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HATTER'S POINT CONDOMINIUM, ASSOCIATION, INC.

AMENDED AND RESTATED BY-LAWS

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**HATTER'S POINT CONDOMINIUM ASSOCIATION, INC.
AMENDED AND RESTATED BY-LAWS**

WHEREAS, By-Laws for the Hatter's Point Condominium Association, Inc. dated April 29, 2002 were duly adopted and filed with the Essex County Land Registry District as Document Number 402236.

WHEREAS, the Declarant wishes to amend said By-Laws in connection with the development of the Condominium; and

WHEREAS, the Declarant is the sole Unit Owner in the Hatter's Point Condominium, as no Unit has been conveyed; and

WHEREAS, no other consents are required hereof.

NOW THEREFORE, the By-Laws of the Hatter's Point Condominium Association, Inc., are hereby amended and restated as follows:

ARTICLE I

Name Of Association

The Association that has been created shall be known as the HATTER'S POINT CONDOMINIUM ASSOCIATION, INC. (the "Association"), and under that name, so far as legal, convenient and practicable, all activities shall be carried on by the Directors and all documents shall be executed by the Directors.

ARTICLE II

The Association And Its Purpose

Section 2.1. Unit Owners Organization. All of the rights and powers in and with respect to the common areas and facilities (the "Common Areas and Facilities" or "Common Elements") of the HATTER'S POINT CONDOMINIUM, a condominium located 60 Merrimack Street, Amesbury, Essex County, Massachusetts (the "Condominium") established by a Master Deed (the "Master Deed") of even date herewith and recorded herewith in the Essex County Southern District Registry of

Deeds, which are, under the provisions of Massachusetts General Laws, Chapter 183A, as amended ("Chapter 183A"), conferred upon or exercisable by the organization of Unit Owners of the Condominium and all property, real and personal, tangible and intangible, conveyed to or held by the Association (the "Association Property") hereunder shall vest in the Association, to be exercised, managed, administered and disposed of and the income to be received thereof (a) for the benefit of the owners of record from time to time (the "Unit Owners") of the units (the "Units") of the Condominium according to the allocation of undivided interest in the Common Areas and Facilities (the "Membership Interest") set forth in the Master Deed of the Condominium, and (b) in accordance with the provisions of Chapter 183A. This Association is the organization of Unit Owners established pursuant to the provisions of Section 10 of Chapter 183A for the purposes therein and herein set forth.

Section 2.2. Entity Created. It is hereby expressly acknowledged that a not for profit corporation has been created and that the Unit Owners are the members thereof and not partners or associates nor in any other relation whatsoever between themselves and with respect to the Common Elements and/or Association Property other than as Unit Owners of the Condominium, and hold no relation to the Directors other than of Members of the corporation, with only such rights as are conferred upon them as such Members hereunder and under the provisions of Chapter 183A.

ARTICLE III

The Directors

Section 3.1. Number Of Directors. There shall be a Board of Directors (the "Board" or the "Directors") consisting of five (5) natural persons who shall be elected as hereinafter provided. Such natural persons shall be Unit Owners or spouses or domestic partners of Unit Owners. In such case as a title to a Unit is held by a fiduciary, such natural person may be the fiduciary, or in the case of a Unit owned by a corporation, an officer or director of such corporation.

Section 3.2. Terms Of Directors. The term of each Director shall be for a period of three (3) years from the annual meeting of Unit Owners at which such Director is elected. Such terms shall be on a staggered basis so that in each year one or two Directors' terms will expire. To that end, at the election held at the annual meeting after transition, one Director shall be elected for a term of one year, two for two years, and two for three years. This staggering shall not apply to the Directors elected at transition as provided in Section 3.4. A Director whose term has expired shall continue in office until a successor is elected or appointed as hereinafter provided. No person may serve more than two terms, whether partial or full, as a Director.

Section 3.3. Vacancies, Election, Appointment And Acceptance Of Directors. If and when the number of Directors shall become less than five (5) due to death, disability, resignation or cessation of ownership or, in the case of a spouse or domestic partner, residency in common with the Owner or Owner's cessation of ownership, a vacancy shall be deemed to exist. Such vacancy shall, for the balance of the unexpired term of the vacating Director, be filled (a) by the appointment of a natural person as aforesaid by the remaining Directors for the period until the next annual meeting and (b) for any portion of the term then remaining by a Majority Vote of Unit Owners at said annual meeting as hereafter provided. The expiration of a term shall also create a vacancy which shall likewise be filled at the annual meeting of the Unit Owners. At the annual meeting Director(s) shall be elected by the vote of a majority of the Unit Owners present in person or by proxy; provided that a quorum is present (a "Majority Vote"). There shall be no cumulative voting. In such event as the Unit Owners should fail to elect a successor Director at the annual meeting, then the remaining Directors may appoint a natural person, as aforesaid, to fill any such vacancy. In the event that the Directors fail to so appoint a successor Director within thirty (30) days, or if there is no remaining Director, then such vacancy, or vacancies, shall, upon the petition therefor of any Unit Owner, with notice to all other Unit Owners, be filled by the appointment, or

appointments, of a court of competent jurisdiction. The election or appointment of Directors shall become effective upon such election or appointment. An instrument certifying such election or appointment shall be recorded with the Essex County Southern District Registry of Deeds, sworn and subscribed to by a majority of the then Directors, (1) referencing these By-Laws and the Master Deed; (2) reciting the existence and cause of the vacancy; (3) the election or appointment of the successor Director; and (4) containing an acceptance of such election or appointment by the successor Director. In the case of appointment by a court, an attested copy of the order may be recorded. Except as provided in Article VII hereof, the failure or delay in recording said instrument shall not effect the validity of such Director's election or the effective date thereof. The recording of such instrument shall be in addition to any corporate filing required by law.

Section 3.4. Directors During Initial Period Of Condominium; Transition Provisions.

Notwithstanding the foregoing, during the period from the establishment of the Condominium - that is, the recording of the Master Deed and these By-Laws - until the conveyance by Amesburyport Corporation (the "Declarant"), its successors or assigns, of seventy-five percent (75%) of the Units in all Phases or seven (7) years from the conveyance of the first Unit, whichever should first occur, there shall be one (1) Director appointed by the Declarant, its successors or assigns, which may be a corporation. The original Director appointed by the Declarant is specified in the Master Deed recorded herewith. Upon any vacancy existing, a successor shall be appointed by the Declarant, its successors or assigns, within thirty (30) days of the date thereof. Upon a failure to so appoint such successor Director, a successor shall be elected by the Unit Owners as aforesaid. Within one hundred twenty (120) days of the occurrence of either of the events delineated above, a special meeting of the Unit Owners shall be held for the purpose of electing five (5) Directors who shall serve until the next annual meeting.

Such Directors shall be elected by the vote, in person or by proxy, of the Unit Owners as provided in Section 3.3 above.

Section 3.5. Director Action. In any matter relating to the administration of the Condominium and the exercise of the powers herein conferred, the Directors may act by majority vote of their number at any duly called meeting at which a quorum is present as hereinafter provided. The Directors may also act without a meeting by instrument or instruments executed by all of their number.

A. Power To Act When Vacancy Exists. Notwithstanding anything contained herein to the contrary, despite any vacancy in the office of Director, however caused and for whatever duration, the then remaining or surviving Directors, or Director, shall continue to exercise and discharge all of the powers, discretions and duties hereby conferred or imposed upon the Directors; provided, however, that if there be but one Director, said Director shall refrain from so exercising and discharging said powers, discretions and duties except as to matters which, by their nature and/or effect, require immediate attention and/or are of a routine nature.

Section 3.6. Director Meetings; Quorum. The Directors shall meet annually on the date of the annual meeting of the Unit Owners, immediately following such, and at such meeting may elect from their number a President, Treasurer and a Clerk, and any other officers they deem expedient. The Directors shall thereafter meet at such regular interval, time and place as determined, and specially upon the request of any two Directors; provided, however, that written notice of each such special meeting setting the place, day, hour and purpose thereof shall be given at least two (2) days before such meeting to each Director, unless such notice is waived by all Directors. Attendance at a meeting shall constitute a waiver. A majority of the number of Directors then in office shall constitute a quorum at all meetings, and such meetings shall be conducted in accordance with such rules as the Directors may adopt. A Director may attend a

meeting by conference communication through which the Director may hear all conversations and speak to all other Directors.

- A. Minutes. Accurate minutes of all Director meetings shall be taken by a person designated by the Directors and shall be maintained by the Clerk as part of the records of the Association.

Section 3.7. Officers; Committees. There shall be from among the Directors, in addition to such other officers as they may elect from their number, the following officers who shall have the following listed duties:

- A. President. The President shall be the chief executive officer of the Association. He/She shall preside at all meetings of the Unit Owners and of the Directors. The President shall have the power to, with the concurrence of the Board, appoint committees from among the Unit Owners from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium. If the President is unable to act at any time, the remaining Directors shall appoint some other of their number to act in the place of the President on an interim basis.
- B. Treasurer. The Treasurer shall have the responsibility for Association's funds and securities and shall be responsible for arranging for the maintenance of full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He/She shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Directors.
- C. Clerk. The Clerk shall maintain the minutes of all meetings of the Unit Owners and of the Directors; he/she shall have charge of such books and papers of the Association; and he/she shall, in general, perform all the duties incident to

the office of clerk or secretary of a business corporation organized under Massachusetts law.

There shall, additionally, be such committees with such duties and responsibilities as designated by the President as aforesaid.

Section 3.8. Resignation; Removal. Any Director may resign at any time by an instrument in writing, signed and acknowledged in the manner required in Massachusetts for the acknowledgement of deeds and delivered to the remaining Directors. Such resignation shall take effect upon the recording of such instrument with the Essex County Southern District Registry of Deeds, unless specified to be effective at some other time in said instrument. The remaining Directors, or Director, shall forthwith cause said instrument to be duly recorded with the said Registry of Deeds. Upon a failure thereof, or the absence of other Directors, the resigning Director may so record said instrument and shall notify the Unit Owners thereof.

Any Director may, with or without cause, be removed by a vote of fifty-one percent (51%) of the Unit Owners at a special meeting duly called therefor and after being afforded the opportunity to be heard. The vacancy so resulting shall subsequently, at a special meeting held therefor thirty (30) days thereafter, be filled in the manner provided in Section 3.3 hereof. Such removal shall become effective upon said vote and a certificate thereof shall be recorded with the Essex County Southern District Registry of Deeds executed by a majority of the then remaining Directors in office or, upon a failure thereof, by any five of the Unit Owners voting to remove such Director. In no case may the original Director or successor appointed by the Declarant, its successors or assigns, be removed except by the Declarant, its successors or assigns.

Section 3.9. Bond Or Surety. No Director elected or appointed as hereinbefore provided, whether as original Director or as successor to or as substitute for another, shall be obliged to give any bond or surety or other security for the performance of any of his/her duties hereunder; provided, however, that the Unit Owners by a vote of fifty-

one percent (51%) of their number may at any time require that any one or more of the Directors, except a Declarant or Court appointed Director, shall give bond in such amount and with such sureties as shall be specified in such vote. All expenses incident to any such bond shall be charged as a Common Expense of the Condominium. The foregoing shall not effect any fidelity coverages hereinafter required under the insurance provisions of these By-Laws.

Section 3.10. Compensation Of Directors, Officers And Committee Members. No Director, Officer or Committee Member shall receive remuneration (which term shall not be deemed to include reimbursement for expenses incurred by such person in connection with his/her duties, which reimbursement shall be permitted and charged as a Common Expense) for his/her services unless so provided for by a vote of fifty-one percent (51%) of the Unit Owners and any remuneration so provided shall be from time to time fixed by said Unit Owners, and shall be a Common Expense of the Condominium. With the approval of a majority of the Directors, any Director, Officer, or Committee Member may receive reasonable remuneration for extraordinary or unusual services, professional or otherwise, rendered by him/her to the Association, all as shall be from time to time fixed and determined by said Directors, and such remuneration shall be a Common Expense of the Condominium. No compensation to Directors may be voted by the Directors or the Unit Owners with respect to the period while the Declarant, its successors or assigns, has the right to designate Directors as provided in Section 3.4.

Section 3.11. No Personal Liability. No Director, Officer, or Committee Member shall under any circumstances or in any event be held liable or accountable out of his/her personal assets or be deprived of compensation, if any, by reason of any action taken, suffered or omitted in good faith, or for allowing one or more of the other Directors, Officers, or Committee Members to have possession of the Association books or property, or be so liable, accountable or deprived by reason of honest errors of

judgment or mistakes of fact or law or by reason of anything except his/her own personal and willful malfeasance and defaults, and/or such other conduct as would exempt him/her from indemnification as provided in Section 3.13 hereof.

Section 3.12. Directors, Officers And Unit Owners May Deal With The Condominium.

No Director nor Unit Owner, shall be disqualified by his/her office, or status, from contracting or dealing, directly or indirectly, with the Association or with one or more Unit Owners as vendor, purchaser or otherwise because of his/her, the Director's, Officer's, or Unit Owner's interest in any corporation, firm, trust, partnership or other organization connected with such contracting or dealing, nor shall any such dealing, contract or arrangement entered into in respect of this Association in which any Director, Officer, or Unit Owner, shall in any way be interested be avoided nor shall any Director, Officer, or Unit Owner, so dealing or contracting or being so interested be liable to account for any profit realized by any such dealing, contact or arrangement by reason of such Director's or Officer's holding office or of the fiduciary relation hereby established, or by reason of such Unit Owner's status, provided the Director, Officer or Unit Owner shall act in good faith and shall fully disclose the nature of his/her interest before the dealing, contract or arrangement is entered into.

Section 3.13. Indemnification. The Association shall, to the extent legally permissible, indemnify each of its Directors, Officers and Committee Members against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him/her in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he/she may be involved or with which he/she may be threatened, while in office, or thereafter, by reason of his being or having been such a Director, Officer or Committee Member, except with respect to any matter as to which he/she shall have been adjudicated in any proceeding to have acted in bad faith or with willful misconduct or reckless disregard of his/her duties or not to have acted in good faith in

the reasonable belief that his/her action was in the best interests of the Condominium. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any Director, Officer or Committee Member may be entitled herein or by contract or otherwise under applicable law. As used in this Section, the terms "Director", "Officer" and "Committee Member" includes his/her respective heirs, executors and administrators. Nothing in this Section shall, however, be deemed to limit in any respect the powers granted to the Directors and Officers in these By-Laws.

ARTICLE IV

Members And Their Interest In The Association

Section 4.1. Members And Their Interest. The Members ("Members") of the Association shall be the Unit Owners of the Condominium as they may be from time to time. Their Interest in the Association hereunder shall be divided among the Unit Owners in the same percentages as the Undivided Interest in the Common Areas and Facilities as specified in the Master Deed (sometimes hereinbefore and hereinafter referred to as the "Membership Interest").

Section 4.2. Membership Interest Held By One Person. The Membership Interest appertaining to each Unit shall not be divided among several Owners of any Unit. To that end, whenever any of the Units is owned of record by more than one person, the several Owners of such Unit shall (a) determine and designate which one of such Owners shall be authorized and entitled to cast votes, execute instruments and otherwise exercise the rights appertaining to such Unit hereunder, and (b) notify the Directors of such designation by a notice in writing signed and acknowledged by all of the Owners of such Unit. Any such designation shall take effect upon receipt thereof by the Directors and may be changed at any time and from time to time by notice as aforesaid. In the absence of any such notice of designation, the Directors may designate any one such Owner for these purposes. For Units to which title is held by a fiduciary,

the fiduciary shall be the designated individual. For Units to which title is held by a corporation, a duly authorized employee of such corporation shall be the designee.

Section 4.3. Meetings Of Unit Owners. Meetings of the Unit Owners shall be held as hereafter provided:

A. Annual Meeting. There shall be an annual meeting of Unit Owners on the third Wednesday of May at 7:00 p.m. at the Condominium or at such other reasonable place and time as may be designated by the Directors (the "Annual Meeting"). If that day is a legal holiday, the meeting shall be held on the next succeeding day. The Directors shall give written notice thereof to the Unit Owners at least fourteen (14) days prior to said date, which notice shall include an agenda and a full description of all matters to be voted upon, if any. At the Annual Meeting the Directors shall submit reports of the management and finances of the Condominium, conduct elections as are necessary, and conduct such other business as is proper.

B. Special Meetings. Special meetings (including a meeting in lieu of a passed annual meeting) of the Unit Owners may be called at any time by the Directors and shall be called by them upon the written request of Owners of at least thirty-three and one third percent (33 1/3%) of the Units ("Special Meeting") within thirty (30) days of such request. A request for such a Special Meeting from the Unit Owners shall be accompanied by a delineation of the items the requestors wish to have considered at said meeting, including the text of any proposed amendment to the Condominium's documents. Written notice of any Special Meeting designating the place, day and hour thereof, together with a full description of the matter(s) to be considered and/or voted upon, shall be given by the Directors to the Unit Owners at least fourteen (14) days prior to the date so designated.

C. Text Of Proposed Amendment. At any meeting of the Unit Owners at which a proposed amendment to the Condominium's documents is to be considered, the notice of such meeting shall include the full text of such proposed amendment.

D. Voting. Each Unit shall have one vote. Unless otherwise specifically provided, the vote of a majority of the Unit Owners present in person or by proxy at a duly convened meeting of the Unit Owners at which a quorum is present ("Majority Vote"), shall be binding as to those matters within the purview of the Unit Owners.

E. Quorum. A quorum for the conduct of business at meetings of the Unit Owners shall equal representation of fifty percent (50%) of the Units.

F. Proxies. A Unit Owner may grant to any natural person, upon a form specified by the Directors, his/her proxy to vote and/or attend meetings of the Unit Owners. This right to grant proxies shall in no manner vitiate the provision contained in Section 4.2 where a Unit is owned of record by more than one person.

G. Minutes. Accurate minutes of all Unit Owner meetings shall be taken by a person designated by the Directors and shall be maintained by the Clerk as part of the records of the Association.

ARTICLE V

Operation of the Condominium

The term "Property" as used herein shall include the Land, Buildings and all other improvements thereon including the Units and Common Areas and Facilities, owned in fee simple absolute, or otherwise, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Chapter 183A. The term "Association Property" shall refer to all

property to which title is held by the Association. The provisions of these By-Laws shall automatically become applicable to real property, or interest therein, which may be added to the Condominium upon the recording of an amendment to the Master Deed submitting such additional real property, or interest, to the provisions of Chapter 183A or the recording of an instrument evidencing the acquisition of such interest.

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 Condominium and/or the Property and/or the Association Property in any manner, are subject to these By-Laws, the Master Deed, the Rules and Regulations promulgated hereunder, and all covenants, agreements, restrictions, conditions, easements and declarations of record (the "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 provisions of the Master Deed and the Rules and Regulations, as they may be amended from time to time, and the Title Conditions are accepted, ratified and will be complied with.

Wherever in these By-Laws and/or the Master Deed an obligation is imposed upon the Association, or the Directors undertake to arrange for, perform, or otherwise accomplish any and all work, maintenance, repairs, construction, improvement or like action, the standard of care applicable thereto shall be that of ordinary due care or reasonable business judgment within budgetary constraints as determined in the sole discretion of the Directors with respect to the scope, extent and timing of the aforesaid. In the event of any conflict or inconsistency between the foregoing and any other term or provision of these By-Laws or the Master Deed, the foregoing shall govern.

Section 5.1. Powers And Duties Of Directors. The Directors shall, subject to the provisions of all applicable laws, the Master Deed and these By-Laws, have the absolute control and management of the Property (excluding the Units) and the absolute control, management and disposition of Association Property as if they were the absolute

owners thereof and shall have all of the powers necessary for the administration of the affairs of the Condominium and may do all such acts and things in connection therewith. The powers and duties of the Directors shall include, but shall not be limited to, the following, all of which shall be exercised subject to the provisions hereof:

- A. Operating, caring for, keeping up, managing, leasing and maintaining the Common Areas and Facilities of the Condominium or any part thereof.
- B. Owning, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by them as a result of enforcement of the lien for Common Expenses, action under Chapter 183A, Section 17 and 18, or otherwise.
- C. Conducting litigation on behalf of the Unit Owners and being subject to suit as to any course of action involving the Common Areas and Facilities or arising out of the enforcement of these By-Laws, any and all Rules and Regulations promulgated hereunder, or restrictions in the Master Deed or Unit Deeds.
- D. Determining and budgeting of the Common Expenses required for the affairs of the Condominium and this Association, including, without limitation, the operation and maintenance of the Property.
- E. Collecting the Common Charges (which for the purposes of these By-Laws shall mean such portion of the Common Expenses as are payable by the respective Unit Owners) from Unit Owners.
- F. Employing and dismissing personnel necessary for the maintenance and operation of the Common Areas and Facilities.
- G. Opening and utilizing bank accounts on behalf of the Association and designating the signatories required therefor.
- H. Obtaining insurance.
- I. Making repairs, additions and improvements to or alterations of the Property.

J. Incurring obligations and paying, compromising or adjusting all obligations incurred and rights acquired in the administration of the Association.

K. Adopting and amending rules and regulations covering the details of the operation and use of the Common Areas and Facilities, the administration of the Condominium as contemplated by the Master Deed and these By-Laws, and in interpretation thereof.

L. Obtaining advice of counsel and relying thereon, and employing, appointing and removing such other persons, agents, managers, officers, brokers, engineers, architects, employees, servants and assistants as they shall deem advisable, and defining their respective duties and fixing their pay and compensation.

M. Granting permits, licenses, easements and/or leases over, under, through and/or to the Common Areas for utilities, roads and/or all other purposes reasonably necessary and/or beneficial, useful for and/or to the maintenance and/or operation of the Condominium and/or the convenience of the Unit Owners.

N. Altering the layout, location, nature and/or use of any of the Common Elements, making installations therein, and moving and removing the same, subject, however, to a Unit Owner's rights to use any appurtenance to the Unit as specified in the Master Deed.

O. Enforcing obligations of the Unit Owners, including the levying of general and special assessments for Common Expenses and the providing of adequate remedies for the failure to pay such assessments, levying reasonable fines against the Unit Owners and/or residents for violations by them, or persons for whom they are responsible, of the Rules and Regulations or of the provisions of these By-Laws or the Master Deed, and in the case of persistent violations of the Rules and Regulations or of these By-Laws or the Master Deed by them or persons for

whom they are responsible, requiring such Unit Owner or resident to post a bond to secure adherence thereto.

P. Investing and reinvesting the funds of the Condominium, or any part or parts thereof, and from time to time and as often as they shall see fit to change investments, including the power to invest in all types of securities, and other property, of whatsoever nature and however denominated, all to such extent as to them shall seem proper, and without liability for loss, even though such property or such investment shall be of a character or in an amount not customarily considered proper for the investment of funds held in trust, or which does or may not produce income.

Q. Selling and exchanging Association Property or any interest therein for such consideration and upon such terms as they deem advisable.

R. Purchasing and otherwise acquiring any real or personal property.

S. Borrowing money and mortgaging or pledging all or any part of the Association Property, and/or the Condominium's Funds, and issuing bonds, notes or other evidence of indebtedness.

T. Providing for payment by the Association of real estate taxes becoming due and payable after the date of recording of the Master Deed which are assessed upon all of the Land and/or improvements included within the Condominium, instead of upon individual Units and their proportionate interests in the Common Areas and Facilities, and levying an equitable assessment of said tax payments among the individual Unit Owners.

U. Incurring such liabilities, obligations and expenses, and paying from the principal or the income of the Condominium's funds all such sums, as they shall deem necessary or proper, for the furtherance of the purposes of the Association.

V. Determining as to all sums of money and other things of value received by them, whether and to what extent the same shall be deemed to be and shall be

accounted for as principal or as income, interest and/or late charges, and as to all charges or expenses paid by them, whether and to what extent the same shall be charged against principal or against interest and/or late charges, including, without hereby limiting the generality of the foregoing power, to apportion any receipt or expense between principal income, interest and/or late charges, and the power to determine what portion, if any, of the actual income received upon any asset purchased or acquired at a premium or any wasting investment shall be added to principal to prevent a diminution thereof upon the maturity or exhaustion of such asset or investment.

W. Entering into and having such access to Units and Common Areas reserved to Units in the Condominium as shall be reasonably necessary to the performance and exercise of the duties, obligations, rights and powers of the Association hereunder.

X. Executing any and all instruments incidental or necessary to carry out any of the foregoing powers.

Y. Generally, in all matters not herein otherwise specified, controlling, managing and disposing of the Association Property and controlling and managing the Property (excluding the Units) as if the Directors were the absolute owners thereof and doing any and all acts, including the execution of any instruments, which by their performance thereof shall be shown to be in their judgment for the best interest of the Condominium and its Unit Owners.

Section 5.2. Maintenance And Repair Of Units; Access To Units. Except as hereinafter provided, the Unit Owners shall be responsible for the proper maintenance, replacement and repair of their respective Units (other than to the Common Elements contained therein) as defined in the Master Deed. Except to the extent covered by the Association's master casualty insurance, each Unit Owner shall be responsible for any and all damage to any and all other Units and/or the Common Areas and Facilities

caused by his failure to satisfy this maintenance obligation, including all administrative costs incurred by the Association. If the Directors shall at any time in their reasonable judgment determine that a Unit, any part thereof, or such Common Element to which a Unit has exclusive use, is in such need of maintenance or repair that the market value of one or more other Units is being adversely affected, or that the condition of a Unit, any part thereof, such Common Element to which a Unit has exclusive use, or any fixtures, furnishings, facilities or equipment therein, is hazardous to any Unit or the occupants thereof and/or adversely affects any other Unit and/or the Common Elements and/or the Common Expenses, the Directors shall in writing request the Unit Owner thereof to perform the needed maintenance, repair, replacement and/or work and/or to correct the relevant condition and/or its cause. In such case as action thereon shall not have been commenced within the time as may be reasonably set by the Directors and thereafter diligently brought to completion, the Directors shall be entitled to have such performed for the account of such Unit Owner whose Unit and/or Common Element to which he has a right of exclusive use is in need thereof and to enter upon and have access to such Unit and/or such Common Element for these purposes. In the case of an emergency which necessitates immediate action and the Unit Owner is unavailable or fails to take immediate action, the Directors may proceed thereto without delay. The cost incurred by the Association for such as is reasonably necessary therefor shall constitute an obligation of the applicable Unit Owner and shall be considered a Common Expense attributable to such Unit. The Directors may in their discretion additionally impose a fine upon a Unit Owner who, in the Directors' judgment, unreasonably fails to comply with a request made by the Directors hereunder.

Should it be necessary that any part of a Unit, personal property of a Unit Owner, and/or any part of the Common Areas and Facilities to which a Unit Owner has the right of exclusive use, be required to be removed for the purpose performing such work, or for the purpose of the Association performing work upon the Common

Elements, such Unit Owner shall promptly comply with such request by the Directors. Should such Unit Owner fail to so comply, or in the case of emergency, the Directors may remove and store such part and/or property for the account of the Unit Owner, the cost of which shall constitute an obligation of the applicable Unit Owner and shall be considered a Common Expense attributable to such Unit. Such removal and storage shall be reasonable in manner, extent and terms.

Section 5.3. Maintenance, Replacement And Repair Of Common Areas. The Association shall be responsible for arranging for the cleaning, replacement, maintenance and repair of the Common Areas and Facilities and such other portions of the Condominium as may be herein specified when the need for the same has been brought to their attention and subject to budgetary constraints, the Directors exercising ordinary due care and reasonable business judgment with respect to the scope, extent and timing of such maintenance, repair, and replacement. In the case of a casualty loss the provisions hereinafter contained shall apply. The Directors may approve payment of vouchers for such work, and the expenses of such replacement, maintenance and repair shall be assessed to the Unit Owners as Common Expenses of the Condominium at such times and in such amounts as provided in Section 5.5; provided, however, that such cleaning, replacement, maintenance and/or repair as may be necessitated by the negligence, misuse or neglect of a Unit Owner, his family, servants, agents, employees, invitees, lessees, tenants, licensees, pets, or others upon the Property at the Unit Owner's behest, whether directly or by virtue of a Unit Owner's failure to properly maintain, repair or replace the Unit, components thereof, or Common Elements to which such Unit Owner has exclusive use, including all administrative charges associated therewith, shall be charged to such Unit Owner, constitute an obligation of such Unit Owner and be considered a Common Expense attributable to such Unit, except to the extent such as are covered by the Association's master casualty policy.

Additionally, the Association, in order to preserve and maintain the appearance, integrity and value of the Condominium, shall be responsible for arranging for the maintenance, repair and replacement of the Limited Common Areas (those Common Areas to which a Unit Owner has an exclusive right of use) and exterior portions of the Units such as windows and doors, but, as to the latter, only as to appearance.

A. Notice Of Person Responsible For Maintenance. The Directors shall provide every Unit Owner with the name, address, and telephone number of the person, firm or entity responsible for the maintenance of the Common Elements.

Section 5.4. Right Of Access. The Directors or any other person authorized by the Directors, shall have a right of access to any Unit, and/or Common Areas to which a Unit has an exclusive right of use, for the purpose of making inspections, or for the purpose of correcting any conditions originating in the Unit and/or said Common Areas, or threatening another Unit or the Common Areas and Facilities, or for any other purpose reasonably necessary for the proper maintenance or operation of the Condominium, or for any other purpose as herein provided for which access to a Unit and/or said Common Areas is necessary; provided, however, that such entry is made after advanced notice and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, or in such case as a Unit Owner fails to cooperate with the Directors after notice as aforesaid, such right of entry shall be immediate, and without notice where such is impractical. In furtherance hereof, each Unit Owner shall provide to the Directors duplicate keys to all locks upon every means of access to a Unit and said Common Areas.

Section 5.5. Common Expenses, Profits And Funds. Except as may be otherwise provided herein or in the Master Deed, the Unit Owners shall be liable for Common Expenses and entitled to common profits of the Condominium in proportion to their respective percentages of the Undivided Interest. The Directors may at any time or

times, as they in their sole discretion may determine, distribute common profits and/or surplus accumulations among the Unit Owners in such proportions.

A. Reserve Funds. The Directors shall establish and maintain as hereinafter provided the following separate and segregated funds to be used for the purposes hereinafter specified:

i. Capital Expense Fund. The Directors shall set aside from the regular monthly payments of Common Charges an amount adequate and appropriate to provide a reserve for the periodic repair and/or replacement of the Common Elements and other capital purposes and may, to the extent consistent with these purposes and permissible under applicable provisions of the Internal Revenue Code, use the funds so set aside for the reduction of indebtedness or other lawful capital purpose, or subject to the provisions of these By-Laws and the provisions of Chapter 183A, Section 17 and/or 18, for the repair, replacement, rebuilding, restoration or improvement of the Common Areas and Facilities. Such reserves shall be maintained in a separate and segregated account(s) to be known as the Capital Expense Reserve Account(s) and the funds so set aside shall not be deemed common profits available for distribution; but, rather, shall be considered as property of the Association held for the account of the Unit Owners in accordance with their respective Membership Interests.

To ensure the adequacy of such Fund, the Directors shall periodically engage an appropriate professional to undertake a capital reserve study, and/or to up-date one previously undertaken, and based thereon establish a policy to fund such capital expense needs as therein determined.

ii. Working Capital. The Directors shall maintain a working capital fund in an amount as the Directors shall in their judgment determine as adequate and appropriate, but in no event less than one-sixth (1/6) of the annual budget, to provide available funds to meet unforeseen expenditures, to cover cash flow requirements, or to acquire additional equipment or services deemed by the Directors as necessary or desirable, and may, to the extent consistent with these purposes, use the funds so set aside for operating expenses consistent with the provisions of these By-Laws. Such reserve shall be maintained in a separate and segregated account to be known as the Working Capital Reserve Account and the funds so set aside shall not be deemed common profits available for distribution; but, rather, shall be considered as the property of the Association held for the account of the Unit Owners in accordance with their respective Membership Interests.

(a) Said account shall be initially funded by the Declarant collecting from each purchaser of a Unit an amount equal to one-sixth of such Unit's share of the annual projected common expenses. Such sum shall be deposited to the Working Capital Account and shall not be utilized during the period of Declarant control; but, rather, shall be fully funded as to unsold units and turned over as an integral whole at the transition of the Association from Declarant control. Thereafter, said Account shall be maintained as herein provided for by general or special assessments to the Unit Owners.

B. Determination Of Common Expenses And Fixing Of Common Charges.

At least thirty (30) days prior to the end of the fiscal year, the Directors shall prepare a budget for the Condominium by estimating the Common Expenses

expected to be incurred during the ensuing fiscal year together with a reasonable provision for contingencies and reserves as referred to above, and after taking into account any undistributed common profits from prior years (reserves excepted), shall determine the assessment to be made for such fiscal year (herein referred to as "Common Expense Assessment"). The Directors shall promptly render statements to the Unit Owners for their respective shares of such Assessment according to their percentages of Membership Interest, such share to be due and payable in twelve equal monthly installments. In the event that the Directors shall determine at any time during any fiscal year that the Assessment so made is less than the Common Expenses actually incurred, or in the reasonable opinion of the Directors, likely to be incurred, or in the event that the Directors shall determine that it is advisable to establish a larger reserve or other fund for projected capital or other expenditures, or otherwise, the Directors may make one or more supplemental assessments ("Special Assessments") and render such statements as they may deem necessary therefor and the amount shown in such statement shall be payable and take effect as specified by the Directors in such Special Assessment. The Directors may, additionally, or in the alternative, either as they deem appropriate, revise the current budget and adjust the Common Expense Assessments appropriate thereto.

C. Payment And Collection Of Common Expenses. The amount of each specified installment, together with late charges as may be reasonably imposed by the Directors and interest on the assessment at the rate of one and one-half percent (1 1/2%) per month, if that amount is not paid when due, shall constitute a lien on the Unit of the Unit Owner assessed and be the personal obligation of the Unit Owner, all pursuant to provisions of Chapter 183A, Section 6. The Directors shall take prompt action to collect any Common Expenses due from any Unit Owner which remain unpaid. The Directors may, also, prohibit the

delinquent Unit Owner, or persons occupying his Unit, from using any of the amenities of the Condominium, if any, not necessary to the use of the Unit while such arrearage exists. To the extent a Unit Owner may be persistently delinquent in the timely payment of Common Expenses due, as the Directors in their sole discretion may determine, the Directors may require such Unit Owner to pay the Common Expenses due in one lump sum as opposed to periodically as here provided for or accelerate the payments due for the balance of the fiscal year.

All obligations and charges to a Unit Owner and such Unit Owner's Unit shall for the purposes hereof be deemed a Common Expense attributable to such Unit and payment thereof shall be enforceable as herein provided. In such event as water usage is submetered, the Unit Owner shall be obligated to pay their measured share upon invoicing by the Association and such shall constitute a common expense attributable to the Unit and the personal obligation of the Unit Owner.

D. Payment Of Common Expenses Subsequent To Transfer. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him of such Unit. A purchaser of a Unit shall not be personally liable for the payment of Common Expenses assessed and unpaid against such Unit prior to the acquisition by him of such Unit unless such purchaser has agreed to assume such obligation. This provision shall not, however, effect the statutory lien on such Unit for such unpaid Common Expenses. Except as provided in M.G.L. c. 183A, s. 6, a purchaser of a Unit at a foreclosure sale of such Unit by a first mortgagee or any first mortgagee who comes into possession of the Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure, shall take the property free of any claims and/or liens for unpaid assessments or charges against the mortgaged Unit

which accrue prior to the time such purchaser or holder comes into ownership or possession of the Unit.

E. Default In Payment Of Common Expenses. In the event of default by any Unit Owner in paying the Common Expenses attributable to his Unit (the "Common Charge"), such Unit Owner shall be obligated to pay all expenses, including attorneys' fees, incurred by the Association in proceeding to collect such unpaid Common Expenses, irrespective of the amount so unpaid. The Directors shall have the right and duty to attempt to recover such unpaid Common Expenses, irrespective of the amount so unpaid, together with late charges, interest thereon, and the expenses of so 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, or in any proceeding wherein the Unit Owner seeks to avoid payment of the Common Expenses due, all such constituting a lien as provided in Section 6 of Chapter 183A. In furtherance hereof, a defaulting Unit Owner hereby waives any argument that the expenses of so proceeding, including attorney's fees, are unreasonable and/or excessive when considered in the light of the amount so unpaid. A Unit Owner shall, upon any action brought by the Association to collect unpaid Common Expenses, have no right to make any claims or defense or off-set upon any basis.

In such event as the Unit as to which Common Expenses are in arrears is leased, rented or let, and upon compliance by the Association with the applicable provisions of M.G.L. c. 183A, s. 6, the Directors shall be entitled to require the lessee or tenant to pay the rent due therefore directly to the Association until such time as the arrearage, late fees interest, costs and expenses are fully paid and, upon a failure thereof, to an order of a Court of competent jurisdiction so requiring. This right shall be in addition to any other remedy herein or by law provided.

After a successful action brought by the Association to foreclose a lien on a Unit because of unpaid Common Expenses, a Unit Owner remaining in his Unit for any period of time thereafter shall be required to pay a reasonable fee for the use and occupancy of his Unit.

The Directors acting on behalf of the Association shall have power to purchase a Unit at the lien foreclosure sale and to hold, lease, mortgage (but not to vote the votes appurtenant thereto), convey or otherwise deal with the same.

A suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same, and may be brought simultaneously with an action to so establish and foreclose upon said lien.

F. Application Of Common Funds. The Directors shall expend common funds only for Common Expenses and other purposes permitted hereby and by the provisions of Chapter 183A.

G. Notice Of Default In Payment Of Common Expenses. Pursuant to the applicable provisions of M.G.L. c. 183A, s. 6, and/or upon the written request of the holder of any mortgage upon a Unit, the Directors shall notify such holder of any default by a Unit Owner in the payment of his share of the Common Expenses.

H. 6(d) Certificates. Upon request of a Unit Owner or his designee the Directors shall, within ten (10) days, provide a certificate in conformity with M.G.L. c. 183A, s. 6(d), specifying the amount, if any, of any unpaid Common Charges assessed to the Unit Owner and/or attributable to the Unit. The Directors may in their discretion impose a reasonable fee for the provision of such statement. Such Certificate need only be signed by any one Director or the Managing Agent, if any.

Section 5.6. Insurance. The Directors and the Unit Owners shall/may obtain and maintain the following insurance policies:

A. Casualty Insurance. The Directors 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 Areas and Facilities, all of the Units with all fixtures, additions, alterations and improvements thereof, all heating and cooling equipment and other service machinery, apparatus, equipment and installations comprised in the Common Areas and Facilities, 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 the full replacement cost thereof (as that term is used for insurance purposes), subject to such reasonable deductible as the Directors may determine, and which shall include, if available at a reasonable cost, so-called Agreed Amount, Inflation Guard, Construction Code and Replacement Cost Endorsements. The Directors may purchase a so-called "blanket" policy covering all of the buildings, if there be more than one, if they deem it advisable. In determining full replacement value, the Directors 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: "Directors of HATTER'S POINT CONDOMINIUM ASSOCIATION, INC. for use and benefit of the Unit Owners of the HATTER'S POINT CONDOMINIUM and their mortgagees as their interests may appear". Such insurance shall contain the standard mortgagee clause and shall name the

Directors as Insurance Trustees for the use and benefit of all Unit Owners of the HATTER'S POINT CONDOMINIUM and their mortgagees as their interest may appear, with losses payable to and adjusted by the Directors as Insurance Trustees in accordance with the provisions of these By-Laws. The Directors may insure against such other hazards or risks of casualty as the Directors 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.

B. Liability Insurance. The Directors shall obtain and maintain, to the extent obtainable and/or applicable, master policies of insurance with respect to the Common Areas and Facilities for the benefit and protection of the Association and all Unit Owners for: (i) comprehensive public liability insurance in such limits as the Directors may, from time to time, determine but in no case less than \$1,000,000/\$1,000,000 in coverage, covering the Association, the Directors, the Property Manager, if any, and each Unit Owner with respect to liability arising out of ownership, maintenance or repair of the Common Areas and Facilities 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 Condominium Unit Owner because of negligent acts of the Association, the Directors 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 Directors 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; (iv) non-owned automobile liability insurance with the same limits as item

(i) and (v) such other liability insurance as the Directors may from time to time deem appropriate and desirable, including umbrella liability insurance.

C. Fidelity Coverage. The Directors shall obtain fidelity coverage against dishonest acts on the part of the Directors, the Property Manager, if any, employees or volunteers responsible for handling funds belonging to Association or administered by the Directors. This fidelity insurance shall name the HATTER'S POINT CONDOMINIUM ASSOCIATION, INC. as the named insured and shall be written in an amount equal to the maximum amount that will be in the custody of the Association 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 persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

D. Directors And Officers Liability Insurance. The Directors shall obtain Directors and Officers Liability Insurance in such amounts and upon such terms as they deem appropriate.

E. FHLMC And FNMA Insurance Requirements. If the Federal Home Loan Mortgage Corporation (FHLMC) or the Federal National Mortgage Association (FNMA) or any other so-called Secondary Mortgage Market Agency holds any interest in one or more mortgages on Units of which the Directors have received notice, the Directors shall obtain and maintain, to the extent reasonably obtainable, such other insurance as may be required from time to time by whichever of FHLMC, FNMA or other 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, FNMA or other holds such interest.

F. Unit Owners' Insurance. Unit Owners may, and it is suggested that they should, carry insurance for their own benefit insuring their furniture, furnishings 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 as to the Association and further provided that the liability of the carriers issuing insurance obtained by the Directors shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner, or if so effected, it shall be deemed that the Unit Owners' insurance coverage has been assigned to the Association to the extent of such effect. Unit Owners shall in all events maintain liability insurance covering damage to the Property in such reasonable amounts as the Directors may determine and, upon request, provide evidence thereof to the Directors.

G. Terms And Conditions Of Policies. Policies of casualty insurance maintained by the Association, and to the extent applicable, such other policies of insurance maintained by the Association shall provide: (i) that the insurance company waives any right of subrogation against the Directors, 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 Association) when such act or neglect is not within the control of the Directors (or Unit Owners collectively) or by failure of the Directors (or Unit Owners collectively) to comply with any warranty or condition with regard to any portion of the premises over which the Directors (or Unit Owners collectively) have no control; (iii) that such policies may not be cancelled or substantially modified without at least twenty (20) days' prior written notice to all Unit

Owners and mortgagees of Units to whom 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 Directors in their sole 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 Directors shall apportion the deductible amount proportionally to the amount of such loss related to such Unit, or Units, and/or the amount of the loss related to the Common Areas and Facilities. Where such loss is solely to a Unit, the deductible amount shall be borne solely by the Unit Owner thereof. Where such loss is solely to the Common Elements, such shall be borne from the common funds. Additionally, all costs of adjusting and/or administering a loss shall be likewise apportioned and deducted from the insurance proceeds.

H. Insurance Appraisal. The Directors 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 Association's insurance agent as to the amount of necessary coverage. If the Directors 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 property policy.

I. Directors As Insurance Trustees. The Directors (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 these By-Laws for the benefit of the Unit Owners and their respective mortgagees. With respect to losses which affect portions or elements covered by such insurance to more than one Unit and/or the Common Elements to different extends, the proceeds relating thereto shall be used, applied and disbursed by the Directors in their judgment in a fair and equitable manner, primarily based upon the relative losses.

J. Authorized Insurance Representative. Notwithstanding any of the forgoing provisions and requirements to the contrary relating to physical damage or liability insurance, there may be named as an insured, on behalf of the Directors, the Directors' authorized representative, including any Director, with whom the Directors may enter into any Insurance Trust Agreement or any successor to such Director (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such physical damage or public liability insurance. Each Unit Owner appoints the Directors, or any Insurance Trustee or substitute Insurance Trustee designated by the Directors, as his attorney-in-fact for the purpose of purchasing, maintaining and administering such insurance, including without limitation the collection and appropriate 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.

K. Notification Of Mortgagees. The Directors, on behalf of the organization of Unit Owners, shall, when requested by mortgagees of Units, give written

notice to such mortgagees of such loss to the Common Areas and Facilities, or to the Unit mortgaged, as the mortgagee requests.

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

M. Notification To Directors Of Improvements. Each Unit Owner shall notify the Directors in writing of all improvements to his/her Unit (except personal property other than fixtures) which exceed a total value of Two Thousand Five Hundred Dollars (\$2,500.00) within twenty (20) days after the commencement of construction or installation of such improvement, and upon receipt of such notice, the Directors 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 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 Directors, unless otherwise consented to the Directors.

Section 5.7. Rebuilding, Restoration And Condemnation. the following provisions shall apply in the case of casualty loss or condemnation:

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

i. Casualty Loss To Units. Where such damage or destruction is solely to a Unit, or Units, the Insurance Trustee designated herein 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 Directors deem appropriate to repair or restore his Unit, the Directors 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 or cost of adjustment and/or administration thereof. Where more than one Unit is so damaged or destroyed, said proceeds, deductible and costs shall be apportioned upon the basis of the relative damage to each Unit; provided, however, that in such case as such damage or destruction 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 resultant from a Unit Owner's failure to promptly and accurately report any improvements to his Unit pursuant to the provisions of Section 5.6.M, such deficiency shall be borne by such Unit Owner. The extent to which the cost is 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 Directors 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 Units, the Directors, in their reasonable discretion, shall forthwith determine whether or not the loss exceeds ten percent (10%) 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 Directors 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 percent (10%) of the value of the Condominium immediately prior to the loss, the Directors shall proceed as provided in Subsection i above provided that the Common Elements shall be repaired and restored by the Directors and any deficiency thereto relating shall be borne from common funds.
- b. Loss In Excess Of Ten Percent. If the loss to the Common Elements as so determined exceeds ten percent (10%) of the value of the Condominium immediately prior to the loss, the Directors shall seek the agreement of seventy-five percent (75%) of the Unit Owners by submitting to the Unit Owners a form of agreement (the Restoration Agreement) whereby the Unit Owners authorize the Directors to proceed with the necessary repair and restoration.
 - (1) If such percentage of Unit Owners agree (by executing the Restoration Agreement) to proceed to the necessary repair and restoration, then the Directors shall proceed thereto as provided in Subparagraphs i and ii.a above; provided that the cost of such repair 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 Directors as the Court shall direct, for an order directing the purchase of their Units by the Association 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 and restoration (by executing the Restoration Agreement and timely returning the same to the Directors), a Unit Owner's proportionate share of the insurance proceeds with respect to the Common Areas and Facilities, 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 shall, to the extent permitted by law, 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 Directors 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 Directors 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 shall be added to the Condominium's Capital Expense Reserve Account or shall be, at the option of the Directors, divided among the Unit Owners in proportion to their respective Membership 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 Subsection, in the event that any Unit Owner shall dissent from any determination of the Directors with respect to the value of the Condominium or any other determination or action of the Directors under this Subsection by notice in writing to the Directors 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 Directors 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 Subsection, the Directors shall not, in any event, 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 Directors of all costs thereof.

The foregoing provisions are intended to comply with Section 17 of the Chapter 183A and to be, in addition, consonant with the requirements of FHLMC and FNMA. To the extent there is a conflict between the provisions hereof and Chapter 183A, Chapter 183A shall control.

Notwithstanding anything to the contrary contained in this Subsection 5.A., all of the foregoing provisions regarding the distribution of the proceeds of any insurance or the proceeds of any sale shall be subject to the provisions of Section 25 of the Master Deed and the rights of the Declarant thereunder with respect to such amounts and proceeds.

B. Eminent Domain. If more than ten percent (10%) of the Condominium is taken under any 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 Directors shall have the authority to acquire the remaining portions of such Units, for such price as the Directors shall determine, provided that any Unit Owner of such remaining portion who does not agree with such determination may apply to the Superior Court, on such notice to the Directors 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 Directors may make such provision for realignment of the Undivided Interests in the Common Areas and Facilities 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 Association acting through the Directors. In the event of a partial taking the award shall be allocated among the affected Units according to their appurtenant Membership Interest, and paid first, to the extent permitted by law, to the holder (s) of the first mortgage of such Unit(s), 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(s) of the first mortgage. In the case of a total taking of all Units and the Common Areas and Facilities, the entire award shall be payable to the Directors to be allocated among the Units according to their appurtenant Membership Interest, and paid first, to the extent permitted by law, to the holder(s) of the first mortgages of such Unit(s), 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(s) of the first mortgage. As to any portion or portions of any award which are

attributable to direct or consequential damages suffered by particular Units, they shall be payable to the owners of such particular Units and their mortgagees, as their interests may appear.

Notwithstanding anything to the contrary contained in this Subsection 5.B., all of the foregoing provisions regarding the distribution of awards on account of any eminent domain taking shall be subject to the provisions of Section 25 of the Master Deed and the rights of the Declarant thereunder with respect to such amounts and awards.

C. Retention Of Architect. Whenever the estimated cost, as determined by the Directors, of repair or restoration exceeds as to any one casualty or occurrence, ten percent (10%) of the value of the Condominium or twenty-five percent (25%) of the value with respect to any one Unit, then the Directors, unless waived by four fifth (4/5's) vote, may retain a licensed architect or licensed engineer, who shall not be directly or indirectly a Unit Owner or an employee or agent of any Unit Owner or a Director or an employee or agent of any Director, to supervise the work of repair or restoration, and no sums shall be paid by the Directors on account of such repair or restoration except upon certification to them by such architect or engineer that the work for which payment is being made has been completed in a good and workmanlike manner in accordance with approved plans and specifications, and that the estimated total cost of completion of said repair or restoration, less amounts theretofore advanced, does not exceed the undisbursed proceeds of insurance as augmented by funds obtained by any assessment levied or chargeable to the Unit Owners as a Common Expense.

Section 5.8. Improvements To The Units And Common Elements. The following provisions shall apply in the case of any improvement at the Condominium.

A. Improvements To Common Areas And Facilities. If and whenever the Directors shall propose to make any improvement to the Common Areas and Facilities or shall be requested in writing by one-third of the Unit Owners to make any such improvement, the Directors shall submit to all Unit Owners a form of agreement (which may be in several counterparts) (the "Improvement Agreement") specifying the improvement or improvements proposed to be made and the estimated cost thereof, and authorizing the Directors to proceed to make the same. Upon the receipt by the Directors of such Improvement Agreement executed by seventy-five percent (75%) of the Unit Owners or the expiration of ninety (90) days after such agreement was first submitted to the Unit Owners, whichever of said events shall first occur, the Directors shall notify all the Unit Owners of the aggregate percentage of the Unit Owners who have then executed such Improvement Agreement. If such percentage is equal to or exceeds seventy-five percent (75%), the Directors shall proceed to make the improvement or improvements specified in such agreement and, in accordance with Section 18 of Chapter 183A, shall charge the cost of such improvement to all Unit Owners as a Common Expense in accordance with their Membership Interest. Provided, however, that if the Directors shall determine in their reasonable discretion that the cost of such improvement exceeds ten percent (10%) of the then value of the Condominium, any Unit Owner who did not so agree to proceed may apply to the Superior Court, on such notice to the Directors as the Superior Court shall direct, for an order directing the purchase of his Unit by the Directors at the fair market value thereof as approved by the Court. The cost of any such purchase shall be a Common Expense. If more than fifty percent (50%) of the Unit Owners, but less than seventy-five percent (75%) of them so approve, the Directors shall proceed to make such improvement or improvements and shall charge the same solely to the Unit Owners so approving; provided, however,

that the Unit Owners shall be afforded the opportunity to execute the Improvement Agreement conditioned upon obtaining the aforesaid seventy-five percent (75%) agreement.

Notwithstanding anything to the contrary contained in this subsection, in the event that any Unit Owner or Owners shall dissent from any determination of the Directors with respect to the value of the Condominium or any other determination or action of the Directors under this Subsection by notice in writing to the Directors within ten (10) days after such determination or action, and such dispute shall not be resolved within thirty (30) days after such notice, then either the Directors or the dissenting Unit Owner or Owners 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 this Subsection, the Directors shall not in any event be obligated to proceed with any improvement unless and until they have received funds in an amount equal to the estimate of the Directors of all costs thereof.

For the purposes hereof, the construction, erection, alteration, modification and/or doing of any thing or things to the Common Elements, the total cost of which in each separate instance does not exceed two percent (2%) of the budgeted Common Expenses for a given fiscal year shall not be considered an improvement; but, rather, an expense incurred in the operation, care, upkeep and maintenance of the Common Elements.

1. Improvement At Unit Owner Expense. If and whenever any Unit Owner shall propose to make an improvement to or affecting the Common Areas and Facilities of the Condominium at such Unit Owner's own expense, and the Directors determine in their reasonable discretion that such improvement would be consistent and compatible with the

Condominium and the use and enjoyment thereof by its residents, the Directors may, but shall not be obligated to, authorize such improvement to be made at the sole expense of the Unit Owner proposing the same, without the consent or approval of other Unit Owners, subject to such contractual undertakings on the part of the Unit Owner proposing such improvement as the Directors in their reasonable discretion deem to be necessary or desirable in the circumstances.

B. Improvements To Units. No Unit Owner shall make any addition, alteration or improvement in or to his Unit or to any portion of the Common Areas and Facilities to which he has the exclusive use, which may affect the appearance or structure of the Condominium, or the integrity of its systems, or which is otherwise restricted by the Master Deed, without the prior written consent thereto of the Directors. The Directors shall have the obligation to answer any written request by a Unit Owner for approval of such a proposed addition, alteration or improvement within forty-five (45) days after receipt of the request, and failure to do so within this time period shall constitute a consent by the Directors. Said request shall include adequate plans, specifications and similar items, so as to enable the Directors to reasonably review such request, and the period for response herein provided shall not begin to run unless and until such are so provided.

As to any request for approval pursuant to this Subsection the Directors may engage, if they so choose, an architect or engineer or both, if necessary, to review the plans and specifications to be attached to said request, and such architect or engineer's fees shall be paid by the requesting Unit Owner. If the said engineer and/or architect determines that the plans and specifications are consistent with the structural integrity and/or design character, as relevant to the particular request, of the Condominium, the Directors may then, in their sole

discretion, approve or disapprove said plans, or approve them subject to certain conditions including restrictions in the manner of performing such work and requirements thereto related and such other restrictions as may be contained in the Master Deed. Submission of such plans and specifications for review as aforesaid shall extend the approval period by thirty (30) days.

All additions, alterations or improvements to any Unit (whether or not affecting the structural or mechanical systems of the Condominium) shall be performed in compliance with all applicable laws, regulations and codes, and when required thereby, by licensed contractors and shall be completed in a good and workmanlike manner. Each Unit Owner, and his contractors, shall cooperate with the Directors and other Unit Owners so as not to unduly inconvenience or disturb the occupants of the Condominium. Notwithstanding any other provision of these By-Laws, the cost of repairing or restoring any damage to the Common Areas and Facilities or to any Unit which is caused by any work being performed by or for a Unit Owner shall be charged solely to such Unit Owner. The foregoing shall not be construed to interfere with a Unit Owner's right to decorate the interior his Unit and/or affix fixtures thereto normally associated with the permitted uses of the Unit.

1. Permits. To the extent that any addition, alteration or improvement to a Unit by the Unit Owner requires a permit, license or similar item to be obtained in the name of the Condominium, the Association or the Directors, from a governmental authority, the application therefor shall be executed by the Directors without, however, incurring any liability on the part of the Directors, or any of them, or the Association to any contractor, subcontractor or materialman or any other person on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom, or, if

permissible, to such governmental authority. The Unit Owner shall bear all costs associated herewith and shall be fully responsible therefor, and wholly liable thereunder; and shall pay to the Directors such fee therefor as the Directors may reasonably determine.

2. Notification To Directors Of Value. If the Directors approve any said request as provided hereinabove or if the Unit Owner makes any addition, alteration or improvement not requiring the consent of the Directors, the Unit Owner shall promptly notify the Directors of the insurable value of said improvement pursuant to the applicable provisions of Section 5.6.M. hereof. Such notice shall state in reasonable detail the nature of the improvements and the value thereof. Each Unit Owner shall, upon request by the Directors, also submit to the Directors such further information relating to said improvements as the Directors shall reasonably require.

Section 5.9. Rules, Regulations, Restrictions And Requirements. The use of the Condominium and each Unit Owner's Unit shall be restricted to and shall be in accordance with the provisions of the Master Deed, these By-Laws, such rules and regulations as the Directors may adopt pursuant to these By-Laws, and all applicable laws, zoning ordinances, rules, regulations and requirements of all governmental bodies having jurisdiction over the Condominium or the use and occupancy thereof.

The Directors shall have the right (which right shall not be delegated) at any time and from time to time to adopt, amend and rescind reasonable rules and regulations governing the operation, appearance and use of the Common Areas and Facilities including, without limitation, Common Areas and Facilities the exclusive use of which is for one or more Units, and otherwise providing for the administration of the Condominium as contemplated by the Master Deed and these By-Laws, and in interpretation thereof (the "Rules and Regulations"); provided, however, that any such

Rules and Regulations shall not be promulgated and/or amended which will materially and adversely affect the holder of any first mortgage of which the Directors have received notice without the written consent of such holder. Any such Rules and Regulations shall be consistent with provisions of the Master Deed, these By-Laws and Chapter 183A. Copies of such Rules and Regulations and any amendments or changes thereto shall be furnished by the Directors to each Unit Owner and shall be recorded with the Essex County Southern District Registry of Deeds. The Directors may charge a reasonable fee for the provision of additional copies. Any Rule or Regulation may be modified, amended or revoked upon the vote of fifty-one percent (51%) of the Unit Owners at a meeting duly held therefor. The initial Rules and Regulations are attached hereto as Exhibits.

The Master Deed, these By-Laws and the Rules and Regulations, as from time to time amended, may be enforced by the Directors or any Unit Owner aggrieved by a violation thereof. The Directors may eliminate any violation and the cost and expense of eliminating such shall be chargeable to the Unit Owner who himself or whose family, servants, employees, agents, visitors, lessees, tenants, licensees, or pets are responsible for such violation. The cost of so eliminating a violation caused by another than as specified shall be a Common Expense. The Directors may also levy reasonable fines against the Unit Owner for such violations if any such violation is not cured within three (3) days after notice thereof, and such fine shall constitute a portion of such Unit Owner's Common Expenses which shall be payable by the Unit Owner of such Unit upon demand and enforceable as a Common Expense. For each day a violation continues after notice it shall be considered a separate violation. In the case of persistent violation, the Directors shall have the power to require the Unit Owner to post a bond, or other security as they may determine, to provide for adherence.

In enforcing the Master Deed, these By-Laws or the Rules and Regulations as to leased Units, the Directors may proceed against the Unit Owner, the tenant, or both as

the Directors, in their sole discretion may determine, including the imposition of fines. A failure of a tenant to pay a fine upon demand shall constitute grounds for the Directors to obtain the removal of such tenant from the Condominium as herein elsewhere provided.

Section 5.10. Pets. Subject to the applicable restrictions contained in the Master Deed, Unit Owners may keep in their Units customary household pets subject to the following conditions and such other reasonable conditions as the Directors may by rule and regulation impose:

- A. Such pets shall not exceed such number and kind as to interfere with the quiet enjoyment of the Condominium by its residents;
- B. Any permitted pet shall not be allowed upon the Common Elements unless restrained by a leash, transport box or cage; and in no event upon the land portion of the Property save for transit there across, except for areas designated therefor; and
- C. Each Unit Owner keeping such a pet who violates any of the above conditions or permits any damage to or soiling of any of the Common Elements or permits any nuisance or unreasonable disturbance or noise shall:
 - i. be assessed by the Directors for the cost of the repair of such damage or cleaning or elimination of such nuisance and/or
 - ii. be levied such fine as the Directors may reasonably determine; and/or
 - iii. be required by the Directors to permanently remove such pet from the Condominium upon five (5) days' written notice from the Directors.

Section 5.11. Unit Owner and Resident Responsibility. Except as may be otherwise specifically provided herein, a Unit Owner shall be fully responsible for the acts and omissions, feausance, malfeasance and misfeasance, and all other conduct of his family members, servants, agents, employees, invitees, lessees, tenants, licensees, guests, pets

or others upon the Property at the behest of the Unit Owner. Residents shall subsidiarily be so responsible for those upon the Property at their behest.

Section 5.12. Enforcement Of Charges, Fines, Obligations. Any charge, fine, or other financial obligation to, of or on any Unit Owner, and/or Unit herein provided for shall constitute a lien upon such Unit and be enforceable to the same manner and extent as for Common Expenses provided for in these By-Laws and Section 6 of Chapter 183A.

Section 5.13. Attorneys Fees And Costs. In such case as it is necessary for the Directors to engage the services of an attorney, or attorneys, for the purpose of enforcing against a Unit Owner, tenant, occupant, or other person bound thereby, any provision of the Master Deed, these By-Laws, the Rules and Regulations, or obligations thereunder, and/or for the purpose of defending any action brought by such person(s), and the Directors should prevail upon such defense, said Unit Owner, tenant, occupant or other such person shall be liable for, in addition to any other liability, the fees and costs of such attorneys in so proceeding thereto, including the fees of all experts engaged in connection therewith. As to Unit Owners, the amount of such fees and costs shall constitute a lien upon the Unit enforceable in the same manner and to the same extent as a lien for Common Expenses, and the Unit Owner shall be personally liable therefor.

Section 5.14. Inspection Of Books. The books, accounts and records of the Directors and of the Association shall be open to inspection to any one or more of the Directors, to the Unit Owners and to first mortgagees. The Directors may, however, subject to and in accordance with the applicable provisions of Chapter 183A, adopt reasonable rules and impose reasonable restrictions upon such access, including, but not limited to hours and place of availability, fees for reproduction, access only for Condominium related purposes, and provision for the maintenance of confidentiality as to appropriate records.

Section 5.15. Financial Reports To Unit Owners. Within one hundred and twenty (120) days of the end of the fiscal year, the Directors shall cause to be provided to the Unit

Owners a financial statement prepared in conformity with so-called review standards by a certified public accountant which shall include a balance sheet, income and expense statement and statement of funds.

A. Audit. Any Unit Owner, at his sole cost and expense, may at any time have the financial records of the Condominium audited by a certified public accountant of his choosing. The Directors shall fully cooperate therein; provided, however, that the auditing Unit Owner shall pay upon demand all reasonable costs and expenses incurred by the Association in regards thereto.

Section 5.16. Fiscal Year. The fiscal year of the Association shall be each calendar year ending December 31 or such other date as may from time to time be determined by the Directors.

Section 5.17. Checks, Notes, Drafts, And Other Instruments. Except as to reserve accounts, checks, notes, drafts and other instruments for the payment of money drawn or endorsed in the names of the Directors or of the Association may be signed by any Director, or by the Property Manager, if any, to whom such power may at any time or from time to time be delegated. Checks drawn on the Association's reserve account(s) shall be signed by at least two Directors.

Any instrument, other than above or elsewhere provided, signed by any one, or more, Directors which contains or is accompanied by a certification that said Director, or Directors, are authorized to execute and deliver the same by appropriate vote of the Directors shall be conclusive evidence in favor of every person relying thereon or claiming thereunder.

A. Seal. The Directors may sign any instrument under seal without being required to affix a formal, common or wafer seal.

Section 5.18. Notices To Unit Owners. Unless otherwise required by applicable law or order of court, every notice to any Unit Owner required under the provisions hereof, or which may be deemed by the Directors as necessary or desirable in connection with the

administration of the Condominium or which may be ordered in any judicial proceeding shall be deemed sufficient and binding if a written or printed copy of such notice shall be given by one or more of the Directors to such Unit Owner by leaving such notice, or mailing it postage prepaid and addressed to such Unit Owner, at his address at the Condominium, unless such Unit Owner has designated in writing to the Directors some other address for the receipt of notices. Such notice shall be given within such time period as herein, or by such court, required, and if there be no specified period then at least seven (7) days prior to the date fixed for the happening of the matter, thing or event of which such notice is given.

Section 5.19. Information To Be Provided By Unit Owners To Directors And Tenants.

Each Unit Owner shall provide to the Directors, at such times and in such manner and form as the Directors shall require, that information and data as the Directors may reasonably require in and for the efficacious performance of the Directors' duties as herein provided. Such information and data shall include, but shall not be limited to:

- A. The name and mailing address of the Unit Owner(s).
- B. The names of all occupants of the Unit, except guests of less than thirty (30) days duration.
- C. The name and address of all mortgagees, including the applicable loan numbers.

In the event, and at the time a Unit Owner should assign, lease, sell or otherwise transfer his interest in his Unit, such Unit Owner shall notify the Directors of the name and address of the person to whom he is so transferring the Unit whereupon the Directors shall provide such person with copies of the Master Deed, these By-Laws and the Rules and Regulations promulgated thereunder, as they may then be amended. The Directors may charge such Unit Owner a reasonable fee for the provision of said documents and require a receipt for the provision of the documents.

Unit Owners who lease, let and/or rent their Units shall provide to the tenant the name, address, and telephone number of the person responsible for the maintenance of the Unit and the name of the person responsible for the maintenance of the Common Elements, which latter shall be provided to the Unit Owner by the Directors.

Section 5.20. Voting, Consents And Action Thereon. In regard to such actions and things as to which the consent or vote of the Unit Owners is required, unless a shorter period or requirement is imposed hereunder or by applicable law, the Directors shall have a period of six (6) months in which to obtain such consent or vote, including any required mortgagee consent. No Unit Owner may, after giving his consent or vote, rescind, modify or revoke such during said period. Should a Unit be sold during said period after the giving of such consent or vote, such consent or vote shall remain valid notwithstanding the change of ownership.

Upon any consent or vote of the Unit Owners, and mortgagees, which authorizes or contemplates the taking of action or doing of a thing, such consent or vote shall be deemed a nullity unless the contemplated action or thing is undertaken (but not necessarily completed) within six (6) months of securing the requisite consent or vote.

Section 5.21. Acquisition Of Units By Association. Acquisition of Units by the Association may be made from the working capital and common funds in the hands of the Directors, or if such funds are insufficient, the Directors may levy an assessment against each Unit Owner in proportion to his Membership Interest, as a Common Charge, or the Directors, in their discretion, may borrow money to finance the acquisition of such Unit; provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, to be so acquired by the Directors and/or a pledge of the Common Funds.

Section 5.22. Property Manager. The Directors may hire or appoint a Property Manager to assist in the administration of the Condominium who shall perform such duties in

the administration, management and operation of the Condominium, including the incurring of expenses, the making of disbursements and the keeping of accounts, as the Directors shall from time to time determine. The Property Manager so retained shall in all events fully comply with the applicable provisions of Chapter 183A.

Notwithstanding the appointment of such a Property Manager, the Directors shall retain ultimate control over the administration, management and operation of the Condominium.

Any such agreement for professional management of the Condominium shall be terminable without cause and without incurring payment of a termination fee on ninety (90) days written notice. Such agreement may, additionally, be terminated for cause upon ten (10) days' notice; provided, however, that the Manager may cure within such period. Notwithstanding this provision, there shall be no right of cure in regard to the misappropriation of the Association's funds upon which event termination may be had immediately upon notice.

In such event as the Property Manager is the Declarant, or an affiliate of the Declarant, such contract may be terminated without penalty at any time after transition to Unit Owner control.

ARTICLE VI

Mortgages

Section 6.1. Unit Mortgages. Any Unit Owner may, without the prior written approval of the Directors, mortgage his Unit to any person, firm or entity.

A. Notice To Directors. A Unit Owner who mortgages his Unit shall notify the Directors of the name and address of his mortgagee and loan number, and the Directors shall maintain such information. Except as may be provided by applicable law, the failure of a Unit Owner to so notify the Directors shall not invalidate the mortgage or any other provisions or the rights of any holder of such mortgage.

B. Notice Of Unpaid Common Charges Or Other Default; Material Amendment. In addition to the requirements of Section 6 of Chapter 183A, the Directors, whenever so requested in writing by a mortgagee of a Unit, shall promptly report (i) any then unpaid Common Charges due from, or any other default by, the Unit Owner of the mortgaged Unit; (ii) any other default in the performance by the Unit Owner of the mortgaged Unit of any obligation under the Master Deed, these By-Laws or the Rules and Regulations which is not cured within sixty (60) days of notice to the Unit Owner; (iii) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a mortgage held, insured, or guaranteed by a mortgage holder or insurer or guarantor, as applicable; (iv) any lapse, cancellation or material modification of any insurance policy or fidelity insurance maintained by the Directors; (v) any proposed action which requires the consent of a specified percentage of eligible mortgage holders as specified in the Master Deed or these By-Laws; and/or (vi) any proposed material amendment to these By-Laws which may affect such eligible mortgagee's interests or rights.

C. Assignment Of Unit Owner Rights. The right of any Unit Owner to vote, to grant or withhold any consent, and to exercise any other right or option herein granted to a Unit Owner may be assigned or transferred in writing to, or restricted in favor of, any mortgagee or a mortgage covering that Owner's Unit, and the Directors shall upon receipt of written notice thereof from such Unit Owner or mortgagee be bound by any such assignment or transfer which appears of record to be in full force and effect.

ARTICLE VII

Rights And Obligations Of Third Parties Dealing With The Directors

Section 7.1. Third Parties' Reliance. No purchaser, mortgagee, lender or other person dealing with the Directors as they then appear of record in the Essex County Southern

District Registry of Deeds shall be bound to ascertain or inquire further as to the identity of said Directors or of any changes therein. The receipts of the Directors, or any one of them, for moneys or things paid or delivered to them, or him, shall be effectual discharges therefrom to the persons paying or delivering the same and no person from whom the Directors, or any one or more of them, shall receive any money, property or other credit shall be required to see to the application thereof. No purchaser, mortgagee, lender or other person dealing with the Directors or with any real or personal property which then is or formerly was Association Property shall be bound to ascertain or inquire as to the existence or occurrence of any event or purpose in or from which sale, mortgage, pledge or charge is herein authorized or directed, nor otherwise as to the purpose or regularity of any of the acts of the Directors, or any one or more of them, purporting to be done in pursuance of any of the provisions or powers herein contained, nor as to the regularity of the resignation, election or appointment of any Director.

Section 7.2. Personal Liability Excluded. No recourse shall at any time be had under or upon any note, bond, contract, order, instrument, certificate, undertaking, obligation, covenant or agreement, whether oral or written, made, issued or executed by the Directors or by any agent or employee of the Association, or by reason of anything done or omitted to be done by or on behalf of them, or any of them, against the Directors individually, or against any such agent or employee, or against any Member, either directly or indirectly, by legal or equitable proceeding, or by virtue of any suit or otherwise, and all persons extending credit to, contracting with or having any claim against the Association, shall look only to the Association Property for payment under contract or claim, or for the payment of any debt, damage, judgment or decree, or of any money that may otherwise become due or payable to them from the Association, so that neither the Directors nor the Unit Owners, present or future, shall be personally

liable therefor; provided, however, that nothing herein contained shall be deemed to limit or impair the liability of Unit Owners under provisions of Chapter 183A.

Section 7.3. All Instruments Subject To Terms Hereof. Every note, bond, contract, order, instrument, certificate, undertaking, obligation, covenant or agreement, whether oral or written, made, issued or executed by the Directors, or by any agent or employee of the Directors, shall be deemed to have been entered into subject to the terms, conditions, provisions and restrictions hereof, whether or not express reference shall have been made to this instrument.

Section 7.4. Recording. These By-Laws and any amendments hereto and any certificate herein required to be recorded and any other certificate or instrument (including without limitation a certificate pursuant to General Laws, Chapter 183A, Section 6(d)) signed by any one Director, which may be deemed desirable to record shall be recorded with the Essex County Southern District Registry of Deeds and such recording shall be deemed conclusive evidence of the contents and effectiveness thereof according to the tenor thereof; and all persons dealing in any manner whatsoever with the Directors, the Property and/or the Association Property or any Member hereunder shall be held to have notice of any alteration or amendment of these By-Laws, or change of Director or Directors, when the same shall be recorded with said Essex County Southern District Registry of Deeds. Any certificate signed by a majority of the Directors in office at the time (or one Director if there be but one) setting forth as facts any matters affecting the Association, including statements as to who are the Members, as to what action has been taken by the Members, and as to matters determining the authority of the Directors to do any act, when duly acknowledged and recorded with said Essex County Southern District Registry of Deeds shall be conclusive evidence as to the existence of such alleged facts in favor of all third persons, including the Directors, acting in reliance thereon. Any certificate executed by any Director, or by a majority of the

Directors, setting forth the existence of any facts, the existence of which is necessary to authorize the execution of any instrument or the taking of any action by such Director or majority, as the case may be, shall as to all persons acting in good faith in reliance thereon be conclusive evidence of the truth of the statements made in such certificate and of the existence of the facts therein set forth.

Section 7.5. Certificates Of Incumbency And Address. The Directors shall from time to time as required by M.G.L. c. 183A and/or these By-Laws record with Essex County Southern District Registry of Deeds appropriate instruments reflecting the composition of the Board of Directors and the mailing address of this Association.

ARTICLE VIII

Amendment And Termination

Section 8.1. Amendments Of By-Laws. The Directors may at any time and from time to time amend, alter, add to or change these By-Laws in any manner or to any extent, provided such amendment, alteration, addition, or change is consented to in writing by the Unit Owners holding at least fifty-one percent (51%) of the Membership Interest, or if such amendment, alteration, addition or change affects a provision then requiring more than such percentage, then by such larger percentage; provided, always, however, that no such amendment, alteration, addition or change (a) made without the consent of the Declarant prior to the Declarant's relinquishing control hereunder; or (b) according to the purport of which, the Declarant's rights hereunder, or under the Master Deed are changed in any way; or (c) according to the purport of which, the Membership Interest hereunder of any Unit Owner would be altered, or in any manner or to any extent whatsoever modified or affected so as to be different than the percentage of the Undivided Interest of such Unit Owner in the Common Areas and Facilities as set forth in said Master Deed, except as may be provided for elsewhere hereunder or in the Master Deed, other than by consent of the Unit Owners specified in the Master Deed; or (d) which would render these By-Laws contrary to or inconsistent with any

requirements or provisions of Chapter 183A, shall be valid or effective. All consents necessary hereto shall be obtained within six (6) months of the date of signature of the first consent. Any consent once given may not be revoked. In such case as a Unit is sold during the six month consent period, the consent of the seller shall bind the purchasing Unit Owner and their mortgagee.

A. Consent Of Mortgagees To Amendments. In addition, these By-Laws may not be materially amended without the approval of at least fifty-one percent (51%) of the first mortgagees which have requested the Directors to notify them in such case as an amendment is considered. As to any non-material amendment, the consent of any such mortgagee who does not respond to a request for consent with thirty (30) shall be deemed given.

B. Effective Date Of Amendment. Any amendment, alteration, addition or change pursuant to the foregoing provisions of this paragraph shall become effective upon the recording with the Essex County Southern District Registry of Deeds of an instrument of amendment, alteration, addition or change, as the case may be, signed, sealed and acknowledged by a majority of the Directors then in office, setting forth in full the amendment, alteration, addition or change and reciting the consent of the Unit Owners and/or mortgagees herein required to consent thereto. Such instrument, so executed and recorded, shall be conclusive evidence of the existence of all facts and of compliance with all prerequisites to the validity thereof, whether stated in such instrument or not, upon all questions as to title or affecting the rights of third persons, and for all other purposes.

No such amendment, addition or change shall be of any effect unless such instrument is so recorded within six (6) months of the date of the first consent thereto.

C. Special Amendments. The foregoing notwithstanding, the Directors shall have the power coupled with the interest to, by an instrument signed by a

majority of their number and duly recorded with the Essex County Southern District Registry of Deeds, amend these By-Laws to (1) correct any scrivener's or technical error made herein; or (2) to make these By-Laws comply with Massachusetts General Laws, Chapter 183A, and other applicable state or federal law or regulation; or (3) to comply with rules or regulations promulgated by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMA), and/or other so-called secondary mortgage market agencies; or (4) to satisfy applicable insurance requirements. This power may be exercised not only to add additional provisions or modify existing provisions, but also to delete theretofore required provisions should such no longer be required.

Section 8.2. Termination. The Association hereby governed shall terminate only upon the removal of the Condominium from the provisions of Chapter 183A in accordance with the procedure therefor set forth in Section 19 of Chapter 183 and the Master Deed.

Section 8.3. Actions Upon Termination. Upon the termination of this Association, the Directors may, subject to and in accordance with provisions of Chapter 183A, sell and convert into money the whole of the Association Property or any part or parts thereof, and, after paying or satisfying all known liabilities and obligations of the Association and providing for indemnity against any other outstanding liabilities and obligations, shall divide the proceeds thereof among, and distribute in kind all other property then held by them hereunder, to the Unit Owners as tenants in common, according to their respective Membership Interest. In making any sale under this provision, the Directors shall have power to sell by public auction or private contract and to buy in or rescind or vary any contract of sale and to resell without being answerable for loss and, for said purposes, to do all things, including the execution and delivery of instruments, as may be their performance thereof be shown to be in their judgment necessary or desirable in connection therewith. The powers of sale and all

other powers herein given to the Directors shall continue as to all property at any time remaining in their hands or ownership, even though all times herein fixed for distribution of Association Property may have passed.

Notwithstanding anything to the contrary contained in this Section, in the event that any Unit Owner shall dissent from any determination of the Directors with respect to the value of the Condominium or any other determination or action of the Directors under this Section by notice in writing to the Directors 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 Directors 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.

ARTICLE IX

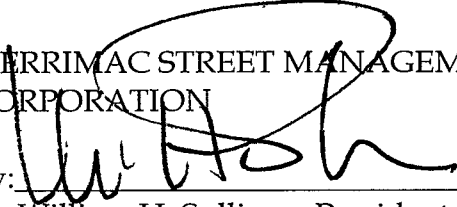
Construction, Interpretation And Waiver

In the construction hereof, whether or not so expressed, words used in the singular or in the plural, respectively, include both the plural and the singular, words denoting males include females and words denoting persons include individuals, firms, associations, companies (joint stock or otherwise), Associations and corporations unless a contrary intention is to be inferred from them or required by the subject matter or context. The title headings of different parts hereof are inserted only for the convenience of reference and are not to be taken to be any part hereof nor to control or affect the meaning, construction, interpretation or affect hereof. All the Association's, powers and provisions herein contained shall take effect and be construed according to the laws of the Commonwealth of Massachusetts. Unless the context otherwise indicates, words defined in Chapter 183A shall have the same meaning herein and to the extent of any conflict between the terms hereof and the requirements of said Chapter 183A, the latter shall govern. 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. 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.

IN WITNESS WHEREOF the Merrimac Street Management Corporation, sole Director of the Association, has hereunto set its hand and seal on this 15th day of July, 2002.

MERRIMAC STREET MANAGEMENT CORPORATION

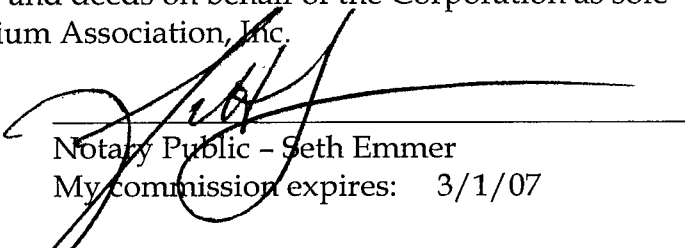
By: 
William H. Sullivan, President and Treasurer

COMMONWEALTH OF MASSACHUSETTS

ESSEX, SS.

July 15, 2002

Then personally appeared before me William H. Sullivan, President and Treasurer, of the Merrimac Street Management Corporation, and attested to the foregoing as their respective free acts and deeds on behalf of the Corporation as sole Director of Hatter's Point Condominium Association, Inc.


Notary Public - Seth Emmer
My commission expires: 3/1/07

HATTER'S POINT CONDOMINIUM ASSOCIATION, INC.

RULES AND REGULATIONS

1. The Condominium Property is for residential purposes only. No Unit may be used, in whole or in part, for business purposes, except as a permitted home office. At least one occupant of all of the Units must be 55 years of age or older as provided in Section 12 and Attachment C of the Master Deed, except as there provided.
2. Each Unit Owner must maintain and repair his own Unit to keep it in good order in accordance with the provisions of the By-Laws.
3. Nothing shall be altered or constructed in or removed from the Common Areas and Facilities except upon the prior written consent of the Board of Directors.
4. Each Unit Owner or Resident shall keep his Unit and balcony in a good state of preservation and cleanliness. If a Unit Owner or Resident is away for an extended period, all balcony furnishings shall be properly secured and all other items shall be stored in the Unit. Items of personalty, planters and similar items shall be removed from the balconies for the winter season – that is, November 1 thru March 30.
5. Nothing shall be done in any Unit or in, on or to the common areas and facilities which impair the structural integrity of the buildings or which would structurally change the Buildings.
6. No clothes, clotheslines, sheets, blankets, laundry or any kind of other articles shall be hung out of a Unit or exposed on any part of the Common Areas or Facilities. The Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials.
7. The Common Areas and Facilities shall not be obstructed nor used for storage without the prior written consent of the Board of Directors.
8. The Common Areas and Facilities shall not be decorated or furnished by any Unit Owner or Resident without the prior written consent of the Board of Directors.

9. No birdfeeder or other item which is intended to attract wildlife shall be placed on any balcony or other Common Area or Facility.
10. No flags may be affixed to or displayed on the exterior of any Unit or the Buildings, except for an American Flag no larger than three feet by five feet and then in such location and by such method as shall first be approved by the Directors upon written application.
11. No propane gas grills or other propane devices are to used or kept at the Condominium. The use of natural gas or electric grills on balconies shall be permitted.
12. The use of the Units, the Common Areas and Facilities, the balconies and the parking spaces by Unit Owners, as well as the safety and maintenance of all personal property of the Unit Owners and Residents kept in such areas and in the Units themselves, shall be the responsibility and at the sole risk of the respective Unit Owners and Residents, and neither the Directors nor the Association, shall bear any responsibility thereof.
13. Each Unit Owner or Resident assumes responsibility for his own safety and that of his family, guests, agents, servants, employees, licensees and lessees.
14. Any consent or approval given under these Rules and Regulations may be added to, amended, or repealed at any time by the Board of Directors.
15. Condominium Fees and related charges are due and payable the first of each month. All Units with balances outstanding as of the tenth of each month will be charged a late fee of \$25.00. Balances which remain unpaid will be referred to an attorney for collection. The cost of such collection action will be charged against the Unit.
16. All Unit Owners are required to provide the Board of Directors with the name, address and loan number for each mortgage holder for their unit. Failure to do so in a timely manner will result in the Board of Directors securing the information from a "title search". The cost of completing said title search will be assessed against the Unit.
17. Each Resident and prospective resident including Unit Owners and tenants must complete the Age Verification Form used from time to time by the Association and each

Resident or prospective resident must comply with the age requirements set forth in Section 12 of the Master Deed and Attachment C of the Master Deed.

18. These Rules and Regulations may be amended from time to time as provided for in the By-Laws. The Board of Directors shall have authority to enforce these regulations through the use of fines and legal action.
19. Attachments 1 and 2 are a part hereof.

HATTER'S POINT CONDOMINIUM
ATTACHMENT 1 TO THE RULES AND REGULATIONS
UNIT OWNER DATA FORM

1. UNIT OWNER(S): _____

(NOTE: Please list as they appear on the Unit Deed.)

2. UNIT OWNER(S) ADDRESS: _____

3. UNIT OWNER(S) MAILING ADDRESS: _____

4. UNIT OWNER PHONE NUMBER (DAYTIME): _____

5. UNIT OWNER PHONE NUMBER (EVENING): _____

6. MORTGAGEE(S): NAME: _____

ADDRESS: _____

LOAN NO: _____

PHONE NO: _____

7. OCCUPANT(S): NAME: _____

NAME: _____

NAME: _____

DAYTIME PHONE: _____

EVENING PHONE: _____

8. RESIDENT(S): NAME: _____

NAME: _____

NAME: _____

DAYTIME PHONE: _____

EVENING PHONE: _____

9. RESIDENT VEHICLE INFORMATION:

TYPE: _____ TYPE: _____

COLOR: _____ COLOR: _____

MODEL: _____ MODEL: _____

LICENSE PLATE NO: _____ LICENSE PLATE NO: _____

