

STONEGATE LANE HOMEOWNERS' ASSOCIATION

BY-LAWS

(These By-Laws are intended to replace the Herring Creek Homeowners Association By-Laws which are recorded in Book 456 Page 777.)

ARTICLE I

GENERAL

1.1 The Association. The property in Tisbury, Massachusetts, shown on a plan entitled "A Plan of Land in Tisbury, Mass. Prepared for MVY Realty Trust" dated March 5, 1986 and revised April 9, 1986, prepared by Schofield Bros., Inc. and recorded in the Dukes County Registry of Deeds as Case File No. 224 (the "Plan"), was subdivided by Michael T. Putziger, Trustee of MVY Realty Trust under Declaration of Trust dated July 2, 1984 recorded in Dukes County Registry of Deeds in Book 418, Page 212. The lots shown on the Plan shall collectively be referred to as the "Subdivision". The Association has imposed a Declaration of Restrictive Covenants, recorded herewith, for the Subdivision for the purpose of controlling the nature and extent of development ("Restrictions").

The Lots are served by common access ways as shown on the Plan (including gates and turnaround areas), and the lots are also served by common electricity, gas, telephone, storm drainage, telephone and cable television lines (such common access ways, utilities etc. are referred to collectively as the "Common Improvements").

The Stonegate Lane Homeowners' Association (the "Association") is hereby established by the Association for the purposes of enforcing the Restrictions and providing for the maintenance and repair of Common Improvements.

The office of the Association shall be c/o Douglas R. Hoehn, P.O. Box 35, Vineyard Haven, Massachusetts 02568 or such other office as the Board of Trustees as hereinafter described may decide from time to time.

1.2 Applicability. An owner of record of a Lot ("Owner") shall automatically become a member of the Association, and the membership of an Owner shall terminate when he or she ceases to be an Owner, with such membership automatically transferred to his or her successor in interest. All present and future Owners, mortgagees, lessees and occupants of Lots and their employees, and any other person who may use the facilities of the subdivision, in any manner, are subject to these By-Laws. The acceptance of a deed, and/or the conveyance, letting or occupancy of a Lot, shall constitute an agreement to these By-Laws as they may be amended from time to time.

ARTICLE II

BOARD OF TRUSTEES

2.1 Number and Term. The Board of Trustees (the "Board") shall be composed of five individuals elected by a majority of votes at the annual meeting of Owners. The Board shall be individuals who, alone or with other persons, are Owners and shall be elected for a term of one year and until their successors are elected. The five members shall include the three Officers (President, Treasurer, and Clerk) and two at-large members. The Board shall act as the Design Review Committee as discussed in Section 3. of the Declaration of Restrictive Covenants. The Board shall elect a Design Review Committee Chairman by majority vote of the Board from among the five members of the Board.

2.2 Powers and Duties. The Board shall act for and on behalf of the Association in all matters, other than matters required by law or these By-Laws to be decided by the Owners. The Board shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all things related thereto except those specifically restricted by law or by these By-Laws. Such powers and duties of the Board shall include, but shall not be limited to, the following:

(a) Operation (including without limitation snow plowing of common access ways and landscaping of turnaround areas), care, upkeep, repair, and maintenance of the Common Improvements.

(b) Collection of assessments from the Owners.

(c) Employment and dismissal of personnel and firms generally appropriate to the operation and affairs of the Association, including without limitation accountants, attorneys, and managing agents.

(d) Determination of the common expenses appropriate to the affairs of the Association, including, without limitation, the equitable apportionment of expenses incurred with respect to the Association and allocating items of income and expense, all in accordance with the provisions of these By-Laws.

(e) Opening bank accounts on behalf of the Association and designating the signatories required therefore.

(f) Incurring indebtedness to meet common expenses.

(g) Bringing, or compromising claims or conducting litigation as to any course of action involving the

Association or involving the Common Improvements or arising out of the enforcement of these By-Laws or the Restrictions.

(h) Enforcing the Restrictions by, as necessary, instituting legal actions with counsel employed by the Association.

(i) Maintenance of such liability and other insurance relating to operations of the Association and other matters as the Board shall deem appropriate.

(j) Enforcing the provisions of these By-Laws.

2.3 Removal. At any regular or special meeting of Lot Owners, any one or more members of the Board may be removed for cause by an affirmative vote of a majority of Owners, and a successor or successors shall thereafter be elected. The term of any Trustee shall automatically come to an end if, during his term of office, he shall cease to be an Owner of a Lot as provided in Section 2.1.

2.4 Vacancies. Vacancies on the Board caused by reason other than removal by vote of the Owners shall be filled by a majority vote of the remaining Board members at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall become a member of the Board for the remainder of the term being filled or until a successor is elected.

2.6 Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the members of the Board. Notice of regular meetings of the Board shall be given to each member of the Board by the Clerk, by mail, telegraph, or telephone, at least three days prior to the day named for such meeting. Special meetings of the Board may be called by the President on 24 hours notice to each member of the Board, given by mail, telegraph, or telephone, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by the President or Clerk in like manner, and on like notice, on the written request of at least two members of the Board. Any member of the Board may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof. Members of the Board may participate in a meeting of the Board by means of a conference, telephone, or similar communication equipment which enable all persons participating in the meeting to hear each other at the same time, and participation by such means shall constitute presence in person at such meeting. If all the members of the Board are present at any meeting of the Board, no notice shall

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be required and any business may be transacted.

2.7 Quorum and Voting. At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business. The votes of a majority of the members of the Board present and voting at a meeting at which a quorum is present shall constitute the decision of the Board. Any action which might be taken at a meeting of the Board may be taken without a meeting if a written consent to the action is signed by all the Board. Such a consent shall be treated for all purposes as a unanimous vote of the Board. If at any meeting there is less than a quorum present, a majority of Trustees may adjourn the meeting from time to time and at any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be then transacted without further notice.

2.8 Compensation. No members of the Board shall receive any compensation from the Association for acting as such.

2.9 Liability of the Board of Trustees; Indemnification; Self Dealing. The members of the Board shall not be liable to the Owners for any mistaken judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association or any act taken by them in connection with the performance of their duties hereunder, and the Owners shall indemnify and hold harmless each of the members of the Board against all liability arising out of contracts made or the acts or omissions by the Board. The Board may also contract with any Trustee or Owner, or any affiliate of any such person, provided such Trustee or Owner shall act in good faith and on reasonable arms length commercial terms and shall disclose the nature of his interest before entering into any such contract and the disinterested Trustees approve the contract in advance. The liability of the Owners arising out of any act or neglect of the Board or of any Trustee, or out of the aforesaid indemnity in favor of the members of the Board or by any managing agent or by a Trustee on behalf of the Association shall provide that the members of the Board, or the managing agent, or a Trustee, as the case may be, are acting only as agent for the Owners and shall have no personal liability thereunder.

ARTICLE III

OWNERS

3.1 Annual Meetings. Annual meetings of all Owners shall be held at the Subdivision on the 15th day of September of each year or at such other place or time (but not more than 30 days before or after said date) as the Board shall direct. At such meetings a Board shall be elected by ballot of the owners in accordance with the requirements of Article II of these By-Laws. The Owners may also transact such other business of the Association as may properly come before them.

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

3.3 Special Meetings. It shall be the duty of the President to call a special meeting of the Owners when so directed by the Board, or upon presentation to the Clerk of a petition signed by the Owners of at least 5 Lots.

3.4 Notice of Meetings. It shall be the duty of the Clerk to give notice by mail or telephone 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 Owner of record at least five, but not more than ten, days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

3.5 Adjournment of Meetings. If any meeting of Owners cannot be held because a quorum (as defined in Section 3.9) has not attended, a majority of the Owners who are present at such meeting, either in person or by proxy, shall adjourn the meeting to another specified time; and at any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be then transacted without further notice.

3.6 Consent in Lieu of Meeting. Any action to be taken by the Owners may be taken without a meeting if, after notice to all owners, a majority (or such higher percentage as may be otherwise required under these By-Laws) of Owners consent to the action by a writing filed with the records of meetings of Owners. Such consent shall be treated for all purposes as a vote at a meeting.

3.7 Voting. One vote shall be allocated to each Lot. The owner of each lot or some person (who need not be an Owner) designated by such Owner to act as proxy on his or her behalf, shall be entitled to cast the vote appurtenant

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to such Lot at all meetings of 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 Lot owned by more than one person may not be split and shall only be counted if a proxy is executed, or the vote is cast, by all owners of record unanimously; provided, however, that in the case of Lots owned jointly or as tenants by the entirety, the vote of such Lot may be cast, or the proxy therefore executed, by any single owner (or duly authorized fiduciary of an Owner), and in such case the Association shall be entitled to assume that such vote or proxy represents the unanimous vote of the Owners of such Lot.

3.8 Majority of Owners. As used in these By-Laws, the term "Majority of Owners" shall mean a majority of the votes (determined in accordance with Section 3.7) of all Owners present, in person or by proxy, and voting at any meeting of the Owners. The vote of a majority at a meeting at which quorum shall be present shall be binding upon all Owners for all purposes except where these By-Laws require a higher percentage vote.

3.9 Quorum. Except as otherwise provided in the By-Laws, the presence in person or by proxy of Owners representing a majority of Lots in the Subdivision shall constitute a quorum at all meetings of the Owners.

ARTICLE IV

OFFICERS

4.1 Designation. The principal officers of the Association shall be the President, the Clerk, and the Treasurer, all of whom shall be elected by the Board from among its membership. The Board may appoint an assistant treasurer, an assistant clerk, and such other officers as in its judgment may be necessary, and these other officers need not be members of the Board.

4.2 Election of Officers. The officers of the Association shall be elected annually by a majority of votes at the annual meeting of the Owners and shall hold office at the pleasure of the Owners and until their successors are elected.

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

4.4 President. The President shall be the chief executive officer of the Association. He shall preside at all

meetings of the Owners and of the Board. 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 Owners from time to time, as he may in his discretion decide are appropriate, to assist in the conduct of the affairs of the Association.

4.5 Treasurer. The Treasurer shall have the responsibility for the Association funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts 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 Association in such depositories as may from time to time be designated by the Board, 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. The Treasurer shall take the place of the President and perform his duties whenever he is absent or unable to act.

4.7 Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, and other instruments of the Association, and all checks for amount in excess of \$1,000, shall be executed by any two officers of the Association, or by any one officer and such other person or persons as may be designated by the Board.

4.8 Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

4.9 Certification. It shall be the duty of the Board, or any officer or Trustee, as the case may be, when so requested by an Owner, or any mortgagee of a Lot, to certify to matters relating to the Association. Any instrument signed by a majority of the Board as they appear of record, and duly attested as the act of the Association, may be relied on as conclusively establishing that such instrument was the free act of the Association, and shall bind the Association. No purchaser, mortgagee, lender or others person dealing with the Board, as they appear of record, shall be bound to ascertain or inquire further as to the persons who are then members of the Board nor be affected by any notice, implied or actual, relative thereto, other than a recorded certificate thereof, and such recorded certificate shall be conclusive evidence of the members of the Board and of any changes therein.

ARTICLE V

OPERATIONS OF THE ASSOCIATION

5.1 Determination of Common Expenses and Fixing of Contributions. The fiscal year of the Association shall be a calendar year. The Board shall from time to time, and at least annually, prepare a budget for the Association, determine the amount of the common expenses payable by the Owners to meet the expenses of operating the Association and assess such common expenses among the Owners. The common expenses shall be divided into the following categories: (a) the expenses of operating (including without limitation snow plowing of common access ways and landscaping of turnaround areas), maintaining, repairing and replacing the Common Improvements, including a reserve fund therefore (the "Common Improvement Expenses"); and (b) the expenses of conducting all other activities of the Association including a general operating reserve (the "Administrative Expenses"). The Administrative Expenses shall be assessed equally among the Lots in the Subdivision. The Common Improvement Expenses for each Common Improvement shall be assessed equally among the Lots served by such Common Improvement. The Board shall include in each category of common expenses such amount as they deem proper for conducting the required activities and for making up any deficit for any prior year. If, during the course of any year, it appears to the Board that the common expenses previously assessed are insufficient, then the Board shall prepare a supplemental budget and the expenses thereof shall likewise be assessed among the Owners. The Board shall advise all Owners promptly of the amount of the Administrative Expenses, and Common Improvement Expense assessed to and payable by each of them and shall furnish copies of each budget on which such common expenses are based to all Owners and to any of their mortgagees who so request in writing.

5.2 Payment of Common Expenses. Owners shall pay the assessed common expenses in annual installments which are due on the first day of each fiscal year (January 1) or at such other time as the Board shall determine, without notice other than as provided in Section 5.1, and without any right of set-off or counterclaim. If any Owner fails to pay such assessment when due, the Board may place a lien on such Lot in the amount of the assessment with interest, costs, and reasonable attorney's fees by recording a certificate thereof with the Dukes County Registry of Deeds. No person shall be liable for the payment of common expenses allocable to the period after that person has conveyed his or her lot to a new Owner. Such person shall, however, be personally liable for common expenses allocable to the period prior to a conveyance. A conveyance for this purpose shall be deemed

to occur when the deed is recorded. A purchaser of a Lot shall be liable for the payment of unpaid assessments which were the subject of a lien against the Lot prior to its acquisition by him; however, a sale or transfer pursuant to a foreclosure of a first mortgage shall extinguish a subordinate lien for assessments which became payable prior to such sale or transfer. The foregoing limitation shall not prevent the subsequent pro rata assessment among all Owners, including a new Owner who takes pursuant to a foreclosure of a first mortgage, of such unpaid assessments.

5.3 Collection of Assessments. (see Book 549 Page 761) If an owner defaults in paying his assessment, he or she shall pay interest at the rate of 1.5 % per month on such assessment from the date thereof, together with all expenses, including attorney's fees incurred by the Board in any collection proceeding. Notices will be sent to the Owner after each 30 day period that the assessment remains unpaid. After the first notice, each additional notice will carry a penalty fee of \$50.00 in addition to the outstanding assessment and interest charges. The Board may recover such assessment, together with interest thereon, and the expenses of the proceedings, including reasonable attorney's fees, in an action at law or in equity brought against such Owner, or by foreclosure of a lien on such Lot recorded by the Board in the same manner as the holder of a mortgage may foreclose under a power of sale clause in his mortgage. A suit to recover a money judgement for unpaid assessments may be maintained without foreclosing or waiving any lien securing the same.

5.4 Repair or Reconstruction After Casualty. In the event of damage to or destruction of Common Improvements, the Board shall adjust the loss and arrange for the repair and restoration of the Common Improvements. The cost of such repairs will be assessed against the Owners as a Common Improvement Expense.

5.5 Maintenance and Repairs. All maintenance, repairs, and replacements to the Common Improvements, including emergency works, shall be performed by the Board and shall be charged as a Common Improvement Expense, except to the extent that the same are necessitated by the negligence or neglect of or misuse by an Owner, in which case such expense shall be charged to such Owner.

5.6 Right of Access. Each Owner hereby grants a right of access to his Lot to any person authorized by the Board, for the purpose of making inspections of the Common Improvements or for the purpose of performing repairs, maintenance or replacement of the Common Improvements.

ARTICLE VI**TRANSFER**

6.1 No Severance of Ownership. No Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Lot, without including the rights and obligations of such Owner hereunder and under the Restrictions. Any such deed, mortgage, or other instrument, shall be deemed to include all such matters even if not specifically mentioned or described therein.

6.2 Payment of Assessments. No Owner shall sell, mortgage, lease or otherwise convey his Lot until he shall have paid in full to the Board all unpaid assessments against his Lot.

ARTICLE VII**MORTGAGES**

7.1 Notice to Mortgagees. Any holder of a first mortgage on a Lot, upon written request to the Board, will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Common Improvements serving any lot on which there such a mortgage is held; or

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to such a mortgage or any other default in such Owner's performance of any obligation under these By-Laws or the Restrictions which remains uncured for a period of sixty (60) days.

7.2 Liens. All taxes, assessments and charges which may become liens prior to a first mortgage on any Lot under local law shall relate only to the individual Lot or Lots and not to the Association as a whole. Any lien of the Association for common assessments or other charges, fees, fines, or interest, shall be subordinate to the lien of a first mortgagee of any Lot.

Notwithstanding anything to the contrary in these By-Laws, any sale or transfer of a Lot pursuant to a foreclosure of a first mortgage shall extinguish a subordinate lien for assessments or charges against the mortgaged Lot which accrued prior to such sale or transfer.

7.3 Examination of Books and Records. Any holder of any first mortgage so requesting shall receive copies of the By-Laws, as amended, and may examine the Association's books, records, and financial statements maintained by the Board pursuant to Section 8.1 during normal business hours upon reasonable notice.

Notwithstanding anything to the contrary contained therein, no provision of these By-Laws shall give any Owner, or any other party, priority over any rights of the first mortgagee of such Owner's Lot, pursuant to its mortgage, in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or takings of, Lots and/or Common Improvements.

ARTICLE VIII

RECORDS

8.1 Records. The Board shall keep or cause to be kept minutes of the meetings of the Board, minutes of the meetings of the Owners, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures specifying and itemizing the maintenance and repair expenses relating to the Common Improvements and any other expenses incurred, as well as a separate account for each Lot, which, among other things, shall contain the amount of each assessment of common charges against such Lot, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual report of the receipts and expenditures of the Association shall be rendered by Board to all Owners promptly after the end of each fiscal year. The books, financial records, and payment vouchers, as well as copies of these By-Laws, and the Restrictions shall be made available by the Board for inspection by Owners and their authorized agents upon reasonable notice.

ARTICLE IX

MISCELLANEOUS

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

9.2 Notices. Whenever under the provisions of these By-Laws or notice or consent of the like is required to be given to the Board, any Delegate, or any Owner, such notice shall be given in writing, by hand delivery or by mail, addressed to the Board at the office referred to in Section 1.1, to a Trustee at his address appearing on the books of the Association, and to an Owner at the Lot (or such other address as the Owner shall have instructed the Clerk in writing to use in mailing such notice). Notice shall be deemed given as of the date of hand delivery or mailing.

9.3 Waiver; Enforcement. No requirement in these By-Laws shall be deemed to have been waived by reason of any failure to enforce the same. The Board and any aggrieved Owner shall have the right, in addition to any other rights set forth in these By-Laws, to enjoin, by legal proceedings against individual Owners or the Association as appropriate, any breach of these By-Laws and/or to seek to recover damages there.

ARTICLE X

AMENDMENTS TO BY-LAWS, CONFLICTS

10.1 Amendments to By-Laws. These By-Laws may be modified or amended by the vote of a majority of the Owners and any such amendment shall take affect upon recording of same in the Dukes County Registry of Deeds, provided no amendment shall, without the unanimous consent of all Owners, affect the allocation of one vote to each Lot or the provisions for allocation of Common Improvement Expenses, and Administration Expenses.

The undersigned being the Board of Trustees certify that this is a true copy of the By-laws applicable to the Subdivision.

Dated this 1st day of December 1993
Douglas R. Hoehn, President
Edward J. Lapointe, Treasurer
Betty Stewart, Clerk
Board of Trustees, Stonegate Lane Homeowner's Association

COMMONWEALTH OF MASSACHUSETTS

1st, 88 December 1, 1993

Then personally appeared the above-named Douglas R. Hoehn and acknowledged the foregoing to be his free act and deed before me,

Notary Public
My commission expires: 8/9/94

COMMONWEALTH OF MASSACHUSETTS

Norfolk, ss

October 21, 1993

Then personally appeared the above named Edward J. Lapointe and acknowledged the foregoing to be his free act and deed before me,

[Signature]

Notary Public
My commission expires: 12/5/97

COMMONWEALTH OF MASSACHUSETTS

State of Florida
County of Manatee, ss

November 1, 1993

Then personally appeared the above named Betty Stewart and acknowledged the foregoing to be her free act and deed before me,

[Signature]

Notary Public
My commission expires: My Commission Expires Dec. 6, 1997 JENEEN M. THORP

Edgartown, Mass. Dec 2 1993
at 9 o'clock and 11 minutes AM
received and entered with Dukes County Deeds
book 620 page 445

Attest: [Signature]
Register