

BY-LAWS OF
SPRUCE POND VILLAGE ASSOCIATION INC.

ARTICLE I - DEFINITIONS

All terms and expressions herein used which are defined in Chapter 183A, Section 1, of the General Laws of Massachusetts, as amended, shall have the same meanings unless the context indicates otherwise. Further, the additional terms defined in this Article shall, for all purposes of these By-Laws, have the meaning herein specified.

Articles of the Association shall refer to the Articles of Organization of Spruce Pond Village Association, Inc., (hereinafter referred to as the "Association") which are filed in the office of the Secretary of The Commonwealth of Massachusetts, a true copy of which is on file at the principal office of the Association, together with such amendments to the Articles of the Association as may from time to time be properly made.

Association shall mean Spruce Pond Village Association, Inc., and shall have the same meaning as "Organization of Unit Owners" as defined in Chapter 183A, Section 1, of the General Laws of Massachusetts, i.e., "the...association owned by the unit owners and used by them to manage and regulate the condominium."

Board of Governors shall mean the Board of Directors of the Association.

By-Laws of the Association shall mean the By-Laws of the Association, as they may be amended from time to time pursuant to the provisions contained in said By-Laws.

Condominium shall mean Spruce Pond Village .

Spruce Pond Village Master Deed - See Master Deed.

Spruce Pond Village shall mean the premises to be submitted to the provisions of Chapter 183A of the General Laws of Massachusetts as a condominium by the Master Deed to be recorded and any amendments thereto duly adopted and recorded.

Declarant shall refer to Patrick Marguerite, his heirs, successors and assigns.

Fiscal Year shall be as set forth in the Articles of Association, unless changed or modified by the Board of Governors.

Gender shall in the By-Laws of the Association not only refer to the masculine but also to the feminine and neuter gender, and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

Master Deed shall mean the instrument by which the Condominium shall be submitted to the provisions of Chapter 183A of the General Laws of Massachusetts.

Member of the Association shall mean any person, corporation, partnership, joint venture or other legal entity which is a member of the Association as defined in the By-Laws of the Association, the Articles of the Association and the Master Deed.

Organization of Unit Owners - See Association.

Owner - See Unit Owner.

Person shall mean an individual, corporation, unincorporated association, partnership, joint venture, trustee, conservator, administrator or any other entity which has the right to hold title to real property.

Property shall mean the land, buildings and all other improvements thereon of the Condominium.

Registry of Deeds shall mean the Norfolk Registry of Deeds.

Restrictions shall mean any restrictions contained in the Master Deed and the By-Laws of the Association.

Rules and Regulations of the Association shall mean the Rules and Regulations of the Association as may be adopted by the Board of Governors pursuant to the provisions of the Master Deed and the By-Laws of the Association, as they may be amended from time to time.

Unit shall have the same meaning as defined in Chapter 183A.

Unit Owner shall mean the person or persons owning a Unit as reflected in the records of the Registry of Deeds.

ARTICLE II - GENERAL

Section 1 - The Condominium.

The Condominium is located on a parcel of land situated in Franklin, Massachusetts, more particularly described in the Master Deed recorded with the Norfolk Registry of Deeds, and shown on the plans filed with said Master Deed, as said plans may from time to time be amended in order to add phases, said plans being the Condominium plans hereafter referred to.

Section 2 - The Association has been organized to perform the functions set forth in Section 10 of said chapter 183A and described in the By-Laws of the Association, except for those to be performed by others as set forth in the By-Laws of the

Association of the Master Deed. The Association is charged with the duties and has the powers prescribed by law and set forth in the Master Deed, the Articles of the Association and the By-Laws of the Association, as they may be amended from time to time. Neither the Articles of the Association nor the By-Laws of the Association shall, for any reason, be changed or interpreted so as to be inconsistent with the Master Deed.

The Association is an organization owned by the Unit Owners of the Condominium and used by them to manage and regulate the Condominium. Each Unit Owner, upon becoming a Unit Owner, and for so long as he is such a Unit Owner, shall be deemed a Member of the Association. As a member of the Association, the rights, duties, privileges, immunities and liabilities of being a Unit Owner shall be those set forth in and shall be exercised in accordance with the Master Deed, the Articles of the Association, the By-laws of the Association and the Rules and Regulations of the Association as the foregoing may be adopted or amended by the Association or by the Board of Governors, as provided therein.

Membership in the Association shall not be transferred, pledged or alienated in any way except upon transfer of title of a Unit and then only to the transferee of title. Any attempt to make a prohibited transfer shall be null and void.

Section 3 - Provisions of By-Laws Applicable

The provisions of the By-Laws of the Association are applicable to the Condominium and to the use and occupancy thereof. The provisions of the By-Laws of the Association shall automatically become applicable to any property which may be

added to the Condominium by act of the Declarant, its successors or assigns, or of the Association.

Section 4 - By-Laws Applicable to Present and Future Owners

All present and future owners, mortgagees, lessees and occupants of Units and their employees and any other person(s) who may use the facilities of the Condominium in any manner are subject to the By-Laws of the Association, the Rules and Regulations of the Association, the restrictions contained in the Master Deed and the Articles of the Association. Accepting a deed to a Unit, taking conveyance of a Unit, entering into a lease for use of a Unit or the act of occupying a Unit shall constitute an agreement that all of the above documents, restrictions and conditions, as they may be amended from time to time, are accepted, ratified and shall be complied with.

Section 5 - Office of the Association

The office of the Association and of the Board of Governors shall be located at the Condominium or at some other location within the Commonwealth, as may be selected from time to time, by the Board of Governors and of which the Unit Owners and listed mortgagees have been given written notice.

Section 6 - Certificates of Membership

The Board of Governors may provide for the issuance of certificates of membership in the Association in a form which it shall determine. One such certificate shall be issued for each

Unit and shall contain the name and address of the member or members who own such Unit, the Unit designation, its location and the beneficial interest appurtenant to said Unit. The date of issuance shall be entered in the records of the Association by the Clerk. Each certificate of membership shall be surrendered to the Clerk at the time title to a Unit is transferred or conveyed.

Section 7 - Documents Available for Review

Copies of the By-Laws of the Association, the Articles of the Association, the Rules and Regulations of the Association and the Master Deed, as they may be adopted or amended from time to time, shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 8 - Termination

The Unit Owners may remove the Condominium from the provisions of Chapter 183A of the General Laws of Massachusetts and of the Master Deed by the procedure set forth in the appropriate section of said Chapter 183A, as may be amended from time to time, subject to the assent of mortgagees as set forth in the Master Deed.

Upon such removal, the Unit Owners shall be deemed to own the Condominium property as tenants in common, with undivided interest therein in the same percentage of undivided interest previously held by each Unit Owner in the common areas and facilities. Further, upon such removal, the Unit Owners shall be deemed to have withdrawn the Condominium property from the

provisions of said Chapter 183A.

The removal provided for in this section and in the Master Deed shall not bear the subsequent resubmission of the property to the provisions of Chapter 183A of the General Laws of Massachusetts.

ARTICLES III - MEMBERSHIP AND VOTING RIGHTS

SECTION 1 - MEMBERSHIP

Every person who is an Owner of record of a Unit which is subject by covenants of record to assessment by the Association shall be a member of the Association, except that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member of the Association.

Section 2 - Voting

A member of the Association shall be entitled to a vote in the percentage of interest appurtenant to the Unit in which he holds the interest required for membership as described in Paragraph 6 of the Master Deed. When more than one person holds such interest in any Unit, all such persons shall be members of the Association and the vote for such Unit shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast on any issue with respect to any Unit and such vote shall be cast as an entirety as provided in the By-Laws of the Association.

ARTICLE IV - BOARD OF GOVERNORS

Section 1 - Constitution

The number of governors which shall constitute the whole Board of Governors shall be at least three (3) and not more than five (5), except for the initial Board of Governors which shall consist of one (1) governor. Until succeeded by the governors elected by the members, the initial governors need not be Unit Owners. Upon expiration of the term of each governor of the first Board of Governors, the successors to such governor, elected by the members of the Association, shall be a member and a Unit Owner. Except as provided in the Articles of the Association with respect to the first Board of Governors, governors shall be elected on a staggered basis, at least one governor to serve for three years, at least one governor to serve for two years and at least one governor to serve for one year. In any event, however, each governor shall hold office until such time as his successor has been elected and qualified, except in the event of death, resignation, suspension of membership or sale of all his Units in the Condominium which renders such person ineligible to be a governor. In the event that a corporation or other legal entity is a member of the Association, it may designate one or more natural persons who shall be eligible to serve as governor.

Section 2 - Election

Subject to the provisions of the By-Laws of the Association concerning the first Board of Governors, at each annual meeting

of the Association or at a special meeting called for this express purpose, the members shall elect governors to fill such vacancies as may exist on the Board of Governors. There shall be no cumulative voting. The candidates receiving the highest number of votes, up to the number of governors to be elected, shall be deemed elected.

Section 3 - Resignation

Any governor may resign at any time by giving written notice to the President or to the Clerk of the Association and thereupon such resignation shall take effect at the time specified in said written notice.

Section 4 - Powers and Duties of the Board of Governors

The Board of Governors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law, or by the Master Deed or by the Unit Owners of the Association, are reserved to the members of the Association acting at a properly called meeting or as are specifically allowed to the Association. Such powers and duties of the Board of Governors shall include, but shall not be limited to, the following:

a. Providing for the operation, care, upkeep and maintenance of the common areas and facilities of the Condominium and the exterior of any Unit and its appurtenant structures as provided in Article VIII hereof.

b. Determining the common expenses of the Condominium,

including, subject to the limitations imposed by the Association or by the restrictions contained in the Master Deed, the operation and maintenance of the property and the allocation of income and expenses.

c. Collecting the common charges from the Owners, including the right to enforce these collections by methods described elsewhere in the By-Laws of the Association.

d. Opening bank accounts on behalf of the Association and designating signatories required therefor.

e. Leasing, managing and otherwise dealing with such Condominium facilities as may be provided for as common areas and facilities, including, without thereby limiting the generality of the foregoing, the right to grant permits, licenses and easements over the common areas for utilities, passage rights and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

f. Owning, conveying, encumbering, leasing and otherwise dealing with the Units conveyed to it or purchased by it or by the Association as the result of enforcement of a lien for common expenses or otherwise.

g. Obtaining insurance for the common areas and facilities and for Units as provided elsewhere in the By-Laws of the Association.

h. Making repairs, additions, improvements to or alterations of the common areas and facilities in accordance with the other provisions of the By-Laws of the Association and as described in the Master Deed.

i. Enforcing obligations of the Unit Owners.

j. Adopting rules and regulations relating to the use, upkeep and preservation of the Condominium.

k. Promulgating fines for violation of the Rules and Regulations, which fines shall be paid to the Association.

l. Establishing a minimum thermostat temperature setting within each Condominium unit.

m. Designating and setting aside portions of the common areas and facilities under their control (1) for the collection and reception of mail for the Condominium residents; (2) as a central disposal and collection site for trash and other refuse; (3) as a storage area for such tools, equipment and supplies as are used in the maintenance and upkeep of the Condominium; and (4) for any purpose which the Board of Governors, in its discretion, deems to be in the best interests of the Condominium as a whole.

n. Electing whether to purchase on behalf of the Association any Unit in the Condominium at a foreclosure sale as hereinafter provided; provided, however, that any such purchase by the Association shall have the prior approval of eighty-five (85%) percent of the Unit Owners.

Section 5 - The First Board of Governors and Subsequent Boards

The first Board of Governors and their successors shall be designated by the Declarant and shall consist of two (2) members who shall serve until the fifth annual meeting of the members of the Association held pursuant to the provisions of

Article V of these By-Laws of the Association. At each annual meeting, beginning with the fifth annual meeting of the members of the Association, unless the right of the Declarant to appoint the members of the Board of Governors shall have previously expired as herein provided, all members of the Board of Governors shall be elected by the members of the Association to fill vacancies in the Board of Governors and/or vacancies created by expiration of a term and all such successors thereafter to the Board of Governors shall be Unit Owners and members of the Association. Any governor elected to fill a vacancy in the Board of Governors otherwise created shall be elected to fill the unexpired term.

Notwithstanding anything to the contrary in the By-Laws contained, those Governors appointed or selected by the Declarant as aforesaid shall resign no later than the earlier of the following events:

- a. Four (4) months after Seventy-Five (75%) Percent of the Units in the Condominium have been conveyed to Unit purchasers;
- or
- b. Five (5) years after conveyance of the first Unit.

The purpose of the foregoing provision is to comply with the requirement imposed by the Federal National Mortgage Association (FNMA) necessitating the transfer of control of the Condominium to the Unit Owners as above provided. For this purpose, "control" means the right of the Declarant to control the Unit Owners' Association or its Board of Governors, the Condominium itself or the Unit Owners in any manner, except through votes allocated to Units owned by the Declarant on the same basis as

votes pertaining to sold Units.

Section 6 - Resignation and Removal

Any governor may resign at any time by instrument in writing signed and duly acknowledged by that governor in the manner required in Massachusetts for the acknowledgement of deeds, and such resignation shall take effect as in said instrument set forth. While the Declarant shall have the right to designate the Board of Governors of its choice, the Declarant may remove any governor with or without cause, and appoint a successor governor, and after the expiration of the Declarant's right to designate, any governor may be removed with or without cause, by vote of Unit Owners entitled to more than fifty (50%) percent of the beneficial interest hereunder and the vacancy resulting from such removal shall be filled in the manner provided in Section 7 of this Article. Any removal shall become effective upon the filing with the Clerk or Assistant Clerk of the Association.

Section 7 - Vacancies in the Board of Governors

Vacancies in the Board of Governors caused by any reason other than the removal of a governor under Section 6 of this Article shall be filled by vote of a majority of the remaining governors at a special meeting of the Board of Governors held for that purpose, which meeting shall be held promptly after the occurrence of any such vacancy, even though the remaining governors present at such meeting may constitute less than a quorum, and each person so elected shall be a governor until the

next annual meeting or special meeting of the members of the Association duly called and held for the express purpose of electing a governor to fill the vacancy for the duration of the unexpired term, except that any vacancy occurring while the Declarant has the right to designate the Board of Governors shall be filled by appointment by the Declarant. Except for members of the Board of Governors appointed by the Declarant, no governor shall continue to serve as such if he shall cease to be a Unit Owner or if his membership shall be under suspension.

Section 8 - Board of Governors Meeting Following First Annual Meeting

Within ten days after the first meeting of members of the Association, there shall be a meeting of the Board of Governors at such time and place as shall be fixed by the Unit Owners at such meeting and no notice shall be necessary to the governors in order legally to constitute such meeting, provided a majority of the whole Board of Governors shall be present thereat.

Section 9 - Regular Meetings

Regular meetings of the Board of Governors may be held at such time and place as shall be determined from time to time by majority of the members of the Board of Governors. Notice of regular meetings shall be given to each governor at least three (3) business days prior to the day named for such meeting.

Section 10 - Special Meetings

Special meetings of the Board of Governors may be called by

the President of the Association on three business days' notice to each governor given by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Governors shall be called by the President or Clerk in like manner and on like notice on written request of at least three (3) governors.

Section 11 - Waiver of Notice of Meetings

Any governor may at any time in writing waive notice of any meeting of the Board of Governors and such waiver shall be deemed equivalent to the receipt of such notice.

Section 12 - Quorum

At all meetings of the Board of Governors, a majority of the members thereof shall constitute a quorum for the transaction of business and the vote of a majority of the governors present at a meeting at which a quorum is present shall constitute the decision of the Board of Governors. If at any meeting of the Board of Governors, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

Section 13 - Fidelity Bonds

The Board of Governors shall maintain a fidelity bond or insurance coverage against dishonest acts on the part of the governors, employees or volunteers responsible for handling funds belonging to or administered by the Association as hereafter

provided. The premium for such bonds shall constitute a common expense.

Section 14 - Compensation of the Board of Governors

No member of the Board of Governors shall receive any compensation from the Association for acting as such, except for reimbursement of necessary and duly incurred documented expenses.

Section 15 - Governors Not Liable

The governors shall not be liable to the members of the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall to the extent of their Unit ownership, indemnify and hold harmless each member of the Board of Governors against personal contractual liability to others arising out of contracts made by the Board of Governors on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or the By-Laws of the Association. It is intended that the members of the Board of Governors shall have no personal liability with respect to any contract made by them on behalf of the Association. The first Board of Governors is specifically authorized to contract for goods or services with the Declarant, or employees or affiliates of the Declarant, whether or not such persons are members of the Board of Governors and no such contract shall be deemed to involve a conflict of interest. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Governors on account of the aforesaid

indemnity shall be limited to such proportion of the total liability thereunder as the percentage of beneficial interests held by all the Unit Owners in the Condominium except for those Units owned by the Association. Every agreement made by the Board of Governors, its agents or appointees on behalf of the Association, shall provide that the members of the Board of Governors of the Association or their agents or appointees, as the case may be, are acting only as agents for the Association, and have no personal liability thereunder, except as Unit Owners, and that each Unit Owner's liability thereunder shall be limited to that proportion of the total liability as the percentage of beneficial interest appurtenant to the Unit(s) owned by him bears to the total beneficial interest held by the Association.

Section 16 - Records

The Board of Governors shall cause to be kept detailed records of the actions of the Board of Governors and of the Association, including but not limited to, minutes of the meetings of the Unit Owners and financial records and books of account of the Association, to which records the Unit Owners and their mortgagees shall be entitled to reasonable access.

Section 17 - Annual Report

The Board of Governors shall cause an annual report of the receipts and expenditures of the Condominium to be made at the end of each fiscal year by an independent, disinterested, certified public accountant and a copy of said report shall be

kept on file at the office of the Association and shall be made available for inspection by the Unit Owners and their authorized agents during reasonable business hours.

ARTICLE V

Section 1 - Annual Meeting; Election of Governors

On the first anniversary following the incorporation of the Association, the Board of Governors shall call the first annual meeting of the members of the Association. Thereafter, annual meetings shall be held on the anniversary date of such meeting. In each succeeding year, the date of the annual meeting may be changed by proper amendment by the Unit Owners of the Association. Beginning with the fifth annual meeting of the members of the Association, unless the right of the Declarant to appoint members of the Board of Governors shall have previously expired as in Section 5 of Article IV provided, all members of the Board of Governors shall be elected by ballot of the members of the Association in accordance with the provisions of the Unit Owner of the Association. The members of the Association may also transact such other business of the Association as may properly come before them.

Section 2 - Location of Annual Meetings

Meetings of the members of the Association shall be held at the principal office of the Association, or at such other suitable place convenient to the members of the Association as may be designated by the Board of Governors.

Section 3 - Special Meetings

It shall be the duty of the President to call a special meeting of the members of the Association as directed by the Board of Governors or upon delivery to the Clerk of a petition signed by at least one-third (1/3) in interest of the members of the Association.

Section 4 - Notice of Meetings

It shall be the duty of the Clerk to mail or deliver to each Unit Owner of record a notice of each annual and special meeting, stating the purpose(s), date, time and place thereof at least five (5), but not more than ten (10), days prior to such meeting. Mailing or delivery of a notice in the manner provided in these By-Laws shall be considered notice served. Notice of a meeting need not be given to a Unit Owner if a written waiver thereof executed by such Unit Owner or by his duly authorized attorney or agent before, during or after the meeting is filed with the records of the meeting.

Section 5 - Quorum

Except as provided otherwise in the By-Laws of the Association, the presence in person or by proxy of a majority in interest of the members of the Association shall constitute a quorum at all meetings of the members of the Association. If any meeting of the members of the Association cannot be held because a quorum is not presented, a majority in interest of the members of the Association who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less

than forty-eight (48) hours from the time for which the original meeting was called.

Section 6 - Voting

The member(s) of the Association, or some person designated by each such member of the Association to act as proxy on his or their behalf, who need not be a Unit Owner, shall be entitled to cast the vote appurtenant to such Unit at any meeting of the members of the Association, provided the member is not under suspension. The designation of any proxy shall be made in writing to the Clerk and shall be revocable at any time prior to or at the meeting upon written notice to the Clerk by the member(s) so designating. Any and all members of the Association may be present at any meeting of the members of the Association, either in person or in proxy. Each member of the Association, including the Declarant, shall be entitled to cast one (1) vote at all meetings of the members of the Association, which vote shall be weighted by multiplying it by the percentage of beneficial interest appurtenant to the Unit(s) owned by such member of the Association as set forth in the Master Deed; provided, however, that the vote attributable to each Unit must be voted as an entirety and if Owners of a Unit shall be unable to agree on the vote to be cast on any issue, their right to vote on that issue shall be deemed waived. Any Units owned by the Association or Board of Governors on behalf of the Association shall not be entitled to vote and shall be excluded from the total number of Units in the Condominium when computing the proportionate interest of all Unit Owners for voting purposes.

Section 7 - Majority Defined

As used in the By-Laws of the Association, "majority of members of the Association" shall mean any aggregation of members of the Association having more than fifty (50%) percent of the beneficial interest of all members of the Association, present in person or by proxy, as determined in accordance with Section 6 of this Article. The vote of a majority of members of the Association present at a meeting at which a quorum is present will be binding upon all Unit Owners for all purposes, except when a higher percentage vote is required by law, the Master Deed or the By-Laws of the Association.

ARTICLE VI - OFFICERS

Section 1 - Principal Officers of the Association

The principal officers of the Association shall be the President, the Clerk and the Treasurer. The initial officers shall be those designated in the Articles of Organization. Their successors shall be elected by the Board of Governors to serve as such officers. The President and Treasurer shall be members of the Association. The Board of Governors may appoint a Vice President, Assistant Treasurer, Assistant Clerk and such other officers as it deems necessary or appropriate for the conduct of the business of the Condominium and may thereafter remove or replace said appointees at any time at the pleasure of the Board of Governors.

Section 2 - Selection and Removal of Officers

The officers shall be elected annually at the first meeting of the Board of Governors following the annual meeting of members of the Association and shall hold office at the pleasure of the Board of Governors or until their successors are elected and qualified. Upon affirmative vote of a majority of the Board of Governors at a regular or special meeting thereof called for that purpose, any officer may be removed, either with or without cause, and his successor elected.

Section 3 - President

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members of the Association and of the Board of Governors. He shall have all of the general powers and duties incidental to the office of President, including, but not limited to, the power to appoint committees from among the members of the Association from time to time, as he may, in his discretion, decide are appropriate to assist in the conduct of the affairs of the Association.

Section 4 - Clerk

The Clerk shall keep the minutes of all meetings of the members of the Association and of the Board of Governors, shall have charge of such books and papers as the Board of Governors may direct, and shall perform all duties incidental to the office of the Clerk and as described elsewhere in the By-Laws of the Association or the Master Deed.

Section 5 - Treasurer

The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Governors or the Association in such depositories as may from time to time be designated by the Board of Governors and he shall perform all duties incidental to the office of Treasurer. No payment voucher shall be paid unless and until approved by the Treasurer.

Section 6 - Execution of Documents for the Board of
Governors

All agreements, contracts, deeds, leases, checks and other instruments of the Association or the Condominium shall be executed by such officer or officers of the Association or by such other person(s) as may be authorized by the Board of Governors, or as may be otherwise designated herein.

Section 7 - Compensation of Officers

No officer shall receive any compensation from the Association for acting as such, except for reimbursement of necessary and duly incurred documented expenses.

Section 8 - Resignation

Any officer may resign at any time by giving written notice to the Board of Governors, the President or the Clerk. Any such

resignation shall take effect at the date of the receipt of such notice or any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to render it effective.

ARTICLE VII - NOTICES

Section 1 - Notice Procedure

Whenever under the provisions of the Master Deed or the By-Laws of the Association, notice is required to be given to the Association, the Board of Governors or any Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, either by mail, by depositing the same in a post office or letter box in a postpaid, sealed wrapper addressed to the Association, the Board of Governors or such Unit Owner, respectively, at such address as appears on the books of the Association, provided that such mailing is made in the Commonwealth of Massachusetts, or by delivery to said person's address. Notice shall be deemed given if mailed as of the date of mailing, or if otherwise as of the date of delivery.

Section 2 - Waiver of Notice

Whenever any notice is required to be given under the provision of the Master Deed, by law or under the provisions of the By-Laws of the Association, a written waiver thereof, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VIII - OPERATION OF THE CONDOMINIUM

Section 1 - Budget

The Board of Governors shall, from time to time and at least annually, prepare a budget for the Association and, in connection therewith, determine the amount of common expenses of the Association and allocate and assess common expenses among the Unit Owners according to the respective percentages of ownership in the Condominium as set forth in the Master Deed. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be, or which have been, obtained by the Board of Governors, pursuant to the provisions of By-Laws of the Association. "The common expenses shall also include the amounts estimated for the operation care, upkeep and maintenance of the Condominium, including, without limitation, any amount for working capital of the Association, for a general operating reserve, an adequate reserve fund for maintenance, repair and replacement of those portions of the common areas and facilities which must be replaced on a periodic basis and to make up any deficit in the common expenses of any prior year." The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Governors on behalf of all the Unit Owners, of any Unit whose Owner has elected to sell or lease such Unit, or any Unit which is to be sold at foreclosure or other judicial sale, such purchase or lease to be in accordance with the provision of Article XII hereof.

In addition, a working capital fund shall be established for the initial months of the Condominium operation equal to at least

two (2) months' estimated common area charges for each Unit, which fund shall be collected and transferred to the Association at the time of delivery of the first Unit deed of each Unit, and which shall be maintained in a segregated account for the use and benefit of the Association. The purpose of the working capital fund is to insure that there will be cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board of Governors. Amounts paid into the fund shall not be considered advance payment of regular assessments.

The Board of Governors shall advise all Unit Owners promptly in writing of the amount of the common charges payable by each of them, respectively, as determined by the Board of Governors and shall furnish copies of each budget on which such charges are based to all Unit Owners and to their mortgagees. The Declarant will be required to pay common charges in full on any Unit owned by it. A separate statement will be provided each Unit Owner by the Association as to charges due for services provided by it on behalf of the Association including the Unit Owner's share of the charges for services provided to the Condominium.

Section 2 - Payment of Common Charges

All Unit Owners shall pay the common charges assessed by the Board of Governors, pursuant to the provisions of the By-Laws of the Association, monthly in advance.

No Unit Owner shall be liable for the payment of any part of

the common charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him, duly recorded in the Registry of Deeds, including conveyance to the Association.

Each assessment against a Unit shall also be the personal obligation of the Unit Owner at the time the assessment fell due. A purchaser of a Unit shall not be personally liable for the payment of common charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit unless assumed by him or required by applicable law, and a mortgagee or other purchaser of Unit at a foreclosure sale of such Unit shall be subject to, but not personally liable for, a lien for unpaid common charges assessed prior to the foreclosure sale, except as otherwise provided in Paragraph 16 of the Master Deed with respect to first mortgages.

Section 3 - Default

In the event of default by Unit Owner in the payment of common charges, such Unit Owner shall be obligated to pay interest at such rate as may be set by the Board of Governors on such common charges at the time of such default, together with all expenses, including reasonable attorney's fees, incurred by the Board of Governors in collecting the same. Unless and until changed by the Board of Governors, the rate of interest to be paid pursuant hereto to the date thereof shall be 1 1/2% per month. The Board of Governors shall have the right and duty to attempt to recover such common charges together with interest and expenses from Unit Owners who fail to pay such assessment

within thirty (30) days after the due date (or within such shorter period of time as may be determined by the Board of Governors) by action to recover the same including reasonable attorneys' fees, brought against such Unit Owner or by foreclosure of the lien such unpaid charges have become on the Unit(s), or by such other action, including the commencement of legal action, as the Board of Governors may deem reasonably required under the circumstances.

Section 4 - Power to Suspend Rights of Membership

In the event of default by any Unit Owner in the payment of the common charges, or any other amounts owed to the Association, the Board of Governors shall have the power to suspend the Unit Owner's membership rights and privileges in the Association, including the right to serve on the Board of Governors, but such suspension shall remain in effect only until such amounts as are owed are paid.

Section 5 - Foreclosure of Liens

In any action brought by the Board of Governors to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay, in addition to all other charges and assessments, a reasonable rental for the use and occupation of his Unit, if such use continues after the foreclosure, and the plaintiff in such foreclosure action, in addition to all other rights and remedies to which it may be entitled, shall be entitled to the appointment of a receiver to collect the same. The Board of Governors, acting on behalf of

the Association, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, convey, mortgage (but not to vote the beneficial interest appurtenant thereto) and otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing same.

Section 6 - Statement of Unpaid Common Charges and Priority of Lien

The Board of Governors shall promptly provide any Unit Owner requesting same in writing with a written statement executed on behalf of the Association by the President or Treasurer or Clerk of all unpaid common charges due from such Owner executed by the President or the Treasurer or the Clerk signing singly in form suitable for recording, and when recorded with the Registry of Deeds, the same shall operate to discharge the Unit from any other charges not included in such statement then unpaid.

a. To the extent permitted by applicable law, any lien of the Association for common expense assessments or other charges becoming payable on or after the date of recordation of the first mortgage on any Unit shall be subordinate to said mortgage. In addition, any fees, late charges, fines or interest which may be levied by the Association in connection with unpaid assessments shall be subordinate to said mortgage.

b. A lien for common expense assessments shall not be affected by any sale or transfer of a Unit, except that a sale or transfer pursuant to a foreclosure of a first mortgage shall

extinguish a subordinate lien for assessments which became payable prior to such sale or transfer. Any such delinquent assessments which are so extinguished may be reallocated and assessed to all Unit estates as a common expense. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of Unit from liability for , nor the Unit from the lien of, any assessment made thereafter.

Section 7 - Maintenance

a. All maintenance and replacement of and repairs to any Unit, whether structural or non-structural, ordinary or extraordinary, and to the doors and windows, electrical, plumbing, heating , air conditioning, water and sewer facilities and fixtures belonging to a Unit Owner and not part of the common areas and facilities shall be done by the Unit Owner and at the Unit Owner's expense, except as otherwise specifically provided herein; provided that all repair, replacement, painting or decorating of the exterior of any Unit, including but not limited to trim, clapboard, shingles, roofs, brickwork, terraces, patios, garage exteriors, porches, decks and balconies, shall be done by the Association, or its appointee, as a common charge, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the full amount of such expense shall be charged to such Unit Owner in the same manner as a common charge and enforceable in the same manner as a common charge.

b. All maintenance, repair and replacements to the common

areas and facilities shall be done by the Board of Governors, or its appointee, and shall be included as a common expense of the Association, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the full amount of such expense shall be charged to such Unit Owner in the same manner as a common charge and enforceable in the same manner as a common charge.

Section 8 - Restrictions

a. No nuisance shall be allowed in the Condominium, nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful enjoyment of the Condominium.

b. No immoral, improper, offensive or unlawful use shall be made of the Condominium or any part thereof and all laws, zoning by-laws, ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed.

c. Signs - No signs, plaques or communication of any description shall be placed on the exterior of any Unit or any common area or facility by a Unit Owner or his agent.

Section 9 - Improvements or Additions

a. No improvements, additions, alterations or other work which in any way alters the exterior appearance or structure of any Unit from its natural or improved state existing on the date such unit was first conveyed in fee by the Declarant shall be made or done, except as provided in the Master Deed and herein.

b. The Board of Governors may authorize that Units in common ownership be connected for the purpose of single occupancy and that for such purposes cuts be made in common walls or floors; provided, always, that the owner of the Units permitted so to combine them shall do any work in connecting Units at such owners' expense and only in the manner prescribed by the Board of Governors. Any such authorization shall be valid only if in writing signed by a majority of the Board of Governors then in office and shall become void unless the work to connect the Units shall be commenced within six (6) months after the date of authorization and shall be completed within a reasonable time thereafter. At such time as connected Units are no longer to be in common ownership, the owners of such Units shall promptly restore the common walls and/or floors between the Units at their expense and upon failure to do so, the Board of Governors may perform or cause to be performed such work, in which event such Unit Owners shall be personally liable to the Association for the cost of the work which, if not paid when demanded, shall constitute a lien on the Units in question in proportion to their respective common interests. Such lien shall be valid notwithstanding any conveyance of the Units, or any of them, out of common ownership prior to demand or any filing in the Registry of Deeds to enforce the lien.

c. The Board of Governors may authorize that exclusive use of one or more common areas be assigned to one or more Units for such time and on such conditions as the Board of Governors may determine, which conditions may, without limitation, include a

requirement that the Unit Owners so benefitted pay, as additional common expenses, such costs of said common areas as the Board of Governors from time to time may determine. The failure of the Board of Governors granting said exclusive use to require payment of any such costs as a condition of such exclusive use shall not preclude those Board of Governors, or any successive Governors, from imposing reasonable additional common expenses for the exclusive use of said common areas. Unless otherwise provided in writing signed by a majority of the Board of Governors and recorded with the Registry of Deeds, such rights of exclusive use of common areas shall be personal to the Unit Owners to whom granted and shall terminate when such Unit Owners no longer own the units so benefitted.

Section 10 - Cost Allotment of Improvements

a. If fifty (50%) percent or more, but less than seventy-five (75%) percent of the Unit Owners agree to make an improvement to the common areas and facilities or to areas concerning which an easement has been granted to the Association, the cost of such improvement shall be borne by the Unit Owners so agreeing.

b. Seventy-five (75%) percent or more of the Unit Owners may agree to make an improvement to the common areas and facilities or to areas concerning which an easement has been granted to the Association and assess the cost thereof as a common expense, but if such improvement shall cost in excess of ten (10%) percent of the then total value of the Condominium, any Unit Owner not so agreeing may apply to a Superior Court within

the jurisdictional boundaries in which the Condominium is situated, on such notice to the Board of Governors as the court shall direct, for an order directing the purchase of his Unit(s) by the Association at fair market value thereof as approved by the Court. The cost of any such purchase shall be a common expense.

c. All improvements undertaken pursuant to this section shall be subject to the prior written approval of the Board of Governors.

Section 11 - Right of Access

A Unit Owner shall grant a right of access to his Unit(s) to the Association and/or any other person authorized by the Board of Governors for the purpose of making inspections or for the purpose of correcting any conditions originating in his Unit and threatening another Unit or a common area or facility, or for the purpose of performing installations, alterations or repairs to the parts of the Condominium over which said person(s) has (have) control and/or responsibility for maintenance. Requests for such access must be made in advance and entry must be at a time reasonably convenient to the Unit Owner. In an emergency, such right of entry shall be immediate, whether the Unit Owner has been given notice and whether he is present or not.

Section 12 - Rules and Regulations of the Association

The use of the Units and the common areas and facilities in the Condominium shall be subject to Rules and Regulations from time to time adopted by the Board of Governors. Such Rules and Regulations shall be designated the Condominium Rules and

Regulations and copies of such Rules and Regulations shall be made available to each Unit Owner prior to their effective date.

Section 13 - Right of Action

The Board of Governors, on behalf of the Association and any aggrieved Unit Owner, shall have an appropriate right of action against Unit Owners for failure to comply with the provisions of the Master Deed, the By-Laws and the Rules and Regulations of the Association. Unit Owners shall have similar rights of action against the Board of Governors.

Section 14 - Ingress and Egress of Unit Owners

There shall be no restrictions upon any Unit Owner's right of ingress or egress to his or her Unit, which right shall be perpetual and appurtenant to the Unit Ownership.

ARTICLE IX - INSURANCE

Section 1 - Minimum Coverage - Association

The Association shall obtain and maintain, to the extent available, the following:

a. A master policy covering all of the common elements (except land, foundation, excavation and other items normally excluded from coverage), including fixtures and building service equipment to the extent that they are part of the common elements of the Condominium, as well as common personal property and supplies and other common personal property belonging to the Association; the master policy shall also include any fixtures, equipment or other property within the Units which are customarily considered part of a Unit for mortgage purposes

(regardless of whether such property is a part of the common elements).

The master policy shall afford protection at least against the following:

- (i) loss or damage by fire and other perils covered by the standard extended coverage endorsement;
- (ii) all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement.

The policy shall be in an amount equal to one hundred (100%) percent of current replacement cost of the Condominium, exclusive of land, foundation, excavation and other items normally excluded from coverage and shall include Agreed Amount and Inflation Guard Endorsements if obtainable, and construction code endorsements, if there is a construction code provision that requires changes to undamaged portions of the buildings even where only part of the Condominium is destroyed by an insured hazard.

The named insured shall be the Association "for the use and benefit of the individual Owners" and each First Mortgagee, its successors and assigns, shall be named in the standard mortgage clause for each Unit on which there is such a mortgage.

The policy shall contain a clause which provides that it may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

In addition to the foregoing, the policy shall provide for the following:

- (i) recognition of any Insurance Trust Agreement (if any there be);
- (ii) a waiver of the right of subrogation against any Unit Owner individually;
- (iii) the insurance shall not be prejudiced by any acts of omissions of individual Unit Owner that are not in control of the Association; and
- (iv) a "Special Condominium Endorsement" providing that the policy is primary in the event the Unit Owner has other insurance covering the same loss.

b. Liability insurance for comprehensive general liability insurance coverage covering all common areas, public ways of the Condominium and any other areas that are under the supervision of the Association. Such coverage shall be for not less the \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence and shall include, without limitation, legal liability of the insureds for property, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common areas, and legal liability arising out of lawsuits related to employment contracts of the Association, and shall provide further that such policy or policies may not be cancelled or substantially modified by any party without at least ten (10) days' prior written notice to the Association and to the First Mortgagees which are listed as scheduled holders of first mortgages in the insurance policy.

c. Fidelity bonds in blanket form for all officers,

directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association whether or not they receive compensation for their services. The total amount of fidelity bond coverage shall not be less than the estimated maximum funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of such bond, and, in any event, the aggregate amount shall not be less than a sum equal to three (3) months' aggregate assessments on all Units plus reserve funds, or one and one-half times the insured's estimated annual operating expense and reserves, whichever is greater.

- (i) The fidelity bonds shall name the Association as an obligee;
- (ii) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expression; and
- (iii) The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association and to the First Mortgagees which are listed as scheduled holders of first mortgages in the insurance policy.

d. Such supplemental or other insurance, with such coverage and on such terms as from time to time may be required by the Federal National Mortgage Association and Federal Home Loan

Mortgage Corporation or either of them.

ARTICLE X - DAMAGE TO OR DESTRUCTION OR PROPERTY

Section 1 - Duty to Repair or Restore

Any portion of the Condominium, including the buildings erected within the Condominium, damaged or destroyed shall be repaired or restored promptly by the Association, as provided in the Article, subject to the provisions of Chapter 183A, Section 17, of the General Laws of Massachusetts as the same may be amended from time to time.

Section 2 - Estimate of Cost

Promptly after damage to or destruction of some portion of the Condominium and thereafter as often as it deems advisable, the Board of Governors shall obtain reliable and detailed estimates of the cost of repair or restoration. If such cost, in the opinion of the Board of Governors, may exceed \$5,000.00, the Board of Governors may retain the services of an architect or engineer or construction consultant to assist in the determination of such estimates and in the supervision of repair and restoration.

Section 3 - Collection of Construction Funds

Construction funds may consist of insurance proceeds, condemnation awards, proceeds of assessments against Unit Owners, payments of Unit Owners for damage to or destruction of improvements and other funds received on account of or arising out of injury or damage to the Condominium.

a. Insurance Proceeds - The Board of Governors shall adjust losses under physical damage insurance policies of the Association. Insurance proceeds from losses in excess of \$25,000.00 shall be payable to the insurance trustee as hereinafter defined.

b. Assessments Against Owners - If the insurance proceeds are insufficient to effect the necessary repair or restoration of the common areas and facilities, such deficiency shall be charged against all Unit Owners as common expense. The proceeds of assessments for such common expenses shall be paid by the Board of Governors directly to the vendor making the repairs or restoration if the loss is less than \$25,000.00.

c. Payments by Owners - Payments received from Unit Owners, pursuant to Section 5.a.2. of this Article, shall be paid by the Board of Governors to the insurance trustee, if the loss is in excess of \$25,000.00, otherwise by the Board of Governors directly to the vendor making the repairs.

d. Payments by Others - Any other funds received on account of or arising out of injury or damage to the Condominium shall be paid by the Board of Governors to the insurance trustee, if the loss is in excess of \$25,000.00, otherwise the funds shall be administered directly by the Board of Governors.

Section 4 - Plans and Specifications

Any repair or restoration must either be

(a) substantially in accordance with the architectural and engineering plans and specifications for the original buildings

and shall also include such improvements and fixtures as may have been installed by any particular Unit Owner and as to which payment for such repair or reconstruction is forthcoming, subject to such changes and modifications as may be required by the Building Code; or

(b) in accordance with plans and specifications approved by the Board of Governors and by a majority in beneficial interest of the Unit Owners and the holders of first mortgages encumbering fifty-one (51%) percent of the Units subject to mortgages, which approvals shall not be unreasonably withheld.

Section 5 - Units

Damage or destruction of improvements situated within a Unit shall be repaired or restored, except after a determination not to repair or restore pursuant to Section 6.e of this Article as follows:

a. Construction Funds

1. To the extent that such damage or destruction is covered by insurance of the Association, the proceed of such insurance or award shall be made available for the repair or restoration of the Unit.

2. To the extent that such damage or destruction is not covered by insurance of the Association, such Unit Owner shall be responsible for the cost of repair and restoration.

3. If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of a Unit Owner, then the Unit Owner shall be responsible for the cost of reconstruction and repair after casualty, unless such damage

is specifically covered by the insurance purchased by the Association, in which event, the Association shall be responsible for said costs,

b. Performance of Work and Payment

If there is damage to or destruction of all or part of the Condominium and the combined damage or destruction to the common areas and facilities and all affected property which the Association is responsible to insure exceeds \$5,000.00, the repair or restoration of the property shall be effected by the Association to the extent that construction funds as described in Subsection a.1. of this Section are available and to the extent that the Unit Owners make payment as hereafter provided. Each Unit Owner shall pay to the Board of Governors such sum as is necessary, according to the estimate of cost described in Section 2 of this Article, to cover any part of the cost of repair or restoration which is not covered by insurance of the Association or by a condemnation award not specifically allocated to the Unit Owner.

Section 6 - Disbursements of Construction Funds

The insurance trustee shall deduct from the construction funds its actual costs, expenses and a reasonable fee for the performance of its duties and shall disburse the balance in the following manner:

a. Damage or destruction not exceeding \$25,000.00

Such proceeds are not payable to nor under the control of the insurance trustee, but shall be administered by the Board of

Governors.

b. Payment for Repair and Restoration

The insurance trustee shall apply such balance to pay directly and to reimburse the Association for the payment of the costs of repair or restoration of such Units and common areas and facilities, including the cost of temporary repairs for the protection of such Units and common areas and facilities pending the completion of permanent repairs and restoration, upon written request of the Association, in accordance with Section 7.a of this Article, in proportion to the amounts of each. All portion of such payments by Unit Owners not expended as herein provided shall be refunded to the Unit Owners and the mortgagees of the Units as their interests may appear.

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

d. Surplus Funds

If, after payment of all repairs and restoration and the refund of any excess payments by Unit Owners, pursuant to Subsection c. of this Section, there remains any surplus funds,

such funds shall be paid to the Unit Owners in proportion to their contributions resulting from assessments levied against them, pursuant to Section 3.c. of this Article; provided, however, that no Unit Owner shall receive a sum greater than that actually contributed by him. Any surplus remaining after such payments shall be paid to the Association and shall be part of its general income.

e. Determination Not to Repair or Restore

Subject to the provisions of Chapter 183A, Section 17, of the General Laws of Massachusetts, if there is destruction of the Condominium exceeding ten (10%) percent of its value prior to the casualty and Seventy-Five (75%) Percent in interest of the Unit Owners do not agree to proceed with repair or restoration within 120 days after the date of casualty, any balance of construction funds, after the refund of any payments by Unit Owners, pursuant to Subsections c. and d. of this Section, shall be disbursed in accordance with the proportion of beneficial interest appurtenant to the Unit(s) owned by each Unit Owner bears to the total percentage of beneficial interest held by Unit Owners in the Condominium, excepting for those Units owned by the Association. In the event of dispute as to the percentage of destruction, or the allocation of disbursements hereunder, the same shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

Section 7 - Certificates

The insurance trustee may rely on the following

certification:

a. By the Board of Governors - The Board of Governors shall certify to the insurance trustee, in writing, as to the following matters:

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

2. Whether or not, in the opinion of the Board of Governors, the cost of repair or restoration may exceed \$25,000.00;

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

b. By Attorneys - The Board of Governors shall furnish the insurance trustee, in the event that any payments are to be made to a Unit Owner or Mortgagee(s), with an Attorney's Certificate of Title based upon a search of the land records from the date of the recording of the original Master Deed, stating the name of the Unit Owner and the mortgagees.

**Section 8 - Insurance Trustee to Administer Insurance
Proceeds in the Event of Loss**

The Board of Governors shall enter into and keep in force a Trust Agreement with a bank in the Commonwealth of Massachusetts with trust powers to receive, administer and disburse funds, provided losses are in excess of \$25,000.00 in each instance, pursuant to this Article. Such Trust Agreement shall incorporate the Master Deed and the By-Laws of the Association by reference and shall provide that, upon termination thereof, all

monies or funds held by the insurance trustee shall be turned over only to a successor insurance trustee which shall also be a bank in the Commonwealth of Massachusetts with trust powers designated Insurance Trustee, pursuant to this Article. No amendment of the Master Deed or the By-Laws of Association shall be binding on the insurance trustee until the insurance trustee receives notice of such amendment. No Insurance Trust need be entered into in advance of a loss to be covered by such Trust.

ARTICLE XI - MORTGAGES

Section 1 - Notice to the Board of Governors

A Unit Owner who mortgages his Unit shall notify the Board of Governors of the name and address of the mortgagee, and such notice may be given by the mortgagee. The Board of Governors shall maintain a current list of such information and a mortgagee shall remain on such list until the Board of Governors receives written notice from such mortgagee to the contrary or a copy of discharge by the mortgagee.

Section 2 - Listed Mortgagee

As used in these By-Laws, "listed mortgagee" shall mean a lender holding a first mortgage of record on a Unit of which the Unit Owner or mortgagee affected has given the notice required in Section 1 of this Article. Such mortgagee shall remain a listed mortgagee until the Board of Governors receives written notice from the mortgagee of withdrawal of the listing or the mortgage is discharged of record.

Section 3 - Unpaid Common Expenses

The Board of Governors, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid common charges due from, or any violation of the provisions of the Master Deed or these By-Laws by the Unit Owner of the mortgaged Unit which has not been cured within sixty (60) days.

Section 4 - Notice of Default

The Board of Governors, when giving notice to a Unit Owner of default for nonpayment of common expenses or any other default or violation, shall send a copy of such notice to each mortgagee of the Unit whose name and address has theretofore been furnished to the Board of Governors.

Section 5 - Examination of Books

Each mortgagee of a Unit shall be permitted to examine the books, accounts and records of the Association at reasonable times on business days.

Section 6 - Notice of Loss

The Board of Governors shall give each first mortgagee of which they shall have a record, pursuant to Section 1 of this Article, notice whenever there is (a) damage to a mortgaged Unit in excess of \$1,000.00 (notice to the mortgagee of the damaged Unit) or (b) damage to common areas and facilities in excess of \$10,000.00 (notice to all mortgagees).

ARTICLE X11 - SALE OF UNITS

Section 1 - Appurtenant Interest

No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit, without including therein the appurtenant interest. For the purposes of this Section, "appurtenant interest" shall include, in addition to those appurtenances described in the Master Deed, and those in the By-Laws of the Association, the following:

- a. such Unit Owner's undivided interest in the common areas and facilities and the rights in areas concerning which easements have been conveyed to the Association;
- b. membership in the Association;
- c. the interest of such Unit Owner in any Unit(s) theretofore acquired by the Association, or the proceeds of the sale or lease thereof, if any; and
- d. the interest of such Unit Owner in any other assets of the Association.

Any deed, mortgage or other instrument purporting to affect a Unit shall be deemed and taken to include the appurtenant interest, whether or not such interests are specifically included therein. No part of the appurtenant interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of such part of the appurtenant interest of all Units in the Condominium.

Section 2 - Waiver of Rights of Partition

In the event that a Unit shall be acquired by the

Association, the Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

ARTICLE XIII - AMENDMENTS TO THE BY-LAWS OF THE ASSOCIATION

The By-Laws of the Association may be modified or amended by the affirmative vote of sixty-seven (67%) percent (or any larger percentage, if such modification or amendment affects a provision requiring a larger percentage) in beneficial interest of all members of the Association, present in person or by proxy at a meeting of such members of the Association duly called and held for such purpose.

ARTICLE XII - CONFLICTS

In case any of the By-Laws of the Association are in conflict with the provisions of any statute, the Articles of the Association or the Master Deed, the provisions of said statute, Articles of the Association or Master Deed, as the case may be, shall control.

ARTICLE XV - MISCELLANEOUS

Section 1 - Invalidity

The invalidity of any part of the By-Laws of the Association shall not impair or affect in any manner the validity, enforceability or effect of the balance of the By-Laws of the Association.

Section 2 - Captions

The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the By-Laws of the Association or the intent of any provisions thereof.

Section 3 - Waiver

No restriction, condition, obligation or provision contained in the By-Laws of the Association shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which occur.

Duly adopted by the Spruce Pond Village Association, Inc.,
this *22nd* day of October, 1986

Clerk

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