

BY-LAWS
OF
SEA PINES CONDOMINIUM 1 ASSOCIATION

ARTICLE I

Plan of Unit Ownership

SECTION 1. Unit Ownership. The property located off Route 6A on the west side of Sea Pines Drive, Brewster, Massachusetts (hereinafter called the "Property") is more particularly described in the Master Deed dated October 9, 1973 and recorded in the Barnstable County Registry of Deeds, Book 1948 Page 53, and has been submitted to the provisions of Chapter 183A of Massachusetts General Laws by Regional Development Co., Inc. (hereinafter called the "Sponsor"). The Condominium thereby created shall be known as Sea Pines Condominium 1 (hereinafter called the "Condominium") and the unit owners' organization of the Condominium, hereby created, shall be known as the "Sea Pines Condominium 1 Association", or the "Condominium Association" (the "Association").

SECTION 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the buildings and all other improvements thereon (including the units ("Units") and common areas and facilities ("Common Elements"), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of said Chapter 183A of Massachusetts General Laws. The provisions of these By-Laws shall become applicable to property which may be added to the Condominium upon the recording of an amendment to the Master Deed submitting such additional property to the provisions of Chapter 183A of the Massachusetts General Laws.

SECTION 3. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Master Deed, the Rules and Regulations and all covenants, agreements, restrictions, easements and declarations of record ("title conditions"). The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations, the provisions of the Master Deed, as they may be amended from time to time, and the title conditions are accepted, ratified, and will be complied with.

SECTION 4. Office. The office of the Condominium Association and of the Board of Managers shall be located at the Clubhouse, 86 Sea Pines Drive, Brewster, Massachusetts, or such other location as may be designated by the Facilities Management Board (hereinafter referred to as the FMB).

ARTICLE II

Board of Managers

SECTION 1. Number and Term. The number of members which shall constitute the Board of Managers shall be twelve (12). Three (3) Board Members shall be elected by the Unit Owners, and the remaining nine (9) shall become Board Members as set forth in Section 1A hereof. All Board Members elected shall be Unit Owners, or Spouses of Unit Owners, or Unit Owners in Sea Pines Condominium 2, Sea Pines Condominium 3, or Sea Pines Condominium 4. In order to achieve a staggered Board of Managers whose terms do not expire at once, Board Members shall be elected for terms on a staggered basis. At the May 28, 2006 election, in order to establish a system of staggered terms of office, the candidate receiving the highest individual total of percentage beneficial interest votes shall serve for a term of three (3) years, the candidate receiving the second highest total of percentage beneficial interest votes shall serve for a term of two (2) years, and the candidate receiving the lowest individual total of percentage beneficial interest votes shall serve for a term of one (1) year. In the event of a tie vote which creates an uncertainty as to the term of a Board Member, the term shall be determined by the drawing of lots by the Board Members who received the tie votes. In any event, however, each Board Member shall hold office until such time as a successor has been elected.

SECTION 1A. Elections. Elections shall be conducted as follows:

- (a) The election of Board Members of Sea Pines Condominium 1, Sea Pines Condominium 2, Sea Pines Condominium 3, and Sea Pines Condominium 4 shall be held at the same time.
- (b) Nominations of individuals willing to serve on the Board of Managers shall be solicited in writing by the current president of the Board of Managers of the Association at a reasonable time prior to the annual meeting and s(he) shall present these nominations to the Unit Owners of Sea Pines Condominium 1 for their consideration. Further nominations may be offered from the floor.
- (c) The Unit Owners in Sea Pines Condominium 1 shall elect three (3) members of the Board of Managers of Sea Pines Condominium 1, who, upon their election, shall, ipso facto, also be and become Board Members of Sea Pines Condominium 2, Sea Pines Condominium 3, and Sea Pines Condominium 4.
- (d) The Unit Owners in Sea Pines Condominium 2 shall elect three (3) members of the Board of Managers of Sea Pines Condominium 2, who, upon their election, shall, ipso facto, also be and become Board Members of Sea Pines Condominium 1, Sea Pines Condominium 3, and Sea Pines Condominium 4.
- (e) The Unit Owners in Sea Pines Condominium 3 shall elect three (3) members of the Board of Managers of Sea Pines Condominium 3, who, upon their election, shall, ipso facto, also be and become Board Members of Sea Pines Condominium 1, Sea Pines Condominium 2, and Sea Pines Condominium 4.
- (f) The Unit Owners in Sea Pines Condominium 4 shall elect three (3) members of the Board of Managers of Sea Pines Condominium 4, who, upon their election, shall, ipso facto, also be and become Board Members of Sea Pines Condominium 1, Sea Pines Condominium 2, and Sea Pines Condominium 3.

Hence, the twelve (12) Board Members (i.e, all twelve [12] individuals) elected as set forth above will constitute the Boards of Managers of all four (4) Sea Pines Condominiums. In addition, all twelve Board Members shall constitute the whole number of the members of the Facilities Management Board.

By way of illustration of the foregoing,

- The Unit Owners in Sea Pines Condominium 1 elect three (3) members of the Board of Managers, say, Tom, Dick & Harry.
- The Unit Owners in Sea Pines Condominium 2 elect three (3) members of the Board of Managers, say, Jane, Joyce & Julie
- The Unit Owners in Sea Pines Condominium 3 elect three (3) members of the Board of Managers, say, Joanne, Josephine & Judy.
- The Unit Owners in Sea Pines Condominium 4 elect three (3) members of the Board of Managers, say, Hal, Henry & Hank.
- Under the By-laws of each of the four (4) Sea Pines Condominiums, all twelve of the Board Members - Tom, Dick, Harry, Jayne, Joyce, Julie, Joanne, Josephine & Judy, Hal, Hank and Henry are members of the Boards of Managers of all of the four (4) Sea Pines Condominiums, and they also constitute all of the members of the FMB. It is critically important that only one (1) election - of all four (4) Sea Pines Condominiums - be held at one time.

SECTION 2. Powers and Duties. The Board of Managers 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 these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to the following:

- (a) Operation, care, upkeep and maintenance of the Common Elements.
- (b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- (c) Collection of the common charges from the Unit Owners.
- (d) Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements.
- (e) Adoption and amendment of rules and regulations covering the details of the operation and use of the Common Elements subject to a right of the Unit Owners to overrule the Board of Managers (see Article VII, Section 16).
- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.
- (g) Leasing, managing and otherwise dealing with such community facilities as may be

provided for in the Master Deed as being common areas and facilities (the "Common Elements").

- (h) Owning, conveying, encumbering, leasing and otherwise dealing with units conveyed to it or purchased by it as the result of enforcement of the lien for common expenses, any right of first refusal or otherwise.
- (i) Obtaining of insurance for the Property, including the Units, pursuant to the provisions of Article VII, Section 7 hereof.
- (j) Making of repairs, additions and improvements to, or alterations of, the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws.
- (k) To enforce obligations of the Unit Owners, to allocate income and expenses, and to do anything and everything else necessary and proper for the sound management of the Condominium; to levy fines against the Unit Owners for violations of the master deed of the condominium, these by-laws, and reasonable rules and regulations established by it to govern the conduct of the Unit Owners. The amount of such fines shall be determined by the Board of Managers. Collection of fines may be enforced against the Unit Owner or Unit Owners. In the case of persistent violation of the rules and regulations by a Unit Owner or Unit Owners, the Board of Managers may require such Unit Owner or Unit Owners to post a bond to secure adherence to the rules and regulations.
- (l) To purchase or lease a Unit for use by a resident manager.
- (m) To grant or relocate easements.
- (n) To borrow money and to pledge receivables.

SECTION 3. Removal. Managers may be removed either with or without cause by an affirmative vote of a majority of the Unit Owners. No member shall continue to serve on the Board of Managers if, during his term of office, he shall cease to be a Unit Owner or the Spouse of a Unit Owner.

SECTION 4. Vacancies. Vacancies in the Board of Managers caused by any reason other than the 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 of Managers 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 of Managers for the remainder of the term of the departed member.

SECTION 5. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the Unit Owners at the meeting at which such Board of Managers shall have been elected, and no notice shall be necessary to the newly-elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

SECTION 6. Meetings. Regular meetings of the Board of Managers 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 of Managers. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers at least three (3) business days prior to the day named for such meeting. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers. Special meetings of the Board of Managers shall be called by the President or Clerk in like manner and on like notice at the request of at least three (3) members of the Board of Managers.

SECTION 7. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver by him of notice of the time and place thereof and of notice of matters to be acted on thereat. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 8. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority 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 Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any 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 9. Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds in the amounts required by Fannie Mae and Freddie Mac, for all officers and employees of the Condominium handling or responsible for Condominium funds. The premium on such bonds shall constitute a common expense.

SECTION 10. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

SECTION 11. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

ARTICLE III-A

Facilities Management Board

SECTION 1. Number and Term. The day to day operations of the Condominium shall be managed by the Facilities Management Board (hereinafter referred to as the FMB). The members of the FMB shall be elected as set forth in Section 1 A of Article II.

SECTION 2. Powers and Duties. To accomplish the purposes set forth in Section 1 of this Article III-A, all of the powers and duties of the Board of Managers set forth in these bylaws are hereby delegated to the FMB. The FMB 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 these By-Laws may not be delegated to the FMB by the Unit Owners.

SECTION 3. Managing Agent and Manager. The FMB may employ for the Condominium a managing agent and/or a manager at a compensation established by the FMB, to perform such duties and services as the FMB shall authorize, including, but not limited to, the duties listed in subdivisions (a), (c), (d), (i) and (j) of Section 2 of Article II. The FMB may delegate to the manager or managing agent, all of the powers granted to the FMB by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (l), (m) and (n) of Section 2 of Article II.

SECTION 4. Removal. The removal of a member of the Board of Managers shall also constitute the removal of such individual as a member of the FMB.

SECTION 5. Vacancies. Vacancies on the FMB shall be filled in accordance with Section 4 of Article II.

SECTION 6. Organization Meeting. The first meeting of the FMB following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the Unit Owners at the meeting at which such FMB members shall have been elected, and no notice shall be necessary to the newly-elected members of the FMB in order legally to constitute such meeting, providing a majority of the whole FMB shall be present.

SECTION 7. Meetings. Meetings of the FMB may be held at such time and place as shall be determined from time to time by a majority of the members of the FMB. Special meetings of the FMB shall be called by the President of the FMB when necessary and appropriate. Notice of meetings of the FMB shall be given to each member of the FMB at least three (3) business days prior to the meeting and posted on the bulletin board in the Clubhouse.

SECTION 8. Waiver of Notice. Any member of the FMB may at any time waive notice of any meeting of the FMB in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the FMB at any meeting of the FMB shall constitute a waiver by him of notice of the time and place thereof and of notice of matters to be acted on thereat. If all the members of the FMB are present at any meeting of the FMB, no notice shall be required and any business may be transacted at such meeting.

SECTION 9. Quorum of FMB. At all meetings of the FMB, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the FMB present at a meeting at which a quorum is present shall constitute the decision of the FMB. If at

any meeting of the FMB there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any 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. The FMB shall obtain fidelity bonds in the amounts required by Fannie Mae and Freddie Mac, for all officers and employees of the Condominium handling or responsible for Condominium funds. The premium on such bonds shall constitute a common expense.

SECTION 11. Compensation. No member of the FMB shall receive any compensation from the Condominium for acting as such.

SECTION 12. Liability of the FMB. The members of the FMB shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the FMB against all contractual liability to others arising out of contracts made by the FMB on behalf of the Condominium unless any such contract shall have been made in bad faith. It is intended that the members of the FMB shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the FMB or out of the aforesaid indemnity in favor of the members of the FMB shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the FMB or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the FMB, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

ARTICLE III-B

Officers of the Facilities Management Board

SECTION 1. Designation. The principal officers of the FMB shall be the President, the Vice President, the Clerk and the Treasurer who shall be elected by the FMB. The FMB may appoint an assistant treasurer, an assistant clerk, and such other officers as in its judgment may be necessary. The President, the Vice President and the Treasurer must be a member of the FMB.

SECTION 2. Election of Officers. The officers of the FMB shall be elected annually by the FMB at the organization meeting of each new FMB and shall hold office at the pleasure of the FMB and until their successors are elected.

SECTION 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the FMB, any officer may be removed either with or without cause, and his successor may be elected at any regular meeting of the FMB, or at any special meeting of the FMB called for such purpose.

SECTION 4. President. The President shall be the chief executive officer of the FMB. He shall preside at all combined meetings of the Unit Owners of Condominiums 1, 2, 3, and 4 and of the FMB. He shall have all of the general powers and duties which are incident to the office of President of a stock

corporation organized under the Business Corporation Law of the Commonwealth of Massachusetts, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the FMB.

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 FMB shall appoint some other member of the FMB 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 imposed upon him by the FMB or by the President.

SECTION 6. Clerk. The Clerk shall keep the minutes of all combined meetings of the Unit Owners of Condominiums 1, 2, 3, and 4 and of the FMB; shall have charge of such books and papers as the FMB may direct; and shall, in general, perform all the duties incident to the office of Clerk of a stock corporation organized under the Business Corporation Law of the Commonwealth of Massachusetts.

SECTION 7. Treasurer. The Treasurer shall have the responsibility for funds and securities which have been entrusted to the FMB, 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 all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects on behalf of the FMB, in such depositories as may from time to time be designated by the FMB, and he shall, in general, perform all the duties incident to the office of Treasurer of a stock corporation organized under the Business Corporation Law of the Commonwealth of Massachusetts. No payment vouchers shall be paid unless approved by the Treasurer or his designated representative.

SECTION 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments shall be executed by any two (2) members of the FMB or by such other person or persons as may be designated by the FMB.

SECTION 9. Compensation of Officers. No officer shall receive any compensation for acting as such.

ARTICLE IV

Meetings of Unit Owners

SECTION 1. Title to Units. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, limited liability company, or other entity, or in the name of a fiduciary. Notwithstanding anything (including the preceeding sentence) to the contrary in these By-Laws or in the Master Deed, no Units shall be used as a so-called time-share, or be subject to any scheme of interval ownership, in any manner, or by way of any arrangement however denominated, (including but not limited to the transfer of corporate stock, beneficial interests in a trust, membership interests in a limited liability company, partnership interests, club certificates, pre-paid vacation schemes, or interests in any entity or quasi-entity) the effect of which would permit one or more persons to occupy a Unit for any interval of time, other than the sale of the entire Unit or a lease of the entire Unit for a term of not less than those set forth in Article XIV, Section 2 and in which subleasing and assignments are prohibited. No lessee or tenant shall assign his lease or occupancy agreement or sublet the Unit or any part thereof or by any means whatsoever permit any person other than himself to occupy any portion of the Unit (except for members of his immediate family or temporary gratuitous guests or domestic employees). No transient may be accommodated in any Unit. All leases and occupancy

agreements shall expressly provide that the terms and conditions thereof shall be subject in every respect to the Master Deed of the Condominium, the By-Laws of the Condominium, and the Rules and Regulations thereof, as the same have been amended and may be amended. All sales and leases shall additionally be subject to the provisions of Article VIII, and Article XIV, Section 2.

SECTION 2. Annual Meetings. An annual meeting shall be held at a date to be determined by the Board of Managers. At such meetings there shall be elected by ballot of the Unit Owners, a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

SECTION 3. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium, or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

SECTION 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by at least one-third in number of the Unit Owners having been presented to the Clerk.

SECTION 5. Notice of Meetings. It shall be the duty of the Clerk to 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 of record, at least five (5) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

SECTION 6. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, shall adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, and the meeting may be further adjourned in like manner, provided that each adjournment shall be at a time not less than forty-eight (48) hours from the previous adjournment.

SECTION 7. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Managers.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Managers (when so required).

- (i) Unfinished business.
- (j) New business.

SECTION 8. Voting. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Clerk, and shall be revocable at any time prior to the vote by written notice to the Clerk by the Owner or Owners so designating. The vote of a Unit owned by more than one person may not be split and shall only be counted if proxy is executed, or the vote is cast, by all owners of record unanimously. The method of arriving at such unanimity is left to such owners. Each Unit Owner shall be entitled to cast one vote at all meetings of the Unit Owners for each .0001 per cent (rounded off to the nearest .0001 per cent) of interest in the Common Elements applicable to his or its Unit. A fiduciary shall be the voting member with respect to any Unit Owner in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to a vote and shall be excluded from the total of common interests when computing the interest of all other Unit Owners for voting purposes.

SECTION 9. Majority of Unit Owners. As used in these By-Laws, the term "majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article IV.

SECTION 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

SECTION 11. Majority Vote. The vote of a majority of Unit Owners present at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Master Deed or these By-Laws, or by law, a higher percentage vote is required.

ARTICLE V

Officers of the Condominium Association

SECTION 1. Designation. The principal officers of the Condominium shall be the President, the Vice-President, the Clerk and the Treasurer who shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant clerk, and such other officers as in its judgment may be necessary. All officers of the Association shall be Unit Owners or spouses of Unit Owners and the President and Treasurer must be members of the Board of Managers.

SECTION 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

SECTION 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

SECTION 4. 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 of Managers. He shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the Business Corporation Law of the Commonwealth of Massachusetts, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Condominium.

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 Managers shall appoint some other member of the Board of Managers 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 imposed upon him by the Board of Managers or by the President.

SECTION 6. Clerk. The Clerk shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; shall have charge of such books and papers as the Board of Managers may direct; and shall, in general, perform all the duties incident to the office of Clerk of a stock corporation organized under the Business Corporation Law of the Commonwealth of Massachusetts.

SECTION 7. 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 and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of Treasurer of a stock corporation organized under the Business Corporation Law of the Commonwealth of Massachusetts. No payment vouchers shall be paid unless approved by the Treasurer, or the President, or the Assistant Treasurer if one is elected.

SECTION 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) members of the Board of Managers or by such other person or persons as may be designated by the Board of Managers.

SECTION 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE VI

Notices

SECTION 1. Definition. Whenever under the provisions of the Master Deed or of these By-Laws, notice is required to be given to the Board of Managers, any manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner at such address as appears on the books of the Condominium. Notice shall be deemed given as of the date of mailing.

SECTION 2. Service of Notice - Waiver. Whenever any notice is required to be given under the provisions of the Master Deed, of law, or of these By-Laws, a waiver thereof, in writing, 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 VII

Operation of the Property

SECTION 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium and allocate and assess such common charges among the Unit Owners according to their respective common interests. The common expenses shall include, among other things, the Condominium's proportionate share of all expenses of operation and maintenance of the recreational facilities referred to in the Master Deed, and the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 7 of this Article VII. The common expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit, or of any Unit which is to be sold at a foreclosure or other judicial sale.

The Board of Managers shall advise all Unit Owners promptly in writing of the amount of the common charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid and shall furnish copies of each budget on which such common charges are based to all Unit Owners. If the Board of Managers has not prepared an annual budget, the budget for the previous year will remain in effect until the Board of Managers revises it.

SECTION 2. Payment of Common Charges. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VII monthly in advance or at such other time or times as the Board of Managers shall determine.

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 (made in accordance with the provisions of Section 1 of Article IX of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article IX hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances other than the statutory lien for unpaid common charges, convey his Unit, together with the Appurtenant Interests to the Board of Managers, all in such event to be exempt from common charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of common charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for, and such Unit shall not be subject to, a lien for the payment of common charges assessed prior to the foreclosure sale, except to the extent set forth in Section 6 of Chapter 183A.

SECTION 3. Collection of Assessments. The Board of Managers shall assess common charges against the Unit Owners from time to time (at least annually) and shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than 30 days from the due

date for payment thereof.

SECTION 4. Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Board of Managers the common charges as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at one per cent (1%) per month on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges. The Board of Managers shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit as provided in Section b of Chapter 183A of Massachusetts General Laws.

SECTION 5. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey or 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 the same.

SECTION 6. Statement of Common Charges. The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid common charges due from such Unit Owner.

SECTION 7. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage insuring the Buildings containing the Units (including all of the Units and the bathroom and kitchen fixtures initially installed, but not including flooring, carpeting, drapes, wall-covering, fixtures, furniture, furnishings or other personal property supplied to or installed by Unit Owners), together with all air-conditioning equipment and other service machinery contained therein, and the Common Elements, in an amount equal to one hundred (100%) percent of current replacement cost of the Buildings, Common Elements, and Units, without deduction for depreciation, with loss payable to the Board of Managers, as Insurance Trustees for each Unit Owner and the holder of each Unit's mortgage, covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in the amount determined by the Board of Managers; (2) Worker's compensation insurance; (3) public liability insurance in such amounts and with such-coverage as the Board of Managers shall from time to time determine, but at least covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner and with cross liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner; and (4) such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers and that the net proceeds thereof shall be payable to the Board of Managers.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds.

Unit Owners should 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 of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

SECTION 8. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building or Buildings containing the Units as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Buildings containing the Units (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, but not including any wall, ceiling, or floor decorations or coverings or other flooring, carpeting, drapes, wall-covering, fixtures, furniture, furnishings or other personal property supplied to or installed by Unit Owners), and the Board of Managers shall disburse the proceeds of all insurance policies to the 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 of Managers may assess all the Unit Owners for such deficit and for a completion bond for such deficit as part of the common charges.

If there shall have been a repair or restoration pursuant to the first paragraph of this Section 8, 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 added to the Condominium's reserve fund or, at the option of the Board of Managers, divided among all the Unit Owners in proportion to their respective common interests after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on such Unit in the order of priority of such liens.

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

1. If seventy-five percent (75%) 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 undivided ownership in the Common Elements. Upon such sale the Condominiums shall be deemed removed from the provisions of Chapter 183A of the Massachusetts General Laws.
2. If seventy-five percent (75%) 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 percent (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 Barnstable County on such notice to the Board of Managers as the Court shall direct, for an order directing the purchase of his Unit by the Board of Managers at the fair market value thereof as approved by the Court. The cost of any such purchase shall be a common expense.

SECTION 9. 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), and to the doors and windows, electrical, plumbing, heating and air-conditioning fixtures within the Unit or belonging to the Unit Owner shall be done by the Unit Owner at the Unit Owner's expense, excepting as otherwise specifically provided herein.

- (b) All maintenance, repairs and replacements to the Common Elements as defined in the Master Deed, the painting and decorating of the exterior and exterior window sash, shall be made by the Board of Managers 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.

SECTION 10. Patios and Balconies. A patio or balcony to which there is direct access from the interior of a Unit shall be for the exclusive use of the owner of such Unit. The owner of such Unit shall make all repairs thereto caused or permitted by his negligence, misuse or neglect. All other repairs in, to or with respect to such patio or balcony shall be made by the Board of Managers, and the cost thereof shall be a common expense.

SECTION 11. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to single family housing and the common recreational facilities relating thereto:

- (a) 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.
- (b) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.
- (c) No immoral, improper, 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. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.
- (d) No portion of a Unit (other than the entire Unit) may be rented.
- (e) No Unit may be leased for more than one year, or less than one month, nor more than one time in each calendar quarter, except with the written consent of the Board of Managers, which consent must be obtained notwithstanding a Unit Owner's compliance with the provisions of Article VIII of these By-Laws.

SECTION 12. Improvements.

- (a) If fifty percent (50%) or more but less than seventy-five percent (75%) of the Unit Owners agree to make an improvement to the Common Elements, the cost of such improvement shall be borne solely by the Unit Owners so agreeing.

- (b) Seventy-five percent (75%) 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.

SECTION 13. Additions or Alterations by Unit Owners. No Unit Owner shall make any addition or alteration to his Unit without the prior written consent of the Board of Managers. An addition or alteration is defined as any work beyond painting and wallpapering. The Board of Managers or its designated representative shall have the obligation to answer any written request by a Unit Owner for approval of a proposed addition or alteration in such Unit Owner's Unit, within sixty (60) days after such request and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition or alteration. A Variance Request is required for any additions or alterations to any unit. Variance Request forms are available in the clubhouse and must be returned to the Grounds and Maintenance Committee for approval. If a Unit Owner disagrees with a decision of the Grounds and Maintenance Committee or its designated representative, it may be appealed to the Board of Managers.

SECTION 14. Use of Common Elements and Facilities. A Unit Owner shall not place or cause to be placed in the grounds, public areas or other Common Elements other than a patio or balcony to which such Unit Owner has direct access or a storage area in which such Unit Owner has exclusive rights, any furniture, packages or objects of any kind. The grounds and public areas shall be used for no purpose other than for normal transit and recreation.

SECTION 15. Right of Access. A Unit Owner shall grant a right of access to his Unit to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, 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 Element, 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 any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency such right of entry shall be immediate and without need of prior request, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 9 of this Article.

SECTION 16. Rules of Conduct. Rules and regulations concerning the use of the Common Elements may be promulgated and amended by the FMB. A majority vote of Unit Owners of Condominiums 1, 2, 3 and 4 may overrule the FMB. Copies of such rules and regulations shall be furnished by the FMB to each Unit Owner prior to the time when the same shall become effective.

SECTION 17. Water Charges. Water shall be supplied to each of the Units individually through its own water meter, and the Unit Owners will pay their own water charges. The Board of Managers shall pay, as a common expense, all charges for water consumed on the Property, excluding the Units, promptly after the bill for the same shall have been rendered.

SECTION 18. Electricity. Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit. The electricity serving the Common Elements shall be separately metered, and the Board of Managers shall pay all bills for electricity consumed in such

portions of the Common Elements, as a common expense.

ARTICLE VIII

Sales and Leases of Units

SECTION 1. Sales and Leases. No Unit Owner, may sell or lease his Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest in the Common Elements appurtenant thereto; (ii) the exclusive right or easement of such Unit Owner to use any parking space, (iii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers or its designee on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iv) the interest of such Unit Owner in any other assets of the Condominium; and (v) any other rights or interests which such Unit Owner may have as a result of his membership in the Association of Unit Owners (hereinafter collectively called the "Appurtenant Interests"), or a bona fide offer for a lease of his Unit (hereinafter called an "Outside Offer" and the party making any such Outside Offer is hereinafter called an "Outside Offeror"), which he intends to accept shall give notice before the sale or lease commences, by mail to the Board of Managers of such Outside Offer and of such intention, the name and address of the Outside Offeror, and such other information as the Board of Managers may reasonably require. All leases shall comply with the provisions of Article VII, Section 11. All prospective lessees and tenants shall acknowledge in advance, in writing to the Board of Managers, that they have read, and understand, and agree to comply with the provisions of the Master Deed, By-Laws and Rules and Regulations of the Condominium. No lease, rental or occupancy agreement, oral or written, shall be valid, and no lessee or tenant shall be permitted to move into the leased or rented Unit unless and until such lessee or tenant has complied with the provisions of the preceding sentence.

SECTION 2. 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 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. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

SECTION 3. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid common charges and any other amounts owed to the Condominium Association theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit.

ARTICLE IX

Condemnation

SECTION 1. Condemnation. If more than ten percent (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 of Managers shall have the authority to acquire the remaining portions of such Units for such price as the Board of Managers 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 Barnstable County, on such notice to the Board of Managers 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 of Managers 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 powers of eminent domain, the Unit Owners shall be represented by the Condominium acting through the Board of Managers. 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 Unit, 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 of Managers to be distributed to the Unit Owners in accordance with their respective percentage interests in the Common Elements.

ARTICLE X

Records

SECTION 1. Records and Financial Reviews. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit, which, among other things, shall contain the amount of each assessment of common charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual financial report of the receipts, expenditures, assets and liabilities of the Condominium, reviewed by an independent certified public accountant, shall be rendered by the Board of Managers to all Unit Owners promptly after the end of each fiscal year. Copies of the Master Deed, these By-Laws, Rules and Regulations and floor plans of the Buildings and Units, as the same may be amended from time to time, shall be maintained at the office of the Board of Managers and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE XI

Miscellaneous

SECTION 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.

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 these By-Laws, or the intent of any provision thereof.

SECTION 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

SECTION 4. Waiver. No restriction, condition, obligation or provision contained in these 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 may occur.

ARTICLE XII

Amendments to By-Laws

SECTION 1. Amendments to By-Laws. These By-Laws may be modified or amended by the vote of 66-2/3% (or if such modification or amendment affects a provision then requiring a larger percentage, such larger percentage) in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

ARTICLE XIII

Conflicts

SECTION 1. 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 said statute, the Master Deed, or the Declaration of Easements recorded in the Barnstable County Registry of Deeds, the provisions of said statute, the Master Deed, or the Declaration of Easements, as the case may be, shall control.

ARTICLE XIV

Provisions Concerning the Units of Sea Pines Condominium 1

SECTION 1. General Provisions.

1. No part of the Property shall be used for any purpose except housing and the common recreational purposes for which the Property was designed. Each Unit shall be used as a residence for a single family, its servants and guests. No portion or all of any Unit may be used as a professional office or commercial enterprise whether or not accessory to a residential use.
2. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the By-Laws.
3. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of any of the Buildings, or contents thereof, applicable for residential use, without the prior written consent of the FMB. No Unit Owner shall permit anything to be done, or kept in his Unit, or in the Common Elements which will result in the cancellation of insurance on any of the Buildings or contents thereof, or which would be in violation of any

law.

4. Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of a building and no sign, awning, canopy, shutter or radio or television antenna shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window, without the prior consent of the FMB.
5. Dogs, cats or other household pets owned by Unit owners, not to exceed (2) two per Unit may be kept in Units, without the approval of the FMB, but subject to the rules and regulations adopted by the FMB. In no event shall any dog be permitted in any portion of the Common Elements, under any circumstances unless carried or on a leash. Pet owners are required to immediately clean up feces that their pets leave in the common area, disposing of it properly.
6. No noxious or offensive activity shall be carried on in any Unit, or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises by himself, his family, servants, employees, agents, visitors and permitted occupants and guests, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other Unit Owners.
7. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of any Building or which would structurally change any of the Buildings without the prior consent of the FMB.
8. No clothes, sheets, blankets, towels, laundry or any kind of other articles shall be hung out of a Unit or exposed on any part of the Common Elements.
9. No "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising shall be maintained or permitted on any part of the Property or in any Unit therein nor shall any Unit be used or rented for transient, hotel or motel purposes.
10. Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the FMB.
11. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows, patios or balconies thereof, any dirt or other substance.
12. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the Board of Fire Underwriters and the public authorities having jurisdiction.
13. The agents of the Board of Managers, including the FMB or the managing agent, and any contractor or workman authorized by the FMB or the managing agent, may enter any room or Unit in the Buildings at any reasonable hour of the day after notification (except in case of emergency) for the purpose of inspecting such Unit for health, safety or emergency purposes.
14. No Unit Owner or occupant or any of his agents, servants, employees, licensees or visitors shall

at any time, bring into or keep in his Unit any flammable, combustible or explosive fluid, material, chemical or substance except such lighting and cleaning fluids as are customary for residential use.

15. If any key or keys are entrusted by a Unit Owner or occupant or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Managing Agent, whether for such Unit or an automobile, truck or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and neither the Board of Managers nor the FMB shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.
16. The Board of Managers, or its designated agent, may retain a pass key to each Unit. In case an additional or substitute lock is installed the Unit Owner shall provide the Board, or its agent, with an additional key pursuant to its right of access to the Unit.
17. Window treatments must be installed by each Unit Owner on all windows of his or her Unit and must be maintained in said windows at all times. All exterior surfaces of window treatments shall be white.
18. Each Unit Owner is responsible for periodic cleaning of fireplace chimneys and exhaust vents from stoves or clothes dryers. The FMB may arrange periodic inspections of chimneys and exhaust vents and may enter any room or Unit in the Buildings at any reasonable hour of the day after notification for this purpose.

SECTION 2. Rental Provisions.

1. A unit may not be rented/leased for less than one month or more than once in each calendar quarter.
2. A unit may not be rented/leased for more than one year without FMB approval.
3. A lease/rental may not be renewed or extended without FMB notification.
4. All leases/rentals require FMB notification in advance. The forms for notification to rent/lease are available from the Managing Agent.
5. It is the Unit Owner's responsibility to inform any realtor of the proper rent/lease forms to be used.
6. It is the Unit Owner's responsibility to ensure that the Common Area Rules and Regulations of Sea Pines Condominiums as well as the Rules and Regulations concerning the Units of Sea Pines Condominium 1 become part of the rental/lease agreement and their guests, tenants or friends are aware of them and abide by them. Due to the importance of these rental rules in preserving the Common Elements of the Condominium Association as noted in the By-Laws, the Board of Managers may fine Unit Owners who violate them. Also, Unit Owners should be cautioned that their tenants, guests or friends may be denied the use of Sea Pines' amenities for serious and/or repeated violations.