

## Amendment to Declaration of Riverview Condominiums

Reference is made to that certain Declaration of Condominium of Riverview Condominiums and recorded with the Records of Land Evidence of the Town of Lincoln in Book 1342, Page 69 and the PLATS AND PLANS of Riverview Condominiums recorded with Declaration wherein the Declarant,. Kismet, Inc., by duly executing and recording the Declaration and Plat and Plans submitted the premises described therein to the provisions of the Rhode Island General Laws, section 34-36.1 et.seq., for the purpose of creating a condominium called Riverview Condominiums. The undersigned, the Executive Board of Riverview Condominiums Association, having received the consent of in excess of sixty-seven (67%) percent of the votes in the Association as set forth in Article XII, section 12.1 of this Declaration and the consent of all record holders of first mortgages on units, pursuant to section 12.3 (b) of Article XII of the Declaration, hereby amend the Declaration as follows:

### ARTICLE VII INSURANCE

Article VII is hereby deleted in its entirety and the following is substituted therefor.

In addition to and in supplementation of the Insurance required under Section 34-36.1-3.13 of the Act, the Association shall obtain the following types and amounts of insurance:

**7.1. Casualty Insurance.** The Executive Board shall obtain and maintain, to the extent reasonably obtainable and permitted by applicable law, so-called master policies of casualty insurance providing fire-with-extended coverage and so-called all risk coverage insurance, insuring the Condominium, including, without limitation, the Common Elements, all of the Units, to the extent available, with all fixtures, additions, alterations and improvements thereof, all heating and cooling equipment and other service machinery, apparatus, equipment

and installations contained in the Common Elements, and also all such portions normally deemed to constitute part of the buildings and customarily covered by such insurance, but not including any furniture, furnishings, carpeting, wall coverings, light fixtures, appliances, or household and personal property belonging to and owned by individual Unit Owners or Tenants, in an amount equal to not less than one hundred (100%) percent of the full replacement value thereof (as that term, is used for insurance purposes), exclusive of foundations, land and other items normally excluded therefrom without deduction for depreciation, but subject to such reasonable deductible as the Executive Board may determine from time to time, and which shall include, if available at a reasonable cost, so-called Agreed Amount, Inflation Guard, Construction Code and Replacement Cost Endorsements. In determining full replacement value, the Executive Board may reasonably rely upon the advice of the insurer or their agent. The name of the insured under such policy shall be stated in form, substance and effect similar to the following: "Executive Board of Riverview Condominiums Association for use and benefit of the Unit Owners of Riverview Condominium and their mortgagees as their interests may appear". Such insurance shall contain the standard mortgagee clause and shall name the Executive Board as Insurance Trustees for the use and benefit of all Unit Owners of the Riverview Condominium and their mortgagees as their interest may appear, with losses payable to and adjusted by the Executive Board as Insurance Trustees in accordance with the provisions of this Declaration, including, without limitation, these By-Laws. The Executive Board may insure against such other hazards or risks of casualty as the Executive Board from time to time in their discretion shall determine to be appropriate, including, but not limited to, vandalism, malicious mischief, windstorm and water damage, earthquake, flood and machinery explosion or damage.

**7.2. Liability Insurance.** The Executive Board shall obtain and maintain, to the

extent obtainable and/or applicable, master policies of insurance with respect to the Common Elements for the benefit and protection of the Condominium Association, Inc. and all Unit Owners for: (i) comprehensive public or general liability insurance in such limits and with such coverages as the Executive Board may, from time to time, determine but in no case less than a combined single limit for personal injury, death and property damage, of One Million (\$1,000,000.00) Dollars, covering the Condominium Association, Inc. , the Executive Board, the managing agent, if any, and each Unit Owner with respect to liability arising out of Ownership, maintenance or repair of the Common Elements of the Condominium, such insurance providing for cross claims by the co-insureds, and containing a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Condominium Association, Inc. , the Executive Board or other Unit Owners, and other provisions commonly referred to as a "Special Condominium Endorsement" or its equivalent; (ii) workmen's compensation and employee's liability insurance; (iii) if applicable, boiler and machinery insurance in such limits as the Executive Board may, from time to time, determine but in no case less than \$2,000,000 or the insurable value of the building(s) housing the boiler or machinery, whichever is less; and (iv) such other liability insurance as the Executive Board may from time to time deem appropriate and desirable.

**7.3. Fidelity Coverage.** The Executive Board shall, obtain fidelity coverage against dishonest acts on the part of the Executive Board, the managing agent, if any, employees or volunteers responsible for handling funds belonging to the Association or administered by the Executive Board. This fidelity insurance shall name the Riverview Condominiums Association as the named insured and shall be written in an amount equal to the maximum amount that will be in the custody of the Condominium Association, Inc. at any

one time, but in no event less than three months Common Expenses plus all reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

**7.4. Directors And Officers Liability Insurance.** The Executive Board shall obtain Directors and Officers Liability Insurance in such amounts and upon such terms as they deem appropriate.

**7.5. FHA, FHLMC and FNMA Insurance Requirements.** If the Federal Housing Authority ("FHA"), Federal Home Loan Mortgage Corporation ("FHLMC") or the Federal National Mortgage Association ("FNMA") holds any interest in one or more mortgages on Units of which the Executive Board have received notice, the Executive Board or Unit Owners, as the case may be, shall obtain and maintain, to the extent reasonably obtainable, such other insurance as may be required from time to time by whichever of FHLMC or FNMA holds any interest in one or more mortgages on Units. All such policies shall be in such amounts and contain such terms as may be required from time to time by whichever of FHLMC or FNMA holds such interest.

**7.6. Unit Owners' Insurance.** Unit Owners shall carry insurance (e.g., in the form of a so-called HO-6 policy or equivalent coverage) for their own benefit and at their own cost and expense insuring their furniture, furnishings, carpeting and rugs and other personal property located within their respective Units or its appurtenances, and for such as is not covered by the Condominium master policies - particularly any deductible; provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Executive Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner, or if so affected, it shall be deemed that the

Unit Owners' insurance coverage has been assigned to the Association to the extent of such effect. To the extent that there are insufficient insurance proceeds available, the Unit Owners and not the Condominium Association, Inc. shall bear the cost or expense of repair or replacement of damages to or within the Unit. Unit Owners shall in all events maintain liability insurance covering damage to the Property in such reasonable amounts as the Executive Board may determine and, upon request, provide evidence thereof to the Executive Board. The maintenance by each Unit Owner of such insurance coverage is intended, in material part, for coverage of losses when loss payments under the Master Policy, after the deductible is accounted for, are insufficient to fully pay for repair or replacement resulting from damages to or within a Unit. The Executive Board, by Rule and Regulation, may set minimum standards as to the issuance of such policies, including, without limitation, as to the rating of the companies issuing such policies.

7.7. **Terms And Conditions Of Policies.** Policies for casualty insurance, and to the extent applicable, such other policies of insurance, shall provide: (i) that the insurance company waive any right of subrogation against the Executive Board, their agents and employees, and the Unit Owners, their respective employees, agents, tenants and guests to the extent they are not specifically obligated hereunder; (ii) that the insurance shall not be prejudiced by any act or neglect of any Unit Owners or occupants or any other person or firm (including employees and agents of the Executive Board) when such act or neglect is not within the control of the Executive Board (or Unit Owners collectively) or by failure of the Executive Board (or Unit Owners collectively) to comply with any warranty or condition with regard to any portion of the premises over which the Executive Board (or Unit Owners collectively) have no control; (iii) that such policies may not be canceled or substantially modified without at least twenty (20) days' prior written notice to all Unit Owners and mortgagees of Units to whom or which certificates of

insurance have been issued; (iv) that recovery thereunder shall not be affected on account of the availability of proceeds under any policies obtained by individual Unit Owners covering their Units; and (v) if obtainable, that the company shall waive any right it may have under the policy to repair or restore damage should the Unit Owners elect to terminate the Condominium because of such damage.

Such insurance policies may provide for a reasonable deductible from the coverage thereof as determined by the Executive Board in their reasonable discretion. In the event of any loss which relates in part to insurable portions of a Unit, or Units, and/or in part to the Common Elements, the Executive Board shall first apply the proceeds of the policy to the repair or replacement of the damaged Common Elements, without deduction for the deductible, and thereafter apportion the deductible amount directly proportional to the amount of such loss related to such Unit, or Units, and the deductible amount shall be borne by the Unit Owner(s) according to such apportionment. Where such loss is solely to the Common Elements, in the event of insufficient insurance proceeds under the master policy(ies) of insurance to complete the repairs or replacement, such additional funds as are necessary for such completion, if not later supplied by the insurer under the master policy(ies), shall be borne by the Condominium as a Common Expense.

**7.8. Insurance Appraisal.** The Executive Board may obtain an appraisal of the full replacement cost of the property to be insured in accordance with the foregoing provisions of this Section, without deduction for depreciation, for the purpose of determining the amount of insurance to be maintained pursuant to this Section and may rely thereon, or upon the advice of the Condominium Association, Inc.'s insurance agent as to the amount of necessary coverage. If the Executive Board in their discretion deem it necessary, they shall upon notification of improvements to be made to a Unit by a Unit Owner increase the insurance coverage afforded

by said master policy.

**7.9. Executive Board As Insurance Trustees:** The Executive Board (i) shall have exclusive authority to negotiate all losses as herein provided for, (ii) shall collect and receive all loss insurance proceeds, and (iii) shall hold, use, apply and disburse the same in accordance with the applicable provisions of this Declaration, including these By-Laws, for the benefit of the Unit Owners and their respective mortgagees. Each Unit Owner, by accepting delivery of his unit deed, appoints the Executive Board as Insurance Trustees (or any Insurance Representative, including any successor thereto or substitute therefor, designated by the Executive Board in lieu of the Executive Board acting as Trustee) as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including, without limitation: the collection, receipt, application, disbursement and/or disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

With respect to losses which affect portions or elements covered by such insurance of more than one Unit and/or the Common Elements to different extents, the proceeds relating thereto shall be used, applied and disbursed by the Executive Board, first for the complete repair and/or replacement of the Common Elements and, thereafter, equally for, to, between or among the Unit Owner(s) of the Unit or Units which has or have suffered a casualty loss as a result of the insured occurrence, it being expected that each such Unit Owner's personal insurance policy will cover the balance of the loss to the extent of each such policy's deductible. Each Unit Owner of a Unit shall bear the cost or expense of the loss to his or her Unit to the extent that said insurance funds are insufficient therefor, whether or nor such Unit Owner maintains his or her own insurance coverage on the Unit.

**7.10. Authorized Insurance Representative.** Notwithstanding any of the foregoing

provisions and requirements to the contrary relating to physical damage or liability insurance, there may be named as an insured, on behalf of the Executive Board, the Executive Board's authorized representative, including any Director, with whom such Executive Board may enter into any Insurance Trust Agreement (such person, any person substituted therefor, and any successor, being referred to herein as the "Insurance Representative"), who shall have exclusive authority to negotiate losses under any policy providing such physical damage or public liability insurance and to otherwise exercise such rights of the Executive Board as Insurance Trustees, all as provided for, above.

**7.11. Notification Of Mortgagees.** The Executive Board, on behalf of the Condominium Association, Inc. , shall, when requested by mortgagees of Unit s, give written notice to such mortgagees of such loss to the Common Elements, or to the Unit mortgaged, as the mortgagee requests.

**7.12. Certificates Of Insurance.** Certificates of insurance with proper mortgagee endorsements, when requested, shall be issued to Unit Owners or their designees. The Executive Board may charge a reasonable fee for issuing such certificates.

**7.13. Notification To Executive Board Of Improvements.** Each Unit Owner shall notify the Executive Board in writing of all improvements to his/her Unit (except personal property other than fixtures) which exceed a total value of One Thousand (\$1,000.00) Dollars within twenty (20) days after the commencement of construction or installation of such improvement, and upon receipt of such notice, the Executive Board shall notify the insurer under any casualty policy obtained pursuant to this Section of such improvements and shall, if necessary, purchase additional casualty insurance in such amounts as may be required under this Section. Any premium increase caused by insuring such improvements may be assessed to the Unit Owner of the improved Unit as a Common Expense attributable to such Unit. No Unit



Owner shall be entitled to receive insurance proceeds for repair, replacement or restoration of any such improvement not so reported to the Executive Board, unless otherwise consented to by the Executive Board.

**7.14. Rebuilding, Restoration And Condemnation.** The following provisions shall apply in the case of casualty loss or condemnation:

A. **Conflicts.** In the event of a conflict between this Article and any other Article of the Declaration, the provisions of this Article VII shall prevail.

B. **Casualty Loss.** In the event of damage to or destruction of the Condominium as a result of fire or any other casualty, the Executive Board shall proceed as follows:

i. **Casualty Loss To Units.** Where such damage or destruction is solely to a Unit, or Units, the Executive Board, as Insurance Trustees shall promptly adjust and collect the loss and disburse the master policy insurance proceeds in appropriate progress payments with appropriate retainage to the Unit Owner(s) affected so as to facilitate and ensure the repair and restoration of the Unit or Units, so damaged or destroyed. In such case as an affected Unit Owner should fail to promptly take such action as the Executive Board deem appropriate to repair or restore his Unit, the Executive Board may, but shall not be obligated to, proceed thereto, in whole or in part, for his account and utilize the said insurance proceeds accordingly. The affected Unit Owner(s) shall bear any cost or expense for such repair and restoration in excess of the available insurance proceeds under the master policy, including any excess resultant from the application of any deductible thereon. Where more than one Unit is so damaged or destroyed, said proceeds and deductible shall be apportioned equally between or among each such Unit; provided, however, that in such case as such damage or is caused by the acts or omissions of a Unit Owner, his family, servants, agents, employees, invitees, licensees or lessees, any

deficiency in the insurance proceeds shall be borne solely by such Unit Owner. Similarly, should there be any deficiency in the insurance proceeds which results from a Unit Owner's failure to promptly and accurately report any improvements to his Unit pursuant to the provisions of this Article, such deficiency shall be borne by such Unit Owner. The extent to which the cost in excess of the insurance proceeds is attributable to such Unit Owner's failure to report improvements or is due to the acts or omissions as aforesaid shall be determined by the Executive Board in their reasonable discretion.

**ii. Casualty Loss To Units And Common Elements Or Common Elements Only.**

Where such damage or destruction is solely to the Common Elements, or to both the Common Elements and a Unit or Units, the Executive Board, in their reasonable discretion, shall forthwith determine whether or not the loss exceeds ten (10%) percent of the value of the Condominium immediately prior to the casualty and thereupon shall notify all Unit Owners of such determination. In furtherance thereof, the Executive Board may employ such persons, firms or entities as are, in their judgment, appropriate to assist in such determination.

**a. Loss Less Than Ten Percent.** If the loss as so determined is less than, or equals, ten (10%) percent of the value of the Condominium immediately prior to the loss, the Executive Board shall proceed to settlement of all insurance claims and reconstruction as provided above, provided that the Common Elements shall be repaired and restored by the Executive Board and any deficiency relating thereto shall be borne by the Unit Owners as a Common Expense.

**b. Loss In Excess Of Ten Percent.** If the loss to the Common Elements as so determined exceeds ten (10%) percent of the value of the Condominium immediately prior to the loss, the Executive Board shall seek the agreement of

seventy-five (75%) percent of the Unit Owners by submitting to the Unit Owners a form of agreement (the "Restoration Agreement") whereby the Unit Owners authorize the Executive Board to proceed with the necessary repair(s) and restoration.

(1) If such percentage of Unit Owners agree (by executing the Restoration Agreement) to proceed with the necessary repair(s) and restoration, then the Executive Board shall proceed to do so as above; provided that the cost of such repair(s) and restoration in excess of available insurance proceeds shall be a Common Expense payable from, common funds or by special assessment, if necessary; and further provided, however, that any Unit Owners who did not so agree may apply to the Superior Court of the county in which the Condominium is located on such notice to the Condominium Association, Inc. as the Court shall direct, for an order directing the purchase of his Unit or their Units by the Condominium Association, Inc. at the fair market value thereof as approved by the Court. The cost of any such purchase shall be a Common Expense.

(2) If such percentage of Unit Owners do not, within one hundred twenty (120) days of the occurrence of such loss, agree to proceed with the repair(s) and restoration (by executing the Restoration Agreement and timely returning the same to the Executive Board), a Unit Owner's proportionate share of the insurance proceeds with respect to the Common Elements, together with the portion of the insurance proceeds allocated to any Unit as a result of a loss to such Unit due to the casualty, to the extent permitted by law, shall be paid first to the holder of the first mortgage of such Unit, if any, up to, but not in excess of, the then principal balance secured thereby and any accrued interest and other charges then due the holder of the first mortgage, and thereafter to the Unit Owner, and if first mortgagees, of which the Executive Board have received notice, holding mortgages on Units having at least fifty-one percent (51 %) of the Undivided Interest approve a suit for partition then the Condominium 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 a partition sale together with common funds of the Association (adjusted for insurance proceeds paid or payable to mortgagees as aforesaid) shall be divided all as provided by law and distributed, with respect to the amounts respectively secured thereby, to the secured parties

and thereafter to the Unit Owners. Upon such sale, the  
Condominium shall be deemed removed from the provisions of  
Chapter 183A.

The Executive Board may perform emergency work essential to the preservation and safety of the Property or the safety of persons, or required to avoid the suspension of any essential service to the Condominium without having first adjusted the loss or obtained proceeds of insurance or otherwise having complied herewith.

If there shall have been a repair or restoration pursuant to the foregoing 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 Capital Expense Reserve Account or shall be, at the option of the Executive Board, divided among the Unit Owners in proportion to their respective Undivided Interest; provided, however, that no provision herein shall be deemed to give a Unit Owner or any other party priority over any rights of the holder of a first mortgage (if any) on such Unit Owner's Unit pursuant to such mortgage in the case of a distribution to such Unit Owner of insurance proceeds for losses to Units and/or Common Elements. First Mortgagees of Units will be entitled to priority with respect to any insurance proceeds distributed to their mortgagors.

Notwithstanding anything to the contrary contained in this Section, in the event that any Unit Owner shall dissent from any determination of the Executive Board with respect to the value of the Condominium or any other determination or action of the Executive Board under this Section by notice in writing to the Executive Board within ten (10) days after such determination or action, and such dispute shall not have been

resolved within thirty (30) days after such notice, then either the Executive Board or the dissenting Unit Owner may submit the matter to arbitration, and such arbitration shall be conducted in accordance with the rules and procedures of the American Arbitration Association.

Notwithstanding anything to the contrary contained in the preceding paragraphs of this Section, the Executive Board shall not be obliged to proceed with any repair or restoration unless and until they have received funds in an amount equal to the estimate of the Executive Board of all costs thereof.

The foregoing provisions are intended to comply with the requirements of the Federal Housing Act ("FHA"), Federal Home Loan Mortgage Corporation ("FHLMC") and the Federal National Mortgage Association ("FNMA"). To the extent there is a conflict between the provisions hereof and the provisions of FHA, FHLMC, FNMA and/or the Condominium Act, the Act shall control and in the absence of a conflict with the act and any of FHA, FHLMC or FNMA, then the most stringent of those shall control.

IN WITNESS WHEREOF, Riverview Condominium Association has caused this Amendment to be executed this 23 day of September, 2010.

RIVERVIEW CONDOMINIUMS ASSOCIATION  
By:

STEVEN B. NELSON  
PRESIDENT RIVER VIEW  
CONDO ASSOCIATION

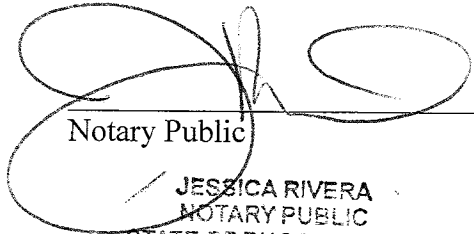
Steven B. Nelson

STATE OF RHODE ISLAND

County of Providence

~~CUMBERLAND~~  
IN ~~Lincoln~~ on this 23 day of September, 2010, before me personally appeared  
STEVEN B. NELSON

As they are the executive Board of Riverview Condominium Association and  
acknowledged this instrument by them executed to be their free acts and deeds of  
Riverview Condominium Association in their capacity.

  
Notary Public  
JESSICA RIVERA  
NOTARY PUBLIC  
STATE OF RHODE ISLAND  
MY COMMISSION EXPIRES 5/20/14

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