

FARRWOOD GREEN CONDOMINIUM II BY-LAWS

(As Amended through March 8th, 1999)

ARTICLE I

General

1.1 The Condominium. The property including buildings and improvements erected thereon described in the Master Deed recorded in the Essex Registry of Deeds has been submitted to the provisions of Chapter 183A of the Massachusetts General Laws. The Condominium thereby created shall be known as the Farrwood Green Condominium II (hereinafter called the "Condominium"). The term admits, to the land, the buildings and all other improvements thereon (including the units ("Units") and the common areas and facilities provided for in the Master Deed ("Common Elements") as well as to the Association of Unit Owners formed hereby. The initial office of the Condominium and of the Board of Managers shall be C/O Farrwood Realty Trust, Farrwood Avenue, North Andover, Massachusetts, or such other office as the Board of Managers may decide.

1.2 Application. An owner of record of a Unit ("Unit Owner") shall automatically become a member of the Condominium, and the membership of a Unit Owner shall terminate when he ceases to be a Unit Owner, with such membership automatically transferring to his successor in interest. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other person who may use the facilities of the Condominium in any manner are subject to these By-Laws, the Master Deed, and the rules and regulations referred to in Section 4.12

1.2.1 Fiscal Year. The fiscal year of the Condominium shall be from April 1st to March 31st.

ARTICLE II

Board of Managers; Unit Owners

2.1 Board of Managers.

2.1.1 Number, Membership and Term. Except as otherwise provided in the following sentence, The Board of Managers (the "Board") shall be composed of at least three, but not more than five managers elected for one-year terms by a majority of Unit Owners at the annual meeting described in Section 2.2.2. The term of the Board shall run concurrent with the fiscal year of the Condominium as described in Section 1.3.

2.1.2 Powers and Duties. The Board shall act for and on behalf of the Condominium for all matters unless a particular matter is required by these By-Laws to be decided by the Unit Owners. The Board shall have the powers and duties necessary and proper for the administration of the affairs of the Condominium, and may do all acts and things related thereto except those specifically restricted by law or by the Master Deed or by the By-Laws. Such powers and duties of the Board shall include, but shall not be limited to the following:

- (a) Operation, care, upkeep and maintenance of the Common Elements,
- (b) Incurring common expenses required for the affairs of the Condominium, including without limitation, an equitable apportionment of expenses incurred with respect to the Condominium and other property;
- (c) Collection of assessments from the Unit Owners,
- (d) Employment of personnel necessary or appropriate to the operation and affairs of the Condominium,
- (e) Adoption and amendment of reasonable rules and regulations covering the details of the operation and use of the Condominium, and levying fines against Unit Owners for violation thereof, which fines shall be additional assessments constituting a lien on the Unit as provided in Section 4.2

No fine of more than \$25.00 may be levied for any one violation, but each day a violation continues after notice shall constitute a separate violation.

It shall be the policy of the Board, upon receiving a written complaint from a member of the Condominium, to issue a written warning notice to any Unit Owner(s), found by the Board to be in violation of the Condominium By-Laws or Rules and Regulations. If, after the warning has been given, a second complaint is received for a similar violation, the Board shall turn the matter over to the Unit Owners' Advisory Board for their recommendations. The Unit Owners' Advisory Board shall act as arbitrator in matters concerning violations of the Condominium By-Laws or Rules and Regulations.

All complaints must include the name of the person(s) in violation of the Condominium By-Laws or Rules and Regulations, and a description of the violation, including the date and place the violation occurred. All complaints must be signed and dated by the Unit Owner(s) making the complaint. If the person making the complaint includes a phone number where he/she can be reached, a member of the Board will attempt to contact him/her within thirty (30) days of the date the complaint was received by the Board.

- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor,
- (g) Purchasing, owning, conveying, encumbering, leasing and otherwise dealing with Units
- (h) Leasing and, as provided in Section 19 of Chapter 183A, conveying any Common Elements,
- (i) Obtaining insurance for the Condominium as provided in Section 4.4,
- (j) Making repairs, additions, improvements or alterations to the Condominium as provided herein,
- (k) Incurring indebtedness to meet operating expenses,
- (l) Granting, acquiring or relocating easements,
- (m) Conducting litigation and being subject to suit as to any course of action involving Units owned by the Condominium, or involving the Common Elements or arising out of the enforcement of the By-Laws, Rules and Regulations or restrictions in the Master Deed,
- (n) Altering the layout, location, nature and use of any Common Elements, and making installations therein and moving and removing the same.

2.1.3 Managing Agent. The Board may employ for the Condominium a managing agent at a compensation established by the Board and for a term not to exceed two years, to perform such duties and services as the Board shall authorize, including but not limited to those duties described in subparagraphs (a), (b), (c), (d), (i), and (j) of Section 2.1.2.

2.1.4 Removal. Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners.

2.1.5 Vacancies. Vacancies in the Board caused by reason other than removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board for the remainder of the term of the member and until a successor shall be elected at the next annual meeting of the Unit Owners.

2.1.6 Meetings. Regular meetings 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, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each member of the Board by mail or telegraph, at least three (3) business days prior to the day named for such meeting. Special meetings of the Board may be called by the President on three (3) business days notice to each member of the Board, given by mail 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 in like manner and on like notice on the written request of at least three (3) members of the Board. Any member of the Board may at any time waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.1.7 Quorum and Voting. At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of the majority of the members of the Board present and voting at a meeting at which a quorum is present shall constitute the decision of the Board. All votes taken by the Board shall be recorded in the minutes of the meeting and shall identify and record the vote of each individual Board member. Any action which might be taken at a meeting of the Board may be taken without a meeting if a written consent to the action is signed by all the Managers. Such a consent shall be treated for all purposes as a unanimous vote of the Board.

2.1.8 Liability of the Board of Managers. The Managers shall not be liable to the Unit Owners for any mistake of judgement, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the Managers against all liability to others arising out of acts or omissions, on behalf of the Condominium unless any such act or omission shall have been the result of willful misconduct or bad faith.

2.1.9 Request for Bids. The Board shall obtain three bids for any expenditure of funds over ten thousand dollars (\$10,000), and shall select the lowest qualified bidder from the bids received. The Board may waive this requirement in emergency situations.

Further, the Board may award contracts up to three years and shall re-bid at least every three years to evaluate current marketing pricing.

2.1.10 Payments to Association Members. The Board is authorized to make payments of up to ten dollars (\$10) per hour to any Unit Owner or Board member as compensation for performing Board requested services or labor within the Condominium.

2.2 Unit Owners.

2.2.1 Title to Units and Unit Votes. Except as otherwise specifically provided, references in these By-Laws to a vote, consent or decision by any percentage of the Unit Owners means that percentage of interest in the Common Elements. The vote of a Unit shall be cast by the Owner, if a single individual, and otherwise by a person designated in writing to act as proxy representing the Unit Owner or Owners.

2.2.2 Meetings. Meetings of the Unit Owners shall be held at the Condominium, or at such other suitable place convenient to the Unit Owners shall be held on the second Tuesday of March in each year at 7:00 p.m. The President shall call any special meetings of Unit Owners as directed by the Board, or upon a petition signed by one-third in number and in interest of all Unit Owners presented to the Clerk. The Clerk shall mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner, at least 7 but not more than 30 days prior to such meeting. The mailing of a notice in the manner provided herein shall be considered notice served.

2.2.3 Quorum and Voting. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority in interest of Unit Owners shall constitute a quorum for a meeting. The vote of a majority in interest of Unit Owners present and voting at a meeting at which a quorum is present shall be binding upon all Unit Owners for all purposes except where in the Master Deed, these By-Laws, or by Law, a higher percentage vote is required.

2.3 Unit owners' Advisory Board.

2.3.1 Number, Election, and Term. Each of the eight buildings comprising Farrwood Green Condominium II shall elect, by a majority vote of the Unit Owners of that building, one primary and one alternate Building representative to act on behalf of the Unit Owners within that building, for a term of one year. Election of Building Representatives will be held annually during the month of March, at a time agreed upon by a majority of Unit Owners in that building. The elected Building Representatives shall comprise the Unit Owners' Advisory board.

2.3.2 Meetings. Meetings of the Unit Owners' Advisory Board will be held as deemed necessary by the Advisory Board. Individual members will meet with the Unit Owners of their building as deemed necessary by the Unit Owners, but at least one meeting will be held each year.

2.3.3 Powers and Duties. Advisory Board members shall act in an advisory capacity to the Board of Managers and in no way have binding, decision-making authority on the operation of the Condominium. The sole purpose of the Advisory Board is to act as a liaison between Unit Owners and the Board of Managers.

2.3.4 Officers. The Advisory Board shall elect a Chairperson to act as facilitator/coordinator of all Advisory Board meetings.

ARTICLE III

Officers

3.1 Election of Officers. The officers of the Condominium shall be Managers elected by the Board at the annual meeting and shall hold office at the pleasure of the Board and until their successors are duly elected. When so requested by the Board, any Unit Owner shall certify to any matter relating to the Condominium. Any person dealing with the Condominium, or with any Unit Owner, to whom such matter has been certified shall be entitled to rely upon such certification until notice is given by subsequent certification to the contrary.

3.2 President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board.

3.3 Clerk. The Clerk shall keep the minutes of all meetings and a record of all decisions of the Board and the Unit Owners, and shall maintain copies of the By-Laws.

3.4 Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, as well as a separate account for each Unit, which, among other things, shall contain the amount of each assessment of common expenses against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. These financial records shall be open to inspection by the Unit Owners, and the Treasurer shall render a written report of receipts and expenditures to the Unit Owners at least once annually within 90 days after the close of the fiscal year, or as soon thereafter as is practicable. He shall be responsible for the deposits of all monies in the name of the Board of Managers, in such depositories as may from time to time be designated by the Board of Managers. The Board may employ a managing agent to assist the Treasurer in performing his duties.

3.5 Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, notes, checks and other instruments of the Condominium shall be executed by the President, by a majority of the members of the Board, or by such other person or persons as may be designated by the Board.

ARTICLE IV

Operation of the Condominium

4.1 Assessment of Common Expense. Prior to the annual meeting, each individual Board member shall cause to be prepared an estimated itemized annual budget for the next fiscal year of the Condominium for each account over which the individual Board member has direct control or responsibility. Such itemized budget(s) shall take into account estimated income items, estimated common expenses, amounts for working capital, a replacement reserve as established by the Board, and any surplus or deficit for the preceding year. When preparing the budget(s), each Board member must also take into account the timing of any upcoming expenditures and present a plan outlining how these services shall be obtained and the expenditures funded. The combined net amount of all the Board members itemized budgets shall constitute the common expenses budget (“common Expenses Budget”) of the Condominium.

In preparing the annual budget, the Board shall separate from the “Common Expense” assessment all major expenses that are not regular, fixed operating expenses and/or general maintenance items. These expenses shall be presented separate from the common expenses of the Condominium as special assessments (“Special Assessments”). Such Special Assessments shall be voted separate from the operating budget, and assessed as a one-time assessment, with the method of payment determined at the time of voting. Such “Special Assessments” shall be deemed to have occurred as of the voting, with all Unit Owners of record at the time of the voting assuming responsibility for payment of the entire “Special Assessment.”

The common expenses for each fiscal year shall be assessed to the Unit Owners in proportion to their respective percentages of interest in the Common Elements by a vote of the Unit Owners at the annual meeting. Assessments shall be deemed to occur upon such vote. Promptly thereafter, the Board shall give notice of the assessment, together with a copy of the budget, to each Unit Owner and their respective mortgagees, if so requested by such mortgagees. If during the course of any year, it shall appear to the Board that the common expenses assessed previously are insufficient for the remainder of such year, then the Board shall prepare a supplemental budget, and the common expenses thereof shall be assessed by vote of the Unit Owners at a special meeting called for such purpose.

4.1.1 Balanced Budget Requirement. Prior to the Annual meeting, each individual Board member shall cause to be prepared a written report of the estimated receipts and expenditures of the Association for the current fiscal year for all accounts over which that Board member had direct control. This report must take into account both estimated income and estimated common expenses through the end of the current fiscal year. The report shall include good faith estimates of all outstanding encumbrances, defined here as claims against the Association for goods and/or services provided. Each Board member shall present their written report on the expenditures made to their accounts to the members of the Unit Owners Association at the Annual meeting.

4.2 Payment of Common Expenses. Unit Owners shall pay the assessed common expenses monthly in advance or at such other times as the Board shall determine. If any Unit Owner fails to pay such assessment when due, the amount thereof shall constitute a lien on such Unit as provided in Section 6 of Chapter 183A. No person shall be liable for the payment of an assessment of common expense made after he has conveyed his Unit to a new Unit Owner. Such person shall, however, be liable for common expenses assessed prior to a conveyance. A conveyance for this purpose shall be deemed to occur when a deed is executed and delivered in accordance with the provisions of Article 5 of these By-Laws. A purchaser of a Unit shall be liable for the payment of unpaid assessments which constitute a statutory lien against the Unit prior to its acquisition by him, except that a purchaser of a Unit at a foreclosure sale of a first mortgage of record, or a first mortgagee who takes by deed in lieu of foreclosure shall not be liable for, and the Unit shall not be subject to, a lien for the payment of assessments made prior to such foreclosure sale or conveyance in lieu of foreclosure.

4.3 Collection of Assessments. The Board shall take prompt action to collect any assessments due from any Unit Owner which remains unpaid for more than 30 days from the due date for payment thereof. If a Unit Owner defaults in paying his assessment, he shall pay interest at the rate of 18% per annum on such assessment from the due date thereof, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action at law or in equity to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit as provided in Section 6 of Chapter 183A of Massachusetts General Laws. A suit to recover a money judgement for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same.

It shall be the policy of the Board to send a written notice of past due assessments to any Unit Owner who is more than sixty (60) days delinquent in the payment of an assessment. The Board shall charge interest at the maximum rate allowed by the By-Laws on all past due assessments, said interest to start as of the due date of the assessment. It shall be the right and policy of the Board to forgive the interest charge, if full payment of the overdue assessment is received within seven (7) days from the date the past due notice was mailed. If payment is not received within thirty (30) days of the date notification was mailed, the Board shall turn the matter over to the Association's attorney for collection.

4.4 Insurance. The Board shall obtain and maintain, to the extent obtainable, the following master policies of insurance covering the interests of the Condominium, the Board, and all Unit Owners and their mortgagees, as their interests may appear: (1) fire insurance with extended coverage insuring the Condominium, including all Units and common Elements, (but not including furniture, furnishings, or other household or personal property supplied to or installed by Unit Owners), together with all mechanical, electrical and air-conditioning equipment contained in the Units, for 100% of the full replacement value thereof, as determined by the Board, each of which policies shall contain a standard mortgagee clause in favor of each mortgagee of a Unit; (2) workmen's compensation insurance if applicable; (3) public liability insurance in such amounts and with such limits of coverage as the Board shall from time to time determine, covering the Condominium, the Board, the officers, the managing agent, if any, and the Unit Owners; and (4) such other insurance as the Board may determine. All such policies shall provide that adjustment of loss shall be made by the Board as Insurance Trustee and that the net proceeds thereof shall be payable to the Board as Insurance Trustee. The Board shall reappraise the value of the Condominium, including the common areas and facilities in each of the Units, annually, and, if necessary, shall increase the amount of coverage in the master policies accordingly.

All policies of physical damage insurance shall contain waivers of subrogation or of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies.

In obtaining and maintaining the insurance coverage referred to in this Section, the Board shall be entitled to rely on the advice and/or judgement of any independent insurance broker or agent.

Unit Owners may carry insurance for their own benefit insuring their flooring, carpeting, wall-covering, fixtures, furniture, furnishings and other personal property, provided that all such policies shall contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Each Unit Owner shall promptly notify the Board of any and all improvements to be made by him to his Unit, the value of which exceeds \$500. Such notice shall state in reasonable detail the nature of the improvements and the value thereof. Upon notification of such improvements to be made to a Unit, the Board shall promptly notify the insurer of the Condominium and increase the amount of coverage on the master policies by an amount at least equal to the value of such improvements. Any increase in insurance premiums resulting from such improvements shall be paid by the Unit Owner making such improvements as an addition to his share of the common expenses of the Condominium.

4.5 Repair or Reconstruction after Fire or other Casualty. In the event of damage to or destruction of the Condominium as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration of the Condominium including any Units or Common Elements, (but not including any wall, ceiling, or floor decorations or coverings or other flooring, carpeting, drapes, wall-covering, fixtures, furnishings, furniture or other personal property supplied to or installed by Unit Owners, or of improvements adding value to such Units, to the extent of such value). The Board shall disburse the proceeds of all insurance policies to contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board may assess all the Unit Owners for such deficit as part of the common expenses.

If there shall have been a repair or restoration pursuant to the first paragraph of this Section 4.5, and the amount of insurance proceeds has exceeded the cost of such repair or restoration, then the excess of such insurance proceeds, if any, shall be added to the Condominium's reserve funds or, at the option of the Board, be divided among the Unit Owners in proportion to their respective interests in the Common Elements.

Notwithstanding the foregoing if as a result of fire or other casualty the loss exceeds ten per cent (10%) of the value of the Condominium prior to the casualty, and

- (a) If seventy-five per cent (75%) in interest of the Unit Owners do not agree within 120 days after the date of the casualty to proceed with repair or restoration, the Condominium, including all Units 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 rebuild is filed. The net proceeds of the partition sale together with any common funds shall be divided in proportion to the Unit Owners' respective interest in the Common Elements. Upon such sale the Condominium shall be deemed removed from the provisions of Chapter 183A of the Massachusetts General Laws.
- (b) If seventy-five percent (75%) in interest of the Unit Owners agree to proceed with the necessary repair or restoration, the cost of the rebuilding of the Condominium, in excess of any available common funds including the proceeds of any insurance, shall be a common expense, provided, however, that if such excess cost exceeds ten per cent (10%) of the value of the Condominium prior to the casualty, any Unit Owner who did not so agree may apply to the Superior Court of Essex County on such notice to the Board as the Court shall direct, for an order directing the purchase of his Unit by the Board at the fair market value thereof as approved by the Court. The cost of any such purchase shall be a common expense; provided, however, that to the extent such cost is in excess of insurance proceeds as a result of a lack of insurance coverage caused by the failure of the Unit Owner promptly and accurately to report improvements made by him to his Unit pursuant to Section 4.4, the excess cost resulting from such failure shall be borne solely by the Unit Owner so failing to report the same.

4.6 Maintenance and Repairs.

- (a) All maintenance and replacement of and repairs to any Unit, whether structural or non-structural, ordinary or extraordinary, (other than to the Common Elements contained therein), shall, subject to Section 4.9, be performed by the Unit Owner at the Unit Owner's sole expense, except as otherwise specifically provided herein.
- (b) All Maintenance, repairs and replacements to the Common Elements as defined in the Master Deed, the painting and decoration of the exterior windows sash shall be performed by the Board and shall be charged to all the Unit Owners as a common expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner.

4.7 Restrictions on Use of Units.

- (a) No use may be made of any Unit except as a single-family residence of the Unit Owner or his lessees.
- (b) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.
- (c) No nuisance or immoral, improper, offensive, or unlawful use shall be made of the Condominium or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Condominium, shall be cured promptly by and at the sole expense of the Unit Owner or the Board, whichever shall have the obligation to maintain such portion of the Condominium as may be in violation.

4.8 Improvements.

- (a) If fifty per cent (50%) or more in interest but less than seventy-five per cent (75%) in interest of the Unit Owners agree to make an improvement to the Common Elements, the cost of such improvement shall be borne solely to the Unit Owners so agreeing.
- (b) Seventy-five per cent (75%) in interest or more of the Unit Owners may agree to make an improvement to the Common Elements and assess the cost thereof to all Unit Owners as a common expense, but if such improvement shall cost in excess of ten per cent of the then value of the Condominium, any Unit Owner not so agreeing may apply to the Essex County Superior Court, on such notice to the Board as the court shall direct, for an order directing the purchase of his unit by the Board at fair market value thereof as approved by the court. The cost of any such purchase shall be a common expense.

4.9 Additions, alterations or Improvements by Unit Owners. No Unit Owner shall make any structural addition, alteration, improvement or repair in or to his Unit or to the Common Elements, without the prior written consent thereto of the Board, and no work which would jeopardize the soundness or safety of the building shall be done in a Unit or to the Common Elements unless in every such case the unanimous consent of all Unit Owners is first obtained.

4.10 Use of Common Elements and Facilities. No Unit Owner shall place or cause to be placed in the hallways, lobbies, vestibules, public halls, stairways or other Common Elements, other than parking space or storage area in which such Unit Owner has a right of use, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit.

4.11 Right of Access. Each Unit Owner hereby grants a right of access to his Unit to any 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 any of the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

4.12 Rules and Regulations. Reasonable rules and regulations concerning the use of the Units and the Common Elements may be promulgated from time to time by the Board. Copies of such rules and regulations shall be furnished to each Unit Owner prior to the time when the same shall become effective.

4.13 Water and Electricity. Each Unit Owner shall arrange and pay for separately metered water and electric service to his Unit. Electric service to the Common Elements shall be separately metered, and shall be a common expense.

4.14 Examination of Books and Records. Each Unit Owner and each mortgagee of a Unit may examine the books of account of the Condominium at reasonable times.

4.15 Reserve Account. The Unit Owners shall establish a replacement reserve, known as the "Reserve Account." This account shall be defined as "funds set aside for the repair or replacement of major real estate or architectural assets, such as roofs or parking lots." It is the expressed intent of the Unit Owners establishing the "Reserve Account," that the funds in the account not be used to cover the cost of routine, fixed, or recurring expenses, such as deck maintenance or replacement, as these expenses are of such a frequent and predictable nature, as to qualify them as normal common expenses.

Funding of the Reserve Account shall be on an annual basis, with the amount and method of funding determined at the annual Unit Owners' meeting. All interest earned by the Reserve Account shall remain in the account, with the exception of those funds required to either maintain the Reserve Account or to pay the taxes on the interest earned by the Reserve Account.

Expenditures of Reserve Account funds shall require a vote of two-thirds in number and in interest of all Unit Owners at a meeting of the Unit Owners duly held for such purpose, unless the Board of Managers declares that an emergency condition exists, in which case, the Board shall have authority to withdraw funds from the Reserve Account. Upon declaring that an emergency condition exists, and after making a withdrawal from the Reserve Account, the Board shall notify the Unit Owners of the emergency withdrawal.

ARTICLE V

Transfer and Mortgages

5.1 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the undivided interest of such Unit Owner in the Common Elements and other assets of the Condominium (the "Appurtenant Interests"), it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

5.2 Purchase of Units by Board of Managers. Acquisition of Units by the Board on behalf of the Condominium may be made from the working capital or any reserve of the Condominium, or if such funds are insufficient, the Board may levy an assessment against the each Unit Owner in proportion to his ownership in the Common Elements, as a common expense, or the Board in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board. Except in the case of purchases referred to in Section 4.5 (b), 4.8 and 6.1 (where the decision to purchase shall be made by a majority of the Board), the decision to acquire any Unit shall be by vote of at least seventy-five per cent (75%) in interest of all Unit Owners at a special meeting called for that purpose, such majority to be calculated by excluding the interest of any Unit which the Board is considering for purchase.

Any Unit or Units owned by the Condominium shall not be a Common Element, but shall be held of record in the name of the Condominium, or a nominee, and owned by the Unit Owners from time to time in accordance with their respective interests in the Condominium. Units owned by the Condominium shall not be entitled to vote and shall be excluded from the total of common interests when computing the interests of other Unit Owners for voting purposes.

5.3 Payment of Assessments. No Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board all unpaid assessments against his Unit.

5.4 Mortgages: Notice to Board of Managers. A Unit Owner who mortgages his Unit, shall notify the Board of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board, which shall maintain a record of such mortgages. 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 other default by, the Unit Owner of the mortgaged Unit.

ARTICLE VI

Condemnation

6.1 Condemnation. If more than ten per cent (10%) of the Condominium is taken under the power of eminent domain, the taking shall be treated as a "casualty loss," and the provisions of Section 17 of Chapter 183A of Massachusetts General Laws Shall apply. Where one or more Units have been substantially altered or rendered uninhabitable as a result of a partial taking, and the Unit Owners vote to restore and continue the Condominium pursuant to the provisions of Section 17 of said Chapter 183A, the Board shall have the authority to acquire the remaining portions of such Units, for such price as the Board shall determine provided that any Unit Owner of such remaining portion who does not agree with such determination may apply to the Superior Court of Essex County on such notice to the Board as the Court shall direct, for an order directing the purchase of such remaining portion at the fair market value thereof as approved by the Court. Where as a result of a partial taking any Unit is decreased in size or where the number of Units is decreased by a partial taking, then the Board may make such provision for realignment of the percentage interests in the Common Elements as shall be just and equitable.

In the event of a total or partial taking under the power of eminent domain, the Unit Owners shall be represented by the Condominium acting through the Board. In the event of a partial taking, the award shall be allocated to the respective Unit Owners according to their undivided interest in the Common Elements, except as to such portion or portions of the award which are attributable to direct or consequential damages suffered by particular Units, which shall be payable to the owners of such Units or their mortgagees, as their interests may appear. In the case of a total taking of all Units and the Common Elements the entire award shall be payable to the Board to be distributed to the Unit Owners in accordance with their respective percentage interests in the Common Elements.

ARTICLE VII

Miscellaneous

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

7.2 Notices. Whenever under the provisions of the Master Deed or of these By-Laws, notice is required to be given to the Board, any Manager or Unit Owner, such notice shall be given in writing, by mail, addressed to the Board at the office referred to in Section 1.1, to a Manager at his address appearing on the books of the Condominium, and to a Unit Owner at the Unit, or such other address as the Clerk shall have been instructed in writing by the Unit Owner to mail such notice. Notice shall be deemed given as of the date of mailing.

ARTICLE VIII

Amendments to By-Laws, Conflicts

8.1 Amendments to By-Laws. These By-Laws may be modified or amended by the vote, in person or by proxy, of one-half (or if such modification or amendment affects a provision then requiring a larger percentage of approval or action, then such larger percentage) in number and in interest of all Unit Owners at a meeting of the Unit Owners duly held for such purpose.

8.2 Conflicts. These By-Laws are set forth to comply with the requirements of Chapter 183A of Massachusetts General Laws. In case any of these By-Laws conflict with the provisions of Chapter 183A or the Master Deed, the provisions of Chapter 183A or the Master Deed, shall control.