

of the Unit if the proposed purchaser is not approved. If such demand is made, the notice shall be accompanied by a true copy of the proposed contract of sale signed by the proposed purchaser and unit owner.

(2) **Lease.** A unit owner intending to make a bona fide lease of the owner's condominium Unit shall give to the Association Board of Directors prior notice of such intention. The notice shall include the name and address of the intended lessee, a copy of the proposed lease signed by the proposed lessee(s), and such other information concerning the intended lessee(s) as the Association may reasonably require at least thirty (30) days prior to the scheduled move-in date.

(3) **Gift, Inheritance or Other Transfers.** A unit owner who has obtained title to a condominium Unit by gift, inheritance, or by any other manner not previously considered, shall give to the Association Board of Directors notice of the acquiring of title. The notice shall include such information concerning the unit owner as the Association Board of Directors may reasonably require, and must have attached to it a certified copy of the recorded instrument evidencing the owner's title to the condominium Unit.

(4) **Failure to Give Notice.** If the owner fails to provide the Association with the notice required in Article 13.2A, then the Board, at its election and without notice, may approve or disapprove the transfer of ownership, lease or possession of the Unit. If the Board disapproves the transfer of ownership, lease or possession of the Unit, the Board shall proceed as if it had received the required notice on the date of such disapproval.

B. Certificate of Approval.

(1) **Sale.** If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice, application fee and in-person interview (if required by the Board) the Board must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by an officer of the Association, in recordable form.

(2) **Lease.** If the proposed transaction is a lease, then within thirty (30) days after receipt of such notice, application fee and in-person interview (if required by the Board), the Board must either approve or disapprove the proposed lease. If approved, the approval shall be stated in a certificate executed by an officer of the Association, in non-recordable form. All leases (written or oral) shall be deemed to include all terms and conditions contained in this Declaration of Condominium and in the Association Rules. The unit owner expressly authorizes the Association to terminate a lease for cause, which includes but is not limited to any violation of the condominium document rules or restrictions. If the Association Board of Directors terminates a lease for cause and elects to evict the tenant if owner fails or refuses to act, the owner agrees to promptly reimburse the Association its attorney's fees and costs, including appellate fees it incurs therein.

(3) **Gift, Inheritance or Other Transfers.** If the unit owner giving notice has acquired title to a condominium Unit by gift, inheritance or in any other manner, then within thirty (30) days after receipt of such notice and information the Board must either approve or

disapprove the continuance of the unit owner's ownership of the Unit. If approved, the approval shall be stated in a certificate executed by any officer of the Association in recordable form.

C. **Approval of Corporate Owner or Purchaser.** A condominium Unit may be used only for single family residential purposes and a corporation, partnership or trust cannot occupy a Unit for such use. If the unit owner, purchaser or lessee of a Unit is a corporation, partnership or trust permitted pursuant to the terms of Article 13 herein, the Board's approval of ownership or lease by any such entity shall be conditioned on the Association Board of Directors approving all persons who may occupy the Unit, subject to the other requirements of this Declaration of Condominium.

D. **Transfer Fees.** The Board shall require the payment of a reasonable transfer fee simultaneously with the giving of notice of intention to sell or lease, or of transfer by gift, inheritance or other transfer. The purpose of such a fee is to defray the Association's credit and character report expenses in determining whether to approve or disapprove the transaction or continued ownership or possession by a transferee. The transfer fee may not exceed the maximum amount authorized by the Condominium Act.

E. **Personal Interview.** The Board may, in its sole discretion, require an in-person interview with each proposed purchaser, lessee or transferee, and with each person who may reside in the Unit, prior to its approval of the proposed transaction. The notice and application for approval shall not be deemed complete until all transfer fees and interviews, if required, by the Board, are conducted. The Board, in its sole discretion, may allow the interview to be conducted by telephone if an in-person interview would cause an undue hardship for the proposed purchaser, lessee or transferee.

13.3 DISAPPROVAL BY ASSOCIATION. If the Board shall disapprove a transfer of ownership or lease of a Unit, the matter shall be disposed of in the following manner:

A. **Agreement to Purchase.** If the proposed transaction is a sale and if the notice of sale given by the unit owner shall so demand, then within forty-five (45) days after receipt of such notice and information the Board shall deliver or shall send by registered or certified mail to the unit owner an agreement to purchase the Unit signed by a purchaser approved by the Association, or an agreement to purchase signed on behalf of the Association by its President and attested by its Secretary.

B. **Sale Price.** The sale price shall be the fair market value determined by agreement between the seller and the purchaser within thirty (30) days from the delivery or mailing of such agreement. In the absence of agreement as to price, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit. A judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be split equally between the purchaser and the Association.

ARTICLE 14.
USE RESTRICTIONS.

In order to provide for congenial occupancy of the condominium property and to better protect the values of the condominium units, the use of the condominium property and units shall be restricted by and in accordance with the following provisions as long as the Condominium exists:

14.1 INTERFERENCE. Occupants of condominium units shall not suffer, permit or maintain in their premises loud noises or obnoxious odors, nor otherwise unreasonably interfere with the rights of other unit owners. No use or practice shall be permitted which is a source of unreasonable annoyance to residents or other occupants of units or which interferes with the peaceful possession or proper use of the condominium property. All parts of the condominium property shall be kept in a clean and sanitary condition, and no rubbish, refuse, nor garbage shall be allowed to accumulate nor any fire hazard allowed to exist.

14.2 RESIDENTIAL USE. Each condominium Unit shall be used exclusively as a one family residential dwelling. No industry, occupation, profession, commercial business or trade (including but not limited to garage sales and yard sales) shall be permitted to be conducted thereon or therein, except the Association is authorized to operate a rental and/or sales program solely for condominium units for the benefit of the unit owners.

14.3 PETS. No pets or other animals shall be allowed in any Unit or on the common or limited common elements, except one (1) dog (which when adult shall not exceed thirty (30) pounds) or one (1) cat shall be permitted subject to uniform rules and regulations of the Association.

14.4 PARKING. No boat, trailer, commercial vehicle (that is a vehicle with commercial markings or which is otherwise evidently used for commercial purposes), truck, motor home, recreational vehicle, motorcycle, motor scooter, van (except a van with passenger seats behind the driver and with windows in the front and rear) or vehicle which is inoperable, unlicensed or so deteriorated so as to be unsightly in the opinion of the Board of Directors, shall be parked where visible upon the condominium property. Commercial vehicles shall be allowed only when actively loading and unloading or otherwise providing service to the owner or occupant of the Unit or to the Association.

14.5 RENTALS. In order to maintain the existing high quality of this residential condominium and to prevent it from becoming a lodging or transient facility, no Unit shall be leased, rented or occupied by other than the unit owner (exclusive of immediate family which is defined as the owner's or the owner's spouse's parents, grandparents, children or grandchildren) for a period of less than three (3) consecutive months. The Condominium unit must be occupied by the same tenants during the entire three (3) month period. No individual rooms may be rented. All tenants and Unit occupants shall be subject to and must comply with the provisions of the Declaration, Articles of Incorporation, Association Bylaws and Association Rules, and any failure or refusal to comply therewith shall be deemed a default and breach of the lease.

14.6 LAWFUL CONDUCT. No improper, offensive, hazardous or unlawful use shall be made of the common elements, Association property or of a Unit. All laws, ordinances and