

mortgage shall extinguish a subordinate lien for common expense charges and assessments which became payable prior to such sale or transfer. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a unit from liability for, nor the unit so sold or transferred from the lien of any common expense charges thereafter becoming due.

1. Collection. In addition to the other remedies provided by law, the Association may enforce collection as hereinafter provided:

(1) Late Charge. Application of payments. Assessments and installments thereon paid on or before ten days after the date when due shall not bear a late charge; however, a late fee of \$5.00 will be charged each month that the assessments are in arrears, ten (10) days after the date when due. All payments on account shall be first applied to late charges and then to the assessment payment first due.

(2) Suit. The Association may enforce collection of delinquent assessment accounts by suit at law or by foreclosure of the liens securing the assessments, or by any other legal proceeding, and in either event the Association shall be entitled to recover the payments which are delinquent at the time of judgment or decree, together with late fees and all costs incident to the collection and proceeding, including reasonable attorney fees.

(3) Member's Loss of Vote. Notwithstanding anything to the contrary contained herein, a residence owner's right to vote as a member of the Association shall be suspended so long as he is delinquent in his obligations to the Association.

(4) Mandatory Assessment Collection. All assessments, and all late fees thereon, must be collected by the Association by whatever lawful means are necessary; provided, however, that any such collection may, but is not required to, be postponed for a period not to exceed two (2) months if the Board of Directors determines that a delinquency in payment is caused by special hardship justifying such moratorium.

XVI. INSURANCE

The Board of Administration shall be required to obtain and maintain, to the extent reasonably obtainable, in forms and amounts as hereinafter prescribed and which are also satisfactory to any mortgagee holding mortgages on five or more units, the following insurance, without prejudice of the right of the co-owner to obtain additional individual insurance at his own expense:

A. Hazard Insurance. The Board of Administration shall insure the Property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, and lightning, with extended coverage, in an amount not less than the maximum insurable replacement value of the Property as determined by the Board in conjunction with the insurance agent. The Board may in its discretion employ a qualified appraiser(s). The Board of Administration shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Property. All hazard insurance shall cover the entire Property, exclusive only of the contents and furnishings of the individual units.

(1) All hazard insurance policies obtained by the Board of Administration shall designate the Board of Administration as the named insured as Insurance Trustee for the benefit of all the Owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid jointly to the Board of Administration as Insurance Trustee under the provisions of this Master Deed and to any mortgagee holding mortgages on five or more units, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the Horizontal Property Act and the provisions of this Master Deed.

(2) All hazard insurance policies obtained by the Board of Administration shall provide for the issuance of Certificates of Insurance to each unit Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate the amount of insurance covering the building within which the respective unit is located. If a unit is mortgaged, a Certificate of Insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.

(3) If obtainable, all hazard insurance policies upon the Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Council, its