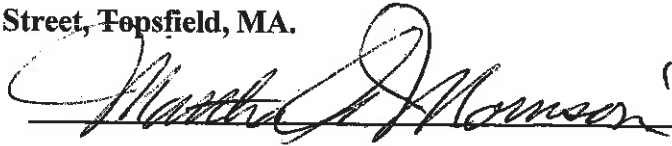
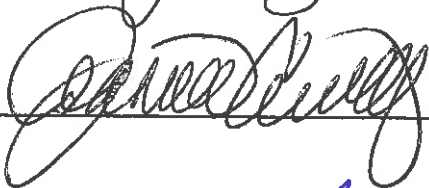


The Topsfield Planning Board approves the below condominium by-laws pursuant to Section 3.16 of the Topsfield Zoning By-Law and the elderly housing special permit issued on April 18, 2017, as to 470 Boston Street, Topsfield, MA.

Date: April 18, 2017.











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BY-LAWS OF

ROLLING GREEN CONDOMINIUM ASSOCIATION, INC.

These By-laws relate to Rolling Green Condominium Association, Inc. ("Association"). The Association is a corporation organized under M.G. Laws Chapter 180.

ARTICLE I – TERMS

For all purposes of these By-Laws, terms used in these By-Laws shall have the same meanings as stated in Article XVI of these By-Laws. Otherwise, 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. Otherwise, terms and expressions used herein which are defined in the Rolling Green Condominium Master Deed shall have the same meaning unless the context indicates otherwise.

ARTICLE II – GENERAL

Section 1 - The Condominium

The Condominium is known as "Rolling Green Condominium" and is located on a parcel of land situated in Topsfield, Massachusetts, more particularly described in the Master Deed recorded with the Registry, which land is shown as _____ on the plans entitled, "entitled *"Phase 1, Rolling Green Condominium Site Plan; 470 Boston Street, Topsfield, MA; Land Surveyors; Scale: 1" = _____'; _____, 2017"*, recorded at the Registry herewith. There are also other plans filed now or as may be filed in the future with the Master Deed, being collectively called the "Condominium Plans". Additional plans shall be filed as additional buildings and units are added.

Section 2 - The Association

The Association has been organized to perform the functions set forth in Section 10 of said Chapter 183A and described in the By-Laws, except for those to be performed by others as set forth in the By-Laws or the Master Deed. The Association is charged with the duties and has the power prescribed by law and set forth in the Master Deed, the Articles and the By-Laws, as they may be amended from time to time. Neither the Articles nor the By-Laws 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 Rolling Green Condominium, and used by them to manage and regulate the Condominium. Each Unit Owner, upon becoming 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, the By-Laws and the Rules and Regulations as the foregoing may be adopted or amended by the Association or by the Board, 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, except in the instance of suspension of membership as provided hereunder. 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 are applicable to the Condominium and to the ownership and use and occupancy thereof. The provisions of the By-Laws 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, the Rules and Regulations, 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 and ratified and the Unit Owner shall be complied with such documents, restrictions and conditions. During the Declarant's Control Period, the rights of the Declarant shall not be changed without the consent of the Declarant.

Section 5 - Office of the Association

The office of the Association and of the Board 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 and of which the Unit Owners and listed mortgagees have been given written notice.

Section 6 - Certificates of Membership

The Board 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-Secretary.

Section 7 - Documents Available for Review

Copies of the By-Laws, the Articles, the Rules and Regulations 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 agent during reasonable hours. All documents required to be made available by the FNMA Selling Guidelines shall be made available in accordance with said Guidelines. The Master Deed, these bylaws and amendments thereto are available on line at the website of the Essex South District Registry of Deeds at <http://saalemdeeds.com/saalemdeeds/Default2.aspx> and copies can be printed from that website.

Section 8 – Termination

The Unit Owners may remove the Condominium from the provisions of Chapter 183A of the General Laws of Massachusetts and the Master Deed by the procedure set forth in the appropriate section of said Chapter 183A, as may be amended from time to time. Notwithstanding the foregoing, action under this Section 8 shall require the participation of mortgagees as required by the FNMA Selling Guidelines, and the consent of the Declarant during the Declarant's Control Period.

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 bar the subsequent resubmission of the property to the provisions of Chapter 183A of the General Laws of Massachusetts.

ARTICLE 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. As long as there are unsold units owned by the Declarant that have been added to the condominium by amendment to the master deed, the Declarant enjoys the same rights and assumes the same duties as every unit owner as to those units, including a requisite percentage of the beneficial interest in the Association in regards to each unsold unit.

ARTICLE IV – BOARD

Section 1 – Constitution

After the expiration of the Declarant's Control Period, the number of Directors which shall constitute the whole Board shall be at least three (3) and no more than five (5), as provided in the Master Deed. Until succeeded by the Directors elected by the members, the initial Directors

need not be Unit Owners. Upon the expiration of the Declarant's Control Period, the Directors elected by the members of the Association shall be Unit Owners. The terms of office of the successor Directors shall be two years, except that at the first election of successor Directors, the two Directors elected with the greatest number of votes shall serve for a term of two years and the other Director or Directors elected with lesser numbers of votes shall serve a term of one year. Succeeding Directors shall be elected annually to fill the vacancy created by the expiration of any of the successor Director's terms of office. Except as provided in the Articles or these By-Laws with respect to the first Board (including successors appointed by the Declarant), the terms of Directors shall be two years. In any event, however, each Director 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 Director. 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 Director.

Section 2 – Election

Subject to the provisions of the By-Laws concerning the first Board (or any vacancy on such first Board), at each annual meeting of the Association or at a special meeting called for this express purpose, the members shall elect Directors to fill such vacancies as may exist on the Board. There shall be no cumulative voting. The candidate receiving the highest number of votes for each vacancy shall be deemed elected.

Section 3 – Resignation

Any Director may resign at any time by giving written notice to the President or to the Clerk-Secretary 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

The Board 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 By-Laws, 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 shall include, but shall not be limited to the following:

- a. Providing for the operation, care, upkeep, and maintenance of the buildings, common areas and Facilities and appurtenant structures as provided in the Master Deed or herein.
- b. Determining the common expenses of the Condominium, including, subject to the limitation imposed by the Association or by the restrictions contained in the Master Deed, the operation and maintenance of the buildings, other property and Facilities, and the

allocation of income and expenses. Notwithstanding the foregoing, no increase in assessments, which raise the proposed or new assessment by more than twenty-five (25%) percent above the amount of the previous assessment shall occur unless in compliance with the vote requirement in Article XIII hereinbelow.

- c. Determining and collecting the common charges from the Owners, including the right to enforce these collections by methods described elsewhere in the By-Laws.
- d. Determining and collecting the common charges associated with the use and maintenance of the Sewage Facilities from the Owners.
- e. Appointing a person to be a liaison with the Town of Topsfield Board of Health concerning matters related to the Condominium.
- f. Submitting such sewerage disposal reports, meter readings, results of monitoring of any upgradient and downgradient wells, for the purpose of detecting nitrates in the groundwater to the appropriate governmental authority as is required by law or the conditions of governmental approval.
- g. Ensuring that that certain portions of the common area are maintained as Open Space, as defined in the Master Deed and as controlled by restrictions and open space covenants of record at the Registry, if any, and in accordance with any management plan.
- h. Opening and dealing with bank accounts on behalf of the Association, including an account for funds for the performance of its duties including depositing fees and assessments and disbursing funds for costs, expenses, allowed activities and the maintenance, repair, or replacements and designating signatories required therefore.
- i. Leasing, managing and otherwise dealing with such Facilities as may be provided for as common areas and Facilities, including without thereby limiting the generality of the foregoing, the right to engage a professional management company; the right to enter into contracts and make purchases of equipment and supplies necessary or required for the maintenance of the Facilities; 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. Any management contract shall contain a right of termination, exercisable at any time without cause and without penalty, upon not less than ninety (90) days advance written notice to the other party.
- j. Entering into a contract (with a term of at least two (2) years) for the maintenance and pumping of the Sewage Facilities, including any septic tanks.
- k. Owning, conveying, encumbering, leasing, and otherwise dealing with Units conveyed to it or purchased by it or by the Association as a result of enforcement of a lien for common expenses or otherwise.
- l. Obtaining insurance for the buildings, other common areas and Facilities and for Units as provided elsewhere in the By-Laws and to obtain all other policies of insurance required or provided by these By-Laws and such other insurance as may be required by law or as

the Association may from time to time determine. Insurance shall be maintained as required by FNMA Selling Guidelines.

- m. Making repairs, additions, improvements to or alterations of the buildings, other common areas and Facilities in accordance with the other provisions of the By-Laws and as described in the Master Deed.
- n. Enforcing obligations to be performed or observed by the Unit Owners imposed in the Master Deed, the By-Laws and the Rules and Regulations promulgated pursuant thereto, including without limiting the generality of the foregoing, legal action to collect payment of common area expenses assessed, and fines levied, if any.
- o. Adopting rules and regulations relating to the use, upkeep, preservation of the Condominium; including, but not limited to: (i) restrictions on the use of the Sewage Facilities and the setting of user fees for the same; (ii) restrictions on the use of Drainage Facilities; (iii) the right to establish the architectural and design standards for alteration, renovation or modifications of any Unit or EUA as requested by the Unit Owner; (iv) establishing a method to prove and re-verify from time to time that the occupancy of each unit complies with the requirement that at least one owner of and resident in the unit must be over the age of 55 years old.
- p. Promulgating and collecting fines for violation of the Rules and Regulations, which fines shall be paid to the Association.
- q. Designating and setting aside portions of the common areas and Facilities under their control (i) for the Sewage Facilities and related appurtenances; (ii) for the Drainage Facilities and related appurtenances; and (iii) for any other purpose which the Board, in its discretion, deems to be consistent with governmental requirement or in the best interests of the Condominium as a whole, including but not limited to imposing or granting conservation restrictions, but not in a manner so as to adversely impact the Declarant's reserved right to add additional phases and Units.
- r. Electing whether to purchase on behalf of the Association any Unit in the Condominium at a foreclosure sale as hereinafter provided; however, that any such purchase by the Association shall have the prior approval of seventy-five (75%) percent of the Unit Owners, excluding the Unit in question and electing and to purchase, or otherwise acquire title to or an interest in, sell, lease, mortgage and otherwise manage, hold, use, encumber and dispose of any property, real or personal, tangible or intangible, in the course of their administration and management of the Condominium; provided that except in the event of condemnation or substantial loss to the Units and/or the Common Areas and Facilities subject to. the provisions hereof, and except in connection with the rights reserved by the Declarant pursuant to the Master Deed, the Association may not by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any part or all of the common areas and Facilities, other than by the granting of utility rights and easements and/or rights and easements for other public purposes consistent with the

intended use of the common areas and Facilities, without the prior authorization of Unit Owners holding at least 75% of the total voting power of the Unit Owners hereunder.

- s. Entering into agreements with the Town of Topsfield or any board or commission thereof, and to execute, acknowledge and record such instruments and plans as the Association deem necessary or desirable for such purpose(s).
- t. Exercising such additional powers and duties specifically conferred upon them by The Act, the Master Deed and these By-Laws, and all other powers and duties necessary for the administration of the affairs of the Condominium (except as otherwise provided by law, the Master Deed or these By-Laws).
- u. Doing all things necessary to operate, maintain, repair, improve, replace, alter and otherwise administer and care for the common areas and Facilities and, to the extent provided in the Master Deed and these By-Laws, maintain, repair and care for the Units.
- v. Obtaining any legal, architectural, accounting, administrative and other services deemed advisable by the Association, including the services of a manager and any other personnel, to whom the Association, except to the extent limited by The Act and these By-Laws, may delegate certain of their powers and duties. The Association shall be entitled to rely upon the advice and counsel of attorneys, architects, accountants and other advisors hired by them and shall be protected in so doing.
- w. Causing to be kept a complete record of all their acts and the affairs of the Association and to present a statement thereof to the Unit Owners at the annual meeting of the Unit Owners.
- x. Borrowing or in any other manner raise such sum or sums of money or other property as they shall deem advisable in any manner and on any terms, and to evidence the same by notes, bonds, securities or other evidence of indebtedness, which may mature at a time or times, and subject to any limitations imposed by law, the Master Deed or these By-Laws, to execute and deliver any mortgage, pledge or other instrument to secure any such borrowing; provided, however, that the Association shall have no authority to bind the Unit Owners personally. Records shall be kept and provided in accordance with the Master Deed and FNMA Selling Guidelines.
- y. Establishing committees from among the Unit Owners, define their powers and duties and appoint and remove their members.
- z. Granting permits, licenses, easements and other rights with respect to the common areas and Facilities (a) for utilities and roads to be installed in, upon, under and over the common areas and Facilities and (b) for such other purposes as the Association may deem reasonable or necessary to the proper operation or maintenance of the Condominium; and to enter into such agreements and undertakings as shall be necessary therefor.
- aa. Approving the location and relocation of easements and rights for utilities and roads which have been installed in, upon, under or over the Common Areas and Facilities and

- to execute, acknowledge and record such instruments and plans identifying such easements as the Association deem necessary or desirable.
- bb. Conducting litigation, levy fines and to be subject to suit as to any course of action involving the common areas and Facilities or arising out of the enforcement of the Master Deed, the By-Laws or the Rules and Regulations. See the conditions contained in section hh below.
 - cc. Signing, sealing, acknowledging, delivering and recording in any one or more public offices or places of recording all such instruments and documents as the Association shall deem necessary or desirable in the exercise of their powers and the discharge of their duties.
 - dd. Establishing and maintaining an adequate reserve account or accounts to provide for payment of the costs of periodic repair and replacement of the common areas and Facilities including, but limited to, the septic systems.
 - ee. Establishing rules and procedures and enforcing provisions in the Master Deed of the Condominium relative to age-restrictions as to occupancy of unit and assuring that there is compliance with provisions of law, the Master Deed and such rules and procedures regarding age-restriction.
 - ff. Represent the unit owners in any and all proceedings, arbitration, negotiations, settlements and agreements regarding the condemnation, destruction, liquidation, termination, rebuilding and restoration of the Condominium, or any portion of thereof.
 - gg. Perform periodic inspections and testing of systems, file any required reports as to the systems and make repairs as to systems, such as the subsurface waste disposal system and sprinkler system.
 - hh. Notwithstanding any provision of the Master Deed or these Bylaws of the Rules and Regulations or any other documentation to the contrary, neither the Directors acting in their capacity on behalf of the Association or acting as representatives of the Unit Owners, nor the Association or its members by derivative action, nor any class of Unit Owners shall bring any litigation (except for the collection of overdue condominium fees) whatsoever unless a copy of the proposed complaint in such litigation has been delivered to all of the Unit Owners, and not less than eighty percent (80%) of all Unit Owners consent in writing to the bringing of such litigation within sixty (60) days after a copy of such complaint has been delivered to the Unit Owners and specifying as part of the written consent a specific monetary limitation to be paid as legal fees and costs and expenses to be incurred therewith, which amount shall be separately assessed as a special assessment effective forthwith at the time of such affirmative consent. Notwithstanding any provision of the Master Deed, or the Association or these Bylaws or the Rules and Regulations to the contrary, the provisions of this paragraph hh shall not be amended except by a specific vote of at least eighty percent (80%) of the Unit Owners. The provisions of this paragraph hh shall not apply to litigation by the Directors or the Association against Unit Owners with respect to the recovery of overdue Common

Expenses or special assessments, or to foreclose the lien provided by Section 6 of the Act, or to enforce any of the provisions of the Master Deed, these Bylaws or Rules and Regulations thereto, or the Unit deed, against Unit Owners, as such.

- ii. Granting permits, licenses and easements over the common area and facilities for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.
- jj. Adhering to and enforcing the Local Preference Plan.

The condominium association shall be responsible for the maintenance and repair of the ways serving the site, the storm water management systems, the detention ponds, the sewerage systems, and other common amenities and services.

Each Unit shall have an operational fire suppression sprinkler system conforming to the standards of NFPA 13D. The condominium association be responsible for the maintenance and repair of the fire suppression sprinkler systems.

Section 5 - The First Board and Subsequent Boards

The first Board and their successors shall be appointed by the Declarant, including such successors in the event of vacancy, and shall consist of between one (1) and three (3) members who shall serve during the Declarant's Control Period. The Director(s) designated by the Declarant may be a limited liability company. At the termination of the Declarant's Control Period, all members of the Board shall be elected by the members of the Association to fill vacancies the Board and/or vacancies created by expiration of a term and all such successors thereafter to the Board shall be Unit Owners and members of the Association. Any Director elected to fill a vacancy in the Board otherwise created shall be elected to fill the unexpired term.

Notwithstanding anything to the contrary in these By-Laws contained, those Directors appointed or selected by the Declarant as aforesaid shall resign no later than seven (7) years after conveyance of the first Unit, unless a majority of the Unit Owners vote to have the Declarant's Director(s) continue in office and the Director(s) agree to do so.

The purpose of the foregoing provision is to require 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, 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 Director may resign at any time by instrument in writing signed and duly acknowledged by that Director in the manner required in Massachusetts for the acknowledgment 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 its choice, the Declarant may remove any Director with or without cause and appoint a successor, and after the expiration of the Declarant's right to designate, any Director 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 Secretary of State a certificate of officers signed by the Clerk-Secretary or Assistant Clerk-Secretary of the Association.

Section 7 - Vacancies in the Board

Vacancies in the Board, other than the original Board, caused by any reason other than the removal of a Director under Section 6 of this Article, shall be filled by vote of a majority of the remaining Directors at a special meeting of the Board held for that purpose, which meeting shall be held promptly after the occurrence of any such vacancy, even though the remaining Directors present at such meeting may constitute less than a quorum, and each person so elected shall be a Director 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 Director 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 shall be filled by appointment by the Declarant. Except for members of the Board, or their successors, appointed by the Declarant, no Director 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 Meeting Following First Annual Meeting

Within ten (10) days after the first annual meeting of members of the Association, there shall be a meeting of the Board at such time and place as shall be fixed by the Unit Owners at such meeting and no notice shall be necessary to the Directors in order legally to constitute such meeting, provided majority of the whole Board shall be present thereat.

Section 9 - Regular Meetings

Regular meeting of the Board may be held at such time and place as shall be determined from time to time by a majority of the members of the Board. Notice by first class mail, electronic notification or home delivery of regular meetings shall be given to each Director at least three (3) days prior to the day named for such meeting.

Section 10 - Special Meetings

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

Section 11 - Waiver of Notice of Meetings

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

Section 12 – Quorum

At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business and the vote of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board, 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 shall maintain a fidelity bond or insurance coverage against dishonest acts on the part of the Directors, employees or volunteers responsible for handling funds belonging to or administered by the Condominium Association of Unit Owners as hereafter provided. The premium for such bonds shall constitute a common expense.

Section 14 - Compensation of the Board

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

Section 15 - Directors Not Liable

The Directors 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 against personal contractual liability to others arising out of contracts made

by the Board 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. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association. The first Board 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 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 out of the aforesaid indemnity shall be limited to such proportion of the total liability thereunder as the percentage interest appurtenant to the Units owned by him bears to the total percentage of beneficial interests held by all of the Unit Owners in the Condominium, except for those Units owned by the Association. Every agreement made by the Board, its agents or appointees on behalf of the Association, shall provide that the members of the Board 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 percentage of beneficial interest held by Unit Owners in the Condominium, exclusive of Units owned by the Association.

Section 16 – Records

The Board shall cause to be kept detailed records of the actions of the Board and of the Association, including, but not limited to, minutes of the meeting 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 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 sent promptly to each Unit Owner. The cost of the aforesaid annual report shall be a common expense. In addition, 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, holders of mortgages on Units, and their authorized agents during reasonable business hours.

ARTICLE V - MEETINGS OF MEMBERS OF THE ASSOCIATION

Section 1 - Annual Meetings; Election of Directors

On the second anniversary following the sale and conveyance of the first unit, the Board 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 to the By-Laws. Beginning with the fifth annual meeting of the members of the Association, unless the right of the Declarant to appoint members of the Board shall have previously expired as in Section 5 of Article IV provided, all members of the Board shall be elected by ballot of the members of the Association in accordance with the provisions of the By-Laws. 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 within the Town of Topsfield, Massachusetts.

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 or upon delivery to the Clerk-Secretary 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-Secretary 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 no 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. Notice of each annual meeting and special meeting of the Members shall also be given to Eligible Mortgage Holders. Further, Notice shall also be given to Eligible Mortgage Holders of any condemnation or casualty that affects a material portion of the Condominium or the unit securing its mortgage, any sixty (60) day delinquency in the payment of assessments owed by the unit owner of any unit on which it holds the mortgage, a lapse, cancellation or material modification of any insurance policy maintained by the Association and or any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

Section 5 – Quorum

Except as provided otherwise in the By-Laws, 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-Secretary and shall be revocable at any time prior to or at the meeting upon written notice to the Clerk-Secretary 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 by 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 weighed by multiplying it by the beneficial interest percentage 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 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. If a member is under suspension, an Eligible Mortgage Holder of that Unit, if any, shall be entitled to cast the vote appurtenant to such Unit.

Section 7 - Majority Defined

As used in the By-Laws, “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 shall 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.

ARTICLE VI – OFFICERS

Section 1 - Principal Officers of the Association

The principal officers of the Association shall be the President, the Clerk-Secretary and the Treasurer. The initial officers shall be those designated in the Articles. Their successors shall be elected by the Board to serve as such officers. After the expiration of the Declarant's Control Period, the President and Treasurer shall be members of the Association. The Board may appoint a Vice President, Assistant Treasurer, Assistant Clerk-Secretary 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.

Section 2 - Selection and Removal of Officers

The officers shall be elected annually at the first meeting of the Board following the annual meeting of members of the Association and shall hold office at the pleasure of the Board or until their successors are elected and qualified. Upon affirmative vote of a majority of the Board 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. 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-Secretary

The Clerk-Secretary, who may also be called the Secretary, shall keep minutes of all meetings of the members of the Association and of the Board, shall have charge of such books and papers as the Board shall direct, and shall perform all duties incidental to the office of the Clerk-Secretary and as described elsewhere in the By-Laws 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 or the Association in such depositories as may from time to time be designated by the Board 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 or by such other person(s) as may be authorized by the Board.

Section 6 - Execution of Documents for the Board

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.

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 expenses.

Section 8 – Resignation

Any officer may resign at any time by giving written notice to the Board, the President or the Clerk-Secretary. 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, notice is required to be given to the Association, the Board 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 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 provisions of the Master Deed, the law or the By-Laws, 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

- a. Common Expenses, Generally. The Board 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. Any penalty assessed as a result of a violation of any applicable statute, regulation or permit condition with respect to the maintenance, operation, repair and replacement of the Facility shall be a common expense. 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, pursuant to the provisions of the By-Laws. The common expenses shall also include the amounts estimated for the operation, care, upkeep and maintenance of the Condominium, including, without limitation, the buildings and 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. See sections b and c below as to reserve accounts.
- b. Common Expenses Relating to the Facility and Capital Reserve Account. As part of the common expenses, the Board shall include an amount estimated for the operation, care, upkeep, maintenance, repair, and replacement of the buildings, common areas and Facility. The common expenses assessed to the Unit Owners by the Board shall be adequate to generate reserves sufficient to fund proper operation and maintenance of the Facility. The common expenses shall also be adequate to fund capital replacements and provides adequate funding for insurance deductible amounts. Such fund is called the Capital Reserve Account. To adequately fund these needs, the budget must include allocations for appropriate line items and provide for funding of replacement reserves for capital expenditures and deferred maintenance, which shall be an amount that is at least

10 percent of the annual budget. One half of the capital reserve funds so collected shall be used to fund the Sewer Reserve Fund (described in section c below) until such time as that Sewer Reserve Fund is in the opinion of the Board adequately funded.

- c. Reserve Fund for Operation, Maintenance, and Replacement of the Sewer Facilities. The Association shall also provide for the establishment and maintenance of a separate escrow account or other means of security adequate to fund the emergency replacement of the Facility ("Sewer Reserve Fund"). Each Owner shall be annually assessed an amount sufficient to increase the Reserve Fund by five percent (5%) of the estimated cost of replacement of the Sewage Facilities, until such time that the Reserve Fund contains an amount sufficient to replace the Sewage Facilities in the judgment of the Board. The funding for the Sewer Reserve Fund shall come out of the capital expenditures and deferred maintenance budget line item as described in section a above. Only wastewater management and maintenance expenses shall be expended from the Sewer Reserve Fund.
- d. Supplemental Assessments. In the event that the Association shall determine during any fiscal year that the Assessment so made is less than the common expenses actually incurred, or in the reasonable opinion of the Association likely to be incurred, they shall make a supplemental assessment or assessments and render Statements for such assessments in the same manner as is done for annual Assessments. The amount of each such supplemental assessment, together with interest thereon, if not paid when due, shall constitute a lien on the Unit of the Unit Owner assessed, pursuant to the provisions of Section 6 of The Act. Such lien, consistent with the provisions of Section 6(c) of The Act, shall be subordinate to any existing first mortgage of record on the Unit.
- e. Reserves: The Association shall set-aside a sufficient amount each year to establish and maintain a capital reserve fund, which amount shall at least meet FNMA standards. In establishing the levels of reserve funding consideration should be given to the life of existing buildings' components. See paragraph a as to a ten percent budget allocation for this purpose.

The Board shall advise all Unit Owners promptly in writing of the amount of the common charges and supplemental assessments payable by each of them, respectively, as determined by the Board 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 in the Condominium.

Section 2 - Payment of Common Charges

All Unit Owners shall pay the monthly and special or supplemental common charges within fifteen days after receipt of the assessment or charge, unless some other deadline is otherwise provided in this By-Law or by law.

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 Essex South District Registry of Deeds, including conveyance to the Association.

Each assessment against a Unit shall also be the personal obligation of the Unit Owner, in accordance with the first paragraph of this Section. Subject to the provisions of Section 3 of this Article, a purchaser of a Unit shall not be 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 a 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 17 of the Master Deed with respect to first mortgages.

Section 3 – Default

In the event of default by any Unit Owner in the payment of common charges or any other assessment imposed by the Association, such Unit Owner shall be obligated to pay interest at an annual rate equal to two (2%) percent above the prime rate as charged by a Boston-based, State or Federal chartered, commercial banking institution selected by the Board, at the time of such default, together with all expenses, including reasonable attorneys' fees, incurred by the Board in collecting same. The Board shall seek 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) 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 may deem reasonably required under the circumstances. Any unpaid assessment of common expenses shall constitute a lien on the Unit of the Unit Owner, together with the Unit's undivided interest in the common areas and Facilities subject to enforcement as provided for in Massachusetts General Laws, Chapter 183A. Expenses and costs of collection shall become part of any lien on the unit and a personal obligation of the unit owners who were delinquent in the payment. Remedies available to the Association include both legal and equitable relief. Any liens for common charges will not be affected by the sale or transfer of the unit estate, unless a foreclosure of a first mortgage is

involved in which case the foreclosure shall extinguish the lien for any common charges that were payable before the foreclosure but only to the extent required by law or by FNMA Selling Guidelines, but such an extinguishment will not relieve any subsequent unit owner from paying future common charges.

Section 4 - Power to Suspend Rights of Membership

In the event of default by any Unit Owner in the payment of common charges, or any other amounts owed to the Association, the Board 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, 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 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, 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 share(s) 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 shall promptly provide any Unit Owner requesting the same, in writing, with a written statement of all unpaid common charges due from such Owner in form suitable for recording and the same, when recorded with the Registry, shall operate to discharge the Unit from any other charges not included in such statement then unpaid. See below.

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.

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 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 a Unit from liability for, nor the Unit from the lien of, any assessment made thereafter.

Section 7 – Maintenance

a. Each Unit Owner shall be responsible for the proper maintenance, repair and replacement of interior improvements to his Unit and the maintenance of the interior of any parking garage appurtenant thereto and those utility fixtures and installations serving his or her Unit which are not part of the common areas and Facilities. Each Unit Owner shall be responsible for all damage to other Units and/or the Common Areas and Facilities caused by his failure to satisfy his maintenance, repair and/or replacement obligations hereunder. All maintenance, repairs, painting or decorating to the interior improvements of a Unit shall be done by the Unit Owner, and shall be at the sole expense of said Unit Owner.

If the Association shall, at any time in their reasonable judgment, determine that a Unit is in such need of maintenance or repair that the market value of one or more other Units is being adversely affected or that the condition of a Unit and/or any EUA appurtenant thereto or any fixtures, furnishing, facility or equipment therein are hazardous to any Unit or the occupants thereof or to the Common Areas and Facilities, the Association shall in writing request the Unit Owner to perform the needed maintenance, repair or replacement or to correct the hazardous condition, and in case such work shall not have been commenced within fifteen days (or such reasonable shorter period in case of emergency or serious inconvenience as the Association shall determine) of such request and thereafter diligently brought to completion, the Association shall be entitled to have the work performed for the account of such Unit Owner whose Unit or such EUA is in need of work and to enter upon and have access to such Unit and its EUA for such purpose; and the cost of such work shall constitute a common expense and shall be payable to the Association on demand.

b. The Association shall be responsible for the proper maintenance, repair and replacement of the buildings, other common areas and Facilities and the EUAs, subject to the provisions hereof with respect to repairs and replacements necessitated because of casualty loss or a taking under the powers of eminent domain. All maintenance, repair and replacements to the building(s) and other common areas and Facilities, or to those areas concerning which easements have been conveyed to the Association shall be done by the Board, or its appointee, and shall be included as a common expense of the Association. To the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, 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.

c. All claims, disputes and matters in question arising out of or relating to this maintenance section, or the breach thereof, shall be decided by Arbitration in accordance with the rules of the American Arbitration Association then applicable, unless the parties mutually agree otherwise.

Section 8 – Restrictions

a. No nuisances 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, and regulations of all governmental bodies having jurisdiction thereover shall be observed.

c. 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, except that the Declarant may place one or more sign(s) advertising the sale or lease of any Unit constructed or to be constructed thereon.

d. No person shall display, produce, cultivate, grow, process, manufacture, or sell marijuana, marijuana products, or marijuana accessories in a unit or in the common areas and facilities. Any person who violates this restriction shall be subject to the imposition of penalties and fines and injunctive relief, and shall pay all costs, fees and expenses, including reasonable attorney's fee in seeking relief, enforcement and damages. To the extent required by law, this restriction shall not prohibit an occupant of lawful age from possessing and consuming marijuana for medical reasons within his/her unit if authorized by Massachusetts law, but provided it does not violate local, state or federal laws.

Section 9 - Improvement Restriction

a. No improvements, additions, alterations or other work which in any way alters the exterior appearance or structure of any Unit or an EUA 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 by the prior written consent of the Board.

b. No garbage disposals or other improvements, modifications, alterations or additions to any Unit, the effect of which is likely to increase the amount or quality of ground water or sewerage discharge, shall be permitted without the prior written consent of the Board, who may withhold, qualify or condition such permission in its sole discretion, and may require such information, tests and test results as the Board may deem necessary in order to render its decision, provided, however, that no such exercise by the Board will be contrary to or inconsistent with any general, special or supplemental condition in any permit issued by any governmental authority, nor shall any such exercise by the Board be contrary to or inconsistent with the terms and conditions contained in the Master Deed. Nothing herein contained shall prevent or prohibit the replacement of such appliances with similar appliances or the normal use of such Facilities installed by the Declarant in the original construction of the Unit.

c. No modifications to the landscaping on any EUA, other than the addition of annual (not perennial) flowers well maintained, shall be made without the prior consent of the Board.

Section 10 - Cost Allotment of Improvements

a. Subject to the section d below, if fifty (50%) percent or more, but less than seventy-five (75%) percent of the Unit Owners agree to make an improvement to the buildings and other 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. Subject to the section d below, if Seventy-five (75%) percent or more of the Unit Owners may agree to make an improvement to the buildings and other 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 the Essex Superior Court, on such notice to the Board 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.

d. Notwithstanding the foregoing, the Board shall have full authority to make repairs, replacements and improvements to buildings, other common areas and Facilities for the continued use and enjoyment of the Condominium and Units and to impose the cost of same as common charges and fees upon all unit owners.

Section 11 - Right of Access-Cooperation

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 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 is present or not. Unit Owners may not alter the front door lock(s) on their Unit without receiving prior approval from the Board of Directors. The Association shall maintain a key to each Unit for its use in the above-described instances.

Forthwith upon request of the Board or its designee, which shall be done periodically to conform with the requirements of law, each Unit Owner shall complete and sign certifications on forms provided by the Board and shall provide reliable documentation to the Board to prove compliance as to the 55-year-old age-restrictions concerning the ownership and occupancy of his Unit.

Section 12 - Rules and Regulations

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. Such Rules and Regulations shall be called Rolling Green Rules and Regulations and copies of such Rules and Regulations shall be made available to each Unit Owner prior to their effective date. Rules and Regulations as to the Open Space shall be consistent with restrictions and covenants, if any, referenced in Exhibit A of the Master Deed.

Section 13 - Right of Action

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

Section 14 - Ingress and Egress of Unit Owners

There shall be no restrictions upon any Unit Owner's right of ingress and 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. Fire insurance with extended coverage and vandalism and malicious mischief endorsements insuring all of the buildings and structures, exclusive of foundations and footings, in the Condominium, including without limitation all such portions of the interior of the buildings as are for insurance purposes normally deemed to constitute part of the building and are customarily covered by such insurance, such as heating, air conditioning and other service machinery, interior walls, all finished wall surfaces, bathroom and kitchen cabinets and fixtures and heating and lighting fixtures, except for improvements made by individual Owners which exceed a total value of One Thousand Dollars (\$1,000) and are not reported to the Association. Such insurance shall be in an amount at least equal to 100% of the replacement value of the said Buildings and structures, shall include coverage for costs of debris removal and demolition and inflation guard endorsement (if available) and shall be payable to the Association as Insurance Association for the Unit Owners and their mortgagees, as their respective interests may appear. The Board shall determine the amount of any deductible. The Association's hazard insurance carrier shall have either an acceptable rating from the A.M. Best Company; Demotech, Inc. or Standard and Poor's Inc. or covered reinsurance that meets either the A.M. Best general policyholder's ratings or one of the Standard and Poor's claims-paying ability ratings, such as a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports—International Editions, an "A" or better rating in Demotech's Hazard Insurance Financial Stability Ratings, a "BBBq" qualified solvency ratio or a "BBB" or better claims paying ability rating in Standard and Poor's Insurer Solvency Review, or a "BBB" or better claims-paying ability rating in Standard and Poor's International Confidential Rating Service—if the carrier is issuing an insurance policy for the common elements for the master (or blanket) policy. The Association shall maintain a "master" or "blanket" type of insurance policy, with premiums being paid as common expense. An insurance policy shall name the Association as the named insured as well as at the "loss payable" clause and cover 100% of the insurable replacement cost of all of the general and limited common elements, including fixtures and equipment. The policy must include a Replacement Cost Endorsement or a Guaranteed Replacement Cost Endorsement and if the policy includes a coinsurance clause it then must have an Agreed

Amount Endorsement. A policy shall also have an Inflation Guard Endorsement; Building Ordinance or Law Endorsement; Steam Boiler and Machinery Coverage Endorsement; and a Special Condominium Endorsement providing that any insurance trust agreement will be recognized, the right of subrogation against unit owners will be waived, insurance will not be prejudiced by any acts or omissions of individual unit owners that are not under the control of the owners' association and the Association policy will be primary, even if a unit owner has other insurance that covers the same loss. The insurance policy must also include the standard mortgage clause and must name as mortgagee either FNMA or the servicers for the mortgages if FNMA hold such loans. Likewise, the insurance policy shall require the insurer to notify the Trustees and each first mortgage holder in the mortgage clause in writing at least ten days before the insurer cancels or substantially changes coverage. Unless a higher maximum amount is required by state law, the maximum deductible amount for policies covering the common elements is the lesser of \$10,000.00 or 1% of the policy face amount."

- b. Liability insurance for comprehensive general liability 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 than \$2,000,000.00 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 insured 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 law suits 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 schedule holders of first mortgages in the insurance policy. If the policy does not include "severability of interest" then a specific endorsement must preclude the insurer from denying a unit owner's claim because of negligent acts of the Association or other unit owners.
- c. Workmen's compensation insurance as required by law.
- d. If part of the Condominium improvements is in a special flood hazard area, a flood insurance policy must be maintained in an amount at least equal to the lesser of 100% of the insurable value of the Condominium or the maximum coverage available under the appropriate Flood Insurance Administration Program insuring all of the Buildings and structures in the Condominium. A separate policy must be maintained for each Building. Such premiums are to be paid as a common expense. Unless a higher deductible amount is required by state law, the maximum deductible amount is the lesser of \$10,000.00 or

1% of the policy's face amount. Funds to cover this deductible amount should be included in the Trust's / Home Owners' Association's operating reserve account.

- e. Such other insurance as the Association may from time to time determine.
- f. Fidelity bonds in blanket form for all officers, directors, Association 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 expenses 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 for 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.

The premium and related costs for all such insurance shall be a common expense. Certificates of insurance with proper mortgagee endorsements shall be issued to each Unit Owner and his mortgagee(s) upon request therefor.

Notwithstanding anything contained in this Association and By-Laws to the contrary, if a Unit Owner by virtue of any activities he or she conducts in a Unit and/or the Exclusive Easement Areas appurtenant thereto causes an increase in the premiums for any insurance obtained by the Association, he or she shall pay the amount of all such increases to the Association on demand as an additional common expense attributable to his Unit.

The Association shall deal with the insurer, the insurance agent and, if it deems appropriate to do so, a public adjuster, in connection with the adjusting of all claims covered by insurance policies provided for above, shall review with the insurer or insurance agency at least annually, the coverage under said policies, and shall make any necessary changes in the policies provided for above in order to meet the coverage requirements thereof.

The Association shall make every effort to see that all policies of insurance shall (1) contain waivers of subordination by the insurer as to claims against the Association, the manager (if any), all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium and each of their respective agents and employees, except in case of arson or fraud; (2) contain a waiver of defense of invalidity on account of any act or neglect by any of the Unit Owner or other persons over which the Association have "no control" or by failure of the Association to comply with any warranty on any portion of the Condominium over which the Association has "no control"; (3) contain a recognition of any insurance trust agreement; (4) in the case of fire and other hazard insurance, contain a standard "mortgagee clause" commonly acceptable to institutional lenders in the greater Essex County area; (5) provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' advance written notice to all of the insureds thereunder, all mortgagees of Units in the Condominium and any other named insureds; (6) provide that in no event shall the insurance under said policies be brought into contribution with insurance purchased individually by the Unit Owners of their mortgagees; (7) exclude policies obtained by individual Unit Owners from consideration under any "no other insurance" clause; and (8) in the case of fire and other hazard insurance, provide that, where the provisions of the policy give the insurance company the option of restoring the damage in lieu of making a cash settlement, said option may not be exercised without the approval of the Association and/or the servicer(s) for the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Massachusetts Housing Finance Agency or like entity which may have loans with respect to the Condominium, nor may such option be exercised where it would conflict with any applicable requirement of law.

Section 2 - Minimum Coverage - Unit Owners

Each Unit Owner shall obtain and maintain and pay for, to the extent available, the following:

- a. Liability Insurance for comprehensive general liability coverage covering the unit. Such coverage shall be for not less than \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence.
- b. Each Unit Owner shall obtain insurance for his own benefit and at his own expense insuring all personal property presently or hereafter located in his Unit and/or its appurtenant Exclusive Easement Areas and all improvements to his Unit and/or its appurtenant Exclusive Easement Areas which exceed a total value of One Thousand Dollars (\$1,000) and which are not reported in writing to the Association. Each such policy of insurance obtained by a Unit Owner must contain waivers of subrogation by the insurer as to claims against the Association, the manager (if any), all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium and each of their respective agents and employees.

- c. Each Unit Owner, at the time of the commencement of construction of improvements to his Unit and/or its appurtenant EUA, if any, which exceed a total value of One Thousand Dollars (\$1,000), shall notify the Association of such construction. Upon receipt of such notice, the Association shall notify the insurer under any policy obtained pursuant of any such improvements and shall increase the coverage under such policies accordingly. Unless otherwise determined by the Association, the cost of such additional coverage on account of a Unit Owner's improvements shall constitute a common expense attributable to the Unit involved and shall be payable to the Association on demand at such intervals as the Association shall establish, so that they shall have the money available to pay to the insurance company(ies).

The Association shall be named as an insured on each such Unit owner's policy. Copies of all Certificates shall be delivered to the Association.

In the event the Unit Owner fails to obtain and pay for Insurance that the Unit Owner is required to maintain on the Unit, the Association may obtain the same and bill the Unit Owner as a common expense, collectable pursuant to these By-Laws and M.G.L. Chapter 183A.

Each Unit Owner may obtain additional insurance for his own benefit and at his own expense. No such policy shall be written so as to decrease the coverage under any of the policies obtained by the Association, and each Unit Owner hereby assigns to the Association the proceeds of any such policy to the extent that any such policy does in fact result in a decrease in such coverage, said proceeds to be applied pursuant to the terms hereof as if produced by such coverage. Copies of all such policies (except policies covering only personal property owned or supplied by individual Unit Owners) shall be filed with the Association.

Each Unit Owner hereby waives, discharges and releases all claims and rights of recovery against the Association, the property manager (if any), all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium and each of their respective agents and employees on account of any loss or damage, whether to person or property, insured against under the policies of insurance obtained by such Unit Owner for his own benefit. This waiver shall constitute a waiver of subrogation for purposes of such policies.

ARTICLE X - DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 1 - Duty to Repair or Restore

The Association, as Insurance Trustee, shall collect and receive all casualty loss insurance proceeds and shall hold, use, apply and disburse the same in accordance with applicable

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

In the event of any casualty loss to the Common Areas and Facilities, the Association shall determine in their reasonable discretion whether or not such loss exceeds twenty (20%) percent of the total value of the Condominium immediately prior to the casualty, and shall notify all Unit Owners of such determination.

(a) If such loss as so determined does not exceed twenty (20%) percent of such value, the Association, acting as Insurance Trustee, shall promptly adjust and collect the loss, arrange for the prompt repair or restoration of the damaged areas, and disburse the proceeds of all insurance policies in payment of all costs and expenses incurred in connection with such repair or restoration in appropriate progress payments and with appropriate retainage.

(b) If such loss as so determined exceeds twenty percent (20%) of such value and if within one hundred twenty (120) days after the date of such loss, seventy-five percent (75%) or more of the Unit Owners do not agree to proceed with repair or restoration, each Unit Owner's proportionate share of the insurance proceeds with respect to the Common Areas and Facilities based upon his Unit's respective undivided ownership interest in said Common Areas and Facilities, together with the portion of the insurance proceeds allocated to any Unit as a result of a loss to such Unit and/or its appurtenant EUA due to the casualty, shall, to the extent permitted by law, be divided among the Unit Owners and shall be paid first to the holders of mortgages on the damaged Units, if any, as their interests may appear, up to, but not in excess of, the amounts secured thereby, and thereafter to the Unit Owners of the damaged units, and the Condominium shall be subject to partition at the suit of any Unit Owner. Such suit shall be subject to dismissal at any time prior to entry of an order to sell if an appropriate agreement to repair or restore is filed. The net proceeds of a partition sale together with any common funds of the Trust (adjusted for insurance proceeds paid or payable as aforesaid) shall be divided among the Unit Owners in proportion to their Units' undivided interests in the Common Areas and Facilities and shall be paid first to the holders of mortgages on their Units, if any, as their interests may appear, to the extent of the amounts secured thereby, and thereafter to the Unit Owners. If, on the other hand, seventy-five percent (75%) or more of the Unit Owners agree to proceed with the necessary repair or restoration, the Association shall arrange for the repair and restoration of the damaged areas, and disburse the proceeds of all insurance policies in payment of all costs and expenses incurred in connection therewith in appropriate progress payments and with appropriate retainage.

In the event that the total cost of repair or restoration as estimated on the basis of an independent appraisal, or as determined during the course of repair or restoration, exceeds the total sum of available insurance proceeds, then the Association shall assess all the Unit Owners, as a common expense, the amount in excess of available insurance proceeds necessary to cover the cost of the repair and restoration; provided, however, that the cost of repairing or restoring improvements to the interior of a Unit and/or its appurtenant EUA, which improvements exceeded a value of \$1,000 when they were made (said value to be determined in the reasonable judgment of the Association) and were not reported to the Association as required herein, shall be borne exclusively by the Owner of the Unit involved; and provided further that if the casualty loss exceeds ten percent (10%) of the value of the Condominium as described herein and if such excess cost of repairs over available insurance proceeds exceeds ten percent (10%) of the value of the Condominium prior to the casualty, any Unit Owner not agreeing as provided to proceed with the repair and restoration may apply to the Essex County Superior Court, on such notice to the Association as the Court shall direct, for an order directing the purchase of his Unit by the Association at the fair market value thereof as approved by the Court. The cost of any such purchase shall be a common expense.

The Association may perform emergency work essential to the preservation and safety of the Condominium or the safety of persons, or required to avoid the suspension of any essential service to the Condominium, without having first adjusted the loss or obtained the proceeds of insurance.

If there shall have been repair or restoration pursuant to the foregoing and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds, if any, shall be divided into separate shares for the Trust and the Unit Owners of the damaged Units, in proportion to the respective costs of repair or restoration of the damaged portions of the common areas and Facilities and of each damaged Unit, and shall then be paid over to the Association and/or each such Unit Owner entitled to a share.

In the event of a taking of all or part of the Condominium under the powers of eminent domain, the provisions hereof shall apply as if the taking were a casualty loss, with the proceeds of the taking award being treated in the same manner as would the proceeds of an insurance settlement. Provided, however, if the taking award specifically allocates certain damages as being attributable to the Common Areas and Facilities and/or particular Units, such allocations shall be used in allocating the proceeds pursuant to the provisions hereof and the Master Deed.

The Association shall represent the Unit Owners in any condemnation proceedings or proceedings resulting from partial or total destruction of the Condominium or in negotiations, settlements and agreements with regard to condemnation or destruction.

Any portion of the Condominium damaged or destroyed shall be repaired or restored promptly by the Association, as provided in this 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.

Any action to terminate the legal status or existence of this Association after substantial destruction or condemnation of the Common areas and facilities and or units must be agreed upon, with the prior written consent of at least sixty-seven percent (67%) of the total voting power of the Owners and at least fifty-one percent (51%) of the total voting power of all Eligible Mortgage Holders of said units holding unit estates that are subject to mortgages held by Eligible Mortgage Holders. An Eligible Mortgage Holder will be deemed or implied to have approved an amendment to terminate the Association, after the substantial destruction or condemnation of the Common areas and facilities and or units, if that Eligible Mortgage Holder, within sixty (60) days of the Eligible Mortgage Holder's receipt by certified or registered mail of such written amendment to terminate the Association, fails to submit to the Association the Eligible Mortgage Holder's written response to said amendment to terminate.

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 shall obtain reliable and detailed estimates of the cost of repair or restoration. If such cost, in the opinion of the Board, may exceed Five Thousand and No/100 (\$5,000.00) Dollars, the Board may retain the services of an architecture 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 shall adjust losses under physical damage insurance policies of the Association. Insurance proceeds from losses in excess of Twenty-Five Thousand and No/100 (\$25,000.00) Dollars 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 a common expense or as otherwise provided herein. The

proceeds of assessments for such common expenses shall be paid by the Board directly to the vendor making the repairs or restoration if the loss is less than Twenty-Five Thousand and No/100 (\$25,000.00) Dollars and shall be paid to the insurance trustee, if in excess of Twenty-Five Thousand and No/100 (\$25,000.00) Dollars.

c. Payment by Owners - Payments received from Unit Owners, pursuant to this Article, shall be paid by the Board to the insurance trustee, if the loss is in excess of Twenty-Five Thousand and No/100 (\$25,000.00) Dollars, otherwise by the Board 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 to the insurance trustee, if the loss is in excess of Twenty-Five Thousand and No/100 (\$25,000.00) Dollars, otherwise funds shall be administered directly by the Board.

Section 4 - Plans and Specifications

Any repair or restoration must be either:

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 a particular Unit Owner and as to which payment for such repair or reconstruction is forthcoming; or

b. If at substantial variance from the original building, then according to plans and specifications approved by the Board 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 this Article, as follows:

a. Construction Funds

1. To the extent that such damage or destruction is covered by insurance of the Association, the proceeds 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 Five Thousand and No/100 (\$5,000.00) Dollars, 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 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 Twenty-Five Thousand and No/100 (\$25,000.00) Dollars: Such proceeds are not payable to or under the control of the insurance trustee, but shall be administered by the Board.
- 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 in 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, and upon presentation of an architect's certificate stating that the work presented by such payment has been completed satisfactorily.

c. Contribution by Owners: The Association shall maintain a separate account as to each Unit with respect to payments by 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 interests 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 payment 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 buildings that do not contain a Condominium Unit 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. As to any destruction of a Condominium Unit, notwithstanding anything to the contrary contained herein, the insurance proceeds shall be used to repair said Unit.

Section 7 – Certificates

The insurance trustee may rely on the following certifications:

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

1. Whether or not damage or destroyed property is to be repaired or restored;
2. Whether or not, in the opinion of the Board, the cost of repair or restoration may exceed Twenty-Five Thousand and No/100 (\$25,000.00) Dollars;
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 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 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 Twenty-Five Thousand and No/100 (\$25,000.00) Dollars in each instance, pursuant to this Article. Such Trust Agreement shall incorporate the Master Deed and the By-Laws 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 shall be binding on the insurance trustee until the insurance trustee receives notice of such amendment.

ARTICLE XI – MORTGAGES

Section 1 - Notice to Board

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

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 mortgage shall remain a listed mortgagee until the Board receives written notice from the mortgagee of withdrawal of the listing or the mortgage is discharged of record.

Section 3 - Unpaid Common Charges

The Board, 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, when giving notice to a Unit Owner of a 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.

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 shall give each first mortgage 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 One Thousand and No/100 (\$1,000.00) Dollars (notice to the mortgagee of the damaged Unit) or (b) damage to common areas and Facilities in excess of Ten Thousand and No/100 (\$10,000.00) Dollars (notice to all mortgagees).

ARTICLE XII - 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, the following:

- a. the EUA appurtenant to the Unit and 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 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 interest of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest is appurtenant or 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.

Section 3- Age-Restriction

Prior to the conveyance of unit, each new unit purchaser and thereafter annually an occupant in each unit must complete and execute a certification in a form established by the Association, certifying to the Association that an identified person who will reside in the Unit on a regular basis is 55 years old or older, subject only to the exceptions in the master deed. Such form must be accompanied by reliable documentation (driver's license, passport or other governmentally issues identification with a photograph and the date of birth of the person being identified) confirming that person's age. The documentation and occupancy must conform with the requirements of law and the policies of the Association.

ARTICLE XIII - AMENDMENTS TO THE BY-LAWS

The By-Laws 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. No amendment shall be made in a manner that violates the Special Permit, Open Space Covenant in the Open Space Plan as referenced in Exhibit A to the Master Deed.

Notwithstanding anything in these By-laws to the contrary, any amendment, alteration, addition and or change to the By-laws and or operation of the Association effecting voting rights, increasing assessments more than twenty-five percent, the assessment of liens, priority of assessment of liens, reductions in reserves, the responsibility for maintenance, reallocation of interests, redefinition of boundaries, conversion of units, expansion or contraction of the project, changes in hazard or fidelity insurance requirements, restrictions on leasing of units, restrictions on right to sell or transfer units, efforts to establish self management, restoration after damage or condemnation, termination of the Association and or any provisions that expressly benefits mortgage holders, insurers, or guarantors, shall be considered a material change and require the prior consent in writing of owners of units holding at least sixty-seven percent (77%) of the total voting power of the Owners and at least fifty-one percent (51%) of the total voting power of all Eligible Mortgage Holders of said units holding unit estates that are subject to mortgages held by Eligible Mortgage Holders.

No amendment by either the Declarant or Unit Owners shall be contrary to or inconsistent with any provision in the Master Deed or provisions of governmental permits and approvals.

A certificate signed by either the President or Treasurer of the Corporation, stating any amendment to these by-laws, shall be recorded at the Essex South District Registry of Deeds.

ARTICLE XIV - CONFLICTS

In case any of the By-Laws are in conflict with the provisions of any statute, the Articles or the Master Deed, the provisions of said statute, Articles 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 shall not impair or affect in any manner the validity, enforceability or effect of the balance of the By-Laws.

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 or the intent of any provisions thereof.

Section 3 – Waiver

No restriction, condition, obligations or provision contained in the By-Laws 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.

Section 4 – Charges

The Unit Owners shall be liable for common expenses, which may include real estate taxes so long as separate bills are not issued by the Town of Topsfield, and entitled to common profits of the Condominium in proportion to their respective percentages of beneficial interest, provided, however, that each Unit Owner shall be solely responsible to the Town of Topsfield for the payment of real estate taxes assessed for his Unit when separate bills are issued by the Town of Topsfield and to the respective utility companies for the cost of utility services billed or assessed in connection with the furnishing of utilities to his Unit which are separately metered.

A working capital fund shall be established and funded through collection of an amount equal to two months' common expenses at the first time that each unit is sold and also from a portion of regular monthly assessment, which shall be paid by the purchaser of the unit. Amounts paid into the working capital reserve fund by unit owners are not an advance payment of regular monthly common charges, expenses or assessments. At each unit closing the Declarant or Association shall collect and receive monies for the working capital fund which Declarant shall not use to defray its own costs, expenses and or obligations. Declarant shall transfer such working capital fund to the Association. Declarant and Association may seek reimbursement for any and all funds Declarant or Association has paid or contributed to the working capital fund and or operating account on behalf of any new and or previously unsold unit.

Section 5 – Common Charges Certificate

Within thirty (30) calendar days after receiving an appropriate request from a Unit Owner, a purchaser of a Unit under a written contract of sale therefor or a Unit mortgagee addressed to the Association and payment of a reasonable fee, not to exceed One Hundred Dollars (\$100.00), the Association shall supply a certificate in recordable form stating the amount of any unpaid assessments (including interest due thereon and costs of collection associated therewith) for common expenses against the Unit. Upon the recording at the Registry of such a certificate signed either by the President or Clerk of the Association or their designee, which may be a management company who then appear to be serving according to the records of the Registry, the Unit involved shall be discharged from any lien for unpaid common expenses which do not appear in said certificate.

Section 6 – Design Review as to Unit Owner Work

No Unit Owner shall make any addition, alteration or improvement in or to his Unit or any EUA which could affect the structural integrity of any Building or other structure or cause any dislocation or impairment of or interruption to the common areas and Facilities, unless the same shall have been expressly approved by the Association in accordance with the provisions of this Section and shall conform to the conditions set forth herein. No Unit Owner shall make any addition, alteration or improvement in or to his Unit which would encroach upon any common areas without the prior written approval of all affected Unit Owners and the Association. Approval by the Association is not required for work done by the Declarant in accordance with the rights reserved to the Declarant in the Master Deed.

The following procedures and conditions shall apply with respect to all additions, alterations, improvements, structures, installations or other work or activities (hereinafter individually and collectively referred to as the “Proposed Work”) by a Unit Owner which are subject to the approval procedures and conditions of this Section:

(a) Prior to the commencement of the Proposed Work:

- (i) The Unit Owner shall have submitted plans and specifications for the Proposed Work to the Association for their approval pursuant to the provisions of this Section. Such plans and specifications shall be in such detail as the Association may reasonably request, and shall be prepared and signed by a Registered Architect, Registered professional Engineer and/or Registered Land Surveyor, if so requested by the Association.
- (ii) The Unit Owner shall have submitted to the Association such supplemental information, in addition to the said plans and specifications

as the Association shall reasonably request in order to evaluate fully the proposed work;

- (iii) The Unit Owner involved and/or his contractor(s) shall have obtained and delivered to the Association such policies of casualty, public liability, workman's compensation and other insurance insuring the Association, the Unit Owners, the manager (if any) and such other persons as the Association may designate against such risks of loss and in such amounts of coverage as the Association shall reasonably determine to be appropriate under the circumstances. Such policies of insurance may include a "Builder's All-Risk" policy, so-called; and
- (iv) The Unit Owner involved shall have obtained and delivered to the Association such security running to the benefit of the Trust, as the Association may reasonably require, so as to assure that the Proposed Work is duly, satisfactorily and expeditiously completed. Such security may take one or more of the following forms, as approved by the Association, who shall determine whether the amount, form and substance thereof is satisfactory:

- a. Deposits of cash or negotiable securities.
- b. Letters of Credit.
- c. Performance bonds and/or guarantees.
- d. Such other types of security as the Association shall determine to be adequate and appropriate for the purpose.

(b) The proposed Work shall be performed expeditiously in a good and workmanlike manner in full compliance with all applicable Federal, State and local laws, ordinances, codes, by-laws and rules and regulations, including those relating to zoning, building, health, safety and sanitation; and all necessary permits required for the work, including a building permit (if required by law), shall be duly obtained and complied with.

(c) The Proposed Work shall also be performed in full compliance with all conditions and requirements imposed by the approval(s) therefor granted by the Association.

(d) No materials, supplies, equipment, tools or other items associated with the Proposed Work shall be stored or left overnight in or upon any of the Common Areas and Facilities without the prior written authorization of the Association.

By reviewing and approving a Unit Owner's Proposed Work, the Association is not undertaking, nor shall they thereby assume, any liability or responsibility for the structural or other soundness of the Proposed Work; and each Unit Owner for himself, his family and all others claiming by, through or under him, including all guests, lessees, tenants, licensees and other occupants of his Unit, hereby irrevocably releases each of the Association from any and all liability on account of any errors or defects in or failures or omissions with respect to the plans and specifications for and/or construction implementation of the Proposed Work. In addition, each Unit Owner who performs the Proposed Work or has the Proposed Work performed for him agrees to indemnify, defend and hold harmless, jointly and severally, the Association, the manager (if any) and all other Unit Owners from and against all loss, liability, damage and expense, including court costs and attorneys' fees, resulting from or arising in connection with any loss or damage to property or injury to person, actual or claimed, on account of the proposed Work.

Section 7

If directed by the Declarant to do so, the Board of Directors of the Association shall have the right, power and responsibility for overseeing and enforce conditions, requirements and restrictions as are contained in permits, special permits, and orders of condition issued by the Town of Topsfield, and providing any certification that there has been compliance with that provision.

ARTICLE XVI - DEFINITIONS

Unless otherwise stated, words used in these By-laws shall have the same meanings as defined in the Master Deed, as amended. The following words used in these By-laws shall have the following meanings:

Articles shall refer to the Articles of Organization of Rolling Green Condominium 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 as may from time to time be properly made.

Association shall mean Rolling Green Condominium 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; that is "the...association owned by the unit owners and used by them to manage and regulate the condominium."

Board shall mean the Board of Directors of the Association.

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

Common Expenses” and “Common Charges” mean regular monthly common expenses and assessments and/or contributions to working capital fund and/or reserve and/or operating account of the Condominium.

Condominium shall mean Rolling Green Condominium.

Declarant shall refer to _____, a limited liability company, its successors and assigns.

Declarant Control Period – The period commencing on this date and ending when the Declarant has conveyed all of the Units in the Condominium to unit purchasers or the expiration of ten (10) years, whichever comes first. The Declarant may end the period sooner by recording specific notice of that fact at the Registry.

Eligible Mortgage Holder means a holder of a first mortgage on a unit or an insurer or guarantor of same who has made a written request from the Association that notice be given to it of certain matters and who has provided a valid address to which such notice may be given.

Fiscal Year shall mean the calendar year, unless changed or modified by the Board.

Gender shall in the By-Laws 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.

Local Preference Plan is the plan that is described in Article XVII of these By-laws and as is required by both the Topsfield Zoning By-law and Special Permit.

Master Deed shall mean the instrument by which Rolling Green Condominium is submitted to the provisions of Chapter 183A of the General Laws of Massachusetts, and as it may be hereafter amended.

Members 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, the Articles of the Association and the Master Deed.

Organization of Unit Owners shall mean the Association.

Owner - See Unit Owner.

Person shall mean an individual, corporation, unincorporated association, partnership, joint venture, trustee, conservator or administrator.

Property shall mean all the land and the common area, buildings and improvements located in Rolling Green Condominium.

Registry shall mean the Essex South District Registry of Deeds.

Restrictions shall mean any restrictions contained or referenced in the Master Deed and these By-Laws.

Rolling Green Condominium Master Deed - See Master Deed.

Rolling Green 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.

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

Unit Owner shall mean the owner(s) of said Unit.

ARTICLE XVII – Local Preference Plan

As used in this Plan, “immediate family members of residents of Topsfield” shall mean a person who is a parent, grandparent, child, or sibling of one who currently resides in the Town of Topsfield. Residents of Topsfield and immediate family members of Topsfield residents and former residents of Topsfield are sometimes collectively called “Preferred Persons” and separately called “Preferred Person”.

The Board of Directors of the Association acting on its own behalf, or through a designated manager, shall have the right and power and shall be responsible for overseeing the Restriction Provisions described in the Local Preference Eligibility Plan made by Rolling Green Topsfield LLC, a copy of which being attached to the Special Permit issued by the Planning Board on April 18, 2017, and recorded with Essex South District Registry of Deeds in Book _____, Page _____.

The Board of Directors or any manager to which such responsibility may be delegated, shall

maintain a waiting list of all Preferred Persons desiring to become a unit owner (the "Entrance Priority List"), which list shall contain the name and address and other contact information as to a Preferred Person (defined below) on the list and the name of the person who is over 55 years old who would reside in a unit. The Board of Directors may further prescribe policies and procedures to facilitate compliance with the Local Preference Eligibility Plan and the sale and conveyance of units. The Board of Directors shall provide a copy of the Entrance Priority List to each unit owner upon request.

After the Declarant relinquishes control of the Board of Directors, at least once during each calendar year the Board of Directors shall announce and hold a local preference open enrollment period (the "Local Enrollment Period") consisting of a forty-five (45) day period in which applications for priority listing will be accepted by the Board of Directors. Notice of the Local Enrollment Period shall be mailed in advance to the Topsfield Planning Board, Board of Selectmen, the Town web-master, the local access cable tv station (on their form) and Council on Aging and posted in the Topsfield Town Hall, if the Town allows such posting. All applicants who apply during any such Local Enrollment Period shall be considered as a group and shall be assigned positions on the Entrance Priority List in accordance with the following priorities: First, residents of Topsfield shall be given a preference over other persons as to the purchase of units in Rolling Green Topsfield. Second, to the extent a unit remains available, second preference shall be given to immediate family members of Topsfield residents. Third, to the extent that units still remain available, third preference shall be given to former residents of Topsfield. As used in herein, "immediate family members of Topsfield residents" shall mean a person who is a parent, grandparent, child, or sibling of one who currently resides in the Town of Topsfield; and "Preferred Persons" shall mean residents of Topsfield and immediate family members of Topsfield residents and former residents of Topsfield.

During periods other than a Local Enrollment Period, Preferred Persons who apply will be placed on the Entrance Priority List on a first come first served basis. Once a person has been assigned a position on the Entrance Priority List, such position will not be downgraded notwithstanding future Local Enrollment Periods.

In the event there are no persons on the Entrance Priority List at the time a unit owner wishes to sell his unit or no person on the Entrance Priority List makes an offer on terms acceptable to the selling unit owner, then such unit owner may sell said unit to a person who is not a Preferred Person. The failure by the Board of Directors to comply with the requirements of this Bylaw shall not affect the validity of a sale and conveyance of a unit, but shall subject the Condominium Association to the sanctions and penalties as are contained in the Local Preference Eligibility Plan.

This Bylaw provision shall not be revoked or modified except with the consent of the Topsfield Planning Board.

If the Condominium Association breaches this Plan as to the resale of units and does not cure such breach within 30 days, the Condominium Association shall pay damages to the Town of \$1,000.00 for each infraction.

[The balance of this page is left blank intentionally. The next page is the signature page.]

These By-Laws are duly adopted by the Rolling Green Condominium Association, Inc., this
____ day of _____ 2017.

ROLLING GREEN CONDOMINIUM
ASSOCIATION INC.

BY: _____
_____, as President and Treasurer

4.6.17