

DISCLOSURE AND OFFERING STATEMENT

VICTORIAN COURT CONDOMINIUMS

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DISCLOSURE AND OFFERING STATEMENT

VICTORIAN COURT CONDOMINIUM

A Private Residential Condominium Community

Offered By DECLARANT:

KIRKBRAE DEVELOPMENT CORP.,

177 OLD RIVER ROAD
LINCOLN, RI 02865

IMPORTANT NOTICE

The following statements are made in compliance with Title 34, Chapter 36.1, Section 4.03(a)(11) of the General Laws of Rhode Island ("Rhode Island Condominium Act"):

WITHIN 10 DAYS AFTER RECEIPT OF THIS PUBLIC OFFERING STATEMENT, THE PURCHASER MAY CANCEL ANY CONTRACT HE HAS PREVIOUSLY EXECUTED FOR THE PURCHASE OF A UNIT IN THIS CONDOMINIUM FROM THE DECLARANT. IF THE PURCHASER ELECTS TO CANCEL SUCH A CONTRACT, HE/SHE MAY DO SO BY DELIVERING A NOTICE OF CANCELLATION TO THE DECLARANT IN HAND (in which case a receipt should be obtained) OR BY MAILING THE NOTICE TO THE DECLARANT, POSTAGE PREPAID, UNITED STATES MAIL. A CANCELLATION MADE AS ABOVE IS WITHOUT PENALTY, AND ALL PAYMENTS MADE BY THE PURCHASER BEFORE THIS CANCELLATION WILL BE PROMPTLY REFUNDED BY THE DECLARANT.

IF THE DECLARANT HAS FAILED TO PROVIDE A PUBLIC OFFERING STATEMENT (INCLUDING ALL AMENDMENTS, IF ANY) TO A PURCHASER BEFORE CONVEYING A UNIT TO THE PURCHASER, THE PURCHASER MAY RECOVER FROM THE DECLARANT, IN ADDITION TO ANY RIGHTS TO DAMAGES OR OTHER RELIEF, 10% OF THE SALE PRICE OF THE UNIT.

IF A PURCHASER RECEIVES A PUBLIC OFFERING STATEMENT MORE THAN TEN DAYS BEFORE SIGNING A CONTRACT OF SALE, HE CANNOT CANCEL PURSUANT TO THE FOREGOING PROVISIONS.

RECREATIONAL FACILITIES MAY BE ADDED, OR EXPANDED WITHOUT CONSENT OF UNIT OWNERS OR THE "VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. " (as hereinafter defined).

DESCRIPTION OF PUBLIC OFFERING STATEMENT

This Public Offering Statement consists of 20 separate parts which together constitute the entire Public Offering Statement for the VICTORIAN COURT CONDOMINIUM.

The first of these parts is a NARRATIVE; the NARRATIVE summarizes the significant features of the Condominium and presents additional information of interest to prospective purchasers, all as required by the Rhode Island Condominium Act (R.I.G.L. 34-36.1), Section 2.20 and Sections 4.03(a)(1) through (19), and 4.06(a)(1) through (3).

The remaining parts are Exhibits, and consist of the constituent documents which create, describe and regulate the Condominium, together with documents relating to the purchase of a Unit in the Condominium.

The integral parts of this Public Offering Statement consist of the following DOCUMENTS and MATERIALS:

1. NARRATIVE

2. DECLARATION OF CONDOMINIUM

EXHIBIT-A. Plot Plan, Survey and Graphic Description of Improvements

EXHIBIT-B. Schedule of Undivided Percentage Interest in the Common Elements and in Condominium Association Appurtenant to Each Unit, Together with Initial Monthly Common Expenses Chargeable to Each Unit.

EXHIBIT-C. Articles of Incorporation for VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC., (a Rhode Island not-for profit corporation)

EXHIBIT-D. By-Laws of the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC.

EXHIBIT-E. Rules and Regulations

EXHIBIT-F. Estimated Operating Budget

EXHIBIT-G. Condominium Unit Warranty Deed

EXHIBIT-H. Receipt, Acceptance and Waiver

EXHIBIT-I. Unit Purchase and Sale Agreement

EXHIBIT-J. Escrow Agreement

EXHIBIT-K. Management Agreement

EXHIBIT-L. Receipt for Condominium Documents

EXHIBIT-M. Reservation Deposit Agreement

EXHIBIT-N. Notice of Deposit

EXHIBIT-O. Agreement Defining Statute of Limitations

EXHIBIT-P. Real Estate Tax Agreement

EXHIBIT-Q. Declaration of Easements

EXHIBIT-R. Parking Easement

EXHIBIT-S. Certification of Substantial Completion

NARRATIVE OF PUBLIC OFFERING STATEMENT

This NARRATIVE summarizes the significant features of the VICTORIAN COURT CONDOMINIUM, and presents additional information of interest to prospective purchasers.

The format of this NARRATIVE is intended to list all of the elements required by the Rhode Island Condominium Act (R.I.G.L. Title 34, Chapter 36.1), Section 4.03, to be stated in the Public Offering Statement. These elements are presented in the same order as they appear in the text of the statute.

(1) DECLARANT

The Declarant of VICTORIAN COURT CONDOMINIUM is KIRKBRAE DEVELOPMENT CORP., a Rhode Island Corporation. The office of KIRKBRAE DEVELOPMENT CORP. is located at 177 Old River Road, Lincoln, RI 02865.

(2) DESCRIPTION OF CONDOMINIUM BUILDINGS AND PREMISES

This Offering Circular is for the Units as hereinafter defined which are or are to be located in Phase I and Phase II in the VICTORIAN COURT CONDOMINIUM, in the Town of Cumberland, Rhode Island, which may be submitted to the condominium form of ownership. Such units constitute the Offered Condominiums.

The plan for development for Phase I is graphically depicted on the proposed site plan as Exhibit A to the Declaration. It is the intent of the Developer to construct, in the aggregate, NO MORE THAN FOURTEEN (14) UNITS IN PHASE I AND NO MORE THAN FIFTEEN (15) UNITS IN PHASE II.

While it is not the intent of Developer to relinquish control of the development, in the event that Developer's mortgagee obtains title to the development, the mortgagee may decide in its sole discretion not to complete the plan for development as presently intended and depicted with regard those portions of the Property not submitted to Declaration of Condominium. Such a mortgagee shall have the right to use all access roads and recreation, if any, areas when in possession, and would be authorized to modify the plan for development including the ability to add members to the Association who shall pay their prorata share of maintenance and other costs. The Developer also reserves the right, in its sole discretion, to alter, to modify, or to not complete the plan for development for condominiums which have not been submitted. No person or entity, other than the Developer, shall be required to consent to any such alteration or modification.

VICTORIAN COURT CONDOMINIUM is the name given to THE DECLARANTS SELF STYLED PLANNED COMMUNITY DEVELOPMENT of approximately 3.17 acres in Cumberland, Rhode Island.

VICTORIAN COURT CONDOMINIUM PHASE I, as built is contained in a two (2) building cluster and the buildings are numbered 1 and 2. Building 1 contains eight (8) units and Building 2 contains six (6) units.

All of the units have two (2) bedrooms, and one and a half (1 1/2) baths and all units have fire places. Detailed architectural plans for each of the units will be recorded with the Declaration, are miniaturized as Exhibits to the Declaration and are now available for inspection at the office of the Declarant.

The units are carpeted, and each heated by gas with forced hot air, (all heating and hot water tanks are separate and each unit owner is responsible for the repair/maintenance and replacement cost of his heating unit and hot water tank).

Electricity, gas and water are separately metered for each unit and it is anticipated that sewer usage will also be individually billed, by the Blackstone Valley District Commission.

Telephone and cable connections are pre wired; telephone service is furnished by New England Telephone Company, cable by Heritage Cable, water by the Cumberland Water District, gas by Blackstone Valley Gas Company, and electric by Blackstone Valley Electric Company.

All units will have electric ranges, except unit 101, which has a gas range, refrigerators, dishwashers and garbage disposals. The foyers will be tiled, as will floors in bath and lavette. The Units in Building 1 will have a deeded parking space while Units in Building 2 and all Units in Phase II will have built-in garages. Where applicable, Units with garages will be supplied with electric garage door openers will be supplied. All units will have painted walls, ceiling fan outlets in bedrooms and living room. Each unit will have a dual panel security system wired for external lighting and sound with the capability of being directly connected to local police and fire departments at unit owners expense. Rough plumbing has been installed for central vacuum system and hook ups for washer and dryer have been provided.

RECREATIONAL FACILITIES MAY BE ADDED OR EXPANDED WITHOUT CONSENT OF UNIT OWNERS OR THE "VICTORIAN COURT CONDOMINIUM ASSOCIATION" (as hereinafter defined).

The VICTORIAN COURT CONDOMINIUM are all new construction. A building permit was issued by the Building Inspector, of the Town of Cumberland; A Certificate of Use and Occupancy has been issued on each building. The condominium units are being sold by the owner, KIRKRAE DEVELOPMENT CORP.

(3) NUMBER OF UNITS

A maximum of twenty-nine units may be built. The plot plan and survey showing the layout of the land and units is

appended to the Declaration of Condominium as Exhibit "A".

The Units in each of the Condominiums are being sold in FEE SIMPLE.

The Offered condominiums are not all presently completed. The estimated date of completion of each of the offered condominiums shall be set forth in the executed Purchase and Sale Agreement at the appropriate time.

(4) SIGNIFICANT FEATURES OF THE
DECLARATION OF CONDOMINIUM

WHAT THE DOCUMENTS ACCOMPLISH

Taken together, the Declaration, By-Laws, and the Articles of Incorporation are the basic legal documents for a condominium association. These documents serve the following purposes:

(1) To define what is owned and by whom, including the boundaries of units and common elements and the rules for use, enjoyment, and transfer of ownership

(2) To establish a system of interlocking relationships binding each owner to all other owners for the purpose of maintaining and preserving what is owned and used in common

(3) To establish the necessary protective standards or restrictions on conduct and appearance of the property

(4) To create an administrative structure to manage the common property and to enforce standards of conduct

(5) To establish the fiscal structure of the association and to provide for its operation

The DECLARATION OF CONDOMINIUM is the document which creates, describes and governs the operation of the Condominium. Appended to the Declaration of Condominium are related documents which elaborate on the descriptions, finances, management and other matters relating to rights and obligations of Unit Owners, the framework for the day-to-day operation of the Condominium, and the methods whereby decisions regarding the Condominium are made and binding on the Unit Owners.

These appended documents, which constitute a part of the Declaration of Condominium, and are incorporated therein by reference, are the Plot Plan, Survey and Graphic Description of Improvements (Exhibit A), the Schedule of Undivided Percentage Interests in Common Elements and Condominium Association Appurtenant to Each Unit, together with Initial Monthly Common Expenses Chargeable to Each Unit (Exhibit B), the Articles of Incorporation for VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. (a not-for-profit corporation)

(Exhibit C) the By-Laws of the Condominium Association with Appendix I attached (Exhibit D), the Rules and Regulations of the Condominium Association (Exhibit E), and the estimated Operating Budget for the Condominium (Exhibit F).

In accordance with the requirements of the Act, easements have been established across, over, under and upon the Condominium Property so as to provide a means of ingress and egress and for other proper utility service purposes for the convenience and benefit of each UNIT Owner, their family members, guests and invitees. The utility and drainage easements are shown on the survey and site plan found in Exhibit A. Cross-easements exist between all submitted PHASES IN VICTORIAN COURT CONDOMINIUM for ingress and egress.

In addition, there are impressed upon the property the following easements:

Easements for use for sale purposes. The declarant may use any unsold units in the condominium as models or as sales offices and may place advertising signs on the condominium property.

Easement for ingress and egress. Each unit owner has a right of access to the common elements, subject to rules and regulations established by the association.

Easement for access to units. Authorized representatives of the association, including the declarant, may enter any unit to the extent necessary to correct conditions threatening other units or the common elements, to make repairs to common elements which are accessible only from that unit, or to correct conditions which constitute violations of the Declaration, By-Laws or Rules and Regulations. Notice must be given to the unit owner prior to entry except, in emergencies when a unit may be entered without notice. In the event of violation of the Declaration, By-Laws or Rules and Regulations, the violation may be corrected without the consent of the unit owner, and the unit owner may be charged with the resulting expense.

Easement for construction. The Declarant has a transferable easement over and on the common elements for purposes of making improvements on the submitted land and buildings and on other land which may be added to the condominium community.

What follows is a SUMMARY of the contents of the Declaration of Condominium, emphasizing the covenants, restrictions and easements to which unit ownership is subject, the By-Laws, Rules and Regulations of the Condominium, and any existing contracts and/or leases to which the Condominium Association is presently a party and is bound.

I. SUBMISSION STATEMENT

This is a statement by the Declarant that this particular condominium is being created.

II. DEFINITIONS OF TERMS

This Article lists definitions for various terms used in the Declaration of Condominium. Included among the terms defined are "Common Elements," "Common Expenses," "Mortgage Holder," "Parking Space" and "Unit or Unit Estate." All of these terms are used in this NARRATIVE.

The foregoing is not an all-inclusive list of the terms defined in the Declaration. In general, unless specifically stated otherwise, all terms used in this Offering and in the text of the Declaration are intended to have the same meaning as they are given in the Rhode Island Condominium Act.

III. NAME AND ADDRESS OF CONDOMINIUM

The Declaration provides that the Condominium is named "VICTORIAN COURT CONDOMINIUM " and its address on Nate Whipple Highway will vary depending on which Condominium unit is being purchased. In any event, the address of a particular unit will be stated in the Purchase and Sale Agreement for that particular Condominium unit.

IV. IDENTIFICATION OF UNITS, COMMON ELEMENTS AND SURVEY

This Article describes how the Units and Common Elements are identified. There is a separate designation for each Unit on Exhibit A, which shows the size and layout of the Units.

Appurtenant to each Unit is its allocated percentage interest in the Common Elements, the exclusive right to use certain of the Common Elements, which are identified as Limited Common Elements (Areas) as provided in the Declaration, use of the air space occupied by the Unit, membership in the Condominium Association, and other appurtenances.

The Declarant/Developer has reserved the right, under certain circumstances, to change the interior design and arrangement of Units, and to alter the boundaries of unsold Units.

This Article also describes boundaries of Units with respect to floors, ceilings, walls and apertures, and provides that appurtenant to each Unit is the exclusive right to use the decks to which each Unit has direct and sole access, and to use a parking garage bearing an identification number as specified in the Unit Deed .

There are easements in favor of and appurtenant to each Unit for structural support, utility services, certain encroachments into Common Elements, and ingress and egress.

POWER & DUTIES

The Declarant/Developer has reserved the right of access, under certain circumstances, for maintenance and repairs, and to conduct sales activities on the Condominium premises.

V. UNDIVIDED SHARE IN COMMON ELEMENTS
SHARE OF COMMON EXPENSES AND COMMON SURPLUS AS APPURTENANCES

Each Unit has been allocated an equal undivided percentage interest in the Common Elements and any Common Surplus of the Condominium Association. These percentage interests are listed for each Unit on Exhibit B.

The percentage interest allocated to each Unit in each Condominium will be the percentage arrived at by dividing the number 1 by the particular number of units in that particular Condominium.

VI. CONDOMINIUM DEED AND CONVEYANCE INSTRUMENT

A form of deed by which the Units will be conveyed is appended to this Offering Statement as Exhibit G.

VII. ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

7.1 The organization of Unit Owners formed to operate and manage all the Condominiums is VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC., a Rhode Island not-for-profit corporation.

7.2 Each Unit Owner of record is a member of the Association and is entitled to one vote as provided in the Articles of Incorporation (Exhibit C) and in the By-Laws of the Association (Exhibit D).

7.4 THE VICTORIAN COURT CONDOMINIUM will be located on Assessors Lot No. 49 and a portion of Lot No.2 Plat No. 45, according to the plat thereof recorded in the Records of Land Evidence in the Town of Cumberland. All Unit Owners of VICTORIAN COURT CONDOMINIUM are subject to the Declaration of Easements recorded in Record of Land Evidence in the Town of Cumberland in Book 446 at Page 172 of the Records of said Town.

VIII. OPERATION OF THE CONDOMINIUM BY THE ASSOCIATION;
POWERS AND DUTIES

The Condominium Association has the responsibility for operation of the Condominium. Its powers and duties are set forth in the Articles of Incorporation and By-Laws. The Association also has those powers and duties granted to it by the terms of the Rhode Island Condominium Act.

These powers include, but are not limited to, the power to make and collect assessments and fees to be paid by Unit Owners, to enter into contracts, and to engage in financial

dealings.

This Article also contains provisions regarding limitations on liability, voting by Unit Owners, method of action by the Board of Directors, and the enactment of the initial Rules and Regulations of the Condominium.

**IX. DETERMINATION OF COMMON EXPENSES AND
FIXING OF ASSESSMENTS AND FEES THEREFOR**

The Common Expenses of the Condominium are determined annually in the form of a budget prepared by the Board of Directors. Based on the budget, the Unit Owner's share of these annual expenses is assessed according to the Unit's Percentage Interest, and is paid monthly.

These Common Expenses include the cost of operation, maintenance, repair and replacement of the Common Elements, and other expenses associated with the functions of the Condominium Association. The budget also includes a reserve for future repair and replacement.

The Board of Directors may also change the budget and/or establish Special Assessments under certain circumstances.

This Article provides that, in addition to the budget, there shall be a working capital reserve fund. Contributions to this fund, in an amount equal to two months' assessments for the Unit, are made by each unit purchaser at the time of purchase from the Declarant/Developer. The Declarant/Developer is obligated to make the working capital reserve contribution for all Units remaining unsold 60 days after the first conveyance of a Unit to a purchaser.

X. COLLECTION OF ASSESSMENTS; LIENS

Each Unit Owner is liable for the Assessments against his/her Unit.

In the event of a default in the payment of the assessments, there is an interest charge, and other charges associated with collection. There is also a lien in favor of the Condominium Association for unpaid assessments; this lien becomes effective when duly recorded in the public records. This lien is not released until all amounts owed with respect to the Unit are paid in full.

The Association is entitled to bring an action to foreclose a lien for unpaid assessments, after proper notice to the Unit Owner, and to appoint a receiver to collect rent from a Unit Owner remaining in possession of the Unit after foreclosure.

The Declarant/Developer becomes liable for payment of assessments applicable to unsold Units on the 61st day after the first conveyance of a Unit to a purchaser.

This Article also provides certain rights for mortgagees in the event of the foreclosure, sale or transfer of a Unit.

A Unit Owner, upon request to the Condominium Association, is entitled to receive a certificate showing the amount of unpaid common assessments against his/her Unit.

XI. PROFESSIONAL MANAGEMENT

This Article imposes limitations on the terms of contracts for professional management of the Condominium, circumstances under which the Association must be entitled to terminate the contract.

All professional managers are required to obtain a fidelity bond for the benefit of the Association.

XII. MAINTENANCE, REPAIR AND ALTERATION OF UNITS

The Declaration contains restrictions on a Unit Owner's making alterations and changes in Units. Each Unit Owner is responsible for the maintenance and repair of his Unit.

Except for the Declarant's right to make certain alterations or changes in unsold Units, no alterations may be made to a Unit without approval of the Board of Directors and, if approved, must be done in full compliance with all applicable laws and building codes.

The Board of Directors is granted a right of access to Units for maintenance and repairs to the Common Elements and, under certain circumstances, to the Units themselves.

XIII. MAINTENANCE, REPAIR, ALTERATION AND REPLACEMENT OF COMMON ELEMENTS

The Condominium Association has the responsibility for maintenance, repair and replacement of Common Elements. The Association also has the right to make alterations, to the Common Elements, subject to other provisions of the Declaration.

XIV. IMPROVEMENTS TO COMMON ELEMENTS

This Article sets out the procedure to be followed by the Board of Directors and Unit Owners in the case of proposed

improvements to the Common Elements.

XV. SALE OR LEASE OF UNITS

If a "right of first refusal," so-called, is enacted, it shall be subject to the provisions of the Declaration.

Rental agreements for Units must be in writing, must be for a minimum of one year, and shall be subject to the provisions of the Declaration and its Exhibits.

While it is not the plan of the Developer to retain the Apartments for lease rather than sale, the Developer has reserved the right in Article XXI of each Declaration to do so free of restrictions affecting other unit Owners, as set forth in each Declaration. The developer has the same rights as any other unit Owner, and has also reserved the right in Article XXI of the Declaration to transact on the Condominium Property all business necessary to consummate the sale of Apartments, including, but not limited to, the right to maintain models, place signs, have employees in the area, use the Common Elements and Recreation Areas and show Apartments. If the Developer decides in the future to retain the Apartments for lease rather than sale, the lease will contain provisions normally found in a residential lease with a probable term of one year. However, the provisions and term of the lease, if any, will be subject to market conditions. In the event the Developer exercises this right, the particular units which will be so leased will be designated and in that event, THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

XVI. RESTRICTIONS ON USE OF UNITS

This Article contains the specific restrictions on the use of Units and Common Elements by Unit Owners and others.

A Unit is to be used only for residential purposes, and units shall be occupied and use only as private residences for the owner, the owner's family (related by blood, marriage, or adoption), tenants, and guests; units shall be used for no other purpose and no business shall be permitted by the terms of the Declaration or the Bylaws of the Condominium Association. The Unit Owner is responsible for the maintenance and repair of his Unit, and shall pay all utilities which are separately metered to his Unit.

There are restrictions regarding pets, signs, use of Common Elements, noise, number of persons occupying a Unit, length of visits of guests, parking, refuse, and other restrictions.

XVII. INSURANCE

The Condominium Association is required to obtain

INSURANCES

and maintain insurance on the Condominium for the benefit and protection of Unit Owners, their mortgagees, the Condominium Association and the Board of Directors thereof.

The insurance must cover hazards and casualties, liability, Worker's Compensation (if applicable), fidelity bond, and such other risks as the Board of Directors may determine.

There are specific requirements as to amounts of coverage, deductibles, waivers of subrogation, notice to mortgagees, non-cancellation, and other special endorsements.

The cost of the insurance is a common expense and is part of the regular Condominium budget.

XVIII. DESTRUCTION; EMINENT DOMAIN; CONDEMNATION

This Article deals with the acts to be taken in the event that all or any part of the condominium premises are Destroyed by casualty or are taken by condemnation or eminent domain, and the disposition of the award, if any, for such taking.

XIX. TERMINATION OF CONDOMINIUM

This Article contains the provisions which govern when, and under what circumstances, the condominium may be terminated and the condominium property removed from the provisions of the Rhode Island Condominium Act. There are restrictions on such termination.

This Article also sets out procedures to be followed in the event of termination.

XX. DEVELOPER'S CONVEYANCE AND RIGHT TO SET MAINTENANCE STANDARDS

This Article sets out certain documents which are required to be executed by a Purchaser in connection with the sale and conveyance of a Unit. These include the Receipt Acceptance and Waiver (Exhibit H), Unit Purchase and Sale Agreement (Exhibit I), which is the contract for sale, and an Escrow Agreement (Exhibit J), pertaining to holding the purchaser's deposit.

This Article also provides that a Unit Owner acknowledges, by accepting conveyance of a Unit, the need to maintain the appearance and reputation of the Condominium property. The Declarant/Developer is entitled to establish minimum standards for maintenance of the Common Elements. The Condominium Association shall have the responsibility for complying with these maintenance standards.

**XXI. SPECIAL DECLARANT RIGHTS;
MANAGEMENT OF PROPERTY BY DECLARANT**

Special Declarant Rights are those reserved by the Declarant for Declarant's benefit. These pertain to the completion of improvements, if applicable, continuing marketing activities on the Condominium property, and the control of the Condominium Association for a period of time.

The Declarant has the right to control the Board of Directors of the Condominium Association until either 80% of the Units of the Condominium have been sold to purchasers, or 2 years after the Declarant has ceased to offer Units for sale, whichever is earlier.

The Declarant maintains the unrestricted right to sell, mortgage or otherwise deal with Units it owns, but has reserved the right to expand the Condominium by adding property or Units to the condominium.

XXII. AMENDMENT OF DECLARATION

This Article describes the circumstances under which the Declaration may be amended, and the requirements for effectuating such amendment. There are certain instances in which amendment is prohibited or restricted, and certain instances where amendment requires the consent of holders of mortgages on Units.

The Declarant has reserved the right to enact Special Amendments without the consent of Unit Owners or mortgagees. These Special Amendments may be enacted only for purposes of correcting scribners, clerical or typographical errors, or to bring the Declaration into compliance with law, or for purposes of satisfying requirements of agencies participating in the secondary mortgage market.

XXIII. FNMA/FHLMC COMPLIANCE

This Article contains provisions which are specifically for the benefit of certain mortgage holders. These provisions include, without limitation, the right to certain notices, and rights regarding the books, records and finances of the Association.

Each Declaration is to be construed so as to conform with the requirements of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

XXIV. MISCELLANEOUS PROVISIONS

This Article deals with matters not discussed elsewhere in the Declaration. It provides that all the provisions

of the Declaration and associated Exhibits are covenants running with the land. It also prohibits partition of the Condominium property.

Other matters treated in this Article are severability of provisions of the Declaration, titles of Articles, notices, enforcement of the provisions of the Declaration, and amendments.

SCHEDULE-AA

Schedule AA is the format to be used by the DECLARANT should it choose to add Phase II to the present Condominium regime.

EXHIBIT A

Exhibit A consists of a description of the Units, legal description of the land comprising the Condominium premises, the land survey, and floor plans of Units.

EXHIBIT B

Exhibit B and B-1 are schedules of the undivided percentage interest allocated to each Unit, firstly in Phase I and then with Phase II added and the initial monthly common expenses assessed to each Unit.

EXHIBIT C

Exhibit C to the Declaration of Condominium is the contents of the ARTICLES OF INCORPORATION of the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. ("Association"). By these Articles, the Association takes the form of a not-for-profit corporation, formed for the purposes of carrying out the duties incident to the operation and management of the Condominium.

The Articles of Incorporation prohibit distribution of income to the officers, directors or members of the Association.

The Association has all of the powers of a condominium association as set forth in the body of the Declaration of Condominium, and all other powers reasonably necessary to implement the purposes of the Association.

All funds and properties held by the Association are held for the benefit of its members.

Each Unit Owner is a member of the Association; membership is evidenced by a Certificate of Beneficial Interest. Membership automatically terminates upon the recording of a deed of conveyance of a member's Unit, and the new record owner named in such deed becomes a member.

A member's share in the assets and funds of the Association cannot be assigned, transferred or pledged except as appurtenant to a Unit.

Each member is entitled to one vote for each Unit he owns. If a Unit is owned jointly by more than one person or entity, then such joint owners shall delegate one person to exercise the right to vote for that Unit.

The By-Laws of the Association shall provide for annual and special meetings of members.

The duties and powers of the Association shall be exercised by the Board of Directors, who shall hold office as set forth in the By-Laws and/or the body of the Declaration.

The affairs of the Association are administered by the officers elected by the Board of Directors.

The officers, directors, employees and agents of the Association are indemnified by the Association against any judgments, penalties or fines arising from good faith acts done in his/her said capacity with the Association, except in instances wherein he/she is adjudged to be liable for gross negligence, misfeasance or malfeasance in the performance of his/her duties.

This indemnification includes reasonable attorney's fees and expenses, and may be applicable in certain other situations.

The Association is empowered to obtain insurance against liabilities asserted against such officers, directors, agents and/or employees, whether or not the Association would have the power to indemnify against such liability.

The Developer shall have the power to amend the Articles of Incorporation, at its discretion, until such time as all the Units of the Condominium owned by the Developer have been conveyed, provided that no amendment shall operate to change the purposes of the Association.

There are also provisions in the Articles of Incorporation for amendment by resolution and vote of the Board of Directors and members. No amendment may change the qualifications for membership in the Association, or change the voting rights or property rights of members, unless approved in writing by all members and all holders of mortgages on Units.

No amendment may be made which is in conflict with the Rhode Island Condominium Act, the Declaration of Condominium or By-Laws, and no amendment may affect any rights or privileges

reserved to the Developer unless assented to in writing by the Developer.

The incorporator of the The VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. is John A. Varone, Esq., 1822 Mineral Spring Avenue, North Providence, RI 02904. The initial directors are John A. Varone, Angela M. Terenzi and Jodi L. McGee, at the foregoing address.

EXHIBIT D

Exhibit D is the text of the BY-LAWS of the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. These By-Laws set forth the powers and duties of the Board of Directors of the Association, as previously outlined in the body of the Declaration and in the Articles of Incorporation.

The By-Laws also deal with the requirements of membership in the Association.

There shall be not less than 3 Directors. Except as otherwise provided in the body of the Declaration and Articles, the Directors are elected at the annual meeting of members.

The By-Laws also contain provisions regarding filling vacancies on the Board, and removing Directors from office.

The By-Laws govern the frequency of members' meetings, and the method of giving notice thereof. There are requirements as to quorum at either Director's or members' meetings, and at special meetings.

Directors do not receive compensation for services.

As also provided in the body of the Declaration, the Developer has the right to elect the Directors for a certain period of time. There are provisions for transition of control of the Board from the Developer to the members (Unit Owners).

The identity, powers and duties of officers, and procedures for vacancies and removal, are described in the By-Laws.

Members have the right to inspect the books and records of the Association at reasonable times. The funds of the Association must be deposited in a bank, and accounting records must be kept.

The By-Laws grant the Board the right to promulgate rules and regulations for operation of the Condominium, and provide certain remedies in the event of violation of the provisions of the Declaration, the Articles, By-Laws and/or rules and regulations.

To elaborate on provisions in the body of the Declaration, the By-Laws contain provisions regarding fiscal management of the Association, assessment of common expenses, liability of Unit Owners, enforcement of liens, and rights of mortgagees.

Appended to the By-Laws is a facsimile of a Certificate of Beneficial Interest in the Association.

EXHIBIT E

Exhibit E is the contents of the initial RULES AND REGULATIONS of the Association. These Rules and Regulations govern the operation of the Condominium and set forth certain requirements of Unit Owners regarding the maintenance of Units. The rules and regulations also contain some rules of conduct and prohibitions against certain acts and behavior. Added to the Rules and Regulations are facsimiles of a pet application and pet registration forms.

EXHIBIT F

Exhibit F is the initial Estimated Operating Budget for the Condominium. It contains an itemized listing of projected expenses associated with the operation, repair and maintenance of the Common Elements, and contains a reserve for replacement of roofs, roads and walkways.

CONTRACTS BY WHICH ASSOCIATION IS BOUND

There are no contracts in existence; however, the Declarant has attached a proposed contract for management of the condominium property if the Association chooses to do so. The Declarant has been informed that this proposed contract meets FNMA guidelines. This form of contract is appended to the Declaration as Exhibit "K".

(5) CURRENT BALANCE SHEET AND OPERATING BUDGET

5.1 Budgetary Materials

5.1.1 Procedure for Preparation of Budget of the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC.

The By-Laws of the VICTORIAN COURT CONDOMINIUM ASSOCIATION provide for the Board to adopt a Budget for each year for the estimated Common Expenses. The Budget should include the various items of expense set forth in Article XV-(2) of the By-Laws. A copy of the Budget and the proposed assessments for each year are to be transmitted to each UNIT Owner by the Board in accordance with Article XV-(2)(a) of the By-Laws of the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC.

5.1.2 Proposed Operating Budget of the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC.

The Proposed Operating Budget for the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. has been attached hereto as **Exhibit F** and has been estimated by the Developer. Reference should be made to the Notes to Budget in understanding the assumptions used in preparing this Budget. Because actual expenditures may differ from estimated expenditures and because of possible changes in the future expenses of the Offered Condominiums the Budget is not intended nor should it be considered as a representation, guarantee or warranty of any kind whatsoever, including, without limitation, that the actual expenses for any period of operation may not vary from the amount estimated, that the Association will not incur additional expenses or that the Offered Condominiums will not provide for reserves or other sums not reflected in the Budget.

5.1.3 Assessment Powers and Lien Rights

The Declaration provides procedures for allocation of assessments, including special assessments, and establishing of lien rights for collection of assessments. Please refer to these documents for provisions regarding special assessments defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement, including the necessary fixtures and personal property relating thereto. Assessment powers and lien rights are vested in the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. and the Developer.

Since VICTORIAN COURT CONDOMINIUM are a new Condominium regime there is no current balance sheet for the Association.

The INITIAL ESTIMATED OPERATING BUDGET is set forth immediately following the end of this NARRATIVE, as well as in **Exhibit F** to the Declaration of Condominium.

This budget was prepared by the Developer based on occupancy of all of the Condominium Units. No assumptions were made regarding inflation factors. In computing this budget, the Developer has relied on generally accepted accounting standards, and experience of similar condominium properties within the community.

There are reserves, as shown, for the repair and/or replacement of the roofs, private ways, walkways and other facilities of the Condominium.

The Budget does not reflect the Unit Owners' initial non-refundable contribution of an amount equal to two months' estimated Common Expense Assessment. This contribution will be used to establish a working capital fund to insure that the Association will have cash available to meet unforeseen expenditures during the initial months of operation of the Condominium.

This budget has been prepared by the Declarant based on the best information available to the Declarant, and on the assumptions stated above. The Declarant cannot and does not warrant that the actual expenses of the Association will approximate the expenses listed on the initial Estimated Operating Budget.

The list of monthly common area assessments for each Unit of the Condominium is provided in **Exhibit B** to the Declaration:

(3) OTHER EXPENSES

6.1 Expenses of Ownership

The following constitutes a summary of the mandatory financial obligations of unit Owners payable to the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. as Common Expenses during the calendar year and periods of time described in the Budgets. The Budgets are not intended nor should they be considered all inclusive or as a representation, guarantee or warranty of any kind whatsoever of all expenses to be incurred as a result of ownership. For example, the Budgets do not include real estate taxes payable with respect to a unit, unit Owner insurance and telephone or utility bills which are billed directly to the UNIT Owner and not through the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. Nor do the Budgets constitute any warranty or guarantee as to any special assessments which may be necessitated and levied under the Declarations. As with common expenses of all condominiums, the nonpayment of assessments for Common Expenses by other unit Owners can affect your assessments. The VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. assesses such expenses on a quarterly basis.

The following is a schedule of assessment charges for Common Expenses, Expenses ("Interim Assessments") 1990. Closings in the offered condominiums, which have not yet been submitted, should occur in early 1990.

	Monthly	Quarterly	Annually
<u>PHASE I</u>	\$110.41	\$331.23	\$1325.00

DEVELOPER CONT.

There are no expenses presently paid by Declarant which may become common expenses in the future which are not reflected in the initial Estimated Operating Budget.

Because the Condominium is presently unoccupied by unit owners, there will be a "transition period" wherein the Developer will pay operating expenses attributable to unoccupied, and unsold Units. However, because the present budget assumes full ownership and occupancy, contributions by Unit Owners in the form of monthly assessments, together with the Developer's contribution for unsold units, should be sufficient to cover all operating expenses of each of the Condominiums, with the provisions set forth in Section (5) of this Narrative.

In any event, according to the Declaration, the Developer becomes liable to pay assessments on unsold Units 60 days after the conveyance of the first Unit, at which time the finances of the Association should be on a self-sustaining basis, operating solely on collection of monthly Unit assessments from Unit Owners and Developer alike.

(7) FEES DUE FROM PURCHASER AT CLOSING

At the closing, a purchaser of a Unit shall be liable to contribute an amount equal to two months' common area assessment as working capital for the Association, as well as a prorated monthly assessment for the remainder of the month in which the closing takes place.

Taxes will be adjusted between Developer and purchaser based on the time during the fiscal taxing period in which the closing takes place. If taxes have already been paid for a fiscal period which is not yet ended, the purchaser will reimburse Developer for prorated taxes from the date of the closing to the end of the fiscal period. If taxes for a period are not yet due at the time of closing, then Buyer will receive a credit for prorated taxes from the beginning of the period to the date of closing, but will take title to the Unit subject to the taxes for the period which are not yet due and payable.

A purchaser shall also be solely responsible for any and all costs connected with any mortgage loan obtained by the purchaser to finance the purchase of the Unit, and which are imposed by the purchaser's lender as a requirement of making the loan. These typically include (but are not limited to) origination fee or "points," prepaid interest, title examination and certification, title insurance premium, appraisal and credit reporting fees, mortgage insurance, and legal and recording fees.

(8) LIENS, DEFECTS AND ENCUMBRANCES AFFECTING TITLE

There are two types of possible liens, defects and/or encumbrances which relate to a Unit Owner's title: (1) those affecting the condominium premises as a whole, and thus all Units, and (2) those affecting an individual Unit as a part of the Condominium.

The condominium premises as a whole are subject to easements, discrepancies or conflicts in boundary lines, shortages in area, and encroachments which an accurate and complete survey would disclose, supplemental taxes which may be imposed by the Town of Cumberland retroactively, sewer and use taxes and/or present or future use assessments, and taxes assessed against the condominium premises prior to the assessment of Units as separate taxable parcels (and also present outstanding mortgages of the Developer which will be discharged as to each Unit at the time of closing pursuant to the terms of the Unit Purchase and sale Agreement).

The title to each Unit is affected by the terms and provisions of the following:

A. A DECLARATION OF EASEMENTS (which provides for rights of way for ingress and egress by vehicle or by foot into, upon, over, and under the private ways and walks in Phase I by future unit owners in Phase II, should Phase II be added); **SEE EXHIBIT Q ATTACHED TO THE DECLARATION;**

B. An Easement Agreement between the Declarant and John J. McLaughlin et al, the property owner immediately adjacent to Phase I to the West, wherein the Declarant grants to McLaughlin the perpetual right and easement to use a parcel of land on the Westerly boundary of Phase I. A copy of said Easement Agreement is attached to the Declaration. **SEE EXHIBIT R ATTACHED TO THE DECLARATION;**

C. The Rhode Island Condominium Act;

D. The Declaration of Condominium and its Exhibits (including the Articles of Incorporation, the By-Laws and Rules and Regulations), the liability to pay monthly common assessments, the liability to pay taxes assessed against the Unit, or taxes which have been assessed but are not yet due and payable, and all easements in favor of other Units and/or the Common Elements for encroachments, ingress, egress, right of entry, utility lines, support and the like, as are more particularly described and set forth in the Declaration of Condominium.

(9) FINANCING

The Developer is not making any particular offer to purchasers to provide or obtain financing for the purchase of Units.

(10) LIMITATIONS ON WARRANTIES

The unit, together with the undivided interest in the common elements, and any personal property contained within the unit or in the common elements, are sold with no other warranty either express or implied other than to warrant to Purchasers from the date of initial occupancy or the date of closing hereunder, whichever occurs first, for a period of one year or until the original Purchaser transfers the Unit to another, whichever occurs first, the following:

- (1) the Unit will be constructed in substantial conformity with plans and specifications; and
- (2) the Unit is free from defects caused by faulty material or workmanship which shall prove defective under normal use; provided however, that Purchaser shall have given written notice to Declarant at any time or times from the date of initial occupancy or the date of closing hereunder, whichever occurs first, for a period of one year or until the original Purchaser transfers the unit to another, whichever occurs first; and provided further that all corrective work undertaken pursuant to this Warranty shall be performed by or under the supervision of Declarant and Declarant shall not be liable or responsible for any corrective work performed by others or the cost thereof.

This Warranty expressly does not cover electrical appliances, central heating and air conditioning systems and other similar mechanical devices which guarantees shall be assigned, transferred and delivered to Purchaser at Time of Closing. In addition, this Warranty expressly Does Not Cover normal maintenance, wear and tear or requirements or defects or damage which are a result of contraction or expansion, or the result of other normal or ordinary characteristics of building materials used in or about the Unit or settlement or soil on which the foundation is placed.

Except with respect to repair of a defect resulting from a breach of the express warranty set forth above, this warranty specifically does not extend to or cover any injury or loss to the purchaser or others or damage to his or their property whether or not resulting from any defect to which this warranty may otherwise extend. The warranty set forth above is given in lieu of any and all other warranties whether express or implied and covers a period from the date of closing until either a date one year thereafter or the date upon which the Unit is transferred to another, whichever occurs first. This warranty does not apply to any defect occurring after such period of or to any defect of which the Seller is not given written notice within such period, even though the claimed defect does not become apparent within such period. Any item not covered by this Warranty is to be construed as an "as is" item, as the term is usually defined in

the legal sense, and therefore, no warranty, either express or implied, it to be applied to these "as is" items. It is further understood and agreed that a foreclosing construction mortgagee of the Condominium Project assumes no liability under the aforesaid warranties.

The warranties and representations set forth in the Condominium Documents are solely for the benefit of the original Purchaser and do not extend to any subsequent purchaser of the Unit.

These warranties required by law shall expire, with respect to a Unit, ONE YEAR after a Unit is conveyed to a purchaser, and with respect to the Common Elements, ONE YEAR after the Unit of the Condominium is conveyed to a purchaser. The Declarant and purchaser will execute a separate instrument limiting the Statute of Limitations on warranties to TWO YEARS, as stated above.

No warranties shall apply if an alleged defective part of a Unit or Common Elements has been subject to misuse or damage by accident, or has not been afforded reasonable care. The liability of Declarant is limited to repair or replacement of any defective materials which do not comply with warranties imposed by law, and in no event shall liability exceed the replacement cost of the Unit. Declarant shall not be liable for consequential damages arising from any breach of warranty.

(11) LEGAL RIGHTS OF PURCHASER

WITHIN TEN DAYS AFTER RECEIPT OF THIS PUBLIC OFFERING STATEMENT, THE PURCHASER MAY CANCEL ANY CONTRACT HE HAS PREVIOUSLY EXECUTED FOR PURCHASE OF A UNIT IN VICTORIAN COURT CONDOMINIUM FROM THE DECLARANT. IF THE PURCHASER ELECTS TO CANCEL SUCH A CONTRACT, HE/SHE MAY DO SO BY DELIVERING A NOTICE OF CANCELLATION TO THE DECLARANT IN HAND (in which case a receipt should be obtained) OR BY MAILING THE NOTICE TO THE DECLARANT, POSTAGE PREPAID, UNITED STATES MAIL. A CANCELLATION MADE AS ABOVE IS WITHOUT PENALTY AND ALL PAYMENTS MADE BY THE PURCHASER BEFORE THIS CANCELLATION WILL BE PROMPTLY REFUNDED BY DECLARANT.

IF THE DECLARANT HAS FAILED TO PROVIDE A PUBLIC OFFERING STATEMENT (INCLUDING ALL AMENDMENTS) TO A PURCHASER BEFORE CONVEYANCE OF A UNIT TO THE PURCHASER, THE PURCHASER MAY RECOVER FROM THE DECLARANT, IN ADDITION TO ANY RIGHTS TO DAMAGES OR OTHER RELIEF, 10% OF THE SALE PRICE OF THE UNIT.

IF A PURCHASER RECEIVED A PUBLIC OFFERING STATEMENT MORE THAN TEN DAYS BEFORE SIGNING A CONTRACT OF SALE, HE CANNOT CANCEL THE CONTRACT PURSUANT TO THE FOREGOING PROVISIONS.

(12) SUITS AND JUDGMENTS

As of the date of this Offering Statement, the Declarant knows of no unsatisfied judgments or pending suits against the Condominium Association, nor are there any pending suits material to the Condominium.

(13) DEPOSITS

All deposits made in connection with a Unit in the Condominium will be held in an escrow account by EASTLAND SAVINGS BANK until closing and will be either accounted for at the time of closing, or returned to the purchaser if the purchaser cancels a contract for sale pursuant to Section 34-36.1-4.08 of the Rhode Island Condominium Act.

(14) RESTRICTIONS ON TRANSFERABILITY AND USE OF UNITS

There are no restrictions on resale of a Unit by its Owner, and no "right of first refusal," so-called, with respect to any resale.

There are no other restraints on alienation of any portion of the Condominium, except those in the Declaration of Condominium which prohibit partition or subdivision, and prohibit severing a Unit from its appurtenant interests.

All restrictions on the use of Units and Common Elements are set out in specific detail in Article XVI and in Exhibit E (Rules and Regulations) of the Declaration of Condominium.

In summary form, the restrictions are: Units shall be used solely as single family residences; except as provided for in the Declaration or its exhibits, concerning the registration of pets and approval thereof by the Board of Directors, there is a prohibition against pets; there are restrictions as to noise, length of visits, maintenance and repairs, erection of signs, awnings and other objects on the exterior of the buildings, and disposition of trash and refuse; there are restrictions on lounging or playing except in designated areas; there are restrictions on parking and storage; there is a prohibition against carrying on any trade or business (except in the case of sales and promotion by Developer).

In addition to restrictions on use, the Condominium Association maintains a right of entry into Units under certain circumstances.

(15) INSURANCE

Insurance for the Condominium premises is being

provided by Employers Mutual Insurance Company. The agent is Universal Insurance Inc., P.O. Box 3987, North Providence, Rhode Island 02911. The Declarant has applied for an "all risk" hazard insurance policy with coverage which is deemed 100% of the actual replacement cost of each condominium building.

This coverage does not, however, extend to fixtures installed in Units after sale of the Unit from the Developer, to improvements made to Units by Unit Owners (unless specific arrangements for coverage have been made), or to personal property of Unit Owners.

In addition to the hazard insurance described above, there is \$1,000,000.00 of liability insurance, with \$1,000.00 deductible, and fidelity bond coverage of \$50,000.00

A binder for this insurance has been issued, and the actual policy is expected to be issued within two weeks of the date of this Offering Statement.

The cost of this insurance is included in the Estimated Operating Budget for the Condominiums, and is an element of the common assessment against Units.

The Declarant recommends that each unit owner obtain insurance coverage for its own fixtures, betterments and personal liability.

(16) FEEES FOR USE OF COMMON ELEMENTS

At the time of making this offering, there are no Common Elements for whose use a fee is charged. Otherwise, the only fees associated with the use of the Common Elements are the regular monthly assessments to the Unit Owners.

(17) FINANCIAL ARRANGEMENTS FOR COMPLETION OF IMPROVEMENTS

Each condominium building will be fully constructed at the time of closing and each unit will be ready for occupancy.

(18) ZONING AND LAND USE REQUIREMENTS

Subject to the accuracy of the records of the offices of the Building Inspector and the Zoning Board of Review of the Town of Cumberland, the following information was gleaned:

On December 10, 1986 the zoning board of review granted a special exception on Article 9 - Section No. 1 - Paragraph 5 (a) of the Cumberland Zoning Ordinance for twenty-nine (29) condominiums on a combination of a portion of Lot 2 and Lot 49 on land presently designated as Residential-C.

(19) OTHER UNUSUAL AND MATERIAL INFORMATION

Declarant believes that this Narrative, together with the other parts of this Offering Statement (including Exhibits) sets forth all information relative to the operation of the Condominium and the rights, restrictions and obligations pertaining to Units therein and Owners of Units.

Declarant has retained counsel from attorneys skilled in the preparation and interpretation of condominium documents in connection with the preparation of all the disclosure materials contained in the Offering Statement. This offering statement was prepared in a good faith attempt by the Declarant to comply with the requirements of the Rhode Island Condominium Act, because the provisions of the Act are, which in many instances, seem inconsistent, vague, and difficult to interpret as to legislative intent, and require substantial repetition of the same information.

BUILDING CODES AND REGULATIONS: The Buildings in which the condominium units are contained were constructed in under authority of Building Permits numbered 8709-24 and 8709-40 issued by the Building Inspector of the Town of Cumberland on September 15 and September 24, 1987 ; throughout the construction, various municipal and public utility inspectors approved the installation of the plumbing, electrical and heating components. The Developer has also provided smoke detectors in accordance with State and Local codes.

The Developer has no actual notice or knowledge of any existing or alleged violations of applicable building codes or regulations. Therefore, no statement is made regarding an estimated cost to cure any such violations.

Other features

The Declarant's predecessor in title had obtained utility and emergency easements over an adjoining parcel of land for and on behalf of all of the unit owners in the community who will manage, maintain, repair the same.

(20) STATEMENTS MADE PURSUANT TO RIGL 34-36.1-4.04

(20.1) Maximum Number of Units. The maximum number of Units which may be created under the Declaration fourteen (14).

(20.2) Units Restricted Exclusively to Residential Use. All Units which may be created will be restricted exclusively to residential use.

(20.3) Description of Development Rights. The following is a description of the development rights reserved by the Declarant and of any conditions relating to or limitations upon the exercise of those development rights.

The Declarant has retained the right to add Units to the Condominium. A maximum of fifteen (15) additional Units may be added to the Condominium in a total of one (1) additional phase. The Declarant may choose not to create all or any of these additional Condominium Units. There is no obligation on the Declarant to create any more than the initial fourteen (14) Condominium Units contained in Phase I unless and until an amendment to the Declaration is filed creating such additional Units. Any Units created would be as shown in the Plat attached to the Declaration and are identified therein with the subscription "Need Not Be Built". If the Declarant exercises its rights to add Units to the Condominium, it is presently anticipated it would achieve this initially with a Phase II consisting of fifteen (15) units. If all the Units contemplated for the Condominium were erected, there would be twenty-nine (29) Units in total erected in two (2) phases. These rights must be exercised, if at all, within seven (7) years from the date the Declaration was recorded. Development Rights may be exercised at different times with respect to different parcels of real estate.

(20.4) Maximum Change in Unit's Allocated Interest.

If the Declarant were to exercise its development rights, the maximum extent to which each Unit's allocated interest may be adjusted as follows:

If Phase II is added to the Condominium, as presently planned, the percentage interests for each Unit would be as shown in the first page of Exhibit "B-1" of the Declaration attached hereto.

(20.5) Compatibility of Future Buildings with Initial Buildings. Any building or improvements that may be erected pursuant to any development right in any part of the Condominium will be basically compatible with initial buildings and improvements in the Condominium in terms of architectural style, quality of construction and size.

(20.6) Descriptions of Improvements That May Be Made. Except as stated in Paragraph No. 20.5 above, no assurances are made with regards to the nature of the improvements that may be made and the limited common elements that may be created within any part of the Condominium pursuant to any development rights reserved by the Declarant.

(20.7) Location of Future Improvements. No assurances are made with regard to any limitation as to the location of any building or other improvement that may be made within any part of the Condominium pursuant to any development right reserved by the Declarant.

(20.8) Nature of Limited Common Elements. No assurances are made that any limited common elements created pursuant to any development right reserved by the Declarant will be of the same general types and sizes as the limited common elements within the

other parts of the Condominium.

(20.9) The Equality of Proportion of Limited Common Elements. No assurances are made that the proportion of limited common elements to Units created pursuant to any development right reserved to the Declarant will be approximately equal to the proportion existing within the other parts of the Condominium.

(20.10) Restrictions Affecting Use of Future Units. All restrictions in the Declaration affecting use, occupancy and alienation of Units will apply to any Units created pursuant to any development right reserved by the Declarant.

(20.11) Applicability of Assurances. No assurance is given regarding the exercise of development rights in the event said development rights are not exercised by the Declarant.

Declarant believes that all significant and material circumstances of the Declaration of Condominium for the VICTORIAN COURT CONDOMINIUM have been described elsewhere in this narrative.

The information contained in this Offering Statement was supplied by the Declarant **KIRKBRAE DEVELOPMENT CORP.**, which is solely responsible for its content.

KIRKBRAE DEVELOPMENT CORP.

BY Henry E. Richard Pres
HENRY E. RICHARD, PRESIDENT

3243

**DECLARATION AND
SUBMISSION STATEMENT**

FOR

VICTORIAN COURT CONDOMINIUM

OFFERED BY

**KIRKBRAE DEVELOPMENT CORP.
177 OLD RIVER ROAD
LINCOLN, RI 02865**

DOCUMENTS

BY:

**JOHN A. VARONE
1822 MINERAL SPRING AVENUE
NORTH PROVIDENCE, RI 02904
401-353-7400**

DECLARATION OF CONDOMINIUM
VICTORIAN COURT CONDOMINIUM

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DECLARATION OF CONDOMINIUM
OF
VICTORIAN COURT CONDOMINIUM

CHAPTER ONE
THE CONDOMINIUM; UNITS; DEFINITIONS

ARTICLE I
SUBMISSION STATEMENT

1.1. DECLARANT; LAND

KIRKBRAE DEVELOPMENT CORP., a Rhode Island Corporation, with a principal place of business at 177 Old River Road, Lincoln, Rhode Island 02865 ("Declarant"), being the record owner in fee simple title of the real property located in the Town of Cumberland, County of Providence, State of Rhode Island, and commonly known and referred to as:

Nate Whipple Highway
Cumberland, Rhode Island
Assessors Lot 49 on
Assessor's Plat 45

and whose legal description is more specifically set out on Exhibit A attached to this Declaration,

HEREBY DECLARES THIS LAND, and all Improvements erected or to be erected thereon, and all easements, rights and appurtenances belonging to this land, and all other property, real, personal or mixed, intended for use in connection with this land, (all together referred to as "Land") to be Condominium Property.

1.2 SUBMISSION TO CONDOMINIUM

The Declarant submits the Land to the Condominium form of ownership pursuant to Title 34, Chapter 36.1 of the General Laws of Rhode Island, 1956, as amended ("Act").

This submission is made upon, and subject to, the terms, conditions, restrictions, reservations and limitations set forth in this Declaration.

WITH RESPECT TO THE CONDOMINIUM CREATED BY THIS DECLARATION, DECLARANT MAKES NO WARRANTY AS TO MERCHANTABILITY, MARKETABILITY, OR FITNESS FOR A PARTICULAR USE.

ARTICLE II DEFINITIONS OF TERMS

The following terms, when used in this Declaration, shall have the stated meanings except where the context clearly indicates a different meaning:

Act: The Rhode Island Condominium Act of 1982, as amended, Title 34, Chapter 36.1 of the General Laws of Rhode Island, 1956, as amended.

Additional Real Estate: shall mean all the land that may be added to the condominium in accordance with the provisions of this Declaration and the "Rhode Island Condominium Act".

Apartment: Word of art used interchangeably with Unit, when unit is contained in a building.

Assessment: a share of the Common Expenses (see below) required to be paid on a periodic or other basis by each Unit Owner to defray the Common Expenses of the Condominium.

Association: The VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC. (a non-profit Rhode Island corporation), the entity responsible for the operation of the Condominium.

Building(s): the structure(s) in which the Units (see below) of the Condominium (see below) are located.

Common Elements:

- (a) All portions of the Condominium Property (see below) which are not included within Units (see below).
- (b) 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.

- (c) An easement of support in every portion of a Unit which contributes to the support of the Building.
- (d) The property and installations required for the furnishing of utilities and other services to more than one Unit, or to the Common Elements.
- (e) Any other parts of the Condominium Property designated as Common Elements in this Declaration or by the terms of the Act.

Common Expenses: all expenses (including allocations to reserves) incurred by the Association for the operation and maintenance of the Condominium.

Common Surplus: the excess of all receipts of the Association (including, but not limited to, Assessments, fees, rents, profits and revenues on account of the Common Elements) over the Common Expenses.

Condominium Property: the Land (see below), all Buildings and other Improvements (see below) on or servicing the Land, and all easements and rights appurtenant to the Land intended for use in connection with this Condominium, and all other property (real, personal and mixed) which may subsequently be made subject to this Declaration.

Declaration means this instrument by which Developer submits THE VICTORIAN COURT Condominium to condominium ownership in accordance with the Act.

Declarant/Developer: KIRKBRAE DEVELOPMENT CORP., its successors and/or assigns.

Development Rights: shall mean any right or combination of rights reserved by the Declarant in this Declaration or in the Exhibits or attachments hereto (a) add real estate to the Condominium; (b) create Units, Common Elements, or Limited Common Elements within the Condominium; (c) subdivide Units or convert Units into Common Elements.

Eligible Mortgage Holder: a Mortgage Holder (see below) who has registered with the Association and is entitled to receive notice of certain matters and to participate in certain decisions affecting the Condominium, as described in this Declaration.

Improvements: all structures (including the

Building(s)) and artificial changes to the natural environment (exclusive of landscaping) located on or appurtenant to the Condominium Property.

Limited Common Elements: Common Elements whose use is reserved to a certain designated Unit or Units to the exclusion of other Units, as specified in this Declaration (For example, balconies, patios, storage areas and parking spaces). Reference to Common Elements shall include all Limited Common Elements unless the context would prohibit it, or unless this Declaration otherwise expressly provides.

Mortgage Holder: any holder of a record first mortgage on a Unit (see below) of the Condominium, and/or any insurer or governmental guarantor of a record first mortgage.

Parking Space: a designated space in a parking area, adjacent to or associated with one particular Unit (see below) and intended for the exclusive use of such Unit as a Limited Common Element.

Percentage Interest: An undivided interest in the Common Elements, appurtenant to a Unit Estate (see below), and expressed as a percent.

Recreation Area Expenses means the taxes, insurance, utility expenses, maintenance and other monetary expenses generally arising from ownership and operation of "Recreation Areas" if any, which expenses are part of the Common Expenses of the Condominium.

Single Family Residence a residence occupied by a group related by blood, adoption or marriage.

Survey site plan and graphics required by the ACT and recorded simultaneously with this declaration.

Unit or Unit Estate: a part of the Condominium Property which is subject to exclusive ownership in fee simple, and including an appurtenant undivided Percentage Interest in the Common Elements, the exclusive right and easement to use any Limited Common Elements designated in this Declaration, all other appurtenant easements described in this Declaration, and membership in the Association.

Unit Owner: the record holder(s) of title to a Unit Estate.

VICTORIAN COURT: The name given to a private planned community development located in the Town of

CUMBERLAND, Rhode Island on which is being developed
The VICTORIAN COURT CONDOMINIUM.

Unless the context requires otherwise, any other
terms used in this Declaration shall have the meanings ascribed to
them by the Act.

ARTICLE III
NAME AND ADDRESS OF CONDOMINIUM
PLAN FOR DEVELOPMENT

3.1 NAME AND ADDRESS

The name by which this Condominium is to be identified
is: VICTORIAN COURT CONDOMINIUM , Nate Whipple Highway, CUMBERLAND,
Rhode Island.

3.2 PLAN FOR DEVELOPMENT

A. Declarant is the developer of VICTORIAN COURT
Condominiums at VICTORIAN COURT which are intended to be located on
LOT 49, on Assessor's Plat 45, according to the plat thereof recorded
in the Records of Land Evidence in the Town of CUMBERLAND. It is
intended that VICTORIAN COURT CONDOMINIUM shall be, in the aggregate,
TWENTY NINE (29) units, in TWO PHASES. PHASE I will consist of
Fourteen (14) units in a two building cluster; PHASE II will consist
of Fifteen (15) units in a two Building cluster.

B. The Association shall be responsible for the
operation of THE VICTORIAN COURT CONDOMINIUM as well as the Recreation
Areas, if any. Each Unit Owner shall be a member of the Association
as provided in the Condominium Documents. Copies of the Articles of
Incorporation and By-Laws of the Association are attached hereto as
Exhibits C and D, respectively, and are hereby made a part hereof.

C. While it is not the intent of the Developer to
relinquish control of the development, in the event that Developer's
mortgagee obtains title to the development, the mortgagee may decide
in its sole discretion not to complete the plan for development as
presently intended and depicted with regard to Unit and buildings not
submitted to Declaration of Condominium. Such a mortgagee shall have
the right to use all access roads and recreation areas if any, when in
possession, and would be authorized to modify the plan for development
including the ability to add members to the Association who shall pay
their prorata share of maintenance and other costs. The Developer
also reserves the right, in its sole discretion, to alter, to modify,
or to not complete the plan for development for condominiums which
have not been submitted and for recreation areas, if any. No person or
entity, other than the Developer, shall be required to consent to any
such alteration or modification.

ARTICLE IV
IDENTIFICATION OF UNITS, COMMON ELEMENTS AND SURVEY

4.1 DESCRIPTION OF CONDOMINIUM PROPERTY AND UNIT ESTATE

A. **Improvements: PHASE I:** The Improvements on the Land consist of Two (2) Buildings, Common Elements, and Limited Common Elements. There are a total of fourteen (14) Residential Units in the Condominium, each of which is identified by a separate number and/or letter designation.

B. **"Exhibit A":** There is attached hereto, marked "Exhibit A", a Plot Plan, Survey and Graphic Description showing the designations of all Units, and the location of the Buildings and other Improvements on the Land.

"Exhibit A" also identifies the Common Elements and the Limited Common Elements.

C. **Unit Estate:** There shall pass with fee simple title to a Unit, as appurtenant to the Unit Estate:

- (1) an undivided share in the Common Elements and Common Surplus, as designated for each Unit by the terms of this Declaration;
- (2) the exclusive right to use such Limited Common Elements as may be provided and/or designated in this Declaration;
- (3) an easement for the exclusive use of the air space occupied by the Unit, as it may exist at any particular time and as the Unit may lawfully be altered or reconstructed from time to time;
- (4) membership in the Association; and
- (5) such other appurtenances as may be provided in this Declaration or in the Act.

4.2 UNIT BOUNDARIES

A. **Description:** Each Unit within a Building shall include that part of the Building containing the Unit, the boundaries of which are as follows:

- (1) **Upper and Lower Boundaries:** The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries:
 - (a) **Upper Boundary:** The horizontal plane of the undecorated finished ceiling.

(b) **Lower Boundary:** The horizontal plane of the undecorated finished floor.

(2) **Perimetrical Boundaries:** The perimetrical boundaries of the Unit shall be the vertical planes of the undecorated finished interior or the walls bounding the Unit extending to intersections with each other and with the upper and lower boundaries.

(3) **Apertures:** Where there are apertures in any boundary, including, but not limited to, windows and doors, such boundaries shall be extended to include the interior unfinished surfaces of such apertures, including all frameworks thereof. Exterior surfaces made of glass or other transparent material, and all framing and casing therefor, shall be included in the boundaries of the Unit.

B. Applies to all Units: The description of Unit Boundaries given in Paragraph 4.2(A) shall apply to all Units within the confines of the Building itself.

4.3 COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

A. Common Elements: The Common Elements of the Condominium are all portions of the Condominium which are not Units.

B. Limited Common Elements: Each residential Unit within the building shall have, as Limited Common Elements, any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, and all exterior doors and windows or other fixtures designed to serve that unit, but located outside the unit's boundaries and parking spaces bearing the same number as the unit, are limited common elements allocated exclusively to that unit.

C. Expenses: All repairs and maintenance for Limited Common Elements shall be treated as Common Area Expense and shall be the responsibility of the Association.

4.4 EASEMENTS

4.4.1 EASEMENTS IN OTHER VICTORIAN COURT PHASES

Developer declares that the Unit Owners in each VICTORIAN COURT CONDOMINIUM PHASE shall have the right to use and enjoy the walks and other rights-of-way comprising a portion of the Common Elements within each such phase, and each amendment to this declaration which adds an additional phase shall provide appropriate

easement provisions to effect this plan.

4.4.2 Perpetual Nonexclusive Easement to Public Ways

The walks and other rights-of-way in this Condominium as shown on the Survey or hereafter located within the Condominium shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive easement for ingress and egress and access to, over and across the same and, to public ways, including dedicated streets, if any, which easement is hereby created in favor of all the Unit Owners in the Condominium and owners of Units in all PHASES now or hereafter existing for their use and for the use of their family members, guests, invitees or licensees for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended. The Association shall have the right to establish the rules and regulations governing the use and enjoyment of the Common Elements and contrary contained in this paragraph, the easements described and set forth in this paragraph are intended to comply with the Act.

4.4.3 Easements and Cross-Easements on Common Elements

Inasmuch as this PHASE I constitutes a part of VICTORIAN COURT, the Common Elements of the Condominium shall be and the same are hereby duly declared to be subject to perpetual nonexclusive easements in favor of PHASE II of VICTORIAN COURT and the owner or owners of any portions thereof, their family members, guests, invitees or licensees, the Association, and such appropriate utility and other service companies or the providers of the services hereinafter set forth as may be from time to time designated by the Developer to and from all portions of VICTORIAN COURT for ingress and egress, and for the installation, maintenance, construction and repair of facilities, including, but not limited to, electric power, telephone, sewer, water, gas, drainage, irrigation, lighting, television transmission, cable television and communications systems transmission, reception and monitoring, security, garbage and waste removal and the like and for all purposes incidental thereto. Developer hereby reserves unto itself, its successors, assigns, designees and nominees, and hereby grants to the Association, the right to impose upon the Common Elements henceforth and from time to time such easements and cross-easements for any of the foregoing purposes as it or the Board deems to be in the best interests of and necessary and proper for this Condominium.

4.4.4 Easement for Encroachments

All the Condominium Property shall be subject to easements for encroachments, which now or hereafter exist, caused by settlement or movement of any improvements upon the Condominium property or improvements contiguous thereto or caused by minor inaccuracies in the building or rebuilding of such improvements. The above easements shall continue until such encroachments no longer exist.

4.4.5 Easements Appurtenant

All of the Condominium property is benefitted by Easements Appurtenant contained in a Declaration of Easements dated June 15, 1989 and recorded in Book 406 at Page 76 in the Cumberland Records of Land Evidence. Contained in said Declaration of Easements are a twenty (20) foot Utility Easement and a fifteen (15) foot Emergency Access Easement.

4.4.6 Additional Easements

The Developer (so long as it owns any Units) and the Association, on their behalf and on behalf of all Owners (each of whom hereby appoints the Developer and the Association irrevocably as their attorney-in-fact for this purpose), each shall have the right to grant such additional electric, drainage, gas, cable tv or other utility or service easements, or relocate any existing utility or service easements or drainage facilities (subject to applicable restrictions), in any portion of the Condominium Property, and to grant access easements or relocate any existing access easements in any portion of the Condominium Property, as the Developer or the Association shall deem necessary or desirable for the proper operation and maintenance of the Improvements, or any portion thereof, or for the general health or welfare of the Unit Owners, or for the purpose of carrying any provisions of this Declaration or otherwise, provided that such unreasonably interfere with the reasonable use of the Units for dwelling purposes.

A. **Support:** Each Unit shall have an easement of support and of necessity, and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

B. **Utility Services:** Easements are reserved under, through and over the Condominium Property as may be required for utility services in order to serve the Condominium, including but not limited to an easement to the Blackstone Valley Electric Company and the New England Telephone and Telegraph Company recorded in Book 381 Page 205 in the Records of Land Evidence in the Town of Cumberland, Rhode Island.

Any easements for utility services running through a unit shall be limited to those provided in the plans and specifications for a Building, for the Condominium Property or existing in a Building or Condominium Property, as constructed or as reconstructed, unless the easement is approved in writing by the affected Unit Owner.

A Unit Owner shall do nothing within or outside his Unit that interferes with or impairs, or may interfere with or impair, the provision of such utility or other services or the use of these easements.

C. **Association Right to Grant:** The Association shall have the right to make grants of easements over the Common Elements for utilities, roads and other purposes necessary for the proper operation of the Condominium.

D. **Association Right of Access:** The Board of Directors of the Association or its designee shall have a right of access to each Unit to inspect the Unit, and to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits, and other utility service and Common Elements in the Unit or elsewhere in the Condominium Property, and to remove any improvements interfering with or impairing such easements herein reserved.

This right of access, except in the event of an emergency, shall not unreasonably interfere with the Unit Owner's permitted use of his/her Unit.

E. **Encroachments:** If any portion of the Common Elements encroaches upon any Unit, or if 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

- (1) construction, settling or shifting of the Improvements, or
- (2) any alteration or repair to the Common Elements made by or with the consent of the Association, or
- (3) 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 of the Common Elements;

then, in any such event, a valid easement shall exist for the encroachment, and for the maintenance of the encroachment, so long as the Improvements shall stand.

F. **Ingress And Egress:** There is created a perpetual nonexclusive easement for ingress and egress to and from Units and over the streets, walks, and other rights of way serving the Units of the Condominium as part of the Common Elements, necessary to provide reasonable access to the Units, the public ways, or a dedication of the streets, walks and other rights of way to the Public.

G. **Construction; Maintenance:** The Declarant (including its designees, contractors, successors and assigns) shall have the right, but not the obligation, in its and their sole discretion from time to time, to enter the Condominium Property and

take all other action necessary or convenient for repair, replacement and maintenance purposes where the Association fails to do so, provided that none of this activity shall prevent or unreasonably interfere with the use or enjoyment by the Unit Owners of any part of the Condominium Property.

H. Sales Activity: Notwithstanding any provision in the Declaration (including the By-Laws) to the contrary, the Declarant shall have the right to maintain an office, post signs and to take such other action on the Property as it may deem desirable in connection with the development, renovation and/or construction of the Condominium or any part thereof and the renovation sale of any Unit.

4.5 SUBJECT TO DOCUMENTS

Each Unit Estate is subject to all the rights, duties, easements, restrictions and obligations as are set forth in this Declaration, and its Exhibits.

ARTICLE V UNDIVIDED SHARE IN COMMON ELEMENTS AND SHARE OF COMMON EXPENSES AND COMMON SURPLUS AS APPURTENANCES

5.1 PERCENTAGE INTERESTS

A. Allocation: The Declarant hereby allocates the undivided Percentage Interest in the Common Elements and Common Surplus appurtenant to each Unit:

Phase I - Each unit (1280 sf +/-) .071428%.

IF PHASE II IS ADDED ALL UNITS AS FOLLOWS

PHASES I & II Each unit (1280 sf +/-) .034482%.

A list of all Units, with their descriptions and their respective appurtenant Percentage Interests, is presented in Exhibit B and Exhibit B-1.

B. Formula: The Percentage Interests have been established by dividing the number of square feet in each Unit by the total number of square feet in all Units of the Condominium.

5.2 ALLOCATION OF COMMON EXPENSES AND COMMON SURPLUS EXCEPT AS PROVIDED IN SUBPARAGRAPH "B" OF THIS SECTION

(A) Except as provided in Paragraph B of this Section or elsewhere in this Declaration, the Common Expenses shall be shared by, and Common Surplus distributed to, the Unit Owners in accordance with

their respective Percentage Interests in the Common Elements as set forth on Exhibit B.

(B) The Board of Directors may specially assess any unit for any item of expense common attributable only to that Unit. If for example a use is such that even though permitted by Zoning Ordinance, and not prohibited by this Declaration or its exhibits and the risk involved is specially rated for insurance premium purposes and is not the same rating used for other units in the condominium, then in that event the Board of Directors may specifically assess said unit or units, for the extra premium cost attributable to said risk.

ARTICLE VI
CONDOMINIUM DEED AND CONVEYANCE INSTRUMENT

There is attached to this Declaration, marked "Exhibit G", the form of Condominium Warranty Deed by which the Declarant will convey Units, and other appurtenant interests, to the purchasers thereof.

CHAPTER TWO
ADMINISTRATION; BUDGET AND EXPENSES

ARTICLE VII
ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

7.1 ASSOCIATION

The organization of Unit Owners which shall operate and manage the Common Elements of this Condominium and otherwise manage and regulate the affairs of the Condominium, shall be the VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC., a Rhode Island non-profit corporation which has been duly organized and registered.

A copy of the Articles of Incorporation for the Association is attached hereto, marked "Exhibit C".

7.2 MEMBERSHIP

Each Unit Owner shall be a member of the Association, and membership shall be restricted to record Owners of Units.

7.3 VOTES

Unless otherwise provided in the case of specific matters described in this Declaration or the By-Laws of the Association, each Unit Owner is entitled to one vote.

7.4 BY-LAWS

The By-Laws of the Association are attached hereto,

marked "Exhibit D".

7.5 VOTING BY UNIT OWNERS

A. The owner or owners, collectively, of the fee simple title of record of each Unit shall be entitled to one vote per Unit in the Association as to the matters on which a vote by Unit Owners is taken as provided under the Condominium Documents and the Act.

B. The vote of the owners of any Unit owned by more than one natural person, or by a corporation or other legal entity shall be cast by the person ("Voting Member") named in a proxy signed by all of the owners of such Unit or, if appropriate, by properly designated officers, partners or principals of the respective legal entity and filed with the Secretary of the Association. The proxy shall be valid until revoked by a subsequent proxy similarly signed and filed and shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof; provided, in no event shall any proxy be valid for a period longer

than ninety (90) days after the date of the first meeting for which it was given. If the proxy is not on file, the vote associated with an Unit where the proxy is required shall not be considered in determining the requirement for a quorum or for any other purpose.

C. Notwithstanding the provisions of Paragraph B of this Article VII, whenever any Unit is owned by a husband and wife, they may, but shall not be required to, designate a Voting Member. In the event a proxy designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote.

1. Where both are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Unit owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

2. Where only one spouse is present at a meeting, the person present may cast the unit's vote without establishing the concurrence of the absent spouse.

Nothing contained in this Section shall be construed to limit any liability, under this Declaration or under any of its Exhibits, of any person or entity who is a Unit Owner of record.

Any such liability provided for in this Declaration and its Exhibits shall be joint and several as among the several owners of a single Unit.

7.6 AVAILABILITY OF BOOKS, RECORDS, DOCUMENTS

The Board of Directors shall make available to the Unit Owners current copies of the Declaration of Condominium, the Articles of Incorporation of the Association, the By-Laws and rules and regulations, and the books, records and financial statements of the Association.

"Available" means available for inspection upon request during normal business hours or under other reasonable circumstances.

ARTICLE VIII OPERATION OF THE CONDOMINIUM BY THE ASSOCIATION; POWERS AND DUTIES

8.1 GENERAL AUTHORITY

A. **Responsibility for Operation; General Powers:** The Association shall be the entity responsible for the operation of the Condominium. The powers and duties of the Association shall include those set forth in the Articles of Incorporation and By-Laws of the Association, as amended from time to time, in the Act, and as granted or imposed by this Declaration.

B. **Other Powers of Association:** The powers of the Association shall include, without limitation:

- (1) The irrevocable right to have access to each Unit, from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any Common Elements therein, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any other Unit(s), or to determine compliance with the terms and provisions of this Declaration and its Exhibits, as amended from time to time.
- (2) The power to make and collect Assessments, fees, and other charges against Unit Owners.
- (3) The duty to maintain accounting records according to generally accepted accounting practices, which shall be open to inspection by Unit Owners or their authorized representatives at reasonable times.

- (4) The power to enter into contracts with others (whether or not they are affiliated with the Association or Declarant), for a valuable consideration, for maintenance and management of the Condominium Property, and in connection therewith, to delegate those powers and rights not in conflict with the Act or with this Declaration and its Exhibits.
- (5) The power to borrow money, execute promissory notes and other evidences of indebtedness, and to give as security therefor mortgages and security interests in property owned by the Association, provided that such actions are approved by a majority of the entire membership of the Board of Directors and of the Unit Owners represented at a meeting at which a quorum has been obtained, or by such greater percentage of the Board of Directors or Unit Owners as may be specified in the By-Laws with respect to certain borrowing.
- (6) Subsequent to the recording of this Declaration, the Association, when authorized by a majority of the Units Owners represented at a meeting at which a quorum has been attained, shall have the power to acquire and enter into agreements for the acquisition of fee interests, leaseholds, memberships, and other possessory or use interests in land or facilities, including but not limited to, country clubs, parking lots or areas, golf courses, marinas and other recreational facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the use or benefit of the Unit Owners. The expenses of ownership (including the expense of making and carrying any mortgage related to such ownership), rental, membership fees, operation, replacements and other expenses and undertakings in connection therewith shall be Common Expenses.
- (7) The power to adopt and amend Rules and Regulations covering the details of the operation and use of the Condominium Property.

8.2 LIMITATIONS UPON LIABILITY OF ASSOCIATION

Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to Unit Owners for injury or damage,

other than for the cost of maintenance and repair, caused by any latent condition of the Condominium Property.

8.3 RESTRAINT UPON ASSIGNMENT OF SHARES IN ASSETS

No interest of a Unit Owner in the funds and assets of the Association may be assigned, hypothecated or transferred in any manner except as appurtenant to the Unit Estate.

8.4 APPROVAL OR DISAPPROVAL OF MATTERS

Whenever the decision of a Unit Owner is required upon any matter, whether or not the matter is the subject of an Association meeting, the decision shall be expressed by the same person who would be entitled to cast the vote for that Unit if present at any Association meeting, unless the joinder of all record Unit Owners is specifically required by this Declaration or by law.

8.5 ACTS OF THE ASSOCIATION

Unless the approval or action of Unit Owners, and/or a certain specific percentage of the Board of Directors of the Association and/or a specified percentage of Eligible Mortgage Holders, is specifically required in this Declaration, the Articles of Incorporation or By-Laws of the Association, or by applicable Rules and Regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association may be by a majority of the Board of Directors at a meeting held at which a quorum is in attendance, without the further consent of Unit Owners, and the Board may so approve and act through the proper officers of the Association without a specific resolution.

When an approval or action of the Association is permitted to be given or taken, the action or approval may be conditioned in any manner the Association deems appropriate. The Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of the conditions or refusal.

8.6 INITIAL RULES AND REGULATIONS

In order to provide for a congenial and compatible private community and to preserve the value of this Condominium Property and the individual Units, and the use of Condominium Property, the Association has promulgated certain Rules and Regulations, copies of which are attached to this Declaration, marked "Exhibit E".

These Rules and Regulations may be amended from time to time as provided in the By-Laws.

A Unit Owner's use and enjoyment of the Condominium Property will be subject to these Rules and

Regulations, as they may be amended to from time to time.

ARTICLE IX
DETERMINATION OF COMMON EXPENSES AND
FIXING OF ASSESSMENTS AND FEES THEREFOR

9.1 Common Expenses

The Association, by its Board, shall from time to time at least annually, prepare a budget for the operation and management of the Association, the Recreation Areas, if any, this Condominium, which budget shall be prepared and adopted in accordance with the Condominium Documents. The expenses, shall be allocated to each unit Owner based upon each Unit Owner's share of ownership of Common Elements, which sum, shall be assessed as the "Annual Assessment". In allocating the expenses to each unit, the Board shall attempt to provide an Annual Assessment consistent with the above; however, any expenses occasioned by a particular unit or group of units which the Board determines may be more appropriately allocated to such unit or group of units shall be so allocated. Notwithstanding the above-stated method of allocation, however, the Unit Owners shall be obligated to pay in addition to the Annual Assessment, such special assessments ("Special Assessment") as shall be levied by the Board against their Unit or Units either as a result of (a) extraordinary items of expense; (b) the failure or refusal of other Unit Owners in this Condominium to pay their Annual Assessment; or (c) such other reason or basis determined by the Board which is not inconsistent with the terms of the Condominium Documents, or the Act.

9.2 Assessments

Assessments shall be made and determined as provided herein and in the other Condominium Documents. Annual Assessments shall be payable in quarterly installments or in such other installments as the Board may determine (but in no event less frequently than monthly) and notice given to Unit Owners in writing ("Assessment Payment Method").

A. The record owners of each Unit shall be personally liable, jointly and severally, to the Association for the payment of Annual Assessments and any Special Assessments (collectively "Assessments") levied by the Association and for all costs of collecting delinquent Assessments, plus interest and reasonable attorneys' fees as hereinafter provided. In the event of default in the payment of an installment under the Assessment Payment Method used by the Board or a default in payment of a Special Assessment, the Board may accelerate remaining installments of the Annual Assessment upon notice thereof to the Unit Owner in default, whereupon, the entire unpaid balance of the Annual Assessment shall become due upon the date stated in the notice (which date shall not be less than ten (10) days after the date of the notice). In the event any Special accelerated Annual Assessment is not paid within twenty (20) days after their respective due dates, the Association, through the Board, may proceed to enforce and collect the said Assessments against the

Unit Owner owing the same in any manner provided for by the Act, including foreclosure and sale of the Unit.

B. The Association may at any time require Unit Owners to maintain a minimum balance on deposit with the Association to cover future installments of Assessments.

C. In connection with Assessments, the Association shall have all of the powers, rights, privileges and legal remedies provided for by the Act, specifically including a lien upon each Unit for any unpaid Assessments and interest thereon against the Unit Owner of such Unit, together with reasonable attorneys' fees incurred by the Association incident to the collection of Assessments or enforcement of such lien. Assessments and installments thereon not paid when due shall bear interest from the date when due until paid at the highest rate of interest permissible under the laws of the State of Rhode Island.

D. It is specifically acknowledged that the provisions of RIGL 34-36 1-3.16(b) (2) and RIGL 34-36.1-3.17(c)(d) of the Act are applicable to this Condominium, and further, in the event a Mortgagee obtains title to a Unit by a deed in lieu of foreclosure, such Mortgagee, its successors and assigns, shall not be liable for accrued Assessments or Common Expenses which became due prior to such acquisition of title, unless such accrued Assessment or Common Expenses are secured by a claim of lien for Assessments that is recorded prior to the recording of the mortgage for which a deed is given in lieu of foreclosure. Assessments that are not secured by a claim of lien recorded prior to the recording of the mortgage for which a deed is given in lieu of foreclosure shall be canceled as to such Unit, effective with the passage of title to such Mortgagee.

E. No lien for Assessments under the Act or under the Condominium Documents shall be effective until recorded amongst the Land Evidence Records in the Town of Cumberland.

F. It is specifically acknowledged that the Assessment charges for Common Expenses, (the "Interim Assessments") are in effect for the period ("Interim Assessment Period") commencing with the date of recording of this Declaration and ending December 31, 1991, or the date first noticed for the "Majority Election Meeting" (as defined in the Articles), which-ever is the first to occur. The Interim Assessments are based upon the 1990 Budget for Common Expenses applicable to VICTORIAN COURT. Developer guarantees that notwithstanding any increases in items of expense for the year 1990 and subsequent periods included within the Interim Assessment Period, if any, which would otherwise be assessed against Units in this Condominium, Developer will make up the difference, if any, between the Common Expenses chargeable to the Units in this Condominium and the sums collected from Interim Assessments. During the Interim Assessment Period, Developer will not be required to pay any Assessments for Units it owns. Upon the expiration of the Interim Assessment Period, every Unit, including those owned by Developer, if any, will be assessed for the Common Expenses applicable to this

RESERVE FUND

Condominium as provided by the Condominium Documents.

9.3 BUDGET

A. **Items Included:** The Common Expenses shall include the expenses of the operation, maintenance, repair and replacement of the Common Elements, the cost of carrying out the powers and duties of the Association, and any other expenses designated as Common Expenses by the Act, by this Declaration, by the Articles of Incorporation or the By-Laws of the Association, by applicable Rules and Regulations, or by the Association.

* B. **Reserves:** The budget shall include an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the Common Elements, and to those Limited Common Elements which the Association is obligated to maintain.

* The reserve fund is to be maintained out of regular Assessments for Common Expenses.

C. **Subject to Change:** Any budget adopted shall be subject to change to cover actual expenses at any time. Any such change shall be adopted consistent with the provisions of the By-Laws.

D. **Special Assessments:** The Board of Directors may likewise, from time to time, establish special Assessments chargeable to the Unit Owners in the same fashion as regular Assessments are chargeable under the conditions of this Declaration.

In the event that any Special Assessment is caused by failure of a Unit Owner to fulfill his obligations under this Declaration, then this Special Assessment may be levied solely against the offending Unit Owner.

The Estimated Operating Budget for the first year of operation for this Condominium is attached to this Declaration and marked Exhibit F

9.4 WORKING CAPITAL RESERVE

A. **Fund Established:** In addition to the Common Expense Budget, there is established a working capital reserve fund. Each Unit Owner, upon taking title to a Unit, shall make a contribution to this fund in an amount equal to two months' Common Expense Assessments for the Unit.

B. **Collection:** Each Unit Owner's share shall be collected at the closing of the sale and paid into a segregated fund of the Association.

C. **Contribution from Declarant:** No later than 60

days after the first conveyance of a Unit to a purchaser, the Declarant shall make the working capital fund contribution to the Association for all unsold Units.

D. Reimbursement to Declarant: The Declarant shall be entitled to reimbursement of these contributions from subsequent purchasers of these Units as each Unit is sold.

9.5 PAYMENT OF ASSESSMENTS

All regular Assessments for Common Expenses shall be paid monthly by the Unit Owners.

Special Assessments and other charges to Unit Owners shall be paid as provided in this Declaration, or, if no specific provision is made, as determined by the Board of Directors.

9.6 PROVISION FOR APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED AGAINST THE CONDOMINIUM AS A WHOLE

A. In the event that any taxing authority having jurisdiction over the Condominium shall levy or assess any tax or special assessment against the Condominium as a whole as opposed to levying and assessing such tax or special assessment against each Unit and its appurtenant undivided interest in Common Elements, as now provided by law (herein called the "New Total Tax"), then such New Total Tax shall be paid as a Common Expense by the Association, and any taxes or special assessments which are to be so levied shall be included wherever possible in the estimated annual budget of the Association or shall be separately levied and collected as a special assessment by the Association against all of the owners of all Units. Each Unit Owner shall be assessed by and shall pay to the Association in equal shares the New Total Tax. In the event that any New Total Tax shall be levied, then the assessment by the Association shall separately specify and identify the portion of such assessment attributable to such New Total Tax and such portion shall be and constitute a lien prior to all mortgages and encumbrances upon any Unit and its appurtenant undivided interest in Common Elements, regardless of the date of the attachment and/or recording of such mortgage or encumbrances, to the same extent as though such portion of New Total Tax had been separately levied by the taxing authority upon each Unit and its appurtenant undivided interest in Common Elements.

B. All personal property taxes levied or assessed against personal property owned by the Association shall be paid by said Association and shall be included as a Common Expense in the annual budget of the Association.

ARTICLE X COLLECTION OF ASSESSMENTS; LIENS

10.1 LIABILITY FOR ASSESSMENTS

A. Unit Owners Liability: Each Unit Owner

(except for a Mortgage Holder), regardless of how title is acquired, including by purchase at a judicial sale, shall be liable for all Assessments, Special Assessments or fees coming due while he is the Unit Owner.

B. **Liability Not Avoided by Waiver:** The liability for Assessments, Special Assessments or fees may not be avoided by waiver of the use or enjoyment of any Common Elements, or by the abandonment of the Unit for which the Assessments or fee charges are made.

10.2 DEFAULT IN PAYMENT OF ASSESSMENTS

A. **Interest Charged:** Assessments or fees, and installments thereof, not paid within fifteen (15) days from the date when they are due shall bear interest at the rate of eighteen (18) percent per annum from the due date until paid.

B. **Lien for Unpaid Expenses:** The Association shall have a lien against each Unit for the amount of any unpaid Assessments and/or fees, together with interest and reasonable attorneys' fees and costs incurred by the Association incident to the collection of the Assessment and/or fees or enforcement of the lien.

C. **Effectiveness of Lien; Amount:** The lien shall be effective from and after recording a claim of lien in the Public Records of the Town of Cumberland, stating the description of the Unit, the name of the Unit Owner of record, the amount due, and the due dates.

A lien shall be in effect until all sums secured by the lien have been fully paid, or until barred by law.

The claim of lien shall include only Assessments and/or fees which are due when the claim is recorded.

A claim of lien shall be signed and acknowledged by an officer or agent of the Association.

D. **Satisfaction:** Upon payment of all amounts due, the person making the payment is entitled to a certificate, in recordable form, acknowledging full satisfaction of all claims secured by the lien.

10.3 FORECLOSURE OF LIEN

A. **Action to Foreclose:** The Association may bring an action in its name to foreclose the lien for unpaid Assessments and/or fees in the same manner as foreclosure of a mortgage on real property, and may also bring an action to recover a money judgment for the unpaid Assessments and/or fees without waiving any claim of lien.

B. **Notice of Intent:** No foreclosure suit may be filed until at least thirty (30) days after the Association gives written notice to the Unit Owner or his Eligible Mortgage Holder of its intention to foreclose the lien to collect the unpaid Assessments and/or fees.

C. **Attorney's Fees/Costs:** If this notice is not given at least thirty (30) days before the foreclosure action is filed, and/or if the unpaid Assessments and/or fees, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorneys' fees or costs.

D. **Delivery of Notice:** The notice must be given by delivery of a copy of it to the Unit Owner in person or by certified mail, return receipt requested, addressed to the Unit Owner, and a copy to the Eligible Mortgage Holders on the Unit.

If, after diligent search and inquiry, the Association cannot find the Unit Owner or a mailing address at which the Unit Owner will receive the notice, the court may proceed with the foreclosure action and may award attorneys' fees and costs as permitted by law.

E. **Contest of Lien:** The notice requirements shall be deemed sufficient if the Unit Owner records a Notice of Contest of Lien.

10.4 APPOINTMENT OF RECEIVER TO COLLECT RENTS

If the Unit Owner remains in possession of the Unit and the claim of lien is foreclosed, the court, in its discretion, may require the Unit Owner to pay a reasonable rental for the Unit. The Association is entitled to the appointment of a receiver to collect the rent during the period of foreclosure.

10.5 RIGHTS OF MORTGAGE HOLDERS; SALE, TRANSFER, FORECLOSURE

A. **Priority of Mortgagee's Lien:** Liens for delinquent Assessments or other charges shall be subordinate to first mortgages recorded before the Assessment became due.

No action may be taken which would have the effect of changing the priority of a Mortgagee's lien over liens for Assessments.

B. **Effect of Transfer of Title:** Liens for common expenses are not affected by a transfer of title to the Unit unless foreclosure of a first mortgage is involved.

C. **Title By Foreclosure; Liability For Assessments:** 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.

Foreclosure of a first mortgage extinguishes any lien for Assessments payable before the foreclosure sale; however, no subsequent purchase is relieved from paying Assessments coming due after the acquisition of title.

D. **Personal Obligation of Unit Owner:** Each Assessment against a Unit is the personal obligation of the Owner of that Unit at the time the Assessment became due. A successor Owner who takes title to a Unit with an outstanding lien for unpaid Assessments takes subject to the lien, but does not assume the personal obligation of the predecessor in title.

10.6 DECLARANT'S LIABILITY FOR ASSESSMENTS

Unless required for FNMA/FHLMC COMPLIANCE the Declarant shall be excused from the payment of the share of the Common Expenses and Assessments relating to Units it is offering for sale, for a period beginning with the recording of this Declaration and ending no later than the 60th day after the conveyance of the first unit occurs.

In any event, however, the Declarant must pay that portion of Common Expenses incurred during that period which exceeds the amount assessed against other Unit Owners.

10.7 CERTIFICATE OF UNPAID ASSESSMENTS

Any Unit Owner may on request require the Association to furnish him/her a Certificate showing the amount of unpaid Assessments or fees against his/her Unit. The Association shall furnish such certificate within ten (10) business days after the receipt of the request as required by R.I.G.L. 34-36.1-3.16 (as amended from time to time). In no event shall such certificate state or claim as due any amount in excess of actual unpaid common area assessments or interest if any, thereon against said unit(s) based solely on the applicable operating budget provision of this declaration. In the event the Association fails to deliver said certificate as requested under this section, the Declarant/Developer and/or Unit Owner shall be entitled to prepare and deliver an affidavit under oath, in recordable form, attesting to the payment of all assessments and fees and interest, if any, which statement shall be accepted by any third person or lender as substitute for the requested certificate of unpaid assessments required by subsection (h) of R.I.G.L. 34-36.1-3.16. Any third person and or lender or party, including but not limited to any eligible mortgage holder shall be entitled to rely on said affidavit as conclusive evidence of the facts recited therein as compliance with R.I.G.L. 34-36.1-3.16 and/or 34-36.1-4.11.

ARTICLE XI
PROFESSIONAL MANAGEMENT

11.1 AGREEMENT

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

11.2 TERMINATION

When professional management has been previously required by any Eligible Mortgage Holder, any decision to terminate such management and to establish self management of the Condominium shall require the prior consent of Unit Owners holding, in the aggregate, at least Eighty (80%) Percent of the undivided Percentage Interests, and approval of Eligible Mortgage Holders holding mortgages on Units which have at least Fifty-one (51%) Percent of the votes of units subject to such mortgages.

11.3 FIDELITY BOND

Any managing agent for the Condominium shall obtain fidelity bond coverage having the following provisions and meeting the following requirements:

- (1) It shall provide blanket coverage for any person or entity handling funds of the Association.
- (2) The Association shall be named as obligee.
- (3) The coverage shall be for the maximim amount of funds in the custody of the managing agent at any time while the bond is in force, or an amount equal to 3 months' assessments on all units, plus reserves, whichever is greater.
- (4) It shall provide for 10 days' written notice to the Association and to mortgagees in the event of cancellation or modification.

CHAPTER THREE
MAINTENANCE AND IMPROVEMENTS

ARTICLE XII
MAINTENANCE, REPAIR AND ALTERATION OF UNITS

12.1 ALTERATIONS

A. Certain Alterations Prohibited: No Unit Owner shall do any work or make any alterations or changes with respect to his unit which would

- (1) jeopardize the soundness or safety of his Unit or any part of the Condominium Property;
- (2) reduce the value of his Unit or any other part of the Condominium Property;
- (3) impair any easement or hereditament, without, in each case, first obtaining the unanimous written consent of all other Unit owners, or
- (4) jeopardize the security interest of a mortgagee.

B. Submission to Board: In no event shall any work, alteration, or change be undertaken with respect to any Unit unless and until complete plans, specifications, list of materials, completed estimates of cost of improvements for insurance purposes, and other matters relating to the proposed work shall have been submitted to and approved by the Board of Directors.

The Board of Directors shall have the absolute right, in its sole discretion, to approve or disapprove such plans, specifications, materials and other matters.

C. Compliance with Law, Ordinances; Indemnification: Any such work or improvements to a Unit undertaken with the approval of the Board of Directors shall be in full and complete compliance, in every respect, with all applicable laws, ordinances, building codes and any other applicable regulations.

All such work shall be done in a good and workmanlike manner, without damage or impairment to any of the Common Elements or other Units, and without disturbance of other Unit Owners' quiet enjoyment of their Units.

It shall be the responsibility of the Unit Owner undertaking such work to obtain all necessary permits.

The Unit Owner undertaking such work shall indemnify and hold the Association, the Board of Directors, and all other Unit Owners harmless of and from any and all costs, damages, liabilities or other consequences arising out of the

undertaking of the work.

Approval of the proposed work by the Board of Directors is not to be construed by the Unit Owner as an assurance that the submitted plans, specifications, materials list and other materials, or the proposed work itself, is in compliance with any such laws, ordinances, codes or regulations.

Improvements made by a unit owner to the exterior of the unit shall be maintained at the unit owners expense. A document in recordable form shall be executed by the unit owner and the Association attesting to the assumption of the maintenance duties by the Unit Owner of the said improvements. The Unit Owner shall pay for the preparation and recording of said document.

D. **Painting and Decorating:** Nothing contained in this Section shall be deemed to prohibit any Unit Owner from changing the color scheme on any painted interior surfaces of the Unit, or changing carpeting or floor covering in any Unit, so long as no portion of the Common Elements are affected.

E. **Insurance:** Each Unit Owner shall have the responsibility of obtaining property insurance to cover any increase in value of his Unit caused by any work, change or alteration undertaken with respect to his Unit.

12.2. DECLARANT'S RIGHT TO ALTER

Declarant reserves the right, without amendment to this Declaration, to change the interior design and arrangement of all Units and to alter the boundaries of Units, so long as:

- (A) Declarant owns the Units so altered;
- (B) the number of Units shall not increase;
- (C) there would be no alteration to the boundaries of Common Elements or Limited Common Elements (except a common wall between Units owned by Developer); and
- (D) the change would not increase the Assessments against other Units or alter the Percentage Interest in the Common Elements appurtenant to any Units conveyed by Declarant.

12.3 MAINTENANCE AND REPAIR

A. **Obligation of Unit Owner:** Subject to the provisions of this Section and of Article X of this Declaration, every Unit Owner shall maintain, repair and keep his Unit in sound condition.

Each Unit Owner shall repair and/or replace, if necessary, at his own expense, all portions of his Unit, including interior walls, and including all fixtures, equipment and utility lines installed therein commencing at a point at which the utility lines, pipes, wires, conduits or systems enter the walls or floors of each Unit.

All such work shall be done in a workmanlike manner and without causing disturbance or damage to the Common Elements or to any other Unit.

B. Maintenance/Repair by Association: In the event that the Association maintains or repairs any Unit in accordance with the provisions of Section 9.3 of this Article, the cost of the maintenance or repair shall constitute a Special Assessment against the Unit.

C. Maintenance/Repair Only in Units: No Unit Owner shall do any work, make any alterations or change, or maintain, repair or replace any part of the Condominium Property except his Unit.

12.4 RIGHT OF ACCESS BY BOARD OF DIRECTORS

The Board of Directors and the officers, agents and employees of the Association designated for the purpose by the Board of Directors shall have the irrevocable right to have access to each Unit and any part of the Common Area from time to time during reasonable hours (or at any time in the case of emergency) as may be necessary for the maintenance, repair or replacement of any of the Common Area for making emergency repairs necessary to prevent damage to the Common Area or to any other Unit or Units.

ARTICLE XIII MAINTENANCE, REPAIR, ALTERATION AND REPLACEMENT OF COMMON ELEMENTS

13.1 MAINTENANCE, REPAIR AND REPLACEMENT

It shall be the responsibility of the Association to maintain, repair, and replace the Common Elements, including the Buildings, Improvements and Limited Common Elements, as it may be deemed desirable in the best interest of the Unit Owners, and as may be mandated by other provisions of this Declaration.

IMPROVEMENTS

13.2 ALTERATION

The Association shall from time to time, make such alterations to such of the Common Elements, including the Buildings and other Improvements, as it may deem advisable in the best interests of the Unit Owners.

The aggregate cost of such alterations shall not exceed \$10,000.00 in any calendar year unless approved by Unit Owners at a special meeting.

If the funds for the alterations are derived from proceeds of insurance with respect to the Condominium Property, the alterations shall be subject to the provisions of Articles XVII and XVIII.

ARTICLE XIV
IMPROVEMENTS TO COMMON ELEMENTS

14.1 PROPOSAL; REQUEST

If, and whenever, the Board of Directors shall propose to make any improvement to the Common Elements, or shall be requested in writing by the Unit Owners holding, in the aggregate, at least 25% percent of the undivided Percentage Interest, to make any such improvement, the Board of Directors shall submit to all Unit Owners a Form of Agreement (which may be in several counterparts).

14.2 AGREEMENT FOR IMPROVEMENTS

The Form of Agreement shall specify the improvement or improvements proposed to be made, and shall state the estimated cost of the improvements.

The agreement shall also contain an authorization for the Board of Directors to proceed to make the improvements upon approval of the agreement.

14.3 APPROVAL OF AGREEMENT

Upon the receipt by the Board of Directors, within 100 days of the submission of the agreement, of forms of the agreement signed by Unit Owners holding at least Eighty (80%) percent, in the aggregate, of the undivided Percentage Interests, the Board of Directors shall proceed to make the improvements in accordance with the terms of the agreement.

The cost of such improvements may be assessed against the Unit Owners in accordance with their respective Percentage Interests.

14.4 FAILURE TO APPROVE AGREEMENT

In the event the agreement is not approved as aforesaid, but has been assented to by Unit Owners holding, in the aggregate, at least 66-2/3% of the undivided Percentage Interests, the assenting Unit Owners may enter into an agreement whereby the proposed improvements may be made, and the cost thereof shall be assessed against the assenting unit owners, pro rata, according to each assenting Unit Owner's Percentage Interest as a percentage of the total Percentage Interests so assenting.

14.5 BOARD NOT OBLIGATED TO MAKE IMPROVEMENTS

Notwithstanding anything contained in the preceding paragraphs of this section, the Board of Directors shall not in any event be obligated to proceed with any repair, rebuilding or restoration, or any improvement, unless it has received funds in an amount equal to the Board's estimate of all costs thereof.

**CHAPTER FOUR
RESTRICTIONS****ARTICLE XV
SALE OR LEASE OF UNITS****15.1 RIGHT OF FIRST REFUSAL**

In the event a "right of first refusal," so-called pertaining to the resale of Units by Unit Owners, is adopted and incorporated into this Declaration or By-Laws, such right of first refusal shall always be subject to Article XXII and Article XXIII of this Declaration.

15.2 LEASES

All leases or rental agreements for Units shall be in writing, and shall specifically provide that the rental and use of such Units and the Common Elements are subject to the terms of this Declaration, including the By-Laws and any rules and regulations which may from time to time be promulgated.

No Unit may be rented or leased for a period of less than one (1) year.

**ARTICLE XVI
RESTRICTIONS ON USE OF UNITS**

All Unit Owners, in addition to any other

PETS

obligation, duty, right and limitation imposed upon them by this Declaration, the Articles of Incorporation, the By-Laws and the Condominium Act, shall be subject to and agreed to abide by the following restrictive covenants, which shall be applicable to all Unit Owners, their families, guests, invitees, tenants and lessees.

16.1 No Unit shall be used for any purpose than as for a single family residence. Provided however, if permitted by zoning regulation, as incidental to a single family residence, business may be conducted so long as said business activity is not detectible by sight, sound or smell and does not increase traffic.

16.2 All Unit Owners shall keep and maintain the interior of their respective Units in good condition and repair, including the entire air conditioning system (compressor, ducts, vents, etc.) servicing the respective owners' Units, whether inside or outside owners' Units, and shall promptly pay for all utilities which are separately metered to the Units.

16.3 No Unit Owner shall cause any signs of any nature whatsoever to be posted or affixed to any of the Common Elements, Limited Common Elements, or in his respective Unit if such sign may be seen from any portion of the Common Elements; except for name plates which shall be uniform in size and design, and approved by the Board of Directors.

16.4 Pets are not permitted. A small dog or cat under twenty-five (25) pounds and owned prior to ownership of any unit in this Condominium project, for which a pet registration form has been submitted and approved by the Board of Directors, may be maintained, subject to all Rules and Regulations concerning the maintenance and care of pets which are now in effect or which may be placed in effect in the future.

No dog or cat may be replaced. All pets must at all times be carried or on a leash while on any part of the Common Elements. It shall be the responsibility of the pet owner to make provisions for the cleaning of any dirt, soilage or damage occasioned by the pet while the pet is within the condominium.

The Board of Directors after notice and hearing in accordance with the due process requirements herein contained, may fine any unit owner for failing to maintain the pet in accordance herewith.

Seeing eye dogs are permitted for blind occupants.

16.5 Unit Owners, their families, guests, invitees or lessees shall be liable to the Association for defacing, marring or otherwise causing damage to the Common Elements or Limited Common Elements where the repair of said damage is the obligation of the Association.

VISITORS

16.6 All Common Areas shall be kept free for their intended use by the Unit Owners in common and shall in no event be used as storage areas by the individual Unit Owners, either on a temporary or permanent basis.

16.7 No clothing, bedding or other similar items shall be dried or aired in any outdoor area within the Unit or any Limited Common Element if the same can be seen from the Common Areas.

16.8 All occupants of areas shall exercise extreme care about making noises, or the use of musical instruments, radios, televisions and amplifiers that may tend to disturb other occupants.

16.9 No occupants shall play upon or suffer to be played upon, any musical instrument, or permit to be operated, a phonograph or radio loudspeaker in such occupant's unit between the hours of 11:00 p.m. and the following 9:00 a.m. if the same disturb or annoy other occupants of the Building, and in no event shall either vocal or instrumental music be practiced for more than two hours in any day or between the hours of 6:00 p.m. and the following 9:00 a.m., nor shall an occupant commit or permit any nuisance or immoral or illegal act in his Unit, or in the Common Elements.

16.10 No one bedroom Unit shall be permanently occupied by more than two individuals and no two bedroom unit by more than four individuals except as otherwise provided herein.

16.11 Unit Owners or Unit Owners' approved lessees shall be permitted to have visitor occupants of any age for up to three weeks during a six month period provided that at no time shall any one bedroom unit be occupied by more than four individuals or any two bedroom Unit by more than six individuals. The six month periods shall commence on the date of filing of this Declaration.

16.12 Unit Owners, their guests and invitees agree to use the Common Elements only in accordance with such reasonable rules and regulations as are promulgated from time to time by the Directors of the Association for the use thereof.

16.13 Only motor vehicles designated as a passenger vehicle by the State of Rhode Island are permitted to be parked or stored on the Common Elements. Campers, mobile homes, motor homes, boats, house trailers, boat trailers, or trailers of every other description shall not be parked or be stored at any place on the Common Elements. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles such as for pick up, delivery and other commercial services.

PARKING

Automobiles shall be parked only on the parking spaces established for such purpose. No repair of vehicles shall be made within the Condominium Property.

16.14 The guest parking spaces shown on Exhibit "A" shall be used for guest parking and such other uses as determined by the Directors and subject to such Rules and Regulations as may be promulgated individually by the Directors.

16.15 The exterior of the Units and all other areas appurtenant to a Unit shall not be painted, decorated or modified by any owner in any manner without prior consent of the Board of Directors, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Directors. Any such alterations or improvements may only be permitted upon specific plans and specifications, standards and criteria established therefor, which when approved shall be subject for use by all Unit Owners.

16.16 No awnings, window guards, light reflective materials, hurricane or storm shutters, ventilators, fans or air conditioning devices shall be used in or about the Unit except as shall have been approved by the Board of Directors, which approval may be withheld on purely aesthetic grounds within the sole discretion of the Board of Directors. All glass and screening replacements must be of original color and quality.

16.17 All garbage and refuse from the Units shall be deposited with care in garbage containers intended for such purpose only at such times and in such manner as the Board will direct. Should the Town of Cumberland enact ordinances for the separation of garbage and other type of refuse, the unit owners shall abide by such ordinance. All disposals shall be used in accordance with instructions given to the owner by the Directors. Refuse, newspapers and bagged garbage shall be deposited only in areas provided for such purposes.

16.18. Water closets and other water apparatus in the Buildings shall not be used for any purposes other than those for which they were constructed. Any damage resulting from misuse of any water closets or other apparatus shall be paid for by the Owner in whose Unit it shall have been caused or originated.

16.19 The above and foregoing restrictive covenants shall only be amended in the manner as provided for the amendment of this Declaration. The Association shall have the right to make and amend reasonable Rules and Regulations respecting the use of the Property in the Condominium, as is provided for in its Articles of Incorporation.

16.20 In the event a Unit Owner is in violation of the terms and provisions in any of the restrictions, and after notification by the Board of Directors, continues to violate such regulations, then in the event it be necessary that the Directors

VIOLATIONS

bring a legal proceeding for the enforcement of and/or the abatement, as the case may be, of any provision of the respective covenants, then in such event the Unit Owner shall pay for the costs and expenses for such legal proceeding by the Association, provided that the Association has been successful in such litigation.

CHAPTER FIVE
INSURANCE, LOSSES, TAKING, LIQUIDATION

ARTICLE XVII
INSURANCE

17.1 HAZARD INSURANCE

A. Insurance Required: The Board of Directors shall obtain and maintain, to the extent available, master policies of casualty and physical damage insurance, including fire and extended coverage, for the benefit and protection of the Board of Directors, the Unit Owners, and Mortgage Holders.

B. Named Insured; Loss Payee: The named insured, and the loss payee, shall be the Association, or one or more of the members of the Board of Directors designated by the Board as Insurance Trustees, for the benefit of all of the Unit Owners of the Condominium and their respective mortgagees, as their interests may appear.

There shall also be a standard mortgage clause as to each Unit, naming the Unit's mortgagee, its successors and assigns.

The designation of loss payees shall be pursuant to such condominium casualty insurance endorsement form as may from time to time be customarily used in Rhode Island, and shall be subject to the rights of any mortgagees under their respective mortgages.

C. Items Covered, Generally: The hazard insurance shall cover

- (1) the Building(s), including the Units and all fixtures and equipment installed in any Unit prior to the date of recording a first mortgage on the Unit in connection with a sale of the Unit from the Declarant to a purchaser;
- (2) other insurable Improvements which comprise the Common Elements, including the elevators, heating equipment and other service machinery, apparatus, equipment and installations contained in the Common Elements; and
- (3) all portions and elements of the Units as are for insurance purposes normally deemed to

constitute part of the Building(s) and customarily covered by such insurance.

D. **Coverages Not Required:** The following items shall be excluded from coverage under the Condominium hazard insurance:

- (1) the furniture, furnishings or other personal property of the Unit Owners, excepting fixtures and equipment referred to in subsection (C)(1) above; or
- (2) improvements within a Unit made by the Owners thereof subsequent to the first sale of such Unit by the Declarant, as to which it shall be the separate responsibility of the Unit Owners to insure.

E. **Amount and Type of Coverage:** Such insurance shall be a standard "all risk" policy, and shall provide coverage for 100% of the full replacement cost (exclusive of foundations) of the insured property, as determined by the Board of Directors (who shall review such value at least as often as annually), and shall insure against loss or damage by fire and other hazards or risks as the Board from time to time, in its discretion, shall determine to be appropriate, including, but not limited to:

- (1) vandalism
- (2) malicious mischief and
- (3) windstorm and water damage

17.2 SPECIAL ENDORSEMENTS; OTHER COVERAGES

A. **Flood Insurance:** In the event that any part of the Condominium Property lies in a special flood hazard area, there shall be a master or blanket policy of flood insurance.

There shall be a separate insurance policy for each Building that houses Units. *

The coverage under the flood insurance shall be 100% of the full insurable value of the Building(s), including machinery and equipment, and 100% of the insurable value of any contents owned by the Association, or the maximim coverage available under the National Flood Insurance Administration.

B. **Endorsements; Requirements:** The Condominium insurance policy shall carry the following endorsements:

- (1) "Agreed Amount", so called, if obtainable;
- (2) "Inflation Guard", so called, if obtainable;

- (3) "Construction Code", so called, if applicable, to cover any costs of altering undamaged portions of the Building(s) to comply with local building ordinances and codes;
- (4) Recognition of any Insurance Trust Agreement enacted by the Association;
- (5) A waiver of the right of subrogation against Unit Owners;
- (6) A provision that coverage will not be affected by any acts or omissions of Unit Owners which are not under the control of the Association;
- (7) A provision that coverage shall be primary, regardless of other insurance obtained by the Association or Unit Owners; and
- (8) Steam boiler and machinery coverage for Building(s), if any, which have steam boilers, in an amount which is the lesser of \$2,000,000.00, or the insurable value of Building(s) housing steam boilers or machinery.

C. **Notice:** All policies shall provide for at least 10 days' notice to the Association and/or the Insurance Trustee, and to mortgagees, of any cancellation of, or substantial change in, the policies.

17.3 ADDITIONAL REQUIREMENTS; ENDORSEMENTS

All policies of casualty or physical damage insurance shall provide:

A. **Non-Cancellation:** Such policies may not be cancelled, terminated or substantially modified as to amount of coverage or risks covered.

B. **Election of Insurer:** Notwithstanding any provisions thereof which give the insurer the right to elect to restore damage in lieu of making a cash settlement, such election may not be exercised without the approval of the Board of Directors and may not be exercised if in conflict with the terms of the Act, or of this Declaration or any of its Exhibits.

C. **Waiver of Subrogation:** There shall be a waiver of subrogation as to any claims (except claims involving arson or fraud) against the Condominium, the Board of Directors, the Managing Agent or Manager, or their respective agents or employees, and the Unit Owners and their respective employees, agents and guests;

D. **Waiver of Defenses:** There shall be waivers of the defense based upon the conduct of any insured.

E. **Primary Coverage:** In substance and effect, the coverage of the insurance is primary, and that the insurer shall not be entitled to contribution as against any casualty insurance which may be purchased separately by Unit Owners.

17.4 RECEIPT AND APPLICATION OF PROCEEDS

The Board of Directors or the members thereof hereunder designated as Insurance Trustee or Trustees as aforesaid, shall collect and receive all casualty loss insurance proceeds and shall hold, use, apply and disburse the same in accordance with applicable provisions of this Declaration and of the Act.

With respect to losses which affect portions or elements covered by such insurance of a Unit, or of more than one Unit to substantially the same or to different extents, the proceeds relating thereto shall be used, applied and disbursed by the Board of Directors in a fair and equitable manner.

17.5 LIABILITY INSURANCE

A. **Types of Coverage:** The Board of Directors shall also obtain and maintain, to the extent available, master policies of insurance with respect to all Common Elements, public ways and areas under the control of the Association, including any commercial spaces owned by the Association, even if leased to others, for the benefit of the Association, the Board of Directors and all of the Unit Owners of the Condominium for:

- (1) comprehensive general public liability of at least \$1,000,000.00 per occurrence, including personal injury and property damage arising from the operation, maintenance or use of the Common Elements, or for liability related in any way to any employment contracts of the Association, which shall also cover any claims of any Unit Owner;
- (2) Workmen's Compensation, employer's and other general liability insurance with respect to any manager, agent or employee of the Condominium Association, but excluding any independent agent or manager who shall furnish to the Board of Directors a Certificate of Insurance if such liability is otherwise insured against, it being agreed that the Board of Directors may waive such requirement in any particular instance, at their discretion; and
- (3) such other risks as the Board of Directors in its

discretion deem it advisable or appropriate to insure.

F. Provisions: The liability insurance policy shall provide for:

- (1) Severability of interest, or an endorsement precluding denial of a Unit Owner's claim because of negligence of the Association or of other Unit Owners; and
- (2) 10 days' written notice to the Board of Directors and to mortgagees in the event of cancellation or substantial modification of the insurance.

C. Other Requirements: Subject to the foregoing requirements, all insurance shall be in such amount and such forms as the Board of Directors shall, in its discretion, deem appropriate and shall, insofar as is practicable, contain provisions as set forth in Section 8.3 above with respect to noncancellation, waiver of defenses based on conduct of any insured, and noncontribution.

D. Fidelity Bonds: In addition to all other insurance described herein, the Association shall obtain fidelity bond coverage having the following provisions and meeting the following requirements:

- (1) It shall provide blanket coverage for any person or entity handling funds of the Association.
- (2) The Association shall be named as obligee.
- (3) The coverage shall be for the maximim amount of funds in the custody of the Association at any time while the bond is in force, or an amount equal to 3 months' assessments on all units, plus reserves, whichever is greater.
- (4) It shall provide for 10 days' written notice to the Association and to mortgagees in the event of cancellation or modification.

17.6 INSURANCE EXPENSE

The cost of all such insurance obtained and maintained by the Board of Directors pursuant to provisions of this Article shall be a Common Expense.

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ARTICLE XVIII
DESTRUCTION; EMINENT DOMAIN; CONDEMNATION

18.1 REBUILDING, RESTORATION AFTER CASUALTY LOSS

A. **Determination of Board of Directors; Notice:** In the event of any casualty loss to the insured property, the Board of Directors shall determine in its reasonable discretion whether or not the insurance proceeds collected or collectible in relation to such loss are sufficient to repair or reconstruct the Condominium Property to its condition and value existing immediately prior to the casualty. The Board shall notify all Unit Owners of such determination.

B. **Proceeds Sufficient:** If such proceeds are so sufficient, the Board of Directors shall proceed with the necessary repairs, rebuilding or restoration as provided in Section 1-3.13 of the Act.

C. **Proceeds Not Sufficient; Substantial Loss:** If such proceeds as so determined are not sufficient, or in any event, if three fourths (3/4) or more of any building containing Units is destroyed or substantially damaged, the Board of Directors shall forthwith submit to all Unit Owners located within such building:

(1) a form of agreement (which may be in several counterparts) whereby the Unit Owners authorize the Board of Directors to proceed with the necessary repair, rebuilding or restoration, and agree to pay their proportionate share of the costs thereof in excess of insurance proceeds, and

(2) a copy of the provisions of Section 1-3.13 of the Act.

D. **Actions of Board:** In the event that the form of agreement has been approved by signature of at least 75% of the affected Unit Owners within 100 days of such destruction or damage, the Board of Directors shall thereafter proceed with the restoration in accordance with and subject to the rights of the mortgagees on individual Units, and take such further action as they may in their discretion deem advisable.

If the form of agreement has not been approved, then the Board of Directors shall implement the provisions of said Section 1-3.13 of the Act.

18.2 TAKING, GENERALLY

In the event that all or any part of the Condominium Property shall be taken by any authority having the

power of condemnation or eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law.

The award made for any taking shall be payable to the Association, as trustees, for the benefit of the Unit Owners and all mortgagees of any Unit, as their interest may appear.

Unless otherwise provided by law at the time of the taking, the award shall be disbursed by the Association as provided in this Article.

18.3 TAKING OF COMMON ELEMENTS

A. Taking Not Including Improvements: If the taking is confined to the Condominium Property on which no Improvements are constructed, and does not materially affect any Unit, the Improvements or any part of the Improvements, the remaining land included in the Common Area shall be replaced with the approval of the Unit Owners (by a vote of not less than Eighty (80%) percent of the Unit Owners entitled to vote), within ninety (90) days of such taking in accordance with the plans therefor approved by the Association.

B. Replacement; Approval: The Association shall arrange for the replacement and shall disburse the proceeds of the award in the manner described for disbursing insurance proceeds in Section 8.6 of this Declaration; subject, however, to the right hereby reserved to the Unit Owners and to be exercised by a similar vote thereof to provide for the disbursement by the Association of the remaining proceeds held by it (after payment of all costs incident to such replacement) to the Unit Owners or any one or more of them in amounts disproportionate to their percentage of undivided interest in the Common Area as established herein, which disproportionate amounts shall correspond with the disproportionate damages sustained by the Unit Owners or any one or more of them as may be determined by a majority of the total vote thereof.

C. Failure of Approval: If such replacement shall not have received said approval of the Unit Owners as provided in this Section, or if the taking is confined to the Common Area on which no improvements shall have been constructed, then the Association shall disburse the proceeds of the award in the manner hereinabove provided for the disbursement of the remaining proceeds of an award after payment of all costs incident to replacement of improvements taken, including the right reserved to the Unit Owners to provide for disbursement in disproportionate amounts.

18.4 TAKING OF UNITS

If the taking includes one or more Units, or any part or parts thereof, whether or not there is included in the

taking any part of the Common Elements, then the award shall be disbursed and all related matters, including without limitation, alteration of the percentages of undivided interest of the Unit Owners in the Common Area in such Condominium Project, shall be determined pursuant to and in accordance with the consent of all Unit Owners in such Condominium Project (or such lesser number of owners as may then be prescribed by the Act for the purpose of altering the percentages of undivided interest of the Unit Owners in the Common Area) expressed in a duly recorded amendment to this Declaration.

In the event that such an amendment shall not be recorded within one hundred (100) days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided in Section 8.6.

18.5 RIGHTS OF MORTGAGEES

A. **Restoration According to Declaration and Plans:** Any restoration or repair of the Condominium, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with this Declaration of Condominium and the original plans and specifications, unless other action is approved by Eligible Mortgage Holders holding mortgages on Units which have at least fifty-one (51%) Percent of the votes of Units subject to such mortgages.

B. **Reallocation of Percentage Interests:** Except as otherwise provided in this Declaration, no reallocation of Percentage Interests resulting from a partial condemnation or partial destruction of the Condominium may be effected without the prior approval of Eligible Mortgage Holders holding mortgages on all remaining Units, whether the Units are existing in whole or in part, and which have at least fifty-one (51%) Percent of the votes of such remaining units subject to such mortgages.

C. **Use of Proceeds:** No hazard insurance proceeds for losses to, or awards for any condemnation of, any property of the Condominium (whether to Units or to Common Elements) shall be used 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.

D. **Distribution; Priority:** 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.

18.6 ASSOCIATION AS REPRESENTATIVE

In all matters involving condemnation, destruction or liquidation of the Condominium Property, the Association shall represent the Unit Owners in any proceedings, negotiations, settlements or agreements.

For this purpose, each Unit Owner, by acceptance of a Unit Deed, is deemed to have appointed the Board of Directors or the Insurance Trustee, as the case may be, as attorney in fact.

All proceeds recovered on account of any condemnation, destruction or liquidation shall be payable to the Association, or to the Insurance Trustee, as the case may be, for the benefit of Unit Owners and mortgagees.

ARTICLE XIXTERMINATION OF CONDOMINIUM

19.01 In as much as, the Condominium is part of the plan for development of VICTORIAN COURT as set forth in Article III of this Declaration; and in as much as the Developer, as owner of the Land, has declared and granted certain use and easement rights to Unit Owners; and further, because the Unit are obligated to pay a proportionate share of the expenses of the Association, each Unit Owner, his grantees, successors and assigns hereby consents to such plan for development and covenants and agrees to comply with any rights and obligations with respect thereto provided in the Condominium Documents, including any and all easement rights declared and granted thereunder to owners of Units in other PHASE or PHASES and the affirmative covenant to pay a proportionate share of the expenses of the Association, which covenants and agreements shall be covenants running with the Condominium, but shall continue and shall be enforceable as provided in Paragraph 19.05 of this Article XIX.

19.02 In order to preserve the plan for development, the preservation of which is acknowledged as being for the benefit of the Condominium Property and in the best interest of the Association. The Unit Owners and their grantees, successors and assigns, it is hereby covenanted and agreed that no amendment of the plan for development or termination of this Declaration shall be made for a period of twenty-five (25) years from the date of recordation of this Declaration, or if made within such period, shall not be effective if in the judgment of Developer, the Association or any Mortgagee such amendment alters or in any way affects such plan for development or the covenants, rights and obligations set forth herein without the prior written consent to such amendment or termination by the Association, Developer and all Mortgagees.

19.03 In the event the Condominium is terminated in accordance with and pursuant to the provisions of this Declaration, or if such provisions shall not apply for any reason pursuant to law, Developer declares, and all Unit Owners by taking title to an Unit covenant and agree, that the documents providing for such termination shall require (i) that any improvements upon what now comprises the Condominium Property shall be for residential use only and shall contain residential dwelling units of a number not in excess of the number of Units in the Condominium and (ii) that, unless otherwise consented to by eighty (80%) percent of the owners of Units (as tenants in common of the Condominium Property as set forth in Paragraph 19.05 of this Article XIX) shall remain obligated to pay their share of the Recreation Area Expenses, if any, which will continue to be allocated to the Condominium Property in the manner provided in the Condominium Documents as fully as though the Condominium were never terminated, and the obligation to make such payments shall be enforceable by all of the remedies provided for in this Declaration, including a lien on the Land, including the portion now designated as Units under the Condominium Documents.

19.04 This Declaration may be terminated by the affirmative written consent of all of the Unit Owners and the written consent of all Mortgagees encumbering Units in this Condominium; provided, however, that the Board consents to such termination by a vote of three-fifths (3/5) of the entire Board taken at a special meeting called for that purpose and provided further that the members of the Association consent to such termination by a vote of eighty (80%) percent of all of the unit owners taken at a special meeting of the members called for that purpose.

19.05 In the event of the termination of this Condominium, the Condominium Property shall be deemed removed from the provisions of the Act and shall be owned in common by the Unit Owners, **pro-rata**, in accordance with the percentage each Unit Owner shares in the Common Elements, as provided in this Declaration; provided, however, each Unit Owner shall continue to be responsible and liable for his share of Recreation Area Expenses, if any, and any and all lien rights provided for in this Declaration or elsewhere shall continue to run with the real property designated herein as Condominium Property and shall encumber the respective undivided shares of the Unit Owners as tenants in common.

19.06 **Written Agreement:** The approval for termination must be evidenced by a Termination Agreement, so-called, which must be executed and acknowledged, by all persons and/or entities having the right of approval of the termination, in the same manner as a deed.

19.07 **Recording:** The agreement must specify a date after which it will be void unless it has been recorded. The agreement must be recorded in **THE TOWN OF CUMBERLAND**, and is effective only upon recording.

19.1 APPROVAL OF MORTGAGEES Any election to terminate the legal status of this Condominium after substantial destruction or a substantial taking in condemnation of this condominium property must be approved in writing by Eligible Mortgage Holders holding mortgages on all of the units in this condominium which are subject to such mortgages.

19.2 OPTIONS TO PURCHASE

A. Option to Association and Unit Owners: If the proposed voluntary termination is submitted to a meeting of the membership of the Association pursuant to special notice, and is approved by all of the Unit Owners and mortgagees as stated above, then the Association and the approving owners, if they desire, shall have an option to purchase all of the Units of the other owners within a period expiring one hundred twenty (120) days from the date of the meeting.

B. Approval Irrevocable: The approval for termination shall be irrevocable until the expiration of the option and, if the option is exercised, shall be irrevocable.

C. Terms of Option: The option shall be exercised upon the following terms:

- (1) **Exercise of Option:** An Agreement to Purchase executed by the Association and/or the record Unit Owners who will participate in the purchase, shall be delivered by personal delivery or mailed by certified or registered mail, to each of the record Unit Owners whose interests are to be purchased, and such delivery shall be deemed the exercise of the option.

The Agreement shall indicate which parcels will be purchased by each participating Owner and/or the Association and shall require the purchase of all Units owned by Unit Owners not approving the termination, but the agreement shall have the effect a separate contract between the seller and purchaser.

- (2) **Price:** The sale price for each unit shall be the fair market value determined by agreement between seller and purchaser within thirty (30) days from the delivery or mailing of the Agreement.

In the absence of agreement as to price, the price shall be determined by appraisers appointed by the Presiding Justice of the Superior Court for the county in which the Condominium Property is situated, on the petition of the purchaser.

The expenses of appraisal shall be paid by the purchaser.

- (3) Payment: The purchase price shall be paid in cash.
- (4) Closing: The sale shall be closed within sixty (60) days from the date of determination of price.

19.3 RIGHTS GOVERNED BY ACT

Upon termination, ownership of the former Condominium Property, and the rights of the former Unit Owners, shall be determined in a manner provided in Section 2.18 of the Act.

CHAPTER SIX DECLARANT RIGHTS

ARTICLE XX DECLARANT'S CONVEYANCE AND RIGHT TO SET MAINTENANCE STANDARDS

20.1 SALE/CONVEYANCE OF UNIT

A. Possession of Unit: Each purchaser of a Unit from the Declarant hereunder will take possession upon delivery of the deed or conveyance instrument referred to in Article XIV.

B. Receipt, Acceptance and Waiver: At the time of delivery of the deed a purchaser shall be required to sign a Receipt, Acceptance and Waiver in the form of "Exhibit I" attached to this Declaration.

C. Agreement for Sale; Escrow: All purchasers will be required to execute an Agreement for Sale of Condominium Unit in the form attached to this Declaration, marked "Exhibit I", under which the initial deposit will be held in escrow under an Escrow Agreement in the form attached to this Declaration, marked "Exhibit J".

20.2 MAINTENANCE STANDARDS

A. Agreement of Unit Owner: Each Unit Owner, by of his accepting a deed or conveyance instrument, and/or by taking possession of the Unit, or by use of the Unit conveyed, acknowledges the necessity of maintaining the physical appearance and good reputation of the Buildings and Common Elements, and that the success of the Declarant in selling, leasing, or allowing use of all of the Units is closely related to their physical appearance and image.

B. Declarant's Power to Adopt Standards: Accordingly, for a period terminating as provided in Section 3.03 of the Act, or on the date that the Association comes under the exclusive control of Unit Owners by their election to that Association's Board of Directors in accordance with the By-Laws or the Act, whichever shall first occur, the Declarant shall be empowered to adopt and promulgate, from time to time, minimum standards for maintenance of the physical appearance of the Common Elements of the Condominium.

C. Applicable to Common Elements: The minimum standards shall be applicable to the Common Elements and Limited Common Elements in order to determine whether the Association's maintenance of the Building, Common Elements, and Limited Common Elements meet the minimum standards established by it hereunder.

The standards established by the Declarant shall relate particularly, but not necessarily exclusively, to the exterior paint on the Buildings, landscaping, pavement, trash and litter removal, and repair and maintenance of exterior surfaces of the Buildings and Common Elements.

20.3 MAINTENANCE BY ASSOCIATION

A. Declarant's Report to Association: If the Declarant shall find that the Building exterior, Common Elements or the Limited Common Elements are not being maintained in accordance with the minimum standards prescribed above, the Declarant shall submit a report to the Board of Directors.

B. Commencement of Work: Within ten (10) days after receipt of the report, the Association shall commence the maintenance work specified in the report and diligently pursue completion of work in an expeditious manner.

C. Cost of Work; Approval by Declarant: The cost of all work shall be the responsibility of the Association and shall be a Common Expense. The opinion of the Declarant shall be conclusive as to the nature and the price of all work required to be done, and any bids accepted by the Association shall first be approved by the Declarant.

ARTICLE XXI SPECIAL DECLARANT RIGHTS; MANAGEMENT OF PROPERTY BY DECLARANT

21.1 DEFINITION

Special Declarant Rights means those rights described in this Declaration and in the Condominium Act reserved for the benefit of the Declarant, including the rights to

- (A) exercise all rights of a Unit Owner with regard to all unsold Units.
- (B) complete improvements indicated on plats and plans filed with the declaration, (34-36.1-2.09).
- (C) to exercise any development right (34-36.1-2.10).
- (D) to maintain sales offices, management offices, signs advertising the condominium, and models (34-36.1-2.15)
- (E) to use easements through the common elements for the purpose of making improvements within the condominium or within the condominium or within real estate which may be added to the condominium, (34-36.1-2.16)
- (F) to make the condominium part of a larger condominium or a planned community, (34-36.1-2.21)
- (G) to make the condominium subject to a master association, (34-36.1-2.20)
- (H) or to appoint or remove any officer of the association or any master association or any executive board member during any period of declarant control, (34-36.1-3.03(d)).

21.2 TERMINATION OF CONTROL

Termination of Control Date means the earlier of

- (A) sixty (60) days after conveyance of seventy-five percent 75% of the Units which may be created under the Declaration to Unit Owners other than the Declarant, or
- (B) two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business; or
- (C) two (2) years after any development rights to add new units was last exercised.

21.3 MANAGEMENT OF PROPERTY BY DECLARANT

Until the Termination of Control Date, the Declarant may require the Association to appoint the Declarant or an affiliate of the Declarant as agent for the Association in the management of the Condominium at a rate of compensation which is

competitive within the State of Rhode Island. Such compensation or fee, if any, shall constitute a Common Expense.

21.4 SALES, ETC. BY DECLARANT

Notwithstanding any provision in the Declaration or the By-Laws to the contrary, the Declarant shall have the unrestricted right to sell, assign, mortgage, lease or otherwise transfer any Unit or interest therein or appertaining thereto which it owns on such terms and conditions as it may determine.

21.5 DEVELOPMENT RIGHTS

21.5.1. Reservation of Rights. The Declarant reserves to itself and for the benefit of its successors and assigns, pursuant to Sections 36.1-1.03(11) and 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, 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 36.1-1.03(23) and 36.1-2.05(a)(8) of the Act, the right to complete all improvements shown on the Plat and Plans, to exercise the Development Rights set forth above, to maintain models and sales offices and to exercise the easements as set forth in this declaration, to appoint or remove any officer or Executive Board member during any period of Declarant control of the Association, to use and pass over the Common Elements of the Condominium for purposes reasonably necessary to construct or otherwise complete and create additional Condominium Units pursuant to the Development Rights retained herein, 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 described in Exhibit A-2 attached hereto. The Declarant reserves the right to add all or any part of such additional real estate and at different times but makes no assurances in these regards. If the Declarant elects to exercise its rights reserved herein to construct additional Units on such additional Real Estate, it is contemplated that such construction would be achieved in one additional phase, but no assurance is made in this regard. Exhibit A-4 shows the location and layout of the two Phases as presently contemplated. With respect to the additional Real Estate the Declarant may exercise its Development rights in one (1) additional phase, but no assurance is made in this regard. If such Development right is exercised on said additional Real Estate it may be exercised in all or in any other portion of the remainder of said additional Real Estate, but no assurance is made in this regard. Each of such Units shall be of a type architecturally compatible to other Units in the Condominium. The second phase of the condominium which shall be Phase II of the VICTORIAN COURT CONDOMINIUM shall include in the aggregate not more than 15 Units. The Percentage Interest appurtenant to each Unit in the Condominium upon the addition of Phase II is shown in

Exhibit B-2 attached hereto and hereby made a part hereof. Development Rights and Special Declarant Rights must be exercised within seven (7) 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. The Declarant intends to subject the additional Real Estate to Development Rights but makes no representation as to the timing thereof.

No Units may be added to the Condominium upon the real estate subject to development rights unless and until all improvements then intended for any of each such additional phase has been substantially completed. The addition of any such Units will be in conformance with the requirements of Section 34-36.1-2.01 of the Act.

21.5.2. 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 36.1-2.10.

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

21.5.4. Assessment. In the event the number of Condominium Units changes due to Declarant exercising its Development and/or Special Declarant Rights reserved herein with commensurate changes in the percentage interests, then such changed percentage interests shall become effective promptly after the appropriate amendments changing the number of Units have been properly recorded pursuant to the Act. Assessments based on any such changed percentages shall be implemented effective with such recordation.

21.5.5. Additional Real Estate. Declarant hereby explicitly reserves an option, until the seventh anniversary of the recording of this Declaration, to add all or any portion of the Additional Real Estate shown of the Plat in Exhibit A hereto in compliance with Section 36.1-2.10 of the Act, without the consent of any Unit Owner or the Holder of a Mortgage of any Unit. This option to add real estate 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 add all or a portion of the Additional Real Estate at any time, at different times, in any order, without limitation and without any requirements that any other real estate be added, withdrawn or converted, provided, however, that the Additional Real Estate shall not exceed the area described in Exhibit A-2 attached hereto. The Declarant will not add the Additional Real Estate in such manner as to cause zoning or subdivision violations within the Condominium. There are no other limitations on this option to add Real Estate to the Condominium.

21.6 RESERVATION OF CONTROL OF ASSOCIATION

Until the Termination of Control Date, the

Declarant reserves the right, exercised in its sole discretion, to elect certain members of the Board of Directors as more fully set forth in the By-Laws.

21.7 EXPANSION

The Condominium is subject to a proposal and plan for additions or expansion. The Declarant may add Phase II containing 15 units in two buildings, the architecture and structures of the proposed new units may be similar and will contain no more than 15 additional units.

CHAPTER SEVEN

AMENDMENTS, MORTGAGEES AND OTHER MATTERS

ARTICLE XXII

AMENDMENT OF DECLARATION

22.1 INSTRUMENT OF AMENDMENT; METHOD

Except as provided in this Article or elsewhere this Declaration may be amended by an instrument in writing meeting all of the requirements stated below.

A. This Declaration may be amended at any regular or special meeting of the Unit Owners called and held in accordance with Article XIV of the By-Laws, by the affirmative vote of not less than eighty percent (80%) of the Unit Owners;

B. The amendment shall be executed by the President of the Association and approval endorsed thereon by the Declarant if such approval is required by other provisions of the Declaration.

C. The instrument must be duly recorded with the Land Records of the Town of CUMBERLAND and becomes effective upon such recordation.

22.2. LIMITATIONS ON AMENDMENTS

A. **Time for Recording:** The date on which any instrument of amendment is first approved by the Unit Owners shall be indicated thereon as the date thereof, and no such instrument shall be of force or effect unless the same has been recorded within six (6) months after such date.

B. **Alteration of Dimensions:** No instrument of amendment which alters the dimensions of any Unit shall be of any force or effect unless the same has been signed by the Owner(s) of the Unit(s) so altered;

C. **Security of First Mortgage:** No instrument of amendment affecting any Unit in any manner which impairs the security of a Mortgage Holder shall be of any force or effect unless the same has been assented to by the affected Mortgage Holder.

D. **Percentage Interests:** No instrument of amendment which alters the undivided Percentage Interest appurtenant to any Unit Estate shall be of any force or effect unless the same has been signed by all Unit Owners and the instrument is recorded as an Amended Declaration of Condominium.

E. **Contrary to Law:** No instrument of amendment which alters this Declaration of Condominium in any manner which would render it contrary to or inconsistent with any requirements or provisions of the Act, or of any other applicable law, shall be of any force or effect.

F. **Declarant Rights:** No instrument of amendment which purports to affect any rights reserved to or granted to the Declarant shall be of any force or effect before the Declarant has conveyed all interests owned by it in the Condominium, or unless the Declarant has executed the instrument of amendment.

22.3 AMENDMENTS AFFECTING MORTGAGEES

A. **Material Amendments:** No instrument of amendment of a material nature affecting, establishing, providing for, governing or regulating any of the below-listed items in this Section shall be of any force or effect unless the amendment has been assented to by Fifty-one (51%) percent of the Eligible Mortgage Holders who have requested notice of the proposal of any such amendment.

B. **Matters Deemed Material:** The following items are deemed material for purposes of this Section:

- (1) voting rights;
- (2) assessments, assessment liens or the priority of such liens;
- (3) reserves for maintenance, repair and replacement of the common areas (or units, if applicable);
- (4) insurance or fidelity bonds;
- (5) rights to use common areas;
- (6) responsibility for maintenance and repair of the several portions of the Condominium;
- (7) expansion or contraction of the Condominium or the addition, annexation or withdrawal of

property to or from the project;

- (8) boundaries of any Unit;
- (9) any action to terminate the legal status of the project after substantial destruction or condemnation occurs;
- (10) convertibility of units to common areas or of common areas into units;
- (12) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her Unit;
- (13) establishment of self-management when professional management has previously been required by an Eligible Mortgage Holder;
- (14) restoration or repair after hazard damage or partial condemnation in any manner other than specified in this Declaration or any of its Exhibits;
- (15) any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Units.
- (16) leasing of units.

C. **Disqualification of Mortgages for Sale:** No instrument of amendment which disqualifies mortgages of Units in the Condominium for sale to the Federal Home Loan Mortgage Corporation (FHLMC) or the Federal National Mortgage Association (FMNA), or any successor agency thereof, shall be of any force or effect.

D. **Mortgagees' Consent:** In any instance where the consent or assent of an Eligible Mortgage Holder is required for any act pursuant to this Declaration of Condominium or the By-Laws hereto, and a request has been made for such consent, any Eligible Mortgage Holder that does not mail or deliver a negative response to the Board of Directors of the Association within thirty (30) days of a written request shall be deemed to have consented to the addition or change set forth in such request.

An affidavit by the Board of Directors making reference to this Declaration of Condominium, and stating that no such response was received, shall be conclusive as to the facts therein set forth as to all parties, and may be relied upon as evidence of compliance with any provisions herein and in the By-Laws

relating to mortgagees' consent.

22.4 SPECIAL AMENDMENTS

A. **Rights Reserved to Declarant:** Notwithstanding anything contained in this Declaration to the contrary, the Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration or to any of its Exhibits, at any time or from time to time, dealing with the items listed in the next subsection.

B. **Items Subject to Special Amendment:** The following items may be the subject of a Special Amendment recorded by the Declarant:

- (1) to comply with the requirements of the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Federal Housing Administration (FHA), or any other public or quasi-public or private entity which performs (or which may in the future perform) functions similar to those currently performed by such entities;
- (2) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages on Units;
- (3) to bring this Declaration or its Exhibits into compliance with the Act; or
- (4) to correct clerical or typographical errors in this Declaration or any of its Exhibits, or in any supplemental amendment.

C. **Declarant's Power to Vote for Special Amendments:** In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of making or consenting to any such Special Amendment on behalf of each Unit Owner of the Condominium.

Each deed, mortgage or other evidence of obligation, or other instrument affecting a Unit and the acceptance and/or recording of the instrument, shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power in the Declarant to vote in favor of, make, execute and record Special Amendments.

The right of the Declarant, shall remain in full force and effect until the Declarant no longer holds or controls title to any Units of the Condominium.

ARTICLE XXIII
FNMA/FHLMC COMPLIANCE

In order to comply with the requirements of the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), 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:

23.1 NOTICES

A. **Matters Subject to Notice:** Any Mortgagee, upon request to the Association, will be entitled to written notice of:

- (1) 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;
- (2) all meetings of the Association, with permission to designate a representative to attend all such meetings; and
- (3) any material damage by fire or other casualty to the Unit or Common Elements upon which the Mortgagee holds a mortgage, or of any proposed taking by condemnation or eminent domain of said Unit or the Common Elements of the Condominium.
- (4) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (5) any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders.

B. **Request for Notice:** Each Mortgage Holder desiring notice of the above matters shall make written request to the Association, giving the Mortgage Holder's name and address, and the Unit number or address of the mortgaged Unit.

23.2 FINANCIAL STATEMENTS

Every Eligible Mortgage Holder shall be entitled to receive an audited financial statement of the Association within 90 days following the end of each fiscal year, or shall be entitled to have an audited financial statement prepared at the expense of the Eligible Mortgage Holder if the Condominium has fewer

than 50 Units.

23.3 INSPECTION OF BOOKS AND RECORDS

The Board of Directors shall make available to Mortgage Holders current copies of the Declaration of Condominium, the Articles of Incorporation of the Association, the By-Laws and rules and regulations, and the books, records and financial statements of the Association.

"Available" means available for inspection upon request during normal business hours or under other reasonable circumstances.

23.4 INTENT TO COMPLY

A. Intent of Declaration: It is intended that the provisions of this Declaration relating to protection of Mortgage Holders, and to consent of Mortgage Holders, shall comply with the requirements of FHLMC and FNMA with respect thereto.

B. Construction of Provisions: All matters treated in this Declaration shall be resolved consistent with the above intention.

All provisions of this Declaration and its Exhibits shall be construed so as to qualify any record first mortgage on a Unit for sale to FHLMC and FNMA.

ARTICLE XXIV MISCELLANEOUS PROVISIONS

24.1 COVENANTS RUNNING WITH THE LAND

All provisions of this Declaration and Exhibits attached hereto, and any Amendments thereto, shall be construed as covenants running with the land, and of every part thereof and therein, including, but not limited to, every Unit, and the appurtenances thereto, and every Unit Owner, and claimant of a Unit or any interest therein, and his heirs, executors, administrators, successors and assigns, as the case may be, shall be bound by all of the provisions of this Declaration and Exhibits attached hereto and any Amendments thereto.

24.2 FIRST MORTGAGES

If an Eligible Mortgage Holder by some circumstance fails to be the holder of a first mortgage but it is evident that its mortgage was intended to be a first mortgage, it shall nevertheless, for the purpose of this Declaration and Exhibits

attached hereto, be deemed to be a first mortgage.

24.3 PARTITION

No Unit Owner shall bring, or have any right to bring, any action for partition or division of the Condominium Property.

24.4 SEVERABILITY

If any provision of this Declaration, or of any Exhibit attached hereto, or of the Condominium Act, is held invalid by a court of competent jurisdiction, the validity of the remainder of this Declaration and Exhibits attached hereto shall not be affected thereby.

24.5 TITLES

Article numbers, paragraph titles and captions contained throughout this Declaration are intended only as a matter of convenience and for reference, and in no way define, limit or affect this Declaration.

24.6 NOTICES

Whenever notices are required to be sent hereunder, the same shall be sent to the Unit Owners by Certified Mail, at their Unit address in the Condominium and to the Association by Certified Mail: c/o the Secretary of the Association at his or her residence address. Any of the above shall have the right to change the place of notice to him or it, by written notice, in accordance with the terms and provisions of this paragraph.

24.7 ENFORCEMENT

The Association, or any aggrieved Unit Owner, shall have a right of action against any Unit Owner who fails to comply with any provisions of this Declaration or its Exhibits, or any authorized decisions of the Association or Board of Directors.

Unit Owners shall have similar rights of action against the Association or Board of Directors.

In the event that either the Declarant or the Board of Directors intends to invoke summary abatement to enforce any provisions of this Declaration, no items of construction may be altered or demolished before the institution of judicial proceedings.

24.9 AMENDMENTS

Neither this Declaration, nor the Articles of Incorporation or the By-Laws of the Association, shall be amended if such amendment would adversely affect the rights and interests of an Eligible Mortgage Holder, unless such amendment shall

have been consented to in writing by such Eligible Mortgage Holder.

24.10 CONFLICTS

If any provision of this Declaration of Condominium shall be invalid or conflict with the Act, or shall conflict with any other provision of this Declaration or any of its Exhibits, then the following rules of construction shall be used:

A. **Conflict with Act:** In the event of a conflict between the Declaration of Condominium and the Act, the provisions of the Act shall control.

B. **Invalidity:** The invalidity of any provision of the this Declaration or any Exhibit, shall not impair or affect the validity or enforcement of any other provisions of this Declaration or any of its Exhibits, and such remaining provisions shall continue in full force and effect as if the invalid provision had not been included.

C. **Special Provisions:** In the event of a conflict between any provision of this Declaration, including its its Exhibits, any other provision of this Declaration or of any Exhibit which refers to specific rights or privileges accorded to Mortgage Holders, then the provisions benefitting Mortgage Holders shall control.

IN WITNESS WHEREOF, KIRKBRAE DEVELOPMENT CORP., has caused this Declaration of Condominium to be executed by its duly authorized officer on this 2nd day of JULY, 1990.

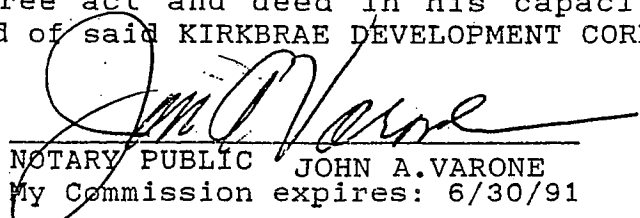
KIRKBRAE DEVELOPMENT CORP.

BY


HENRY L. RICHARD, PRESIDENT

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In LINCOLN, in said County and State, on the 2nd day of JULY, 1990, before me personally appeared HENRY L. RICHARD, PRESIDENT of KIRKBRAE DEVELOPMENT CORP., to me known and known by me to be the party executing the foregoing instrument and he acknowledged said instrument by him executed to be his free act and deed and his free act and deed in his capacity aforesaid and the free act and deed of said KIRKBRAE DEVELOPMENT CORP.


NOTARY PUBLIC JOHN A. VARONE
My Commission expires: 6/30/91

SCHEDULE AA

SPECIMEN

VICTORIAN COURT CONDOMINIUM
FIRST [SECOND, etc.] AMENDMENT TO DECLARATION OF CONDOMINIUM
ADDITION OF PHASE II [III, etc.]

Reference is made to that certain Declaration of Condominium of VICTORIAN COURT CONDOMINIUM, dated _____, 1990 and recorded in the Land Evidence Records of the Town of Cumberland, Rhode Island on _____, 19____ at _____, .m., Book _____, Page _____ (hereinafter, "Declaration") [as previously amended].

Pursuant to Title 34, Chapter 36.1 of the General Laws of Rhode Island, and pursuant to authority reserved to the Declarant by Article 13 of the Declaration according to Section 34-36.1-2.10 of the General Laws, the Declaration is hereby amended as follows:

That parcel of real property, together with the improvements thereon, as more particularly described in Exhibit A appended hereto, said parcel being a portion of the the parcel described in Exhibit A (additional property) to the Declaration, is hereby submitted as and declared to be a part of the Condominium Property as that term is defined in the Declaration, and Phase II of the Condominium is hereby declared.

The Units comprising Phase II of the Condominium, situated on said parcel, being 15 in number and numbered 301-309 AND 401-406 inclusive, are hereby declared to be Units of the Condominium, subject to all of the definitions, descriptions, terms, conditions, easements, restrictions and obligations, as are set forth, with respect to Units of the Condominium, in the Declaration, and the By-Laws and rules and regulations of the VICTORIAN COURT CONDOMINIUM Association, Inc., all as fully and completely as if said Units had been included as part of the Condominium Property at the time of recording the original Declaration.

All of the Units of the Condominium, now comprising 29 Units altogether, shall have, as appurtenant interests, the Percentage Interests shown on Exhibit B appended hereto, and the common expenses of the Condominium shall henceforth be apportioned among all units in accordance with the terms of the Declaration. All Units, common elements and Limited Common Elements hereby created shall have the same definitions and descriptions of Units, common elements and Limited Common Elements as are set forth in Articles II and III of the Declaration.

The Units added to the Condominium by the terms of this Amendment, together with the common elements and any Limited

Common Elements which comprise the parcel hereby submitted, are as shown and described on the plats and plans recorded herewith and described in Exhibit B hereto.

Except as set forth above, the Declaration shall remain in full force and effect as originally executed and recorded.

[Signature, acknowledgement, etc.]

EXHIBIT "A"
TO THE
DECLARATION OF CONDOMINIUM
VICTORIAN COURT CONDOMINIUM

PLOT PLAN, SURVEY AND GRAPHIC DESCRIPTION OF IMPROVEMENTS

This Exhibit "A" consists of EIGHT (8) pages, this page included. It contains this page of notes, a legal description of each phase on the plan of land and THREE (3) pages of drawings which constitute the Plot Plan, Survey and Graphic Description of the Improvements of the VICTORIAN COURT CONDOMINIUM.

NOTES:

1. **Upper and Lower Boundaries:** The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries:

- (a) **Upper Boundary:** The horizontal plane of the undecorated finished ceiling.
- (b) **Lower Boundary:** The horizontal plane of the undecorated finished floor.

2. **Perimetrical Boundaries:** The perimetrical boundaries of the Unit shall be the vertical planes of the undecorated finished interior or the walls bounding the Unit extending to intersections with each other and with the upper and lower boundaries.

3. **Apertures:** Where there are apertures in any boundary, including, but not limited to, windows and doors, such boundaries shall be extended to include the interior unfinished surfaces of such apertures, including all frameworks thereof. Exterior surfaces made of glass or other transparent material, and all framing and casing therefor, shall be included in the boundaries of the Unit.

EXHIBIT "A-1"VICTORIAN COURT CONDOMINIUM

Phase I

Beginning at a point in the northwesterly line of Nate Whipple Highway at the easterly corner of land now or formerly of John J. and Helen D. McLaughlin; thence running N.42 -31'-18"W. bounding southwesterly on said land now or formerly of John J. and Helen D. McLaughlin a distance of one hundred twenty-two and 14/100 (122.14) feet to the easterly corner of land now or formerly of Eastland Savings Bank; thence turning and running N.30 -24'-25"W. bounding southwesterly on said land now or formerly of Eastland Savings Bank a distance of one hundred thirty and 74/100 (130.74) feet to the easterly corner of land now or formerly of Physician's Realty Associates; thence turning and running N.40 -51'-05"W. a distance of seventy-five and 00/100 (75.00) feet to a point; thence turning and running N.50 -48'-17"E. a distance of one hundred forty-three and 94/100 (143.94) feet to a point, the last two (2) courses bounding southwesterly and northwesterly, respectively, on said land now or formerly of Physician's Realty Associates; thence turning and running S.46 -24'-36"E. a distance of sixty-one and 64/100 (61.64) feet to a point; thence turning and running N.55 -54'-05"E. a distance of one hundred sixty-four and 24/100 (164.24) feet to a point; thence turning and running S.26 -59'-09"E. a distance of one hundred eighty-five and 06/100 (185.06) feet to the northwesterly line of land now or formerly of George J. Bacon, Jr.; thence turning and running S.62 -49'-59"W. a distance of one hundred fifty-three and 45/100 (153.45) feet to a point; thence turning and running S.23-36'-01"E. a distance of one hundred twenty- four and 16/100 (124.16) feet to the northwesterly line of Nate Whipple Highway, the last two (2) courses bounding southeasterly and northeasterly, respectively, on said land now or formerly of George J. Bacon, Jr.; thence turning and running S.60 -44'-45"W. bounding southeasterly on said Nate Whipple Highway a distance of one hundred four and 98/100 (104.98) feet to the point and place of beginning. Contains 74,507 square feet or one and 71/100 (1.71) acres of land.

Together with the benefit of a Declaration of Easements dated June 15, 1989 and recorded in Book 406 at Page 76 of the Cumberland Records of Land Evidence; and subject to Declaration of Easements dated June 15, 1989 and recorded in Book 406 at Page 76 of the Cumberland Records of Land Evidence and subject to Easement to Blackstone Valley Electric Company and New England Telephone and Telegraph Company recorded in Book 381 at Page 205 of the Cumberland Records of Land Evidence.

Subject to an easement for parking bounded and described as follows:

Beginning at a point in the northeasterly line of John J. and Helen D. McLaughlin said point being eleven and $34/100$ (11.34) feet northwesterly of the northwesterly line of Nate Whipple Highway and the easterly corner of said land now or formerly of John J. and Helen D. McLaughlin; thence running N.42 -31'-18"W. bounding southwesterly on said land now or formerly of John J. and Helen D. McLaughlin a distance of one hundred ten and $80/100$ (110.80) feet to the northerly corner of said land now or formerly of John J. and Helen D. McLaughlin; thence turning and running S.62 -40'-28"E. a distance of fifty-one and $30/100$ (51.30) feet to a point; thence turning and running S.26 -45'-54"E. a distance of sixty-five and $09/100$ (65.09) feet to the point and place of beginning. Contains 979 square feet of land.

EXHIBIT "A-2"VICTORIAN COURT CONDOMINIUMADDITIONAL LANDPhase II
(may be added)

Beginning at a point in the southeasterly line of land now or formerly of St. Joan of Arc Church at the northeasterly corner of land now or formerly of Physician's Realty Associates; thence running N.52 -27'-41"E. bounding northwesterly on said land now or formerly of St. Joan of Arc Church a distance of two hundred seventy-eight and 12/100 (278.12) feet to the westerly corner of land now or formerly of the Town of Cumberland; thence turning and running S.39 -34'-42"E. a distance of eighty-seven and 56/100 (87.56) feet to a point; thence turning and running S.37 -24'-42"E. a distance of one hundred eleven and 77/100 (111.77) feet to a point; thence turning and running S.29 -27'-42"E. a distance of fifty-seven and 90/100 (57.90) feet to a point; thence turning and running S.19 -08'-42"E. a distance of fifty-five and 09/100 (55.09) feet to a point; thence turning and running S.15 -40'-15"E. a distance of forty-two and 14/100 (42.14) feet to the northeasterly corner of land now or formerly of George J. Bacon, Jr., the last five (5) courses bounding northeasterly to easterly on said land now or formerly of the Town of Cumberland; thence turning and running S.67 -52'-50"W. a distance of sixty-five and 55/100 (65.55) feet to a point; thence turning and running S.62 -49'-59"W a distance of forty-seven and 46/100 (47.46) feet to the easterly corner of Phase I described above, the last two (2) courses bounding southeasterly on said land now or formerly of George J. Bacon, Jr.; thence turning and running N.26 -59'-09"W. a distance of one hundred eighty-five and 06/100 (185.06) feet to a point; thence turning and running S.55 -54'-05"W. a distance of one hundred sixty-four and 24/100 (164.24) feet to a point; thence turning and running N.46 -24'-36"W. a distance of sixty-one and 64/100 (61.64) feet to the easterly corner of land now or formerly of Physician's Realty Associates; the last three (3) courses bounding southwesterly, southeasterly and southwesterly, respectively, on Phase I as described above; thence turning and running N.29 -36'-07"W. bounding southwesterly on said land now or formerly of Physician's Realty Associates a distance of sixty-nine and 99/100 (69.99) feet to the point and place of beginning. Contains 63,437 square feet or one and 46/100 (1.46) acres of land.

Together with the benefit of a Declaration of Easements dated June 15, 1989 and recorded in Book 406 at Page 76 of the Cumberland Records of Land Evidence; and subject to Declaration of Easements dated June 15, 1989 and recorded in Book 406 at Page 76 of the Cumberland Records of Land Evidence and subject to Easement to Blackstone Valley Electric Company and New England Telephone and Telegraph Company recorded in Book 381 at Page 205 of the Cumberland Records of Land Evidence.

Subject to an easement for parking bounded and described as

follows:

Beginning at a point in the northeasterly line of John J. and Helen D. McLaughlin said point being eleven and 34/100 (11.34) feet northwesterly of the northwesterly line of Nate Whipple Highway and the easterly corner of said land now or formerly of John J. and Helen D. McLaughlin; thence running N.42°-31'-18"W. bounding southwesterly on said land now or formerly of John J. and Helen D. McLaughlin a distance of one hundred ten and 80/100 (110.80) feet to the northerly corner of said land now or formerly of John J. and Helen D. McLaughlin; thence turning and running S.62°-40'-28"E. a distance of fifty-one and 30/100 (51.30) feet to a point; thence turning and running S.26°-45'-54"E. a distance of sixty-five and 09/100 (65.09) feet to the point and place of beginning. Contains 979 square feet of land.

NOTE:
ALL NOTES, SPECIFICATIONS & COMMENTS REFER TO THE LATEST
EDITION OF THE

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1. ALL NOTES, SPECIFICATIONS & COMMENTS REFER TO THE LATEST
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CERTIFICATE

1. ALL NOTES, SPECIFICATIONS & COMMENTS REFER TO THE LATEST
EDITION OF THE

1. ALL NOTES, SPECIFICATIONS & COMMENTS REFER TO THE LATEST
EDITION OF THE

FLOOR PLAN BUILDING 2

MADE IN THE U.S.A.

CLARKSON, N.J.

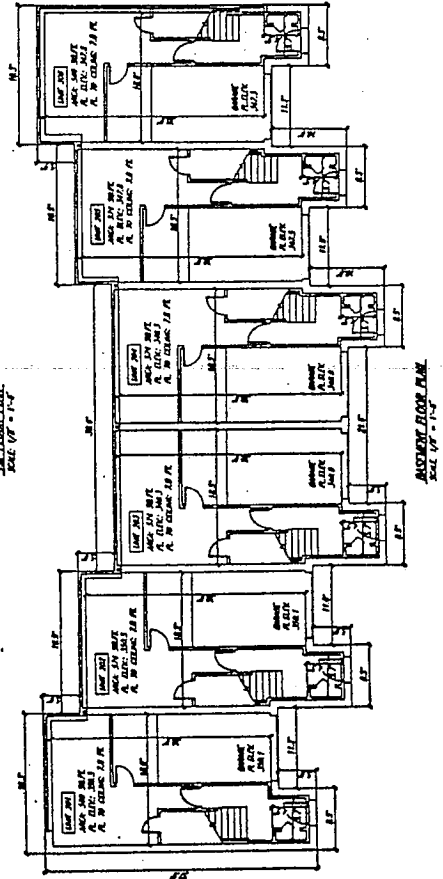
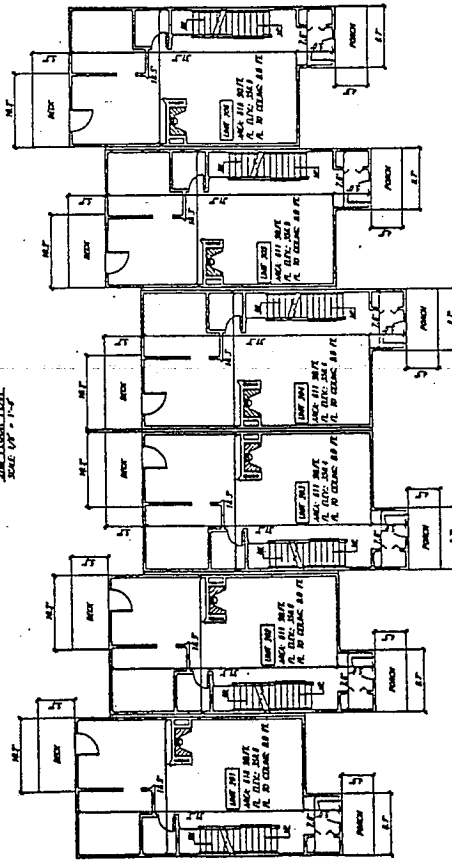
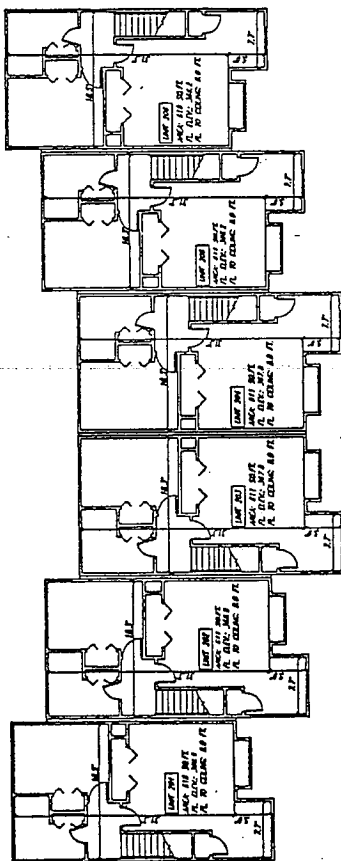
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VICTORIAN COURT CONDOMINIUM

SCHEDULE OF UNDIVIDED PERCENTAGE INTEREST IN THE COMMON
ELEMENTS AND OWNING COMMON SURPLUS ATTRIBUTABLE TO
EACH UNIT, TOGETHER WITH INITIAL COMMON EXPENSE
CHARGEABLE TO UNITS

UNIT NO.	BLDG.	APPROX. SQ. FT.	PERCENTAGE UNDIVIDED INTEREST	ANNUAL	MONTHLY
101	1	1,270	.071428	\$1325.00	\$110.41
102	1	1,270	.071428	\$1325.00	\$110.41
103	1	1,270	.071428	\$1325.00	\$110.41
104	1	1,270	.071428	\$1325.00	\$110.41
105	1	1,270	.071428	\$1325.00	\$110.41
106	1	1,270	.071428	\$1325.00	\$110.41
107	1	1,270	.071428	\$1325.00	\$110.41
108	1	1,270	.071428	\$1325.00	\$110.41
201	2	1,270	.071428	\$1325.00	\$110.41
202	2	1,270	.071428	\$1325.00	\$110.41
203	2	1,270	.071428	\$1325.00	\$110.41
204	2	1,270	.071428	\$1325.00	\$110.41
205	2	1,270	.071428	\$1325.00	\$110.41
206	2	1,270	.071428	\$1325.00	\$110.41

EXHIBIT "B"

SCHEDULE OF UNDIVIDED PERCENTAGE INTEREST IN THE COMMON
ELEMENTS AND OWNING COMMON SURPLUS ATTRIBUTABLE TO
EACH UNIT, TOGETHER WITH INITIAL COMMON EXPENSE
CHARGEABLE TO UNITS

<u>UNIT</u> <u>NO.</u>	<u>BLDG.</u>	<u>APPROX.</u> <u>SQ. FT.</u>	<u>PERCENTAGE</u> <u>UNDIVIDED</u> <u>INTEREST</u>
101	1	1,270	.034482
102	1	1,270	.034482
103	1	1,270	.034482
104	1	1,270	.034482
105	1	1,270	.034482
106	1	1,270	.034482
107	1	1,270	.034482
108	1	1,270	.034482
201	2	1,270	.034482
202	2	1,270	.034482
203	2	1,270	.034482
204	2	1,270	.034482
205	2	1,270	.034482
206	2	1,270	.034482

*PHASES I AND II COMBINED.
UNIT PERCENTAGE INTEREST.

<u>UNIT NO.</u>	<u>BLDG.</u>	<u>APPROX. SQ. FT.</u>	<u>PERCENTAGE UNDIVIDED INTEREST</u>
301	3	1,270	.034482
302	3	1,270	.034482
303	3	1,270	.034482
304	3	1,270	.034482
305	3	1,270	.034482
306	3	1,270	.034482
307	3	1,270	.034482
308	3	1,270	.034482
309	3	1,270	.034482
401	4	1,270	.034482
402	4	1,270	.034482
403	4	1,270	.034482
404	4	1,270	.034482
405	4	1,270	.034482
406	4	1,270	.034482

*PHASES I AND II COMBINED.
UNIT PERCENTAGE INTEREST.

NOTE: The above listed Units are the Units planned to be made subject to this Declaration at this time. Each Unit erected on the property shall have a Common Expense Percentage associated with it, as indicated above. These Common Expense Percentages shall not be changed without the unanimous consent of all Unit Owners provided that if Units other than all of those specifically listed above become subject to this Declaration, the Declarant shall amend this Exhibit to attribute a Common Expense Percentage to those Units which actually become subject to this Declaration.

The annual assessments for any Unit shall be determined by multiplying the expected Common Expenses for the next succeeding annual budget by the Common Expense Liability appurtenant to each unit.



State of Rhode Island and Providence Plantations

OFFICE OF THE SECRETARY OF STATE
CERTIFICATE OF INCORPORATION
OF

.....VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC.

The undersigned, as Secretary of State of the State of Rhode Island, hereby certifies that duplicate originals of Articles of Incorporation for the incorporation of.....

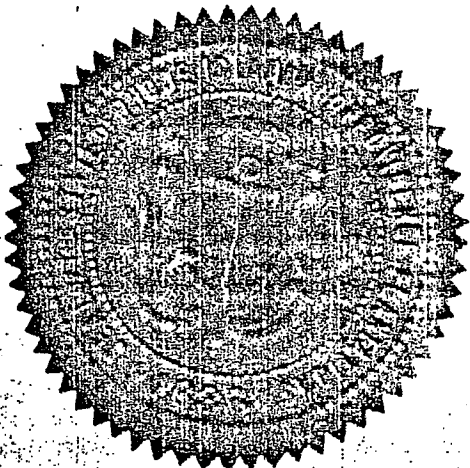
.....VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC.,.....

duly signed pursuant to the provisions of Chapter 7-6 of the General Laws, 1956, as amended, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in her by law, hereby issues this Certificate of Incorporation of.....

.....VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC.

and attaches hereto a duplicate original of the Articles of Incorporation.



IN TESTIMONY WHEREOF, I have hereunto set
my hand and affixed the seal of the State of Rhode
Island this twenty-seventh day of
November A.D., 1989

Kathleen A. Connell

Secretary of State

By.....

Acting

Deputy Secretary of State

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

NON-PROFIT CORPORATION

DUPLICATE
ORIGINAL ARTICLES OF INCORPORATION

The undersigned, acting as incorporator(s) of a corporation under Chapter 7-6 of the General Laws, 1956, as amended, adopt(s) the following Articles of Incorporation for such corporation:

FIRST: NAME

The name of this corporation is VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC., (hereinafter, "Association").

SECOND: TERM

The term of the Association shall be the life of the VICTORIAN COURT CONDOMINIUM, unless the Association is terminated sooner by the unanimous action of its members.

The Association shall be terminated by the termination of the Condominium in accordance with the Declaration of Condominium of VICTORIAN COURT CONDOMINIUM.

THIRD: PURPOSE

The purpose for which this Association is organized is to operate and manage the VICTORIAN COURT CONDOMINIUM, a condominium to be created upon lands located in the Town of Cumberland, County of Providence, State of Rhode Island, and hereafter referred to as the Condominium.

The Association is to undertake the performance of and to carry out the acts and duties incident to the administration, operation and management of the Condominium in accordance with the terms, provisions, conditions, and authorizations contained in these Articles of Incorporation, and which may be contained in the Declaration of Condominium of VICTORIAN COURT CONDOMINIUM ("Declaration"), to be recorded in the Land Records of the Town of Cumberland, Rhode Island, encompassing the real property described above and the improvements thereon that are submitted to condominium ownership and to own, maintain, manage, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary and

convenient in the administration of the Condominium.

The Association shall make no distributions of income to its members, directors or officers.

FOURTH: POWERS AND OPERATIONS

A. POWERS. The powers of the Association shall include the following provisions:

1. The Association shall have all the common law and statutory powers of a non-business corporation (Chapter 7-6), not for profit, which are not in conflict with the terms of these Articles, the Declaration, the By-Laws or the Chapter 34-36.1 ("the Act").

2. The Association shall have all the powers and duties granted to a condominium unit owners' association by the terms of the Act. The Association shall have all the powers reasonably necessary to implement the purposes of the Association, and all of the powers granted to it in the Declaration after the Declaration is duly recorded. Without limiting the generality of the foregoing, the Association shall have power:

- (a) to make and collect assessments, fees and other charges against members as Unit Owners, and to use the proceeds thereof in the exercise of its powers and duties;
- (b) to buy, own, operate, lease, sell, trade and mortgage both real and personal property as may be necessary or convenient in the administration of the Condominium;
- (c) to make and amend reasonable rules and regulations for the maintenance, conservation and use of the Condominium Property and for the health, comfort, safety and welfare of the Unit Owners;
- (d) to approve or disapprove the leasing, transfer, mortgaging, ownership and possession of the Units as may be provided by the Declaration.
- (e) to contract for the management of the Condominium Property and to delegate to such contractors all powers and duties of the Association, except those which may be required by the Declaration to have approval of the Board of Directors or the Unit Owners as members of the Association;

- (f) to maintain, repair, replace, reconstruct, add to and operate the Common Elements of the Condominium, and other property acquired or leased by the Association for use by the Unit Owners;
- (g) to purchase insurance upon the Condominium Property and insurance for the benefit and/or protection of the Association, its officers, directors, and members as Unit Owners;
- (h) to employ personnel to perform the service required for the proper operation of the Condominium.

3. All funds and the titles of all properties acquired by the Association, and any proceeds therefrom, shall be held for the benefit and use of the members in accordance with the provisions of the Declaration, these Articles and the By-Laws.

4. The Association shall make no distribution of income to its members, directors or officers.

5. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration, the By-Laws and the Act.

B. MEMBERS. The qualification of members, the manner of their admission to membership, termination of such membership, and voting by such members shall be as follows:

1. All Unit Owners shall be members of the Association. Membership shall be evidenced by a Certificate of Beneficial Interest which shall be issued for voting purposes only.

2. Membership in the Association shall be established by recording in the Land Records of the Town of Cumberland, Rhode Island, a deed or other instrument establishing a change of record title to a Unit in the Condominium, and the notification in writing to the Association of the recording information. The new record owner designated by such instrument thereby becomes a member of the Association. The membership of the prior owner shall thereby terminate.

The Declarant, to the extent of the ownership of Units, is a member of the Association, holding memberships equal to the number of Units it holds.

3. The share of a member in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Unit owned by the member.

4. Each member of the Association shall be entitled to one (1) vote for each Unit owned the member owns. If the Unit is jointly owned by two or more persons (or by a corporation) the joint owners or the corporation, as the case may be, shall designate one person who shall exercise the right to vote permitted for each Unit owned. Voting rights will be exercised in the manner provided in the Declaration and by the By-Laws of the Association.

5. The By-Laws shall provide for an annual meeting of members, and may make provisions for regular and special meetings of members other than the annual meeting.

C. DIRECTORS.

1. The property, business and affairs of the Association shall be managed by a Board of Directors ("Board"), consisting of the number of directors determined by the By-Laws, but not less than three (3) directors. Directors need not be members of the Association or owners of Units in the Condominium.

2. All of the duties and powers of the Association existing under the Act, the Declaration, these Articles and the By-Laws shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by Unit Owners, Institutional Mortgagees or the Developer, where such approval is specifically required by the terms of the Declaration.

3. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the By-Laws.

4. The Developer of the Condominium shall appoint the members of the first Board of Directors who shall hold office for the period described in the By-Laws.

D. OFFICERS. The affairs of the Association shall be administered by the officers holding the offices designated in the By-Laws. The officers shall be elected by the Board at the first meeting following the annual meeting of the members of the Association, and shall serve at the pleasure of the Board. The By-Laws may provide for the removal of officers, for filling vacancies, and for the duties of the officers.

E. INDEMNIFICATION.

1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, employee, officer or agent of the Association, against expenses (including

attorneys' fees and appellate attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence, misfeasance or malfeasance in the performance of his duty to the Association unless, and only to the extent that, the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that such court shall deem proper.

The termination of any such acts, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

2. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

3. Any indemnification under Section 1 above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 above. Such determination shall be made by

- (a) the Board, by a majority vote of a quorum of directors who were not parties to such action, suit or proceeding, or
- (b) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or

(c) by a majority of the members of the Association.

4. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of a director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this Article.

5. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of members or otherwise, both as to action in his official capacity while holding such office or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

6. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

F. BY-LAWS. The first By-Laws of the Association shall be those By-Laws appended to the Declaration, and may be altered or rescinded in the manner provided by the Declaration or said By-Laws by an affirmative vote of owners representing Eighty (80%) percent of the units in the Condominium.

G. AMENDMENTS.

1. For such time as the Declaration is entitled to control the Association as provided in the Declaration and in the Act, and subject to any restrictions as to subject matter contained in the Declaration and/or By-Laws, these Articles may be amended by the Declarant in its sole discretion, and in addition thereto, the proceedings of meetings of the Association shall have no effect unless approved by the Declarant as to the amendment of the Declaration or any other constituent document of the Condominium. This right is subject, however, to the provision that the Developer cannot make any substantial change in the purpose of the Association.

2. These Articles may also be amended in the following manner:

- (a) Notice of the subject matter of the proposed amendment shall be included in a notice of any regular and special meeting at which such proposed amendment is to be considered.
- (b) A resolution approving a proposed amendment may be proposed by either a majority of the Board or by members representing one third (1/3) of the units of the Condominium.
- (c) After being proposed and approved by one of said bodies, it must be submitted for approval and thereupon receive approval by the other body.
- (d) Such approval must be by affirmative vote of Eighty (80%) percent of a of the votes of the members of the Association, and by an affirmative vote of two thirds (2/3) of the members of the Board.

3. No amendment shall make any changes in the qualifications for membership or in the voting rights or property rights of members, nor any changes in Sections 3, 4 and 5 of Article III ("Powers") hereof, without the approval in writing of all members and the joinder of all record owners of mortgages upon Units. No amendment shall be made that is in conflict with the Act, the Declaration or By-Laws, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of the Declarant, unless the Declarant shall join in the execution of the amendment.

FIFTH:REGISTERED OFFICE

The address of the initial registered office of the corporation is 1822 Mineral Spring Avenue, North Providence, Rhode Island 02904, and the name of the initial registered agent at such address is John A. Varone.

SIXTH:INITIAL BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors of the corporation is three, and the names and addresses of the persons who are to serve as the initial directors are:

NAME

ADDRESS

JOHN A. VARONE

1822 Mineral Spring Avenue
North Providence, RI 02904

ANGELA M. TERENZI

1822 Mineral Spring Avenue
North Providence, RI 02904

JODI L. MCGEE

1822 Mineral Spring Avenue
North Providence, RI 02904SEVENTH: INCORPORATORS

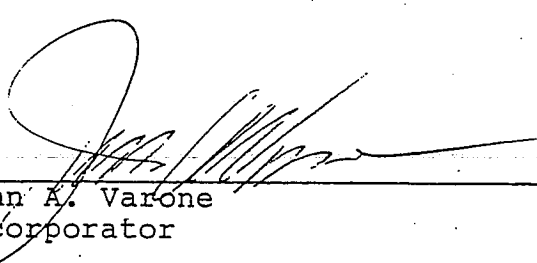
The name and address of each incorporator is:

NAMEADDRESS

JOHN A. VARONE

1822 Mineral Spring Avenue
North Providence, RI 02904EIGHTH: EFFECTIVE DATEThe date when the corporate existence begins is
December 1, 1989

Dated: November 27, 1989



John A. Varone
Incorporator

VICTORIAN COURT CONDOMINIUM ASSOCIATION, INC.

B Y - L A W S

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