



Crystal Pond homeowners association

P.O. BOX 8
BECKET, MA 01223

BYLAWS
OF
CRYSTAL POND HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME, SEAL AND OFFICES

SECTION 1. NAME: The name of this corporation is CRYSTAL POND HOMEOWNERS ASSOCIATION, INC.

SECTION 2. SEAL: The seal of the Association shall be circular in form and shall bear the words "Corporate Seal". The Board of Directors may change the form of the seal or the inscription thereon at its discretion.

SECTION 3. OFFICERS: The principal office of the Association shall be at the place set forth on the form of the articles of organization or on a certificate filed with the Commonwealth Secretary or at such other place as the Board of Directors may from time to time designate.

SECTION 4. FISCAL YEAR: The fiscal year of the Association, unless otherwise decided by the Board of Directors, shall be the calendar year.

ARTICLE II

PLAN OF OWNERSHIP

SECTION 1. PLAN OF OWNERSHIP: The Property, located in the Town of Becket, County of Berkshire, Commonwealth of Massachusetts, is more particularly described in a deed from Crystal Pond Limited Partnership to Crystal Pond Homeowners Association, Inc., recorded in the Berkshire Middle District Registry of Deeds in Book 1297, Page 845&c. Said property is further described on a plan entitled "Becket Center Acres, Becket, Mass., Berkshire County, Resubdivision of Lots 1 & 3 through 60, Scale 1" = 100', Pharmer Engineering Corporation, Holyoke, Massachusetts" (said Becket Center Acres now known as Crystal Pond), recorded in said Registry of Deeds in Drawer O, #53. Said Property has been submitted to the provisions of a

certain Declaration of Covenants and Restrictions dated May 18, 1987, recorded in Book 1206, Page 967, in said Registry of Deeds. Said Declaration creates a system of fee simple ownership in the various Lots and of undivided ownership as tenant-in-common of the Common Land with each Lot Interest being subject to a reciprocal obligation to contribute annual Assessments and common charges for the maintenance, repair, capital improvements, taxes and full operation of the Common Land, all in accord with the said Declaration.

SECTION 2. APPLICABILITY OF BYLAWS: The provisions of these Bylaws are applicable to the Property, and to the use and occupancy thereof, and to the operations and activities of the Association.

SECTION 3. PERSONAL APPLICATION: All present and future Owners, mortgages, lessees, and occupants of the Lot Interests and their employees, agents, guests and any other Person who may use the facilities of the Property in any manner are subject to these Bylaws, the Declaration, and to the Rules and Regulations established by the Board of Directors as may be set forth. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Lot shall constitute an agreement that these Bylaws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE III

MEMBERSHIP

SECTION 1. OWNERS AS MEMBERS: Every record Owner of a Lot shall be a Member of the Association pursuant to Article VI of the Declaration. Each Owner of record or a Lot at Crystal Pond shall be the conditional Owner of one (1) share of the capital stock of said Corporation, provided the co-owners or joint owners of a Lot shall be conditional co-owners of the same one (1) share, but either shall be entitled to vote said share. If any Lot Owner shall own more than one (1) Lot, he shall be entitled to one (1) share for each Lot owned.

SECTION 2. RIGHTS SUBJECT TO ASSESSMENTS: The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each Lot Owner and are made the personal obligation of the then Member as provided by Article V of the Declaration and these Bylaws.

SECTION 3. SUSPENSION OF RIGHTS: The membership rights of any Member whose membership or interest in the Property is subject to assessments under Article VI whether or not he is personally obligated to pay such assessments, may be suspended by action of the Board of Directors during the period when the assessments remain delinquent; but upon payment of such assessment, the said rights and privileges shall be automatically restored. If the Directors have adopted and published Rules and Regulations governing the use of the Common Land and facilities, and the personal conduct of any Person thereon, as provided in Article XI, Section 3, they may, in their discretion, suspend the rights of any such Person for violation of such Rules and Regulations for a period not to exceed thirty (30) days, in addition to levying the liquidated charges provided by these Bylaws.

ARTICLE IV

PROPERTY RIGHTS IN COMMON LAND

Each Owner shall be entitled to the non-exclusive ownership, occupancy, use and enjoyment of the Common Land as tenant in common and as provided by his deed and the Declaration.

ARTICLE V

PURPOSES AND POWERS

The Association shall operate on a not-for-profit basis in accordance with its Articles of Organization. The Association will not provide pecuniary gain or profit, direct or indirect, to its Members. To accomplish these purposes, the Association shall have the following powers:

SECTION 1. POWERS AND PURPOSES: (a) As agent and attorney in fact coupled with an interest for the Owners, and as it deems consistent with the purposes set forth above, to operate and maintain roads, recreation facilities, the pond, dam and related structures, trails, open space, including building structures and personal properties incidental thereto (the "Common Land"); (b) to fix assessments (or charges) to be levied against the Common Land; (c) to enforce any and all covenants, restrictions and agreements applicable to the Property; (d) to pay taxes on the Common Land; and (e) insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the occupants of the Property.

ARTICLE VI

MEETINGS

SECTION 1. VOTING: A majority of the total votes cast at a meeting at which a quorum is present shall be binding upon all Owners for all purposes except when a higher percentage is required by these Bylaws, the Declaration or by law. Each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Clerk. No proxy shall extend beyond a period of eleven (11) months, and any proxy shall automatically cease upon sale by a Member of his Lot Interest.

SECTION 2. QUORUM: Except as otherwise provided in these Bylaws, the presence, in person, or by proxy, of Persons having twenty-five percent (25%) of the total authorized votes shall constitute a quorum at any meeting of the Owners. At an adjourned meeting pursuant to Section 9, one half (1/2) of the number required at a preceding meeting for a quorum shall constitute a quorum.

SECTION 3. ANNUAL MEETINGS: Annual meetings shall be held on the third Saturday of each May. At each annual meeting, there shall be elected by ballot of the Members, a Board of Directors in accordance with the provisions of Article VII, Section 1, of the Bylaws, and Members may also transact such other business as may properly come before them.

SECTION 4. PLACE OF MEETINGS: Meetings of the Members shall be held at the principal office of the Association or such other suitable place convenient to the Members as may be designated.

SECTION 5. SPECIAL MEETINGS: It shall be the duty of the President to call a special meeting of the Members when so directed by resolution of the Board of Directors or upon written application of three or more Members entitled to vote thereat. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

SECTION 6. NOTICE OF MEETING: It shall be the duty of the Clerk to mail a notice of each annual or special meeting of the Members, at least ten (10) days but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member as recorded on the records of the Association, at the resident address or at such other address as such Member shall have designated by notice in writing to the Clerk. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice.

SECTION 7. WAIVER OF NOTICE: Any member may at any time waive notice of any meetings of the Members, in writing, and such waiver shall be deemed equivalent to the giving of such notice.

SECTION 8. ADJOURNED MEETINGS: If any meeting of Members cannot be held because a quorum has not attended, a majority of the Members 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 of the original meeting was scheduled.

SECTION 9. PARLIAMENTARY PROCEDURE: At all meetings of the Members or of the Board of Directors, Roberts' Rules of Order, as to such date amended, shall be followed, except in the event of conflict, these Bylaws or Declaration, as the case may be, shall prevail.

ARTICLE VII

BOARD OF DIRECTORS

SECTION 1. FUNCTION, NUMBER AND QUALIFICATIONS: The Association shall be governed by a Board of Directors not more than five (5) in number. A Director shall be elected for a term of three (3) years. At the meeting at which these Bylaws are adopted, four (4) Directors shall be elected for a three (3) year term and one for a two (2) year term.

SECTION 2. POWERS AND DUTIES: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and shall do all such acts and things as are not by law or by the Bylaws directed to be exercised and done by the Owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

(a) The full management, maintenance, operation, care, and upkeep of the Common Land, and such duties on the Lots as provided in the Declaration.

(b) The determination of the Common Expenses required for the affairs of the Property.

(c) The establishment, levying, assessment and collection of the Common Charges from the Owners, and pursuant to such collection, in the event of failure to pay said Assessments, the Board shall institute the remedies provided herein.

(d) The employment and dismissal of the personnel necessary for the maintenance, management, repair, replacement and operation of the Property.

(e) The opening of bank accounts in the name of the Association and designating the signatories required therefor.

(f) The granting of licenses over the Common Land.

(g) The obtaining and maintaining insurance on the Property and such other insurance as it may from time to time deem appropriate.

(h) The making of repairs, additions, and improvements, alterations, or restoration to the Property.

(i) The adoption of reasonable Rules and Regulations governing the conduct of all people on the Property and the operation and use of the Property. The Board shall have the power to levy liquidated damages against the Owners for violation thereof, for which they are responsible, provided that no such levy may be for more than \$5.00 for any one violation; but for each day a violation continues after notice, it shall be considered a separate violation. Collection of damages may be enforced against the Owner or Owners responsible as if the damages were a Common Charge owed by the particular Owner or Owners.

(j) The enforcement by any legal means, the provisions of the Declaration, the Bylaws, and the Rules and Regulations for the use of the Property as may hereinafter be established.

(k) The appointment and removal of all officers, agents and employees of the Association and the setting of their duties and compensation. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.

(l) The keeping of a complete record of all its acts and corporate affairs and the presentment of a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such is requested in writing by one-fourth (1/4) of the voting membership, as provided herein.

(m) The supervision of all officers, agents and employees of this Association.

(n) The powers and duties concerning assessments as more fully provided in Article IX of these Bylaws.

(o) The issuance of or causing an appropriate officer to issue upon demand by any Person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

SECTION 3. DELEGATION OF DUTIES: The Board of Directors may employ or enter into a contract or agreement with a Manager for the Property, at a compensation or consideration established by the Board, to perform such duties and services as the Board shall authorize except those duties and services which are, by law, the Articles or these Bylaws reserved to the Board of Directors.

SECTION 4. REMOVAL OF DIRECTORS: At any regular or special meeting of the Members, any one or more of the members of the Board of Directors may be removed for cause, by a majority of all of the Members eligible to vote following notice thereof in the call of the meeting and a successor or successors may then and there or thereafter be elected to fill the vacancy thus created.

SECTION 5. VACANCIES: Vacancies on the Board of Directors caused by any reason other than the removal for cause, shall be filled by vote of a majority of the remaining Members of the Board at a regular or special meeting of the Board of Directors held promptly after the occurrence of any such vacancy, even though the Members present at such meeting shall constitute less than a quorum. Each Person so elected shall be a member of the Board of Directors for the remainder of the term of the Member so replaced, and until his successor shall be duly elected.

SECTION 6. REGULAR MEETINGS: Regular meeting of the Board of Directors may be held at such time and place within or without the Commonwealth as shall be determined from time to time by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given by the clerk to each Director personally or by mail or telegraph at least three (3) days prior to the day named for the meeting.

SECTION 7. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by the President on seven (7) days' notice to each director, given personally or by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or clerk in like manner and on like notice on the written request of at least two members of the Board of Directors.

SECTION 8. WAIVER OF NOTICE: Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If a quorum of the Board is present at any meeting, no notice shall be required and any business may be transacted at such meeting.

SECTION 9. QUORUM OF BOARD OF DIRECTORS: At all meetings of the Board of Directors, three-fifths (3/5) of the Members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the Members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

SECTION 10. FIDELITY BONDS: The Board of Directors may obtain adequate fidelity bonds for all officers, employees and agents of the Association responsible for any Association funds and the premiums on such bonds shall constitute a Common Expense.

SECTION 11. COMPENSATION: No Member of the Board of Directors shall receive any compensation from the Association for acting as a director.

SECTION 12. LIABILITY OF THE BOARD OF DIRECTORS: The Members of the Board of Directors shall not be liable to the Association or to the Members for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Association shall defend, indemnify and hold harmless, to the extent permitted by law, each of the Members of the Board of Directors against all liability arising out of their conduct on behalf of the Association, or the Owners unless such conduct shall have been in bad faith or caused by willful misconduct. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association or the Owners (excepts as Members). It is also intended that the liability of any Member arising out of any contract made by the Association or out of the aforesaid indemnity in favor of the Board of Directors shall be limited to his interest in the Property.

SECTION 13. FISCAL YEAR: The Board of Directors shall establish the fiscal year.

SECTION 14. COMMITTEES: The Board of Directors by vote of a majority, may elect from its number an Executive Committee or other committees and may delegate thereto some or all of its powers except those which by law, by the Articles of Organization, or by these Bylaws may not be delegated.

Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted so far as possible in the same manner as is provided by these Bylaws for the Board of Directors.. All members of such committees shall hold such offices at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Any committee to which the Board of Directors delegates any of its powers or duties shall keep records of its meetings and shall report its action to the Board of Directors. The Board of Directors shall have power to rescind any action of any committee, but no such rescission shall have retroactive effect.

ARTICLE VIII

OFFICERS

SECTION 1. DESIGNATION: The principal officers of the Association shall be the president, the vice president, the secretary/clerk and the treasurer, all of whom shall be elected by the Board of Directors. The president and the vice president shall be elected from among the Members of the Board of Directors. The Board of Directors may elect such other officers as in its judgment may be necessary. The president and the secretary/clerk may not be the same person.

SECTION 2. ELECTION: The officers of the Association shall be elected annually by the Board of Directors.

SECTION 3. REMOVAL: Upon the affirmative vote of a majority of Members of the Board of Directors, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purposes.

SECTION 4. PRESIDENT: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Members of the Board of Directors. He shall have

all general powers and duties which are usually invested in the office of the president of a corporation organized under the laws of the Commonwealth of Massachusetts, including but not limited to the power to appoint committees from time to time as he may, in his discretion, decide, as appropriate to assist in the conduct of the affairs of the Association.

SECTION 5. VICE PRESIDENT: The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be assigned to him by the Board of Directors or by the President.

SECTION 6. SECRETARY/CLERK: The Secretary shall keep the minutes of all meetings of the Members and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors and these Bylaws may direct; he shall give all notices required by the Bylaws unless otherwise provided; and he shall, in general, perform all the duties incident to the office of the secretary of a corporation organized under the laws of the Commonwealth of Massachusetts.

SECTION 7. TREASURER: The Treasurer shall have responsibility for Association funds and securities and shall keep the financial records and books of account in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a corporation organized under the laws of the Commonwealth of Massachusetts.

SECTION 8. SIGNATORIES TO DOCUMENTS: All agreements, contracts, deeds, leases, checks and other documents of the Association shall be executed by the President or Treasurer of the Association or by such other person or persons as may be designated by the Board of Directors. Any drafts and excess of \$1,000.00 shall require the signature of two (2) officers of the Corporation, as designated by the Board of Directors.

SECTION 9. COMPENSATION: No officers shall receive any compensation for acting as such.

SECTION 10. VACANCIES: A vacancy in any office may be filled by the Board of Directors by the election of a successor to hold office for the unexpired term of the officer whose position is vacant. An officer shall be deemed to serve until his successor is chosen and qualified.

ARTICLE IX

ASSESSMENTS

SECTION 1. DETERMINATION OF COMMON EXPENSES AND FIXING OF COMMON CHARGES: The Board of Directors shall, from time to time, and at least annually, prepare a budget for the Property, determine the amount of the Common Charges payable by the Owners to meet the Common Expenses and allocate and assess such Common Charges among the Owners according to their share as established by the Declaration and by these Bylaws. The Board of Directors shall advise all Owners promptly, in writing, of the amount of Common Charges payable by each of them, and shall furnish copies of each budget on which such Common Charges are based to all Owners upon request. The Common Expenses shall include, among other things:

(a) expenses of administration, maintenance, repair or replacement of the Common Land and Appurtenant Interests;

(b) all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of the Bylaws;

(c) such amounts as the Board of Directors may deem proper for the operation of the Property, including without limitation an amount for its working capital, a general operating reserve, a reserve fund for replacement, and sums necessary to make up any deficit in the Common Expenses for any prior year;

SECTION 2. PAYMENT OF COMMON CHARGES: All Owners, except as provided herein, shall be obligated to pay the Common Charges assessed by the Board of Directors annually or at such other time or times as the Directors shall determine.

SECTION 3. NO WAIVER OF LIABILITY FOR COMMON EXPENSES: No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Land or by abandonment of his Lot or any Appurtenant Interest.

SECTION 4. NON-LIABILITY AFTER CONVEYANCE: No Owner shall be liable for the payment of any part of the Common Charges assessed against his Lot subsequent to a sale, transfer or other conveyance made pursuant to the provisions of these Bylaws.

SECTION 5. SUCCESSOR'S LIABILITY FOR COMMON CHARGES: A grantee who acquires a Lot shall be liable for, and the Lot conveyed shall be subject to a lien for, any unpaid assessments against the Lot Interest, but not in excess of the amount set forth in a statement provided under Section 6 herein, and Article XII, Section 2.

SECTION 6. STATEMENT OF COMMON CHARGES: The Board of Directors shall promptly provide an Owner or grantee or prospective grantee from an Owner so requesting the same, in writing, a written statement of all unpaid Common Charges or other assessments due from such Owner.

SECTION 7. FORECLOSURE OF LIENS FOR UNPAID COMMON CHARGES: In any action brought by the Association to foreclose a lien on a Lot because of any unpaid Common Charges, the Owner shall be required to pay reasonable rental for the use of his Lot and the plaintiff in such foreclosure action shall be entitled to collect the same. Upon foreclosure of a Lot, the Association shall not hold the Lot for investment but shall divest itself of same as rapidly and as prudently as possible. If appropriate and possible, the Association will move for foreclosure by auction sale prior to the time title becomes absolute. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the liens securing the same.

SECTION 9. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS: In addition to the annual assessments authorized herein the Association may levy in any assessment year a special assessment, applicable to no more than five (5) years, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Land, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose. Written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

SECTION 10. ASSESSMENT AMOUNTS; NOTICE OF: The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period of at least thirty (30) days in advance of such

date or period and shall, at that time, prepare a roster of the Property and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner following seven (7) days' written notice to the Association.

Written notice of the Assessment shall thereupon be sent to every Owner subject thereto.

SECTION 11. EFFECT OF NON-PAYMENT OF ASSESSMENTS: THE PERSONAL OBLIGATION OF THE OWNER; DEFAULT; THE LIEN; REMEDIES OF THE ASSOCIATION: If the assessments are not paid on the date when payable, then such assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as herein provided, thereupon become a continuing lien on the Lot Interest which shall bind such Lot in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment together with all expenses, including attorney's fees and costs, shall bear interest from the date of delinquency at the rate of eighteen (18) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or to foreclose the lien against his Lot Interest, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, costs of collection, reasonable attorney's fees, established by custom for collection of debts and foreclosure, or as may be fixed by Court, together with the costs of the action. The use of recreational facilities by any Owner entitled to such use will be suspended by action of the Board of Directors during the period when the assessment remains in default.

SECTION 12. SUBORDINATION OF THE LIEN TO FIRST MORTGAGES: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or mortgages now or hereafter placed upon the Lot Interests subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such Property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

SECTION 13. AMENDMENT OF THIS ARTICLE: Any action to amend, repeal or alter any section of Article IX of these Bylaws must be approved by two-thirds (2/3) of the Members.

ARTICLE X

MAINTENANCE AND ALTERATION OF PROPERTY

SECTION 1. MAINTENANCE, REPAIR AND REPLACEMENT:

(a) Common Land: The Association shall maintain, manage, repair and replace all of the Common Land. In the event that such maintenance, repair or replacement was caused by the negligence or misuse of an Owner, such expense shall be charged to such Owner.

(b) Lots: Each Owner shall maintain, manage, repair and replace, at his own expenses, all portions of his Lot. Each Owner shall be responsible for damages to any other Lot or to the Common Land caused intentionally, negligently, or by his failure to properly maintain, manage, repair, or make replacement to his Lot.

SECTION 2. ADDITIONS, ALTERATIONS OR IMPROVEMENTS: Whenever, in the judgment of the Board of Directors, the Common Land shall require additions, alterations or improvements costing more than Five Thousand and 00/100 (\$5,000.00) Dollars, which are not to be at the expense of an individual Owner for his own benefit, and the making of such additions, alterations, or improvements shall have been approved at an annual or special meeting of the Members by two-thirds (2/3) vote of the Members who are voting in person or by proxy. The Board of Directors shall proceed with such additions, alterations, or improvements and shall assess all Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing Five Thousand and 00/100 (\$5,000.00) Dollars or less may be made by the Board of Directors without further approval of the Owner of any Lot Interest and the cost thereof will constitute part of the Common Expenses. The Provisions of this Section are subject to the provisions of Article V, Section 1, of these Bylaws.

SECTION 3. ELECTRICITY: Electricity may be supplied to the Common Land by the public utility company serving the area directly to the Property through a master meter. The Association shall pay all charges for such electricity as a Common Expense if installed.

SECTION 4. RIGHT OF ACCESS: Each Owner shall grant a right of access to his Lot and the structures thereon to the person authorized by the Association for the purpose of making inspections or for the purpose of correcting any condition originating in his Lot and threatening another Lot or the Property, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, sewer systems, or other Common Land in his Lot, provided that requests for entry are made in advance and that any such entry be at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate, whether the Owner is present at the time or not.

ARTICLE XI

USE OF PROPERTY

SECTION 1. RESTRICTIONS ON THE USE OF PROPERTY: In order to provide for congenial occupancy and use of the Property and for the protection of the values of the Lot Interests, the use of the Property shall be restricted, as provided in the Declaration of Covenants and Restrictions, and shall also be in accordance with the following provisions:

(a) Laws and Regulations. No immoral, improper or offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all Governmental bodies having jurisdiction thereof shall be observed. Provisions of the law, order, Rules, Regulations or requirements of any Governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.

(b) Smoke, Light, Noise Annoyances. The Owner shall not permit unreasonable smoke, cooking or other odors to emanate from his Lot. The Owner shall not permit or suffer any unreasonable lights or noises or anything which will interfere with the rights of other Owners or unreasonably annoy them or obstruct the roads, parking areas or pathways.

(c) Objectionable Lot Conditions. If, in the Association's sole judgment, any of the Owner's equipment or appliances shall result in damage to the Property or is of poor quality or may cause interruption of service to other portions of the Property, or overloading of, or damage to facilities maintained by the Association for the supplying of water or electricity to the

Property, or if any such material, equipment or fixtures visible from the outside of the Lot shall become rusty, dilapidated, disordered or discolored, the Owner shall promptly, on notice from the Association remedy the condition and, pending such remedy, shall cease using any appliance, fixture or equipment which may be creating the objectionable condition.

(d) Regulations and Insurance Standards. The Owner will comply with all the requirements of the Board of Fire Underwriters, insurance authorities and all governmental authorities and with all laws, ordinances, Rules and Regulations with respect to the occupancy or use of the Lot.

(e) Leasing. Owners shall lease Lots only for terms of no less than thirty (30) days and in accordance with a standard lease established by resolution of the Board of Directors.

SECTION 2. RESTRICTIONS ON THE USE OF COMMON LAND:

(a) Use of the Common Land shall be limited to that of the Owners, their guests, and tenants.

(b) For any period during which any assessed Common Charge remains unpaid, for any infraction of its published Rules and Regulations, or for any other violation as set forth in these Bylaws, the Board of Directors may suspend an Owner's right to use the Common Land, and other Common Land not necessary to give access to the highway for a period until delinquency is cured.

SECTION 3. RULES AND REGULATIONS: Rules and Regulations concerning the use of the Lots and the Common Land may be made and amended from time to time by the Board of Directors. Copies of such Rules and Regulations shall be furnished by the Board of Directors to each Member prior to the time the same shall become effective.

SECTION 4. ABATEMENT AND ENJOINMENT OF VIOLATIONS: The violation of any Rule and Regulations adopted by the Board of Directors, or the breach of any obligation contained in the Bylaws, or the breach of any obligation contained in the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth by these Bylaws:

(a) To enter the Lot in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that exists therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

(b) To enjoin, abate or remedy the continuance of any such breach by appropriate equitable proceedings including mandatory injunction, at the cost of the Owner including reasonable attorney's fees and costs.

(c) The Board of Directors may adopt and publish Rules and Regulations governing the use of the Property or any portion of them. If the personal conduct of any Person thereon violates those Rules and Regulations, the Board may suspend such use by any such Person for violation of such Rules and Regulations for a period until delinquency is cured and for additional periods of up to thirty (30) days.

(d) To levy summary charges against an Owner for such violation, in addition to such damages, provided that no summary charges may be levied for more than \$5.00 for any one violation; but for each day a violation continues after notice, it shall be considered a separate violation. Collection of charges for damages or summary charges may be enforced against the Owner or Owners involved as if the charge were a Common Charge owed by the particular Owner or Owners.

(e) To take any action of law or equity given to the Association as agent and attorney in fact for the non-defaulting Owners, as tenants-in-common in the Common Land, in enforcing these provisions, or provisions of the Declaration or Rules and Regulations or other provisions of law given to Owners as protection of their interests not otherwise limited herein.

ARTICLE XII

MORTGAGES

SECTION 1. NOTICE TO ASSOCIATION: An Owner who mortgages his Lot Interest or the mortgagee thereof shall notify the Association of the name and address of the mortgagee. The Association shall maintain such information in a file entitled "Mortgagees of Lot Interests".

SECTION 2. STATEMENT OF COMMON CHARGES: The Association, whenever so requested in writing by an Owner, a prospective Owner, a mortgagee, or by a prospective mortgagee of a Lot Interest, shall promptly report any then unpaid Common Charges due from, or any other default by, the Owner of the mortgaged Lot Interest.

SECTION 3. NOTICE OF DEFAULT: The Association, when giving notice to an Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Lot Interest if the name and address of such mortgagee has previously been furnished to the Association.

SECTION 4. EXAMINATION OF BOOKS: Each Owner shall be permitted to examine the books of account of the Association at a reasonable time upon giving written notice by registered letter.

ARTICLE XIII

RESTRICTIONS UPON LEASES OF LOTS AND OTHER TRANSFERS

SECTION 1. LEASES: No Owner may lease his Lot Interest therein except by complying with the provisions of these Bylaws.

The Association shall have the power to terminate any lease, and bring summary proceedings to evict the tenant in the name of his landlord in the event of default by the tenant in the performance of said lease or failure by the tenant to perform an obligation in the Declaration, Bylaws or Rules and Regulations. Copies of all executed leases shall be filed in the office of the Association.

SECTION 2. ACQUISITION OF LOT INTERESTS BY THE ASSOCIATION: In the event the Association shall acquire a Lot Interest pursuant to foreclosure of its lien for common charges or otherwise, all Owners shall be deemed to waive any rights as beneficiaries or tenants-in-common with respect to ownership of such interest. The Association shall immediately offer such Lot Interest for sale and, if within six months of acquisition, such interest is not sold, it shall be sold at public auction.

ARTICLE XIV

DAMAGE OR DESTRUCTION OF PROPERTY

SECTION 1. DUTY TO REPAIR OR RESTORE: Common Land damaged or destroyed shall be repaired or restored by the Association in its discretion.

SECTION 2. ESTIMATE OF COST: Promptly after damage to or destruction of the Common Land, and thereafter as it deems advisable, the Board of Directors may obtain reliable and

detailed estimates of the cost of repair or restoration. if such cost in the opinion of the Board of Directors may exceed \$5,000.00, the Board of Directors may retain the services of an architect to assist in the determination of such estimates and in the supervision of repair and restoration. Such repairs shall not be subject to Article X, Section 2.

SECTION 3. COLLECTION OF CONSTRUCTION FUNDS: Construction funds may consist of insurance proceeds, condemnation awards, proceeds of assessments against Owners, payment of Owners for damage to or destruction of Lot Interests, and other funds received on account of or arising out of injury or damage to the Common Land.

(a) Insurance Proceeds: The Board of Directors shall adjust losses under physical damage insurance policies of the Association.

(b) Condemnation Awards: Condemnation awards shall be adjusted by the Board of Directors.

(c) Assessments against Owners: If the insurance proceeds and condemnation awards are insufficient to effect the necessary repair or restoration of Common Land, such deficiency shall be charged against all Owners.

SECTION 4. PLANS AND SPECIFICATIONS: Any repair or restoration must be either substantially in accordance with the original architectural and engineering plans and specifications, and shall also include such improvements and fixtures as may have been previously installed, or according to plans and specifications approved by the Board of Directors and by a majority of the Owners; and if the damaged property contains any Lots, by all the Owners of the Lot Interest therein, which approval shall not be withheld unreasonably.

ARTICLE XV

SPECIAL AWARDS

SECTION 1. PARTIAL PUBLIC TAKING WITHOUT DIRECT EFFECT ON LOTS: If part of the Property shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and account of the taking of the Common Land, exclusive of compensation for consequential damages to certain affected Lots shall be payable to the Treasurer, as Trustee for all Owners and respective interests in

such Property. The Association, acting through the Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Land, without limitation on the right of the Owners to represent their own interests. Such proceeds shall be used in accordance with the provisions of the Bylaws. Nothing herein is to prevent Owners whose Lots are specially affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Lot, or personal improvements therein exclusive of damages relating to Common Land. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between affected Owners and the Association, as their interests may appear.

SECTION 2. PARTIAL OR TOTAL TAKING DIRECTLY AFFECTING LOTS: If part or all of the Property shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or a part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to Common Land. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots.

ARTICLE XVI

RECORDS

SECTION 1. RECORDS: The Association shall keep detailed records of the actions of the Board of Directors, minutes of meetings of the Board of Directors, minutes of the meetings of the Owners, names of the Owners and mortgagees and addresses of domiciles of the Owners as notified to the Association, and financial records and books of account for the Property, including chronological listing of receipts and expenditures as well as separate account for each Lot Interest, which, among other things, shall contain the amount of each assessment of Common Charges against such Lot Interest, the date when due, the amount paid thereon, and the balance remaining unpaid. Unless the Owner notifies the Association of change in ownership, the Association may rely on the names of Owners appearing in the records of the Association.

SECTION 2. STATEMENT: A written report and statement summarizing all receipts and expenditures of the Association shall be made available by the Board of Directors to all Owners at least annually.

SECTION 3. ANNUAL REPORT: In addition to the annual statement referred to above, an Annual Report of the receipts and expenditures of the Association, prepared, but not necessarily audited, by an independent certified public accountant, shall be made available by the Board of Directors to all Owners.

SECTION 4. EXAMINATION OF RECORDS: Each Owner shall be permitted to examine the books of account of the Association at reasonable times, following seven days prior written notice by mail to the Association.

ARTICLE XVII

MISCELLANEOUS

SECTION 1. NOTICES: All notices hereunder shall be sent by mail to the Association at its office, to Owners to the address of the domicile appearing on the records of the Association, or to such other address as may have been designated by such Owner from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed, except notice of changes of address which shall be deemed to have been given when received. The Owners have the affirmative duty to notify the Association in writing of their current addresses.

SECTION 2. CAPTIONS: The captions herein are inserted as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

SECTION 3. GENDER: The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender the use of singular shall be deemed to include the plural, when the context so requires.

ARTICLE XVIII

INVALIDITY, CONFLICT AND WAIVER

SECTION 1. INVALIDITY: The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

SECTION 2. CONFLICT: These Bylaws are set forth to comply with the requirements of the non-profit corporation law, and the Declaration. In the event of any conflict between these Bylaws and the provisions of such law or of the Declaration, the provisions of such law, or of the Declaration, as the case may be, shall control.

SECTION 3. WAIVER: No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violations or breaches thereof which may occur.

ARTICLE XIX

AMENDMENTS TO BYLAWS

SECTION 1. METHOD OF AMENDMENT: These Bylaws may be altered, amended or added to at any duly called meeting of the Owners, provided:

(a) that the notice of the meeting shall contain a substantial statement of the proposed amendment; and

(b) that the amendment be approved by two-thirds of the Members present and voting.

SECTION 2. EFFECT OF AMENDMENTS UPON ENCUMBRANCES: No amendment or modification of the Bylaws will affect or impair the validity or priority of any mortgage encumbering a Lot Interest nor the validity or priority of any other proper lien.

SECTION 3. EFFECT OF AMENDMENTS UPON DECLARATION: No amendment to the Bylaws shall be effective if it creates an inconsistency in the Declaration, to the extent such inconsistency exists and the Declaration is not appropriately amended.