

PART II

EXHIBITS TO PUBLIC OFFERING STATEMENT

WHITEHALL FARM CONDOMINIUM

EXHIBIT 1
TO PUBLIC OFFERING STATEMENT

DECLARATION OF CONDOMINIUM
OF
WHITEHALL FARM CONDOMINIUM

NOTE: The following Declaration of Condominium, together with Exhibits thereto, was recorded in the Land Evidence Records of the Town of Middletown on September 29, 1986, creating the Whitehall Farm Condominium, Phase I. Subsequently, Amendments One (1) through Four (4) were recorded creating Phases Two (2), Three (3), Four (4) and Five (5), respectively, each adding additional land and additional Units to the Condominium. These Amendments are included as Exhibit 8 in the Public Offering Statement.

DECLARATION OF CONDOMINIUM

OF

WHITEHALL FARM CONDOMINIUM

Pursuant to the provisions of the
Rhode Island Condominium Act of 1982
R.I.G.L. 34-36.1 et. seq.

DECLARATION OF CONDOMINIUM

OF

WHITEHALL CONDOMINIUM

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DECLARATION OF CONDOMINIUM

WHITEHALL FARM

MIDDLETOWN, RHODE ISLAND

THIS DECLARATION is made this day of , 1986,
by WHITEHALL DEVELOPMENT ASSOCIATES LIMITED PARTNERSHIP, a
Massachusetts limited partnership (the "Declarant"), as the owner
in fee simple of the Real Estate hereinafter described.

ARTICLE 1

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 Town of
Middletown, Rhode Island, hereby submits the Real Estate, together
with and subject to all easements, rights and appurtenances
thereto belonging and the Buildings and improvements erected or to
be erected thereon (collectively, the "Property") to the provi-
sions of the Rhode Island Condominium Act of 1982, 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 Whitehall Farm
Condominium (the "Condominium"). The Condominium hereby created
will consist of Phase 1 which contains thirteen (13) Units. Five
(5) additional phases may be added to the Condominium. The
Declarant reserves the right to create an additional one hundred
twenty (120) Units. The maximum number of Units in the
Condominium, therefore, may be one hundred thirty-three (133)
Units.

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

(i) Rights granted or to be granted to Newport
Electric Company, the Providence Gas Company, the New England
Telephone and Telegraph Company, and/or any cable company, to
supply the owners with electricity, gas telephone and cablevision
service.

(ii) Agreement between Manuel V. Corey, Alexandria
M. Corey, William E. Stratford, Alice F. Stratford and the
National Society of Colonial Dames of America in the State of

Rhode Island and Providence Plantations which is recorded in the Land Evidence Records of the Town of Middletown in Volume 156 at Page 792.

(iii) Rights of the heirs of Paul Whitman and others entitled thereto to use and have access to the cemetery as shown on the Plans, all as set forth in Volume 40 at Page 141 of the Middletown Land Evidence Records.

(iv) Rights and easements of others, if any, to drain through or otherwise use Maidford River running through the Property.

(v) Declaration of Restrictive Covenants, Whitehall Development Associates, recorded in the Land Evidence Records of the Town of Middletown as Document No. 0212 on November 1, 1985 at 4:16 P.M.

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

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 Whitehall Farm Condominium Association, Inc., a non-profit Rhode Island corporation, the entity responsible for the operation of the Condominium.

(b) "Building" means any residential, service, structure or other improvement now or hereafter constructed on the Property.

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

time.

(d) "Common Elements" means and includes:

(i) The portions of the Property which are not included within the Units.

(ii) Easements through Units, for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and the Common Elements.

(iii) An easement of support in every portion of a Unit which contributes to the support of the Building.

(iv) The property and installations required for the furnishing of utilities and other services to more than one Unit, or to the Common Elements.

(v) Any other parts of the Condominium designated as Common Elements in this Declaration.

(e) "Condominium" means the Condominium described in Section 1.1 above.

(f) "Condominium Documents" includes the Declaration, Plats and Plans, Articles of Incorporation, By-Laws and Rules and Regulations.

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

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

(i) "Development Rights" means those rights which the Declarant has reserved to itself as set forth in Article 15 and elsewhere in this Declaration.

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

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

(l) "Insurance Trustee or Trustees" means any Executive

Board member or members designated as a Trustee or Trustees responsible for the management and disbursement of insurance proceeds in accordance with Article 9 hereof.

(m) "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.

(n) "Limited Expense" means the expenses described in Section 3.3 of this Declaration.

(o) "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.

(p) "Mortgagee" or "Mortgage Holder" is a holder, guarantor or insurer of a record first mortgage on a Unit. An "eligible" Mortgage Holder is a Mortgagee or Mortgage Holder who has "registered" with the Association and is entitled to receive all notices and information provided for the benefit of Mortgagees in the Declaration, and entitled to vote on actions and amendments requiring Mortgagees' consent.

(q) "Options" and "Optional Features" means additional rooms or other improvements, which may be added to a Unit prior to the time of purchase, at an additional cost to the Purchaser.

(r) "Percentage Interest" means the undivided interest of a Unit Owner 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.

(s) "Property" means the Property described in Section 1.1 above.

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

(u) "Record" means to record in the Records of Land Evidence of the Town of Middletown, Rhode Island.

(v) "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.

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

(x) "Special Declarant Rights" means those rights which the Declarant has reserved to itself as set forth in Article 15 and elsewhere in this Declaration.

(y) "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 includes any and all Units which the Declarant has reserved the right to create.

(z) "Withdrawable Real Estate" means the two parcels of real estate described on Exhibit G attached hereto, as long as the Declarant's rights to withdraw such Withdrawable Real Estate from the Condominium continues to exist.

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

Section 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 the exterior walls of the Building as are adjacent to such Unit, the Unit to include the thickness of the finish material such as plaster or drywall.

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 or cement floor of such Unit, the 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 interior surface of the panes of such windows and the Unit-side surface window sills, molding, 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 interior surface of doors, and the Unit-side surface of the sills and the Unit-side 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 (1) 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 which are wholly contained within such boundary lines including (but not limited to) 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) serving only such Unit, whether or not such lighting devices are themselves located entirely within the boundary lines 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, cablevision and security systems, 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 the water, waste, electric and exhaust connections located within such boundary lines and serving only such Unit.

In addition to and notwithstanding the foregoing, all Units shall include the garages appurtenant thereto. The boundary lines of the garages are formed by the planes of the finished interior surface of the floors, walls and ceilings.

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

(d) Each Unit Owner's estate is fee simple.

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 therefor in Section 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 is prohibited. 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 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 the Limited Common Elements, if any, shall be charged as a Common Element Expense, unless the Association, in its sole discretion, determines that such maintenance, repair and replacement was necessitated by a Unit Owner's misuse or abuse of such Limited Common Element in which event such expenses shall be charged to such Unit Owner as a Limited Expense. The Association shall have the sole discretion to determine when the Limited Common Elements and Common Elements, including but not limited to the doors and windows, must be painted, maintained or repaired. The Association shall have the right to perform or cause the work to be performed to all Common Elements and Limited Common Elements.

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 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 Section 4.2 hereof. Those portions of the Limited Common Elements serving only the Unit above, below or adjacent to such Limited Common Element, 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) windows and doors and their respective 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, patios and portions of the driveway adjacent to each Unit and other improvements adjacent to some Units as designated on the Plats and Plans to be for the use of Unit Owners.

ARTICLE 5

ALLOCATION OF PERCENTAGE INTERESTS, COMMON EXPENSES, MEMBERSHIP IN ASSOCIATION, VOTING RIGHTS AND ASSOCIATION POWERS, RIGHTS AND DUTIES

Section 5.1. Percentage Interests. Attached as Exhibit B hereto is a list of all Units by their Identifying Number and their Percentage Interest appurtenant to each Unit. Each Unit in the Condominium will have an equal percentage interest in the Common Elements. If and when Units are added to the Condominium, Percentage Interests will be reallocated such that each unit has an equal Percentage Interest of the total Units declared. The Percentage Interest for any given Unit will never be less than .7518796999 percent nor more than 7.692307692 percent.

Section 5.2. Common Expenses. The liability of each Unit for the Common Expenses of the Condominium shall be equal. Each Unit's share shall be determined by dividing the amount of the annual budget by the number of declared Units in the Condominium.

Section 5.3. Identification of Association. All record Unit Owners shall be members of the Whitehall Farm Condominium

Association, Inc. (the "Association"), a non-profit corporation incorporated under Chapter 7-6 of the Rhode Island General Laws, 1956, as amended.

Section 5.4. Membership. Membership in the Association shall be restricted to record owners of Units, membership in the Association being established by recording in the Land Evidence Records of the Town of Middletown, Rhode Island, a deed or other instrument establishing a change of record title to a Unit and a written notification to the Association of the recording information. The membership of a prior owner shall terminate upon such recordation and notification. There shall be one membership per residential Unit.

Section 5.5. Allocation of Unit Owner's Voting Rights. There shall be one vote per Unit as more specifically provided in the Fourth Article of the Articles of Incorporation of the Association attached hereto as Exhibit "H". Voting rights will be exercised in the manner provided by the By-Laws of the Association.

Section 5.6. Powers of Association. The Association shall have all the powers and duties granted to the Association by the Act, the Articles of Incorporation of the Association, the By-Laws of the Association and this Declaration.

Section 5.7. Availability of Books, Records and Condominium Documents. The Association shall have the following available for inspection by Unit Owners and Eligible Mortgagees during normal business hours or other reasonable circumstances: current copies of Condominium Documents, books, records, financial statements, and an audited statement of the Association for the previous fiscal year.

Section 5.8. Designations. Each Unit Owner shall designate the Association and/or the Insurance Trustee, if any, its attorney-in-fact to represent the Unit Owner in proceedings, negotiations, settlement and agreements arising out of condemnation, loss, damage, destruction, liquidation, or termination affecting all or any part of the Property.

ARTICLE 6

EASEMENTS, TITLE MATTERS

Section 6.1. Additional Easements. As a supplement to the easements provided for by Section 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. The Declarant reserves the right to place models, management offices and sales offices on any portion of the Common Elements or in any Unit owned by the Declarant 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 owned by the Declarant 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 upon conveyance of the Unit shall be deemed to be part of the Unit, or if located on the Common Elements and not removed prior to completion of the project, shall be deemed to be part of 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 Common Elements shall be, and hereby are, made subject to (1) easements in favor of the Declarant, appropriate utility and service companies, cable television companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property and (2) the right of the Association to grant permits, licenses or easements for roads or other purposes necessary for the proper operation of the Property. The easements created in this Section 6(b) shall include, without limitation, rights of the Declarant, or the providing utility or service company, or governmental agency or authority 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 Common Elements. 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 or not located within Phase 1 or any other Phase, 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(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 Common Elements 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 and servants, 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 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, any management agent's office). Notwithstanding any provisions herein contained to the contrary, a Unit Owner has unrestricted rights of ingress and egress to and from his Unit.

(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 benefitted:

(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 of 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, medicine cabinets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only one Unit or which encroach into any part of any Common Elements or Limited Common Elements on the date this Declaration is recorded or as may hereafter be added by the Declarant, or a Unit Owner with the prior written approval of the Executive Board.

(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(k) or Section 6(l) 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 a Unit Owner's use of his Unit resulting from the Association's exercise of any rights it may have pursuant to this Section (1)(1) and the following Section (1)(2), or both;

(2) In favor of the Unit Owner benefitted 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 of more Units.

(j) The Common Elements, Limited Common Elements and Units are hereby made subject to the following easement: If any portion of the Common Elements encroaches upon any Unit or any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or any encroachment shall hereafter occur as a result of construction of the Improvements, Settling or shifting of the Improvements, any alteration or repair to the Common Elements made by or with the consent of the Association, or any repair or restoration of the Improvements (or any portion thereof) or any Unit after damage by fire or casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Improvements shall stand.

(k) Whenever in this Declaration and the Plats and Plans a boundary line of a Unit is described as being the Unit-side surface of the structural wood or cement 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, parquet flooring 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 and duty to maintain, repair and/or replace the structural wood and/or cement 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 and/or cement floor.

(l) 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 paint, wallpaper, other decorative material, pictures, mirrors, wall systems and decorative articles, and (with respect to all such portions of the Property) cleaning and maintaining such surfaces, 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 9. 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 and duty 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.

(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 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.

(n) 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 all or a portion of the Withdrawable Real Estate, pursuant to the provisions of Article 19 hereof, and if the Declarant's rights under Article 19 shall lapse or be terminated, then this Section 6.1(n) 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 1 or any subsequent phases to go upon any portion of the Common Elements for the purpose of ingress and egress to the Withdrawable Real Estate and for the purpose of servicing 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 wire, conduits, equipment and ducts and vents.

(o) 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 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. Title Matters. In addition to those easements described in Section 6.1 above and those matters described in Section 1.2 above, any additional restrictions and title exceptions set forth on Exhibit E attached hereto, the title to the Property is subject to the following:

(a) The reservation by the Declarant, its successors and/or assigns of the right to convey two (2) parcels of land which total approximately 70,005 square feet (as described in Exhibit A attached hereto) to others without providing the Whitehall Farm Condominium Association and/or any Unit Owners, their heirs and/or assigns and/or the holders of any liens on all or any part of the Property with any compensation for such conveyance and without obtaining the approval of the Whitehall Farm Condominium Association and/or the Unit Owners, their heirs and/or assigns and/or the holders of any liens on all or any part of the Property.

ARTICLE 7

RESTRICTIONS ON USE: SALE AND LEASE OF UNITS

Section 7.1. 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 or sales 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. Nothing shall be altered or constructed in or removed from the Common Elements except with the prior written consent of the Executive Board.

(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 (which shall be designed by the Executive Board) 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) With the prior written consent of the Executive Board, domestic animal life (including, by way of illustration and not limitation, dogs, cats, hamsters, birds, reptiles, amphibians and fish) may be kept by a Unit Owner as household pets in his Unit, provided that such animals: (1) are not kept for any commercial purposes; (2) are kept in strict accordance with any Rules and Regulations relating to household pets from time to time adopted or approved by the Executive Board; (3) do not, in the judgment of the Executive Board, constitute a nuisance to others; and (4) are kept in compliance with local leash laws and animal health laws.

(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.

(j) Trailers, campers, recreational vehicles, boats and other large vehicles may be parked on the Property only if expressly permitted by the Rules and Regulations and only in such parking areas, if any, as may be designated for such purpose by the Executive Board. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the Common Elements. Vehicle repairs other than ordinary light maintenance are not permitted on the Property.

(k) No Unit Owner shall install, attach, or hang, or allow to be installed, attached, or hung, any equipment or wiring or electrical installations, television or radio transmitting or receiving antennas, air conditioning units or any other like equipment, or wiring in or across any portion of any Common Elements; protruding from any balcony or through any wall, floor, ceiling, window, or door which is a Common Element, except as

approved by the Executive Board. All radios, televisions, electrical equipment, or appliances of any kind or nature and the wiring therefor, installed or used in a Condominium Unit shall fully comply with all rules, regulations, or requirements of all state and local public authorities having jurisdiction.

Section 7.2. Sale and Lease of Units.

(a) A Unit Owner (other than the Declarant) may sell or lease his Unit for residential purposes at any time and from time to time, provided that:

(1) Each lease or rental agreement for a Unit shall be in writing and must contain a provision that the tenancy is subject to all the requirements of the Condominium Documents and the Association.

(2) This Section 7.2 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.

(3) The minimum initial term of any lease shall be six months.

ARTICLE 8

FEDERAL HOME LOAN MORTGAGE CORPORATION COMPLIANCE

In order to comply with the requirements of the Federal Home Loan Mortgage Corporation ("FHLMC") and the Federal National Mortgage Association ("FNMA"), notwithstanding anything to the contrary contained in this Declaration or the By-Laws recorded herewith, Declarant and all subsequent Unit Owners hereby agree as follows:

Section 8.1. That any person who obtains title to a Unit by foreclosure or pursuant to any other remedies provided in a mortgage or a by-law will not be liable for such Unit's unpaid Common Expenses, dues or assessments including, without limitation, special assessments, which accrued prior to the acquisition of title to such Unit by such person, except for Common Expenses which have priority under the Act.

Section 8.2. That (except as may be provided in Section 34-36.1-2.19 of the Act) unless the Mortgagees holding mortgages

on Units to which fifty-one per cent (51%) of the votes are allocated have given their prior written approval, neither the Unit Owners nor the Association by amendment to this Declaration or otherwise, shall be entitled to:

- a. by act or omission, seek to abandon or terminate the Condominium except in the event of substantial destruction of the Condominium premises by fire or other casualty or in the case of a taking by condemnation or eminent domain;
- b. change the pro-rata interest rights or obligations of any individual Unit for the purpose of:
 - i. levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or
 - ii. determining the percentage share of ownership of each Unit in the Common Elements; or
 - iii. determining voting rights.
- c. partition or subdivide any Unit or convert Units into Common Elements or vice versa;
- d. by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements, provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium shall not be deemed an action for which any prior approval of a Mortgagee shall be required under this subparagraph;
- e. use hazard insurance proceeds for losses to, or awards for any condemnation of, any property of the Condominium (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such property of the Condominium, except as may be provided by statute in case of a taking of or substantial loss to the Units and/or Common Elements of the Condominium;

- f. amend the provision of the By-Laws which permits the retaining of professional management.
- g. change the priority of a Mortgagee's lien over the assessment liens.
- h. change the requirements for:
 - i. working capital and replacement reserves,
 - ii. responsibility for maintenance and repairs;
 - iii. insurance or fidelity bonds,
 - iv. leasing of Units, or
 - v. professional management
- i. impose restrictions on the transfer of Unit.
- j. change the provisions regarding restoration or repair or termination of Condominium after substantial destruction or condemnation occurs.
- k. amend any provisions which expressly benefit Mortgagees.

Section 8.3. That in no case shall any provision of this Declaration or the By-Laws give a Unit Owner or any other party priority over any rights of any Mortgagee of the Unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of such Unit and/or the Common Elements of the Condominium.

Section 8.4. That any Mortgagee, upon written request to the Association, will be entitled to:

- a. become registered with the Association as an "eligible mortgage holder" or "eligible mortgagee" as the terms are used in this Declaration and, as such, to be entitled to receive all notices, audits and other information to which such eligible mortgagees are hereunder entitled. A mortgagee's request to be so registered shall

include the mortgagee's name and address and the number or address of the mortgaged Unit;

- b. written notification of any default by its borrower who is an Owner of a Unit with respect to any obligation of such borrower under the Declaration or By-Laws which is not cured within sixty (60) days;
- c. inspect the books and records of the Association during normal business hours provided that reasonable advance notice is given;
- d. receive an audited annual financial statement of the Association within ninety (90) days following the end of such fiscal year of the Association;
- e. written notice of all meetings of the Association, and be permitted to designate a representative to attend all such meetings; and
- f. written notification from the Association of any material loss or damage by fire or other casualty to the Unit or Common Elements upon which the Mortgagee holds a mortgage or proposed taking by condemnation or eminent domain of said Unit or the Common Elements of the Condominium;
- g. written notification of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- h. written notification of any proposed action which would require the consent of a specified percentage of Mortgagees, including but not limited to proposed amendments which require a percentage of eligible mortgage holders to consent.

Section 8.5. That no agreement for professional management of the Condominium or any other contract with Declarant may exceed a term of one (1) year, and that any such agreement shall provide for termination by either party without cause and without payment of a termination fee on thirty (30) days' or less written notice.