

Proposed Amendments to Bylaws Regarding Insurance

The Board of Directors (the “Board”) of Island Shores Estates Condominium Association (the “Association”) recommends that Article VI and Article VII of the Bylaws of the Association (the “Bylaws”) regarding Insurance be amended as follows:

I. Amendments to Article VI of the Association’s Bylaws

A. The preamble to Article VI, Section 1 of the Bylaws shall be amended by striking the existing language of such preamble in its entirety, and by replacing it with the following language:

“1. INSURANCE REQUIRED. Pursuant to Section 43 of the Condominium Act, the Board of Directors shall obtain (i) a master casualty policy affording fire and extended coverage in an amount equal to the full replacement value of the structures within the Condominium; (ii) a master liability policy covering the Association, the Board of Directors, the Manager, and agents and employees of the foregoing with respect to the Condominium, and, (iii) such other policies as specified herein, or which are otherwise required by law, or which the Board deems to be in the best interests of the Association and its members, which insurance shall be governed by the within provisions of these Bylaws to the greatest extent obtainable or possible. The master casualty policy required hereby shall nonetheless be subject to the or any deductible associated with the same, including in accordance with the terms of these Bylaws including, without limitation, in accordance with the terms and conditions of Articles VI and VII of these Bylaws.”

Subparagraphs (a) through (d) of Article VI, Section 1 of the Bylaws are not amended and shall remain as presently stated and existing in the original Bylaws.



B. Article VI of the Bylaws shall be amended by adding the following language to such Article VI as new Section 5 of Article VI:

“5. UNIT OWNER RESPONSIBILITY FOR PAYMENT OF THE MASTER POLICY DEDUCTIBLE. Unit owners shall be responsible for payment of the master policy deductible (the “Master Policy Deductible”) associated with the master casualty policy obtained and maintained by the Board and the Association pursuant to Article VI and Article VII of these Bylaws, including in accordance with the terms and conditions of this Article VI and further in accordance with the terms and conditions of Article VII of these Bylaws, as well as with other applicable provisions of the Declaration and Bylaws, and with any rule, rules, policy or policies adopted by the Board pursuant to any or all of the foregoing. The Board shall have the sole authority to determine and set the Master Policy Deductible amount and to vary, change or modify the same from time to time in its sole discretion, but shall provide notice of a change in the Master Policy Deductible to the Unit owners within a reasonable time following any such variance, change or modification. Unit owners are strongly encouraged to obtain condominium riders or endorsements, or similar forms of personal insurance coverage, for their Units including for purposes of obtaining and maintaining personal insurance sufficient to cover the Master Policy Deductible in the event of a casualty loss involving their Unit. Unit owners shall not file, or attempt to file, claims directly with the insurer or insurers providing casualty loss and related coverage to the Association pursuant to Articles VI and/or VII of these Bylaws.”

C. Article VI of the Bylaws shall be amended by adding the following language to such Article VI as new Section 6 of Article VI:

“6. ASSOCIATION LIABILITY FOR PAYMENT OF THE MASTER POLICY DEDUCTIBLE. The Association and the Board shall have no liability or responsibility resulting from the failure, refusal or neglect of an owner or owners to obtain or maintain personal insurance of the type described in Article VI, Section 3 of these Bylaws including, without limitation, personal insurance coverage for the Master Policy Deductible, for personal property/contents coverage, and/or, for betterments and improvements not covered by the master casualty policy in accordance with the terms and conditions of this Article VI.”

II. Amendments to Article VII of the Association’s Bylaws

D. Article VII, Sub-Section 2 (b) of the Bylaws shall be amended by striking the existing language of such Sub-Section in its entirety, and by replacing it with the following language:

“(b) In the event of a casualty loss involving only a single Unit, the owner of the Unit suffering such loss shall be solely responsible for paying the Master Policy Deductible in effect at the time of such loss. In the event of a casualty loss involving only a single Unit where the cost of repairs or replacement is less than the then-current Master Policy Deductible, the owner of the Unit associated with or suffering such loss shall be solely responsible, and shall pay, for all repairs or replacement to the Unit and/or affected common area. In the event of a casualty loss involving multiple units resulting from a single occurrence or single loss occurrence, each of the Unit owners whose Units are damaged in such occurrence shall be responsible for paying that portion of the Master Policy Deductible which is proportionate to the total cost of repairs and replacement to such owner’s Unit in relation to the total cost of repairs and replacement for all Units damaged per such occurrence. Subject nonetheless to the foregoing terms and conditions of this Sub-Section 2 (b) of Article VII of the Bylaws, in the event that the proceeds of the master casualty policy are not sufficient to reconstruct or repair the casualty loss or losses suffered, including via payment of the Master Policy Deductible by the Unit owner or owners suffering the casualty loss or losses, and then only in such event, assessments in sufficient amounts to cover the shortfall in reconstruction costs shall be made against all the Unit owners in proportion to their respective votes in the Association.”

E. Article VII, Sub-Section 3 (a) of the Bylaws shall be amended by striking the existing language of such Sub-Section in its entirety, and by replacing it with the following language:

“(a) The net proceeds of insurance collected on account of a casualty loss from the master casualty policy maintained by the Association and/or from individual policies maintained by the owners, or from the owners in the way of special or other assessments, shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair undertaken by the Board of Directors.”

F. Article VII of the Bylaws shall be amended by adding the following language to such Article VII as new Section 4 of Article VII:

“4. SPECIAL ASSESSMENT FOR AND COLLECTION OF MASTER POLICY DEDUCTIBLE. “In the event that a Unit owner fails, refuses or declines to pay the Master Policy Deductible, or any portion thereof, for which the Unit owner is responsible pursuant to Articles VI and/or VII of these Bylaws, or (ii) any rule, rules, policy or policies adopted by the Board pursuant to said Articles, then the Board may elect to specially assess the Unit owner for the Master Policy Deductible or for that portion of the Master Policy Deductible for which the Unit owner is responsible pursuant to said Articles VI and VII, which remains or is unpaid, as well as for all costs and expenses incurred by the Association with respect to specially assessing the Master Policy Deductible and/or collecting the same from the Unit owner. Such costs shall include, but shall not be limited to, any recording and/or legal fees and expenses incurred by the Association. Prior to making a special assessment or assessments as provided by and in this Article VII, Section 4, the Board shall provide written notice of the pending assessment to the affected Unit owner or owners, and the opportunity to be heard before the Board of Directors. Any charge or charges specially assessed by the Board pursuant to this Article VII, Section 4 shall constitute a lien against the Unit so assessed in accordance with RSA 356-B and shall be collectible as such.”

G. Article VII of the Bylaws shall be amended by adding the following language to such Article VII as new Section 5 of Article VII:

“5. EXTENT OF COVERAGE PROVIDED BY MASTER CASUALTY POLICY. The master casualty policy obtained and maintained by the Board and the Association shall cover, and shall only be required to cover, the cost of repairing or replacing Units and Unit components as such Units and Unit components were originally constructed and configured. Betterments or improvements to Units which were made subsequent to time of original construction of such Units shall not be covered, nor required to be covered, via the master casualty policy obtained and maintained by the Board and the Association pursuant to Article VI of these By-laws except to the extent expressly required by the provisions of these Bylaws.”