscal year as reflected in the budget adopted by the Executive Board for such year.

(r) "Mortgagee" means the holder of any recorded first mortgage encumbering one or more of the Units.

(s) "Percentage Interest" means the undivided interest in the Common Elements appurtenant to a Unit, as set forth on Exhibit B attached hereto, as the same may be amended from time to time.

(t) "Property" means the Property described in Section 1.1 above, less the Withdrawable Real Estate which may have been withdrawn from the Condominium as provided herein.

(u) "Plats and Plans" means the Plats and Plans recorded herewith and described on Exhibit C attached hereto as the same may be amended from time to time.

(v) "Record" means to record in the Records of Land Evidence of the City of Warwick, Rhode Island.

(w) "Rules and Regulations" means such rules and regulations as are promulgated by the Declarant or the Executive Board from time to time with respect to the use of all or any portion of the Property.

(x) "Special Assessment" means a Unit Owner's share of any assessment made by the Executive Board in addition to the Monthly Assessment.

(y) "Withdrawable Real Estate" means the parcel of real estate described on Exhibit D attached hereto, as long as the Declarant's rights to withdraw such Withdrawable Real Estate from the Condominium continue to exist.

(z) "Special Declarant Rights" means those rights which the Declarant has reserved to itself as set forth in Article 16 and elsewhere in this Declaration.

(zii) "Unit" means a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Article 3. References to Unit or Units herein include any and all Units which the Declarant has reserved the right to create.

Section 2.3. **Provisions of the Act.** The provisions of the Act shall apply to and govern the operation and governance of the Condominium, except to the extent that contrary provisions, not prohibited by the Act, are contained in one or more of the Condominium Documents.

ARTICLE 3
UNIT BOUNDARIES AND MAINTENANCE RESPONSIBILITIES

Sections 3.1. **Unit Boundaries.**

(a) The boundary lines of each Unit are as shown on the Plats and Plans and are formed by the following planes:

(1) The Unit-side surface of such exterior walls of the Building as are adjacent to such Unit including but not limited to the basement of such unit, the Unit to include the thickness of the finish material such as plaster or dry wall.

(2) The Unit-side surface of the interior walls and partitions of the Building which separate such Unit from adjoining Units or Common Elements, the Unit to include the thickness of the finish material such as plaster or drywall;

(3) The Unit-side surface of furring around utility shafts, and other Common Elements within or passing through such Unit, the Unit to include the thickness of the finish material such as plaster or drywall;

(4) The Unit-side surface of ceilings and furring under and around (i) wood members and (ii) utility lines, ducts and cables, the Unit to include the thickness of the finish material such as plaster or drywall;

(5) The Unit-side surface of the structural wood floor of such Unit, to include the thickness of the finish material such as carpet, ceramic or resilient tile or hardwood;

(6) The Unit-side surface of the sash of windows which are set in the exterior walls of such Unit, the exterior surface of the panes of such windows and the Unit-side surface window sills, moldings, trim, jambs and mullions for such windows, the Unit to include the thickness of the finish material such as plaster or drywall; and

(7) The exterior surface of doors, and their sills and hardware, and the Unit side surface of the door frames in which such doors are set, the Unit to include the thickness of the finish material such as plaster or drywall.

(b) Each Unit consists of all portions of the Building within the aforesaid boundary lines, except the air space displaced by (i) structural members and bearing partitions within or passing through such Unit which are deemed to be Common Elements; (ii) other Common Elements within such Unit including, without limitation, chutes, flues, ducts, wires, conduits and piperuns which serve more than one Unit. There is included within a Unit (by way of illustration and not limitation): (1) the air space enclosed by such boundary lines, (2) all partitions, all doors, door frames, hardware, electrical outlets and wiring, telephone outlets and conduits and other equipment and devices in such partitions serving only such Unit, (3) all fixtures located within such boundary lines and serving only such Unit, and their water and waste connections, (4) all items of kitchen equipment located within such boundary lines and serving only such Unit, and such equipments' water, waste and electrical connections, (5) heat pumps, exhaust fans and the grills, registers, ventilation ducts, and related fixtures, and screens and storm windows, which serve only such Unit, whether or not any of the foregoing is located in any portion of the Common Elements, (6) lighting devices (including, by way of illustration and not limitation, lamps and bulbs which are surface mounted on, recessed in or suspended from, ceilings, walls and partitions within or around the perimeter of such Unit), (7) outlets, wires, cables, conduits, circuits, and related equipment transmitting electricity for lighting and power or transmitting electrical impulses and signals (including, but not limited to, impulses and signals for telephone, telegraph and television transmission, except to the extent otherwise specifically provided herein), which serve only such Unit and which are located entirely within the boundary lines of such Unit; (8) surface mounted and recessed medicine cabinets (including, by way of illustration and not limitation, all associated lighting fixtures and accessories), and (9) refrigerators, ranges, dishwashers and other appliances and the portions of their water, waste, electrical and exhaust connections located within such boundary lines and serving only such Unit.

(c) Each Unit's identifying number is shown on the Plats and Plans.

Section 3.2. **Relocation of Unit Boundaries; Subdivision and Conversion of Units.** Relocation of boundaries between Units will be permitted subject to compliance with the provisions therefore in Section 34-36.1-2.12 of the Act and subject to compliance with any conditions, restrictions or requirements imposed by the Executive Board. Subdivision of Units may be permitted but only with the prior written consent of the Executive Board. Conversion of Units to Common Elements or to uses other than residential by Unit Owners other than the Declarant is prohibited. The cost for preparation and recordation of any documents required for the relocation of boundaries between Units or conversion of Units by the Declarant shall be chargeable to the Units involved as a Special Assessment.

Section 3.3. **Maintenance Responsibilities.** Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of Section 34-36.1-3.07 of the Act, except as expressly set forth to the contrary herein. All expenses associated with the maintenance, repair and replacement of an exterior deck or balcony, if any, an attached garage which is a Limited Common Element of the Unit to which it is appurtenant or assigned shall be borne by the Association.

ARTICLE 4
DESCRIPTION AND ALLOCATION OF LIMITED COMMON ELEMENTS

Section 4.1. **Description of Limited Common Elements.** Limited Common Elements shall mean those portions of the Building defined as such pursuant to Sections 34-36.1-2-02(2) and (4) of the Act or as identified and designated as Limited Common Elements in the Plats and Plans, or in Section 4.2 hereof. Those portions of the Limited Common Elements serving only the Unit above, below or adjacent to such Limited Common Element, or the Unit to which they have been assigned, as the case may be, are Limited Common Elements allocated only to the Unit which they serve. Those Limited Common Elements (if any) shown and identified as such on the Plats and Plans shall be allocated to the Unit indicated.

Section 4.2. **Specified Limited Common Elements.** The following portions of the Building or the Property are hereby designated as Limited Common Elements:

(a) Window and door sills, frames and hardware, if any, which are not part of the Unit but which are adjacent to and serve only such Unit.

(b) Yards adjacent to each Unit, garages attached to each Unit such garage serves, driveways adjacent to the Building, if any, and parking places as designated on the Plats and Plans to be for the use of Unit Owners in the Building which they are adjacent to. The foregoing includes any Units which are added subsequently under development rights reserved under the Act and under Article 16 of the Declaration.

ARTICLE 5
ALLOCATION OF PERCENTAGE INTERESTS, COMMON EXPENSES AND VOTING RIGHTS

Section 5.1. **Percentage Interests.** Attached as Exhibit B hereto is a list of all Units in Phase IA by their Identifying Number and their Percentage Interest appurtenant to each Unit, determined on the basis of the square footage of each Unit, by dividing the square footage of the Unit (excluding all garage area and one-half of cellar and/or below grade square footage (if any)) by the aggregate of the square footage of all Units. For purposes of determining the Percentage Interest the net square footage of the design plan for each such Unit is utilized. The actual net square footage of each constructed Unit may vary slightly from such design square footage but such variance shall not affect the respective Percentage Interest of each such Unit. If and when Units are added to the Condominium, Percentage Interests will be reallocated using the same formula set forth above.

Section 5.2. **Common Expenses.** Each Unit Owner's share of the Common Expenses of the Condominium shall be determined by multiplying the amount of the annual budget by the Percentage Interest of the Unit Owner.

Section 5.3. **Allocation of Unit Owner's Voting Rights.** The vote in the Association to which each Unit Owner is entitled shall be on a one (1) vote per Unit basis.

ARTICLE 6
EASEMENTS; TITLE MATTERS

Section 6.1. **Additional Easements.** As a supplement to the easements provided for by Section 34-36.1-2.16 of the Act, the following easements are hereby created:

(a) The Declarant shall have the right to maintain sales offices, management offices and models throughout the Property to include sales, management and construction trailers. The Declarant reserves the right to place signs, models management offices and sales offices on any portion of the Common Elements or in any Unit in such number, of such size and in such locations as the Declarant deems appropriate. The Declarant may from time to time relocate models, management offices and sales offices to different Units or to different locations within the Common Elements. Upon the relocation of a model, management office or sales office, the Declarant may remove all personal property and fixtures therefrom. Any fixtures not so removed shall be deemed to be part of the Unit or, if located on the Common Elements, shall be deemed to be part of the Common Elements, and any personal property not so removed shall be deemed to be the property of the Purchaser of such Unit, if specifically provided for in the Purchase and Sale Agreement, or of the Association as appropriate.

(b) The Units and Common Elements shall be, and hereby are, made subject to easements in favor of the Declarant, appropriate utility and service companies, cable television companies and governmental agencies or authorities or private parties for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 6.1(b) shall include, without limitation, rights of the Declarant, or the providing utility or service company, or governmental agency, authority or private party to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, drainage ditches and pump stations, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements.

Notwithstanding the foregoing provisions of this Section 6.1(bX any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant or so as not to materially interfere with the use or occupancy of the Unit by its occupants. With respect to any utility lines or equipment serving only the Condominium and located upon the Common Elements, the Executive Board shall have the right and power to dedicate, convey title to the same to any private or public utility company and, in addition, the Executive Board shall have the right and power to convey easements over the Common Elements for the installation, maintenance, repair and replacement of utility poles, lines, wires and other equipment to any private or public utility company.

(c) Declarant reserves, for as long as it is entitled to exercise any Development Rights, an easement on, over and under those portions of the Common Elements, whether located within Phase IA or subsequent Phases, not located within a Building for the purpose of maintaining and/or correcting drainage of surface water in order to maintain reasonable standards of health, safety, and appearance. The easement created by this Section 6.1(c) expressly includes the right to cut any trees, bushes, or shrubbery, to grade any soil, or to take any other action reasonably determined to be necessary. The Declarant or the Association, as the case may be, shall restore the affected property as closely to its original condition as is practicable.

(d) Declarant reserves, for as long as it is entitled to exercise any Development Rights, an easement to go upon any and all of the Property for the purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units or Common Elements (including, without limitation, the Limited Common Elements).

(e) The Common Elements (other than the Limited Common Elements) shall be and hereby are made subject to an easement in favor of the Unit Owners and their invitees, employees, tenants, licensees and service agencies, the Association and the agents and employees of the Association for access, egress and ingress over, through and across each portion thereof, pursuant to such requirements and subject to such changes as the Executive Board may from time to time prescribe; provided, that nothing contained herein shall create any access easement in favor of Unit Owners with respect to such portions of the Common Elements which are not needed in order to gain access to one or more Units and as to which the Executive Board may from time to time determine it to be necessary or desirable to limit or control access by Unit Owners or the occupants of Units, or both (including, by way of illustration and not limitation) machinery and equipment rooms and any management agent's office.

(f) The Common Elements (including, but not limited to the Limited Common Elements) shall be and hereby are made subject to an easement in favor of the Association and the agents, employees and independent contractors thereof for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements (including, but not limited to, the Limited Common Elements).

(g) The Common Elements (including, but not limited to, the Limited Common Elements) shall be and hereby are made subject to the following easements in favor of the Units benefited:

(1) For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or exclusively serve a single Unit and which pass across or through a portion of the Common Elements;

(2) For the installation, repair, maintenance, use, removal and/or replacement of overhead lighting fixtures, electrical receptacles and the like which are located in a portion of the ceiling, wall or floor adjacent to a Unit which is a part of the Common Elements; provided, that the installation, repair, maintenance, use, removal or replacement of such fixtures, receptacles, and the like does not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building;

(3) For driving and removing nails, screws, bolts and the like into the Unit-side surface or walls, ceilings and floors which are part of the Common Elements; provided, that such action will not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building; and

(4) For the maintenance of the encroachment of any lighting devices, outlets, cabinets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only one Unit but which encroach into any part of any Common Element or Limited Common Element on the date this Declaration is recorded.

(h) To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Building, the Common Elements and the Limited Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Building, the Common Elements and the Limited Common Elements.

(i) The Units and the Limited Common Elements are hereby made subject to the following easements:

(1) In favor of the Association and its agents, employees and independent contractors, (i) for inspection of the Units and Limited Common Elements in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible, (ii) for inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements situated in or accessible from such Units or Limited Common Elements or both, (iii) for correction of emergency conditions in one or more Units or Limited Common Elements, or both, or casualties to the Common Elements, the Limited Common Elements and/or the Units, and (iv) for any of the purposes set forth in Section 6.1(j) or Section 6.1(k) hereof, it being understood and agreed that the Association and its agents, employees and independent contractors shall take reasonable steps to minimize any interference with Unit Owner's use of his Unit resulting from the Association's exercise of any rights it may have pursuant to this Section 6. l(i)(l) and the following Section 6.1 (i)(2X or both;

(2) In favor of the Unit Owner benefited thereby and the Association and its agents, employees and independent contractors, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical, telephone, telegraph or other communication systems and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of one or more Units.

(j) Whenever in this Declaration and the Plats and Plans a boundary line of a Unit is described as being the floor, it is intended thereby, and it is hereby declared, that the owner of such Unit shall have an easement for the purpose of affixing and removing carpeting and other floor coverings; and otherwise decorating, cleaning and maintaining such surface, all at the cost and expense of the Owner of such Unit; it being understood and agreed that the Association, acting by its Executive Board on behalf of all Unit Owners, shall, at all times while this Declaration is in effect, retain the right to maintain, repair and/or replace the floors of which said surfaces are a part, notwithstanding the fact that such maintenance, cleaning, repair or replacement may temporarily adversely affect the Unit Owner's aforesaid easement and right to use the said Unit-side surface of such structural wood floor.

(k) Wherever in this Declaration and the Plats and Plans a boundary line of a Unit is described as being the Unit-side surface of a designated portion of the Property, it is intended thereby, and it is hereby declared, that the Owner of such Unit shall have an easement for the purpose of decorating such surfaces and affixing thereto and removing therefrom decorative material, pictures, mirrors, wall systems and decorative articles and fixtures which may utilize fasteners or other methods of attachment which may extend beyond such Unit boundary, all at the cost and expense of the Owner of such Unit; except in the event of maintenance, repair or replacement occasioned by a loss insured against by the policy or policies of insurance maintained by the Association pursuant to Article 10. It is understood and agreed that the Association, acting by its Executive Board on behalf of all Unit Owners, shall, at all times while this Declaration is in effect, retain the right to maintain, repair and/or replace the portions of the Property of which said surfaces are a part, notwithstanding the fact that such maintenance, cleaning, repair or replacement may temporarily adversely affect the Unit Owner's aforesaid easement and right to use the Unit-side surface of such portion of the Property.

(l) The following easements shall be subject to the condition precedent and therefore shall not be effective, unless and until the Declarant exercises its right to withdraw the Withdrawable Real Estate, pursuant to the provisions of Article 7 hereof, and if the Declarant's rights under Article 7 shall lapse or be terminated, then this Section 6.1(1) shall be null and void and of no force or effect:

Declarant, for itself and its successors and assigns, reserves an easement, on, over and under those portions of the Common Elements, whether in Phase IA or any subsequent phase to go upon any portion of the Common Elements for the purpose of ingress and egress to the Withdrawable Real Estate with appropriate utilities and services which shall include, without limitation, the right to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, drainage ditches, pump stations, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits, equipment and ducts and vents.

(m) All easements, rights and restrictions described and mentioned in this Declaration are easements appurtenant, running with the land and the Property, including (by way of illustration but not limitation) the Units and the Common Elements, and (except as expressly may be otherwise provided herein or in the instrument creating the same) shall continue in full force and effect until the termination of this Declaration, as it may be amended from time to time.

Section 6.2. **Reservation of Easement Rights.** The Declarant reserves the right to grant to any third party any license or easement in, on, over or through the

Property, in addition to and not in limitation of those set forth above, which license or easement is determined by the Declarant, in its reasonable judgement, to be necessary for the development or improvement of the Property. Any such license or easement granted hereunder or under Section 6.1(i) hereof may be recorded by the Declarant at its sole cost and expense. The Association, at the request of the Declarant, shall execute and deliver in recordable form any instrument or document necessary or appropriate to confirm the grant of such license or easement.

Section 6.3. **Title Matters.** In addition to those easements described in Section 6.1 above and those matters described in Section 1.2 above, title to the Property is subject to any additional restrictions and title exceptions set forth on Exhibit F attached hereto.

ARTICLE 7
OPTION TO WITHDRAW REAL ESTATE

Section 7.1. **Option.** Declarant hereby explicitly reserves an option, until the tenth (10th) anniversary of the recording of this Declaration, to withdraw the Withdrawable Real Estate from the Condominium in compliance with Section 34-36.1-2.10 of the Act, without the consent of any Unit Owner or the holder of a mortgage on any Unit. This option to withdraw may be terminated prior to such anniversary only by the filing of an amendment to this Declaration by the Declarant. Declarant expressly reserves the right to withdraw the Withdrawable Real Estate at any time; provided, however, that the Withdrawable Real Estate shall not exceed the area described on Exhibit D, attached hereto. The Declarant will not withdraw the Withdrawable Real Estate in such, a manner as to cause zoning or subdivision violations within the Condominium. There are no other limitations on this option to withdraw the Withdrawable Real Estate from the Condominium.

Section 7.2. **Effect of Withdrawal.** Upon withdrawal of the Withdrawable Real Estate, fee simple title to the parcel withdrawn and to any and all buildings and improvements erected thereon shall revest in the Declarant, its successors and assigns. Thereafter, with the exception of the easements created pursuant to Section 6.1(1) above and any other easements which may be created by the Declarant encumbering the Withdrawable Real Estate, the Withdrawable Real Estate shall not be subject to or in any way affected by the Act or the Condominium Documents including, without limitation, any use or occupancy restrictions herein or therein contained. If the Declarant exercises the right to withdraw the Withdrawable Real Estate, the cost or expense attributable to the Withdrawable Real Estate or its withdrawal shall be the responsibility of the Declarant. Further, the Declarant or any subsequent owner or owners of the Withdrawable Real Estate shall be liable for the proportionate share of the Common Expenses which are allocable to the cost of the maintenance administered by the Anglesea Master Association. If the withdrawn real estate is developed as house lots then each lot so developed shall be liable for that share of the Common Expenses which are allocable to the cost of the maintenance administered by the Anglesea Master Association in an amount equal to the total Anglesea Master Association budget divided by the total number of house lots and condominium units in the entire development.

ARTICLE 8
RESTRICTIONS ON USE: SALE AND LEASE OF UNITS

Section 8.1. **Residential** Use. The following restrictions shall apply to the use of the Condominium:

(a) The Units in the Condominium (with the exception of any Units during the time period when they are being used by the Declarant as a sample, model, sales or other office) are restricted to residential use and may not be used for any other purposes by the Unit Owner or any future Unit Owner. No present or future Unit Owner shall permit his Unit to be used or occupied for any purpose other than as a single family residence.

(b) No Unit Owner may obstruct the Common Elements in any way. No Unit Owner may store anything in or on the Common Elements without the prior written consent of the Executive Board, provided, however, that the Declarant may locate sales, management or construction trailers on such Common Elements.

(c) No Unit Owner may carry on any practice, or permit any practice to be carried on, which unreasonably interferes with the quiet enjoyment of the occupants of any other Unit. The Property is to be maintained in a clean and sanitary condition, and no Unit Owner may place any garbage, trash or rubbish anywhere in the Property other than in his own Unit and in or on such parts of the Common Elements as may be designated for such purpose by the Executive Board.

(d) No Unit shall be used, occupied or kept in a manner which in any way increases the fire insurance premiums for the Property without the prior written permission of the Executive Board.

(e) Except for a single small non-illuminated name sign on the door to his Unit, no Unit Owner (other than the Declarant in connection with its marketing and sale of the Units) may erect any sign on or in his Unit or any Limited Common Element which is visible from outside his Unit or from the Common Elements, without in each instance having obtained the prior written permission of the Executive Board. This provision is not intended to prevent the Executive Board from maintaining on the Common Elements a register of Unit occupants, or Owners, or both.

(f) No animals, except a dog weighing less than 25 pounds and no more than two (2) cats weighing less than 15 pounds each, shall be kept by Unit Owners without the prior written consent of the Condominium Association and as provided in the Rules and Regulations.

(g) The Executive Board may from time to time promulgate reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Association promptly after the adoption of such Rules and Regulations and any amendments thereto.

(h) The Owner of a Unit shall be responsible for maintaining such Unit in good order and repair, at the expense of such Owner, including (but not limited to) cleaning and replacing glass panes in any window serving such Unit.

(i) The Owner of a Unit shall be responsible for the cleanliness of any Limited Common Element serving such Unit, at the expense of such Unit Owner.

Section 8.2. **Sale and Lease of Units.** A Unit Owner (other than the Declarant) may sell or lease his Unit, subject to the Restrictions set forth in this Section 8.2 and in Section 8.3 hereof. The Condominium Association shall either approve the sale to the proposed purchaser or approve the lease to the proposed tenant, as the case may be, within twenty (20) business days of receipt of the Unit Owner's notice of intent to sell or lease; such approval shall not be unreasonably withheld. The Condominium Association, upon request, will provide evidence, in recordable form, of the Unit Owner's compliance with the requirements set forth above and of its approval of the sale or lease. Each approved purchaser or lessee shall be subject to and be bound by all of the covenants, restrictions and conditions set forth in the Condominium Documents.

This Section 8.2 shall not be deemed or construed to impair a Mortgagee's right to foreclose, accept a deed in lieu of foreclosure or sell or lease a Unit so acquired by the Mortgagee.

Section 8.3. **Restrictions.** This Declaration provides that Unit Owners may rent their Units subject to the following provisions:

(1) All tenancies must be in writing and shall be for a term of not less than twelve (12) months;

(2) No Unit may be leased or rented more than one time in each calendar year;

(3) All leases shall be in a form approved by the Executive Board;

(4) All proposed leases shall be submitted to the Executive Board.

Even if a lease satisfies the foregoing provisions, the Executive Board may terminate such lease if after the Executive Board notifies the lessee that the lessee has violated the terms of this Declaration (including the By-Laws and the Rules and Regulations), the lessee continues or fails to correct such violation within a reasonable period of time. Any reasonable costs, including reasonable attorney's fees incurred by the Executive Board in connection with approving or terminating a lease shall constitute a Special Assessment against the Unit being leased.

ARTICLE 9 RIGHTS OF MORTGAGEES

Section 9.1. **Subject to Declaration.** Whether or not they expressly so state, any mortgage which constitutes a lien against a Unit and an obligation secured thereby shall provide generally that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act, the Declaration, the Plats and Plans and any Rules and Regulations, and, specifically, but without limitation, that the obligation secured by such mortgage shall be prepayable, without premium or penalty, upon the happening of a termination of the condominium form of ownership of the Property, and that the Mortgagee shall have no right to:

(a) Participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property, except as provided in <u>Section 10.1 (a)</u> hereof; or

(b) Receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent either of a distribution of such proceeds pursuant to Section 34-36.1-3.13(h) of the Act or of insurance proceeds in excess of the cost of repair or restoration being received by the Owner of the Unit encumbered by such mortgage; or

(c) Accelerate the mortgage debt or be entitled to exercise any other remedies by virtue of waste or alleged waste or other conditions occurring anywhere in the Property other than within the Unit encumbered by such mortgage.

Section 9.2. **Register.** If so requested, the Secretary of the Association shall instruct the insurer of the Property to add the name of a Mortgagee to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Mortgagee with a certificate of insurance showing that such Mortgagee's name has been so added. The Secretary shall maintain a register of mortgages, showing the name and address of the holder thereof and the amount secured thereby.

Section 9.3. **Notice of Unit Owner Default.** The Executive Board shall:

(a) Give prompt notice to a Mortgagee of any default in the Unit mortgagor's obligations under the Condominium Documents which are not cured within thirty (30) days after the occurrence of such default; and

(b) Agree in writing to notify the appropriate Mortgagee whenever (1) damage to a Unit covered by the mortgage held by such Mortgagee exceeds FIVE THOUSAND ($5,000.00) DOLLARS and (2) damage to Common Elements, Limited Common Elements or related facilities exceeds TEN THOUSAND ($10,000.00) DOLLARS.

Section 9.4. **Liability for Use and Charges.** Any Mortgagee who obtains title to a Unit pursuant to the remedies provided in a mortgage for foreclosure of such mortgage shall not be liable for such Unit Owner's unpaid assessments or charges which accrue prior to the acquisition of title to such Unit by the Mortgagee, except to the extent otherwise provided for in the Act and except to the extent that such Mortgagee is liable as a Unit Owner for the payment of such unpaid assessment or charge that is assessed against the Mortgagee as a result of all Unit Owners being reassessed for the aggregate amount of such deficiency.

Section 9.5. **Condemnation Rights.** No provision of this Declaration shall give a Unit Owner, or any other party, priority over any rights of the Mortgagee of a

Unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for loss to or a taking of one or more Units and/or Common Elements.

Section 9.6. **Approval of Mortgagees.** Except for the provisions contained in Article 19 herein, the prior written approval of all Mortgagees or of the Mortgagee of the Unit, as the case may be, must be obtained for the following:

(a) The abandonment of the Condominium status of the Property, except for abandonment permitted by the Act in case of substantial loss to the Units and Common Elements;

(b) The partition or subdivision of any Unit or of the Common Elements;

(c) A change in the schedule of Percentage Interests set forth in Exhibit B_allocated to each Unit other than any amendment made pursuant to Section 13.3 hereof or pursuant to Declarant's exercise of Development Rights and as provided in Section 34-36.1-2.05, 2.10 and 2.17 of the Act.

(d) The abandonment, encumbrance, sale or transfer of the Common Elements.

Such approval shall not be required with respect to amendments pursuant to Article 7 hereof.

Section 9.7. **Books and Records.** Any Mortgagee shall have the right (exercisable by written notice to the Executive Board) to examine the books and records of the Association and to require that it be provided with a copy of each annual report of the Association and other financial data of the Association reasonably requested by such Mortgagee.

The Declarant intends that the provisions of this Article comply with the requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association with respect to condominium mortgage loans and, except as otherwise required by the provisions of the Act, all questions with respect thereto shall be resolved consistent with that intention.

ARTICLE 10
INSURANCE

Section 10.1. **Types and Amounts.** The Association shall obtain the following types and amounts of insurance:

(a) Such fire and casualty insurance as the Executive Board may determine; providing, however, said coverage complies with the applicable requirements of Section 10.2 hereof. The insurance maintained by the Association shall cover the Property (including the Units, garages and all improvements and fixtures contained within the Unit as of the date of the Closing of the Unit from the Declarant or the value thereof) but excluding any improvements or fixtures subsequently added by a Unit Owner and all other personal property of the Unit Owner. The amount of any such hazard insurance obtained pursuant to this paragraph shall be equal to the full insurable replacement value of the insured property, without deduction for depreciation (i.e. 100% of current "replacement cost" exclusive of land, foundations, excavation and other items normally excluded from coverage). Such hazard insurance policy may, at the option of the Association, contain a "deductible" provision in an amount to be determined by the Executive Board. The proceeds of such policy shall be payable to the Insurance Trustee, if any, otherwise to the Association. Such hazard insurance policy shall include a separate "loss payable endorsement" in favor of the Mortgagees, if any, modified to make the loss payable provisions in favor of the Mortgagees subject and subordinate to the loss payable provisions in favor of the Association if there is no Insurance Trustee, or if there is an Insurance Trustee, to the Insurance Trustee under the Insurance Trust Agreement. If the Executive Board fails within sixty (60) days after the date of an insured loss to initiate a claim for damages recoverable under the policy or policies obtained pursuant to this sub-paragraph, any Mortgagee may initiate such a claim on behalf of the Association.

(b) Comprehensive Liability Insurance policies, complying with the requirements of Section 10.2 hereof, insuring the Unit Owners, in their capacity as Unit Owners and Association members and any managing agent retained by the Association, against any liability to the public or to other Unit Owners, their tenants or invites, relating in any way to the ownership and/or use of the Common Elements and any part thereof. Such insurance policy shall contain a "severability of interest endorsement" or equivalent provision which precludes the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner. Limits of liability shall be at least ONE MILLION ($1,000,000.00) DOLLARS covering all claims for personal injury and/or property damage arising out of a single occurrence. Such insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as are customarily covered in similar projects. The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Executive Board and may be changed in its discretion provided that such policies shall continue to comply with the requirements of this Section and Section 10.2 hereof.

(c) A fidelity bond or insurance coverage against dishonest acts on the part of such persons (including, by way of illustration and not limitation, Association members, officers, directors, trustees, agents, employees and volunteers) responsible for handling funds belonging to or administered by the Association. Such fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half (1 1/2) times the Association's estimated annual operating expenses including reserves. Notwithstanding the foregoing, in the event that the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation reduces the required amount of the fidelity bond or insurance which the Association must maintain to less than the amount set forth in the preceding sentence, the Association may decrease the amount of the fidelity bond or insurance to the minimum amount required by such entities. In connection with such coverage, an appropriate endorsement to such policy or bond in order to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(d) Such workers' compensation insurance as applicable laws may require.

(e) Insurance to satisfy the indemnification obligation of the Association and all Unit Owners set out in Section 11.2 hereof, if and to the extent available.

Section 10.2. **Required Provisions.** Insurance obtained by the Association shall be in accordance with the following provisions:

(a) All policies shall be written with a company licensed to do business in the State of Rhode Island and, for the hazard insurance policy described in Section 10.1 (a) hereof, such company must hold a rating of Class VI or better by Best's Insurance Reports (or a rating of Class V, provided it has a general policy holder's rating of at least "A"),or by an equivalent rating bureau should Best's Insurance Reports cease to be issued.

(b) Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Executive Board or its authorized representative.

(c) Each Unit Owner may obtain additional insurance at his own expense; provided, however, that: (1) such policies shall not be invalidated by the waivers of subrogation required to be contained in policies required by this Declaration; and (2) no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which the Association may have in force on the Property at any particular time.

(d) Any Unit Owner who obtains individual insurance policies covering any portion of the Property other than personal property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after purchase of such insurance.

(e) With respect to the insurance policies issued to the Association and covering all or any part of the Property, the Association shall endeavor to cause such policies to provide that:

(1) the enforceability of such policies is not affected by any waiver of subrogation as to any and all claims against the Association, any managing agent, the Unit Owners and their respective tenants, employees, agents, customers and guests, such subrogation being hereby waived;

(2) such policies cannot be canceled, invalidated or suspended by means of the conduct of any one or more Unit Owners, all defenses based upon co-insurance or acts of the insured being waived by the insurer, and in no event can cancellation, material modification, invalidation or suspension for any reason be effected without at least sixty (60) days' prior written notice to each Unit Owner and all holders of mortgages whose names and addresses are on file with the insurer;

(3) such policies cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Association or any managing agent employed by the Association without a prior demand in writing that the Association or such managing agent, as the case may be, cure the defect and without providing a reasonable period of time thereafter in which to cure same; and

(4) any "no other insurance" clause in such policies shall not prohibit Unit Owners from obtaining insurance on their individual Unit providing such insurance policy conforms with the requirements of this <u>Article 10.</u>

5) such policies shall contain a standard mortgagee clause in favor of each Mortgagee who is registered with the Association.

(f) The Executive Board shall review annually the adequacy of the insurance coverage and report the results of such review at each annual meeting.

(g) The name of the insured under each policy required pursuant to this Article 10 shall be stated in form and substance similar to the following:

ANGLESEA II CONDOMINIUM ASSOCIATION,
for the use and benefit of the
individual owners, or their authorized
representatives, of the Condominium Units
contained in ANGLESEA II CONDOMINIUMS

(h) Coverage may not be prejudiced by: (1) any act or negligence of one or more Owners of Units when such act or neglect is not within the control of the Association; or (2) any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

(i) All policies of property insurance shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such options shall not be exercisable (1) without the prior written approval of the Executive Board (or any Insurance Trustee), or (2) when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party or with any requirement of law.

(j) Insurance coverage obtained and maintained pursuant to the requirements of this Article 10 shall provide the primary insurance in the event there is other insurance in the name of a Unit Owner covering the same loss.

Section 10.3. **Repair of Damage or Destruction to Condominium.** The repair or replacement of any damaged or destroyed portion of the Condominium shall be done in accordance with and governed by Section 34-36.1-3.13 of the Act.

ARTICLE 11 LIMITATION OF LIABILITY

Section 11.1. **Limited Liability of the Executive Board.** The Executive Board, and its members in their capacity as members, officers and employees:

(a) Shall not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Property, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board;

(b) Shall not be liable to the Unit Owners as a result of the performance of the Executive Board members' duties for any mistake of judgment, negligence or otherwise, except for the Executive Board members' own willful misconduct or gross negligence;

(c) Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board or the Association in the performance of the Executive Board members' duties;

(d) Shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements or Limited Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

(e) Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

(f) Shall have no personal liability arising out of the use, misuse or condition of the Building, or which might in any other way be assessed against or imputed to the Executive Board members as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.

Section 11.2. **Indemnification.** Each member of the Executive Board in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties or any other standard imposed by the Act; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification by the Unit Owners set forth in this Section 11.2 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

Section 11.3. **Joint and Several Liability of Unit Owners and Lessees.** Each Unit Owner shall be jointly and severally liable with any tenants of the Unit owned by such Unit Owner for all liabilities arising out of the ownership, occupancy, use, misuse or condition of such Unit or any portion of the Common Elements or Limited Common Elements.

Section 11.4. **Defense of Claims.** Complaints brought against the Association, the Executive Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the holders of any mortgages and such complaints shall be defended by the Association. The Unit Owners and the holders of mortgages shall have no right to participate other than through the Association in such defense. Complaints of a nature specified in Section 11.3 hereof against one or more but less than all Unit Owners shall be defended by such Unit Owners who are defendants themselves and such Unit Owners shall promptly give written notice of the institution of any such suit to the Association and to the holders of any mortgages encumbering such Units.

Section 11.5. **Storage; Disclaimer of Bailee Liability.** Neither the Executive Board, the Association nor any Unit Owner or the Declarant shall be considered a bailee of any personal property stored on the Common Elements (including property located in storage areas on the Common Elements, including the Limited Common Elements), whether or not exclusive possession of the particular area is given to a Unit Owner for storage purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE 12
UNITS SUBJECT TO CONDOMINIUM DOCUMENTS; EMINENT DOMAIN

Section 12.1.**Applicability of Condominium Documents**. Each present and future owner, tenant, occupant and Mortgagee of a Unit shall be subject to and shall comply with the provisions of the Act, and with the covenants, conditions and restrictions as set forth in the Condominium Documents and the deed to such Unit; provided, that nothing contained herein shall impose upon any tenant or Mortgagee of a Unit any obligation which the Act or one or more of such documents, or both, make applicable only to Unit Owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into of occupancy of any Unit shall constitute an agreement that the provisions of the Act and the covenants, conditions and restrictions set forth in the Condominium Documents and the deed to such Unit are accepted and ratified by such grantee, Mortgagee or tenant. All of such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such Provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

Section 12.2. **Eminent Domain**. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceedings for the determination of damages, such damage shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein.

ARTICLE 13
EXECUTIVE BOARD OF THE ASSOCIATION

Section 13.1. **Members.** (a) The Executive Board shall consist of five (5) members. The members of the initial Executive Board shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The Declarant-appointed members of the Executive Board shall be replaced with Unit Owners in accordance with the provisions of paragraphs (b) and (c) of this Section 13.1.

(b) Not later than sixty (60) days after conveyance of twenty-five (25%) percent of Units which may be created to Unit Owners other than the Declarant, at least one member and not less than twenty-five (25%) percent of the members of the Executive Board must be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty (50%) percent of the Units which may be created to Unit Owners other than a Declarant, not less than one-third (1/3) of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

(c) Not later than the earlier of (1) sixty (60) days after conveyance of eighty (80%) percent of the Units which may be created to Unit Owners other than the Declarant, (2) two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business, or (3), two (2) years after any Development Right to add new Units was last exercised, the period of Declarant control terminates.

(d) The Executive Board shall possess all of the duties and powers granted to the Executive Board by the Act.

(e) In the event that a Unit Owner is a non-natural person, an officer, director, partner, shareholder or other designated agent (the "representative") of the Unit Owner may serve on the Executive Board; provided, however, that the representative shall be entitled to serve on the Executive Board only during such time as the representative continues to be related to the non-natural person or be the authorized agent thereof.

Section 13.2. **Disputes.** In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of the Condominium Documents, the determination thereof by the Executive Board shall be final and binding on each and all such Unit Owners. The Executive Board shall have the authority to seek a declaratory judgement or other appropriate judicial relief in order to assist it in carrying out its responsibilities under this Section 13.2. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

Section 13.3. **Amendments to the Condominium Documents.** The Condominium Documents shall be amended in accordance with the Act and the Condominium Documents. Notwithstanding any other provisions of this Declaration to the contrary, if any amendment is necessary in the judgment of the Declarant or the Executive Board to cure any ambiguity or to correct or supplement any provision of the Condominium Documents that is defective, missing or inconsistent with any other provisions hereof, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to condominium projects, then at any time and from time to time the Declarant or the Executive Board, as the case may be, may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Declarant or the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. Each amendment of the type described in this Section 13.3 shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, which instrument has been executed and acknowledged by one or more officers of the Declarant or the Executive Board.

Section 13.4. **Abating and Enjoining Violations by Unit Owners.** The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the By-laws or the breach of any provision of this Declaration or the Condominium Act by any Unit Owner or any tenant of such Unit Owner, shall give any aggrieved Unit Owner and the Executive Board the right, in addition to any other rights to which it may be entitled, to enjoin, abate or remedy by appropriate legal proceedings, either by law or in equity, the continuance of any such breach.

ARTICLE 14
MANAGEMENT

The Association shall have the right to employ a professional experienced managing agent who shall oversee the daily operation of the Condominium, in accordance with the provisions of the Act and the Condominium Documents; provided, however, that no agreement for professional management of the Condominium may exceed a term of two (2) years and any such agreement shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days written notice.

ARTICLE 15
ASSESSMENTS; LIABILITY OF UNIT OWNERS

Section 15.1. **Power to Assess**. The Association, acting through the Executive Board in accordance with the By-laws, shall have the power to fix and determine, from time to time, the sums necessary and adequate to provide for the Common Expenses, including, but not limited to, such amounts as are necessary for uncollectible assessments, budget deficits, such reserves as are hereinafter described and such additional reserves as the Executive Board shall deem necessary or prudent, and such other expenses as are specifically provided for in the Act, this Declaration or the By-laws. The Association shall establish an adequate reserve fund for maintenance, repair and replacement of those Common Elements which are anticipated to require replacement, repair or maintenance on a periodic basis. The reserve fund shall be funded by monthly payments as a part of the Common Expenses.

Section 15.2. **Special Assessments.** If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year for any reason (including, by way of illustration and not limitation, any Unit Owner's non-payment of his assessment or municipal assessments not yet assessed), the Executive Board shall have the power, at any time (and from time to time) it deems necessary and proper, to levy one or more Special Assessments against each Unit Owner. Special Assessments shall be due and payable in the manner and on the date set forth in the notice thereof.

Section 15.3. **Payment of Assessments.** Each Owner shall pay all assessments levied by the Association. Such assessments shall be due and payable on a monthly basis as designated by the Executive Board. Assessments that are unpaid for over fifteen (15) days after the due date shall bear interest at the maximum allowable legal rate per annum from the due date until paid. In the sole discretion of the Executive Board, a late charge of TWENTY-FIVE ($25.00) DOLLARS per assessment not paid when due may be assessed against the delinquent Unit Owner.

Section 15.4. **Failure to Fix New Assessments.** If the Executive Board shall fail to fix new Monthly Assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Unit Owners shall continue to pay the same sums they were paying for such Monthly Assessments during the fiscal year just ended and such sum shall be deemed to be the new Monthly Assessments for the succeeding fiscal year. If the Executive Board shall change the Monthly Assessment at a later date, the difference between the new Monthly Assessment, if greater, and the previous year's Monthly Assessment up to the effective date of the new Monthly Assessment shall be treated as if it were a Special Assessment under Section 15.2 hereof; thereafter each Unit Owner shall pay the new Monthly Assessment. In the event the new Monthly Assessment is less than the previous year's Monthly Assessment, in the sole discretion of the Executive Board, the excess either shall be refunded to the Unit Owners in equal shares, credited against future Monthly Assessments or retained by the Association for reserves.

Section 15.5. **No Exemption by Waiver.** No Unit Owner may exempt himself from liability for the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise.

Section 15.6. **Personal Liability of Unit Owners.** All sums assessed by the Association as a Monthly or Special Assessment shall constitute the personal liability of the Owner of the Unit so assessed and also, until fully paid, shall constitute a lien against such Unit pursuant to Section 34-36.1-3.16 of the Act. The Association may take action for failure to pay any assessment or other charges pursuant to Section 34-36.1-3.16 of the Act. The delinquent Owner shall be obligated to pay (a) all expenses of the Executive Board, including reasonable attorneys' fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (b) any amounts paid by the Executive Board for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

Section 15.7. **Liability of Purchaser of Unit for Unpaid Assessments.** Subject to the provisions of Section 34-36.1-4.09 of the Act, upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or any interest therein, the grantee thereof shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of consummation of the sale, conveyance or transfer, but such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments.

Section 15.8. **Subordination of Certain Charges.** Any fees, charges, late charges, fines and interest that may be levied by the Association pursuant to Section 34-36.1-3.G2(a)(10), (11) and (12) of the Act shall be subordinate to any first mortgage lien to the extent required by the Act.

Section 15.9. **Working Capital Fund.** Upon the initial transfer of title from the Declarant to the purchaser of each Unit, the Association shall collect from such purchaser an amount equal to two (2) months estimated Common Expense Liability, which monies shall be deposited into a working capital fund under the control of the Association. No Unit Owner is entitled to a refund of these monies by the Association upon the subsequent conveyance of his Unit or otherwise.

Section 15.10. **Surplus.** The Budget of the Association shall segregate Limited Expenses, if any are anticipated, from General Common Expenses. Any amounts accumulated from assessments for Limited Expenses in excess of the amount required for actual Limited Expenses shall be credited to each Unit Owner paying a share of such Limited Expenses in proportion to the share of such Limited Expenses paid by each such Unit Owner, such credits to be applied to the next Monthly Assessments of

Limited Expenses due from said Unit Owners under the current fiscal year's budget, and thereafter, until exhausted. Any amounts accumulated from assessments for General Common Expenses in excess of the amount required for actual General Common Expenses and reserves for future General Common Expenses, unless otherwise directed by the Executive Board of the Association, in its sole discretion, shall be credited to each Unit Owner in equal amounts, such credit to be applied to the next Monthly Assessments of General Common Expenses due from said Unit Owners under the current fiscal year's budget, and thereafter, until exhausted or retained by the Association for reserves.

Section 15.11. **Membership In The Anglesea II Condominium Association.** The Association is a Rhode Island unincorporated association, all the members of which are the Unit Owners of the Property. The Declarant, being the initial Owner of all Units, initially shall constitute all of the members of the Association. A person shall automatically become a member of the Association at the time he acquires legal title to his Unit, and he shall continue to be a member so long as he continues to hold title to such Unit. A Unit Owner shall not be permitted to resign from membership in the Association prior to the time when he transfers title to his Unit to another. No membership may be transferred in any way except as appurtenant to the transfer of title to the Unit to which that membership pertains. Transfer of membership shall be automatic upon transfer of title, but the Association may treat the prior Unit Owner as the member for all purposes until satisfactory evidence of the recording of the instrument transferring title shall be presented to the Secretary of the Executive Board. The date of recordation of an instrument of conveyance in the Office of the City Clerk of the City of Warwick shall be determinative of all disputes concerning the date of transfer of title to any Unit or Units. Each Unit Owner shall also automatically become a member of the Anglesea Master Association, a Rhode Island non-profit corporation, at the time he acquires legal title to his Unit and he shall continue to be a member so long as he continues to hold title to such Unit. Each Unit Owner shall abide by all rules and regulations and pay all assessments which may be imposed by the Anglesea Master Association, including, but not limited to, each Unit Owner's share of real estate taxes assessed on the common open space as described on <u>Exhibit A,</u> and other operating expenses of Anglesea Master Association.

ARTICLE 16
DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Section 16.1. **Reservation of Rights.** The Declarant reserves to itself and for the benefit of its successors and assigns, pursuant to Sections 34-36,1-1.03(11) and 34-36.1-2.05(a)(8) of the Act, the right to add real estate to the Condominium, to create units, common elements or limited common elements within the Condominium, to subdivide or convert units into common elements, to withdraw real estate from the Condominium and any and all other Development Rights as are now allowed or in the future may be allowed by the Act. The Declarant also reserves to itself and for the benefit of its successors and assigns, pursuant to Section 34-36.1-1.03(23) and 34-36.1-2.05(a)(8) of the Act, the right to complete all improvements shown on the Plats and the Plans, to exercise the Development Rights set forth above, to maintain models and sales offices and to exercise the easements as set forth in Article 6 hereof, to make the Condominium subject to a master association, to appoint or remove any officer or executive board member during any period of Declarant control of the Association and any and all other Special Declarant Rights as are now allowed or in the future may be allowed by the Act. The real estate subject to Development Rights and Special Declarant's Rights is Phase IA described on Exhibit A-l, Phase IB described on Exhibit A-2 and the Withdrawable Real Estate described on Exhibit D. Development Rights and Special Declarant Rights must be exercised within ten (10) years from the date this Declaration was recorded or such earlier time as the right to do so expires pursuant to the terms hereof or the Act, as applicable, or is terminated by the Declarant. Development Rights may be exercised at different times with respect to different parcels of real estate. The Declarant intends to subject Phase IB and the Withdrawable Real Estate to Development Rights; however, the number of Units added to the Condominium will depend upon sales of Units in Phase IA and Phase IB and other considerations. If a Development Right is exercised in any portion of the Withdrawable Real Estate, that Development Right need not be exercised in all or any other portion of the remainder of the Withdrawable Real Estate.

Section 16.2. **Exercise of Rights**. The exercise of the Development Rights and/or Special Declarant Rights reserved herein shall be in accordance with and governed by the provisions of the Act including, without limitation, Section 34-36.1-2.10.

ARTICLE 17
ASSIGNABILITY OF DECLARANT'S RIGHTS

The Declarant may assign any and all of its rights or privileges reserved or established by this Declaration or the Condominium Act in accordance with the provisions of the Act.

ARTICLE 18
AMENDMENT OF DECLARATION

Pursuant to Section 34-36.1-2.17 of the Act and except as provided therein for amendments which may be executed by the Declarant, the Association or certain Unit Owners, this Declaration may be amended only by vote or agreement of Unit Owners of Units to which sixty-seven (67%) percent of the votes in the Association are allocated; provided however, that the provisions in Article 9, together with those provisions of the Declaration or the By-laws which govern any of the following, may not be amended without the prior written approval of Mortgagees of Units to which fifty-one (51%) percent of the votes in the Association are allocated: (a) Voting rights; (b) Assessments, assessment liens, or subordination of assessment liens; (c) Reserves for maintenance, repair and replacement of Common Elements; (d) Insurance or fidelity bonds; (e) Rights to use of the Common Elements; (f) Responsibility for maintenance and repairs; (g) Reallocation of interests in the Common or Limited Common Elements, or rights to their use; (h) Expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the property; (i) Redefinition of boundaries of any Unit; (j) Leasing of Units; (k) Imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit; (1) Restoration or repair of the Premises (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents; (m) Any provisions that expressly benefit mortgage holders, insurers or guarantors of mortgages on Units; (n) Convertibility of Units into Common Elements or vice versa; (o) A decision by the Owner's Association to establish self-management when professional management had been required previously by the project's documents or by an eligible mortgage holder; or any action to terminate the legal status of the project after substantial destruction or condemnation occurs.

ARTICLE 19
TERMINATION

The Condominium may be terminated only by agreement of the Unit Owners of Units to which eighty (80%) percent of the votes in the Association are allocated, provided, however, for reasons other than substantial destruction or condemnation of the Condominium, eligible mortgage holders that represent at least sixty-seven (67%) percent of the votes of the mortgaged Units must agree. Termination of the Condominium will be governed by the provisions of Section 34-36.1-2.18 of the Act.

ARTICLE 20 GENERAL PROVISIONS

Section 20.1. **Headings.** The headings used in this Declaration and the Table of Contents are inserted solely as a matter of convenience for the readers of this Declaration and shall not be relied upon or used in construing the effect or meaning of any of the provisions of this Declaration.

Section 20.2. **Severability.** The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion hereof unless such deletions shall destroy the uniform plan of development and operation of the condominium project which this Declaration is intended to create.

Section 20.3. **Applicable Law.** This Declaration shall be governed by and construed according to the laws of the State of Rhode Island.

Section 20.4. **Interpretation.** The provisions of this Declaration shall be liberally construed in order to effect Declarant's desire to create a uniform plan for development and operation of the condominium project and to permit compliance with the requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

Section 20.5. **Effective Date.** The Declaration shall become effective when it and the Plats and Plans have been recorded.

Section 20.6. **Notices.** All notices and other communications required or permitted to be given under or in connection with this Declaration shall be in writing and shall be deemed given when delivered in person or on the second business day after the day on which mailed by certified mail, return receipt requested, addressed to the address maintained in the register of current addresses established by the Association.

Section 20.7. **Exhibits.** All exhibits attached to this Declaration are hereby made a part of this Declaration.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed the day and year first above written.

ANGLESEA, L.P., a Rhode Island
limited partnership

By its General Partner
ANGLESEA L.L.C.

By:___________________________________

Print Name: ________________________

Print Title:________________________

STATE OF_________________

COUNTY OF_______________

In ___________ on the _____ day of September, 2000, before me personally appeared _______________ , ______________ of Anglesea L.L.C., a General Partner of Anglesea, L.P., a Rhode Island limited partnership, to me known and known by me to be the party executing this Declaration of Condominium, and he acknowledged the said instrument by him executed to be his free act and deed in his said capacity and the free act and deed of Anglesea L.L.C., as General Partner of Anglesea, L .P., and the free act and deed of Anglesea, L.P.

____
Notary Public

Print Name:____________________________

My Commission Expires:__________________

EXHIBIT B

TO FIFTEENTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF ANGLESEA II CONDOMINIUMS

PERCENTAGE INTERESTS IN COMMON ELEMENTS AND COMMON EXPENSE SHARE APPURTENANT TO UNITS

Percentage Interests - The Percentage Interest appurtenant to each Unit will be determined on the basis of the square footage of each Unit, by dividing the square footage of the Unit (excluding the square footage of garages and one-half of the square footage of cellars and/or below grade areas (if any)) by the aggregate of the square footage of all Units. For purposes of determining the Percentage Interest the net square footage of the design plan for each such Unit is utilized. The actual net square footage of each constructed Unit may vary slightly from such design square footage but such variance shall not affect the respective Percentage Interest of each such Unit. If and when Units are added to the Condominium, Percentage Interests will be reallocated using the same formula set forth above.

Common Expenses - The liability of each Unit Owner for the Common Expenses of the Condominium shall be determined by multiplying the amount of the annual budget by the Percentage Interest of the Unit Owner.

PHASE IA FOUR (4) Units must be built
PHASE IB THREE (3) Units must be built
PHASE II THREE (3) Units must be built
PHASE III FOUR (4) Units must be built
PHASE IV THREE (3) Units must be built
PHASE V THREE (3) Units must be built
PHASE VI FOUR (4) Units must be built
PHASE VH THREE (3) Units must be built and
PHASE VIH THREE (3) Units must be built
PHASE IX THREE (3) Units must be built
PHASE X THREE (3) Units must be built
PHASE XI FOUR (4) Units must be built
PHASE XII THREE (3) Units must be built
PHASE XIII THREE (3) Units must be built
PHASE XIV THREE (3) Units must be built
PHASE XV FIVE (5) Units must be built

PERCENTAGE INTEREST IN COMMON EXPENSES UPON COMPLETION OF BUILDING 4, BUILDING 14, BUILDING 15, BUILDING 5, BUILDING 16, BUILDING 2, BUILDING 1, BUILDING 10, BUILDING 13, BUILDING 11, BUILDING 9, BUILDING 6, BUILDING 8, BUILDING 7, BUILDING 12 and BUILDING 3

Unit	*Percentage Interest	Square footage	Vote
BUILDING 4:			
401 (A-3)	1.66%	2595	1
402 (C-l)	1.96%	3063	1
403 (C-2)	1.88%	2936	1
404 (A-l)	1.62%	2532	1
BUILDING 14:			
1401 (A-4)	1.78%	2778	1
1402 (Cl-A)	1.95%	3052	1
1403 (A-2)	1.71%	2682	1
BUILDING 15:			
1501 (A-3)	1.66%	2595	1
1502 (C-2)	1.88%	2936	1
1503 (C-l)	1.96%	3063	1
BUILDINGS:			
501 (A-4)	1.78%	2778	1
502 (C-1A)	1.95%	3052	1
503 (C-2)	1.88%	2936	1
504 (A-l)	1.62%	2532	1
BUILDING 16:			
1601 (C-1A)	1.95%	3052	1
1602 (C-2)	1.88%	2936	1
1603 (A-4)	1.78%	2778	1
BUILDING 2:			
201 (A-4)	1.78%	2778	1
202 (C-l)	1.96%	3063	1
203 (A-3)	1.66%	2595	1
BUILDING 1:			
101 (A-4)	1.78%	2778	1
102 (C-l)	1.96%	3063	1
103 (C-2)	’ 1.88%	2936	1
104 (A-4)	1.78%	2778	1

Unit	*Percentage Interest	Square footage	Vote
BUILDING 10:			
1001 (A-4)	1.78%	2778	1
1002 (C-2)	1.88%	2936	1
1003 (Cl-A)	1.95%	3052	1
BUILDING 13:			
1301 (A-4)	1.78%	2778	1
1302 (C-2)	1.88%	2936	1
1303 (Cl-A)	2.07%	3245	1
BUILDING 11:			
1101 (Cl-A)	2.07%	3245	1
1102 (C-2)	1.88%	2936	1
1103 (A-4)	1.78%	2778	1
BUILDING 9:			
901 (C-l)	2.07%	3245	1
902 (C-2)	1.88%	2936	1
903 (A-4)	1.78%	2778	1
BUILDING 6			
601 (A-4)	1.78%	2778	1
602 (C-l)	2.07%	3245	1
603 (C-2)	1.88%	2936	1
604 (A-l)	1.62%	2532	1
BUILDING 8			
801 (A-4)	1.78%	2778	1
802 (C-2)	1.88%	2936	1
803 (C-l)	2.07%	3245	1

Unit	*Percentage Interest	Square footage	Vote
BUILDING?			
701 (C-l)	1.95%	3052	1
702 (C-2)	1.88%	2936	1
703 (A-4)	1.78%	2778	1
1201 (A-l)	1.63%	2546	1
1202 (C-2)	1.88%	2936	1
1203 (C-l)	2.07%	3245	1
301( )	1.78%	2778	1
302( )	1.95%	3052	i
303( )	1.95%	3052	1
304( )	1.88%	2936	1
305( )	1.78%	2778	1

* The Percentage Interest appurtenant to each Unit must equal 100, except for slight variations due to rounding.