

August 17, 2004

Dear Harborsider:

Enclosed, please find the 2004 Annual Meeting minutes including budget review. Also, please note the included proposed Rules and Regulations for your comments. Please direct any questions or comments you may have regarding these proposed rules to Trustee Don Nowland. You may put notes in his mail slot, unit #D4, or you may email Don at denowland@aol.com. The Board will review all suggestions and after a 90 day wait period will approve a final draft of the Harborside Condominium Rules and Regulations.

Sincerely yours,

Mark W. Livermore
Property Manager

MWL/dhj
Encls.

HARBORSIDE CONDOMINIUM TRUST

2004 ANNUAL MEETING MINUTES

AUGUST 2004

The 2004 Annual Meeting of the Harborside Condominium Trust was held Tuesday, August 3, 2004 at the Boston Yacht Club. Twenty-three units were represented at the meeting. A quorum was present.

- I. Markwood Management announced that Jim Walters had been elected for a three year Trustee term with 95% of the ownership interest voting in this year's election. Many thanks to outgoing Trustee Bart Jones for his long-standing service to the Harborside Condominium Trust. Markwood Management will have Jim Walters registered at the Essex County South Registry of Deeds.
- II. A motion was made, seconded and approved unanimously to accept the minutes of the 2003 Annual Meeting as written.
- III. Mark Bettencourt from the John Walsh Insurance Agency, fielded questions from homeowners regarding the insurance coverages at the Harborside Condominium. Notable points from these questions were as follows:
 - Homeowner improvements to units should be reported to their insurance agents and the homeowner's coverage "A" should be adjusted accordingly.
 - The Harborside docks and gangways have liability coverage, but are not covered for property damage to the docks or gangways. Mark Bettencourt is checking to find out if there is coverage if docks break loose and cause property damage.
 - There is no insurance coverage for the seawall.
 - The Trust carries \$1,000,000 in liability coverage and a \$1,000,000 umbrella as well as \$3,600,000 blanket property coverage.
 - Given the high cost of construction, Mr. Bettencourt suggested that the Board consider increasing the property coverage for the next insurance year, and should consider requesting an independent estimate of the cost of a total re-construction of the Harborside buildings. Travelers will be visiting the property soon to make recommendations regarding valuation and appropriate property coverage.
 - Insurance renewal is due in October, and the Trustees will request competitive bids.
 - There is also coverage of the Trustees outside of the liability coverage. It was also suggested that the Board should review the current flood coverages, as this is covered separately from Travelers.
- IV. Trustee Don Nowland presented a detailed explanation of the current financial position of the Harborside Condominium Trust (See attached letter and 2005 budget). It was noted that there is a projected over run of approximately 7 ½ % for fiscal year 2004 caused mainly by maintenance/repair and snow removal. Also, the reserve account has not been funded in 2004, as these monies were needed to contribute to the operating expenses.

The 2005 budget is showing a 16% increase in total operating expenditures, thus an increase of 16% in Common Element Fees will be requested for 2005. This projected increase is due primarily to higher maintenance/repair expense and larger reserve contributions.

Neither the 2004 nor the 2005 projected budget includes painting of the property. The Board is currently considering three painting quotes from reputable contractors. The painting of the property will require a Special Assessment and all homeowners will be notified in writing of this once the Board has selected a contractor and determined a timetable.

- V. Trustee Nowland discussed with the homeowners the status of the ongoing capital projects:
- Repair of the north retaining wall between the BYC and the Harborside Condominiums has been tabled until further notice.
 - The structural repairs to building D are scheduled for the spring/summer of 2005, and RFP's will be put out in October of 2004. Homeowners can anticipate a Special Assessment in the spring of 2005 to pay for these structural repairs.
 - The seawall south corner reinforcement and chinking are scheduled for October of 2004. It was noted that with the assistance of homeowners Moore and Ray there may be a savings on this project, and should the total cost of the project be less than the assessed \$60,000, homeowners will be rebated their portion of any excess.
- VI. The Homeowners and the Board of Trustees had a general discussion of the following:
- With respect to the on-going lawsuit, a statement prepared by Diane Swierczynski, Attorney for the Defendants, was handed out to all owners. The Trustees addressed no further questions regarding the lawsuit.
 - The seawall permitting process is being managed by Bill Kelley and Dan Lynch of Kelley Marine Resources, and it is anticipated that all permits will be in place by the October 1 start date.
 - The painting of the property was discussed at length. It was indicated by the Board that pre-painting preparation, especially the replacement of rotted boards, would receive maximum attention prior to painting. All in attendance agreed that the painting of the property needs more and continuous attention than it has received in the past.
 - The Board agreed to revisit composite decking and railing systems in lieu of wood replacement on decks.
 - Homeowners Ron and Leslie de Moraes requested information on legal expenditures and office expenses. Markwood Management will forward the general ledger for office expense to Ron (and the Trustees) and Don Nowland will forward a legal expense breakdown to Leslie.
 - Trustee Nowland indicated that one of the Board's projects for the next year is to have the Harborside Condominium documents updated. It was suggested by homeowner Moore that the Board request that unit owners supply updated "as built" floor plans to be folded into the Master Deed.
 - It was noted that parking lot surface repairs will be done after the seawall repairs and may require a Special Assessment.
- VII. There being no further business of the Harborside Condominium Trust, the 2004 Annual Meeting adjourned at 8:20 PM.
- VIII. Minutes prepared and submitted by Markwood Management.

**EXHIBIT B
RULES AND REGULATIONS**

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A. General

A1. No part of the Harborside Condominium, Marblehead, Massachusetts, (the “Condominium”), shall be used for any purposes except those set forth in the Harborside Condominium Master Deed (the “Master Deed”) and the Harborside Condominium Trust (the “Trust”), established by the Declaration of Trust. All Unit Owners and Residents shall refer to the Master Deed and Trust Documents for further explanation concerning the duties and authorities of the Board of Trustees (the “Trustees”) and the descriptions of the Harborside Condominium, its Units, Common Areas and Facilities, and the authorized “uses” and “restrictions” of same.

A2. In reference to the Master Deed (paragraph 13.A., Units Subject to Master Deed, Unit Deed, Condominium Trust, Etc), the acceptance of a deed or the entering into the occupancy of any Harborside Condominium Unit constitutes an agreement with the provisions of the Master Deed, the Trust, and the By-Laws and Rules and Regulations, and any violation of same shall justify legal action to be taken by the Trustees.

B. Use of Resident Units, Common Areas and Facilities

B1. Each Unit Owner and Resident shall keep his or her Unit in a good state of preservation and cleanliness, and in conformance with fire and safety regulations. No electrical device that could cause electrical overloading is permitted. All Units shall comply with the Town of Marblehead Health and Safety Codes.

B2. Nothing shall be done or kept in any Unit or in any Common Areas and Facilities, which would increase the rate of insurance of the Condominium (buildings and contents within), without prior written approval of the Trustees. No Unit Owner or Resident shall permit anything to be done, or kept in his or her Unit or in any Common Areas and Facilities which would cause the cancellation of insurance coverage or increase insurance premiums of the Condominium, or which would be in violation of the law. Common Areas and Facilities include, but are not limited to, utility and meter rooms, laundry room, storage rooms, building crawl spaces, hallways, stairwells, landings, attics, decks,

patios, docks (two moored floats with gangways), seawall, parking lots, driveways, walkways, adjacent steps, and surrounding grounds and landscaping. Certain exceptions pertaining to storage and use of adjacent decks, patios, and lawn areas are covered in these Rules and Regulations (see B4).

B3. There shall be no obstruction of the Common Areas and Facilities, nor shall anything be stored in the Common Areas and Facilities, except in Storage Areas designated by the Trustees, or as otherwise approved in writing by the Trustees.

B4. Except as approved by the Trustees, there shall be no placing of personal property on or in any part of the Common Areas and Facilities. As an exception, planter boxes and vases, and outdoor furniture, may be used on adjacent Common Area decks, patios, and lawn areas as long as their use does not interfere with “fire escape” egress from the Units, their use is in compliance with all Marblehead fire regulations, and their use does not otherwise interfere with any other Unit Owner or Resident.

B5. The Master Deed states that all decks, patios and lawn areas are Common Areas (Master Deed, paragraph 4.H., Description of the Common Areas and Facilities). As such, these decks, patios and adjacent lawn areas are “limited Common Areas.” Units that have direct access through an existing doorway to any deck, porch, patio, steps or platform have an easement for the exclusive use of such deck, porch, steps or platform, subject to the right of other Unit Owners to make emergency use thereof.

B6. Deck, patio and lawn furniture and accessories shall be conventional in design and in color. Marine-type storage boxes (also neutral in color) may be used to store miscellaneous deck items. No items, such as laundry, towels, and life jackets, may be hung from deck railings. Flowers and plants, including window boxes hung on deck railings are permitted, but trellises, arbors, and large plantings must be approved in writing by the Trustees. No Unit Owner, Resident or Visitor may jump from, throw dangerous objects from, or otherwise engage in dangerous behavior in any of the Common Area decks, patios or lawns.

B7. Cooking equipment, such as grills, may be used on decks, patios, and lawn areas subject to the applicable fire regulations. Liquefied Petroleum Gas (LPG) (to include propane) cooking grills and/or tanks are prohibited from being used, kept or stored within any Unit or Common Area or Facility or on any deck above the first floor. Charcoal grills are not permitted on any deck or patio, but may be used on Common Area pavement or lawns as long as they are used at least 10 feet from any building. Unit Owners are permitted to pipe natural gas to their Common Area decks and patios at their own expense, subject to the prior written approval of the Trustees.

B8. Appropriate traditional and seasonal decorations may be displayed in Common Areas, but must be removed no more than three weeks after the commemorative event.

B9. All personal property belonging to Residents placed in the Units or Common Areas and Facilities, including authorized storage in the designated Storage Areas, shall be at the sole risk and responsibility of the respective Resident. The Trustees shall have no responsibility for such storage. Residents will ensure that their Unit Storage Areas are labeled with their respective Unit number.

B10. No accumulation of garbage, refuse, rubbish, debris, or unsightly material shall be permitted in Common Areas and Facilities. All garbage, refuse and trash shall be placed in designated trash containers within the designated Trash Disposal Room. Trash shall not be left on the floor or against the walls of the trash room. The disposal of large

articles is the responsibility of the Residents and shall not be left in the Trash Room or elsewhere in the Common Areas and Facilities. The Trustees may further direct that all such trash be separated and placed in specific containers for the purpose of recycling.

B11. Nothing shall be hung or displayed on the outside of windows or placed on the outside walls, doors, or roof of the Condominium Buildings without the prior written approval of the Trustees. No clothes, sheets, blankets, towels or other articles of laundry shall be hung from a Unit or any Common Area or Facility. No rugs or mops shall be shaken or hung from any Unit window, door nor adjacent deck, patio or lawn area.

B12. No exterior shades, awnings, shutters, canopies, nor other window ventilation materials shall be used without prior written approval of the Trustees. No other objects, equipment or materials, such as television/computer cable connections, air conditioning units, radio and television antennae, or satellite dishes shall be projected out of any Unit without the prior written approval of the Trustees.

B13. Interior window treatments, including but not limited to shades, curtains, blinds, draperies and liners, shall be conventional in design and in color, and shall not contain designs or other artwork which contrast with the general, conservative appearance of the Harborside Condominium. Plants or decorative art may be hung from the interior of windows or placed on interior windowsills, however any such decorative art must be in keeping with the general, conservative appearance of Harborside. The Trustees may request that the Aesthetics Committee provide an opinion as to the appropriateness of any such window decoration. Unit Owners and Residents are encouraged to seek the opinion of the Trustees before installing any window decoration.

B14. No industry, trade, occupation, nor profession (commercial, religious, educational or otherwise), designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in the Resident Units or Common Areas and Facilities, unless approved in writing by the Trustees. As provided for in the Master Deed (paragraph 9. Restrictions on Use), home offices may be maintained for professional personal use.

B15. No sign, notice or advertisement, including "For Sale" or "For Rent or Lease" signs, shall be displayed from any Unit or Common Areas and Facilities.

B16. Nothing shall be done in any Unit or Common Area and Facility that would impair or change the structural integrity of any building. All plans for major repair, addition, alteration, or improvement of any Unit affecting any Common Area or Facility, must be approved in writing by the Trustees before any such modifications are initiated. All such repairs, additions, alterations, and improvements must be done by licensed contractors.

B17. Changes shall not be made in any Common Area landscaping without the prior written approval of the Trustees.

B18. The Laundry Room, as part of the Common Areas and Facilities, is available to all Harborside Residents. While the washers and dryers may be maintained by an outside vendor and the Laundry Room shall be periodically cleaned by the Harborside Condominium Management Company, all Residents shall be responsible to maintain its cleanliness and good repair.

B19. For the purpose of effecting repairs or to maintain Common Areas and Facilities, the Trustees or their agents (including the Condominium Management Company), and any contractor authorized by the Trustees may enter any Unit or Common Area and Facility after written notification (either through registered mail or hand delivery) to the

Unit Owner or Resident and oral confirmation of the same. No notification is required in cases of emergency.

B20. No smoking shall be permitted in the interior Common Areas and Facilities.

C. Air Conditioning Policy

C1. All Harborside Unit Owners must obtain written approval from the Trustees before proceeding with air conditioner installation. Submission of work to be done must include the following: (1) Manufacturer's specification sheet including dimensions, noise level data, etc; (2) Photographs, drawings or sketches of any exterior elements in their proposed location; (3) Detailed descriptions of any work in common areas, including decks, walls, ceilings, roofs, plumbing, wiring, drainage, crawl space, utility rooms, etc; and (4) Description of any activity that may affect another Unit Owner such as wire conduit, refrigerant and condensate tubing, drain plumbing, duct work, etc. All such installations must conform to all Marblehead Town covenants, Harborside Condominium By-Laws, and not intrude in any appreciable way on the existing visual or audible landscape of Harborside.

C2. Units having forced hot water ductless heating systems shall need to use ductless air conditioning systems. Systems such as the Sanyo model 18FH22W, 16,000 BTU/H are recommended for their very low noise operation (55 db at the condenser unit), or approved equal.

C3. Units heated by forced hot air ducts may use their existing ducts by having evaporator coils installed in their furnace ductwork. However, it shall be necessary to insulate the ducts to eliminate condensation and potential water damage to adjacent walls and ceilings. The cost will be borne by the Unit Owner.

C4. Placement of air conditioning condensers may vary, depending on the layout and Common Area access of the Units. Following are general guidelines for potential condenser placement: (1) Condenser units cannot be located where they can be seen from a public access way, such as Lee Street or Gregory Street, nor may they be placed on roofs; (2) Window units are not allowed in any location unless they are shrouded by an architectural enclosure so as to not be seen by other Residents; (3) Condensers may, if approved, be located on decks provided they do not block fire escape access, comply with all fire protection regulations, and do not create adverse visual or audible impact to neighboring Units; and (4) Condensers may, if approved, be placed in Common Areas, if they are concealed behind plantings or are shrouded in an architecturally acceptable enclosure. All such placements must be approved in writing by the Trustees after consultation with Unit Owners who abut the Common Areas in question.

C5. On any submissions that have questionable aesthetics, the Trustees may request a review and report from the Aesthetics Committee before any action is taken by the Trustees.

C6. Proper licenses and bonding are required for all project workers.

D. Actions of Unit Owners and Residents

D1. No Unit Owner or Resident, nor their family members, guests, employees, agents, and their pets, shall make or permit any noxious, offensive or dangerous activities, or any disturbing noises, in the Units or Common Areas and Facilities which could cause

damage or would interfere with the rights of peaceful enjoyment, and comfort or convenience of any other Unit Owner or Resident.

D2. No Unit Owner or Resident, nor their family members, guests, employees, agents, and their pets, shall permit any activity, which results in the loss of an article or thing of value from any other Unit or Common Area and Facilities.

D3. The Trustees shall assess to any offending Unit Owner or Resident the costs of any damage or losses from any such offensive or dangerous activities.

D4. No Unit Owner or Resident shall play or permit musical instruments to be played in a Unit or any Common Area or Facility between the hours of 10:00 PM and 9:00 AM. No vocal or instrumental music practice shall be allowed for more than two hours in duration or at any time other than between 9:00 AM and 6:00 PM. No Unit Owner or Resident shall give vocal or instrumental instruction at any time.

D5. Electronic media devices, such as record/stereo/DVD players, radios, and televisions, shall not be operated in a Unit or Common Areas and Facilities, if same shall disturb or annoy other Unit Residents.

D6. Unit Owners shall be held responsible for ensuring that their Tenants are abiding by the Association Rules and Regulations. Unit Owners shall be responsible for the actions of their tenants, families, guests, agents, servants, employees, licensees, and lessees.

D7. Roller-blading, skateboarding, roller-skating, and bike riding are not permitted in the Common Areas and Facilities. The parking areas shall not be used as a playground of any type without the prior written consent of the Trustees.

D8. Nothing shall be altered in, constructed in, or removed from the Common Areas and Facilities, nor shall any part thereof be decorated or furnished, except upon prior written approval of the Trustees.

E. Motor Vehicles

E1. All vehicles belonging to Unit Owners or Residents, or those belonging to their guests or their occasional employees (including cleaners, repairmen, and delivery persons) shall be parked in a manner so as to not impede access to or from the driveways, garages, carports, and the designated parking areas of the Harborside Residents. Additionally, all vehicles must be parked within the designated parking place "lines" and comply with the "compacts only" signs.

E2. Residents are authorized one or two parking spaces as specified in the Unit Owner's deed.

E3. Visitors should plan to park elsewhere unless they shall be here for only a short period of time (less than three hours). If a visitor will be here longer, their vehicle must have a "visitor sign" with the Resident's Unit Number printed on it displayed on the front dash, and the Resident must park his or her vehicle elsewhere (i.e., the combination of the Resident's and the visitor's parking cannot exceed the authorized parking spaces for that Unit).

E4. All Residents must "register" (i.e., notify and list) their vehicles with the Harborside Condominium Management Company and display a parking sticker on the left rear window or left rear bumper of their vehicle. Alternative display of vehicle stickers must be approved by the Trustees. Parking stickers may be obtained from the Trustees or the Parking Committee

E5. The parking area shall be used only for the parking of approved private passenger motor vehicles displaying current license plates, inspection stickers and being maintained in proper operating condition so as not to be a hazard or nuisance by noise, exhaust emissions or appearances.

E6. An approved vehicle shall be any conventional passenger vehicle, including; (whether bearing commercial plates or not) sport utility vehicles, passenger vans, mini-vans, and private pick-up trucks, motorcycles or any such vehicle that the Trustees may determine through Rule, for the personal use of the Unit Owner or Resident entitled to use said Parking Space and their immediate family. Prohibited from parking in the parking areas are all other vehicles including but not limited to; trucks 1 ton or larger, equipment burdened pick-up trucks and vans (excepting passenger vans with luggage racks), vehicles bearing advertising or signage, recreational vehicles, mobile homes, trailers (whether capable of independent operations or attached to an automobile or other vehicle), boats, watercraft of any kind, vehicles too large to fit into the marked boundaries of a single parking space, and any unregistered vehicle, except with the written consent of the Trustees and for the parking from time to time of commercial vehicles providing services at Harborside Condominium.

E7. Vehicles must be able to be moved for snow removal purposes. If any Unit Resident vehicle owner shall be absent from his or her Unit for more than a 24 hour period during the months of November through March, he or she must leave a set of vehicle keys with the Management Company, a Trustee or another Unit Resident who shall be available to move that vehicle if necessary for snow removal.

E8. No mechanical vehicle maintenance (e.g., oil changes) is permitted in the Common Area parking lots nor carports and garages.

E9. The Trustees may levy fines of \$25.00 for violations of parking rules, and may, if necessary, resort to having violators' vehicles towed at the owner's expense.

F. Docks

F1. The Harborside Docks (North and South Floats) are part of the Common Area and Facilities. They are administered by the Harborside Dock Committee (HDC), composed of three Resident Owners, one of whom is a Trustee. The HDC is responsible to the Trustees for the management, operations and maintenance of the docks, gangways, and auxiliary services (such as water and lighting for the docks), management of the dock facilities to include reservations and rental of dock tie-up spaces, financial management of the fees paid by both Unit Owners (an annual allocation from the Common Element Fees) and the additional fees paid by Resident boat owners who reserve spaces for seasonal tie-ups, and for administration of safety procedures to include maintenance of gates to the gangways, posting of safety-related signs, and maintaining safety equipment on the docks (such as safety rings).

F2. The docks are available for use by all Harborside Residents, both for recreational use and for seasonal boat tie-ups by boat owners. Residents may use the docks for recreational purposes to include swimming, fishing, sunbathing, boat cleanup, boat maintenance, boat drop-off and pick-up, and social interaction. Swim ladders shall be maintained on the back faces of the docks. One dock face, facing the water, shall be left open (no boat tie-ups) for drop-offs and pick-ups, short-term tie-ups, cleaning and maintenance, loading and unloading (30 minutes or less on a space available basis).

F3. All children, 12 years and under, must wear a USCG life preserver and must be accompanied by an adult while on the gangways or docks. The gates to the gangways will be closed all times.

F4. No rough or boisterous play, nor running is permitted on the docks. No glass containers are permitted to be used on the docks.

F5. Resident boat owners may reserve and rent spaces on the docks for their boats, subject to availability and approval of the HDC. Resident boat owners who are in good standing (having rented space on the docks the previous year and having paid the current year's fees by 30 June) have first priority, followed by the next Resident boat owner on the HDC waiting list for dock space. The HDC shall endeavor to provide space for boats of all residents on a space available, first come, first served basis. No resident may promise to provide space at or on the docks to another person. Only the HDC, as agents for the Trustees, shall assign spaces at or on the docks.

F6. Residents, subject to availability and a charge levied by the HDC, may use the kayak rack located on the North dock.

F7. Boat Owners tied-up at the docks shall be responsible for removing their boats during a storm. Sometimes, light winds (as little as 15mph from the North East) will create severe problems. When leaving Harborside, for even a short time, boat owners should either remove their boats or be very confident in the weather forecast. The HDC requires that Harborside boat owners protect their boats and Harborside's docks by having alternate locations for their boat in the event of weather that would damage either.

F8. Boat owners are financially responsible for damage to the docks resulting from a collision with and/or tying their boats to, and/or leaving their boats on, the docks.

F9. No alteration may be made to the docks without the permission of the HDC.

F10. The dock committee may issue more specific Rules and Regulations regarding safekeeping of the dock facilities.

G. Pets

G1. In accordance with the Master Deed (paragraph 9. (g), Restrictions on Use), no dogs, cats, or other animals, birds or pets of any kind shall be raised, bred, kept or permitted in any Unit or Common Area or Facilities without the written consent of the Trustees.

G2. Neither pet dogs nor cats are permitted to be in any Common Areas or Facilities without being attended by their owner (on a leash or under complete voice control). Unit Owners or Residents must obtain prior written approval of the Trustees for an "outdoor" cat (e.g., to permit a pet cat to be outdoors unattended).

G3. Unit Owners or Residents are responsible for the actions of their pets, and they must conform to the applicable laws, regulations and ordinances of the town of Marblehead.

G4 All approved pets must be registered and licensed with the Town of Marblehead, and inoculated in accordance with the ordinances of the Town of Marblehead.

G5. No animals may be maintained for commercial purposes.

G6. The Trustees may revoke the approval of any pet after giving written notification to the Owner or Resident via registered mail or otherwise delivered to the animal owner with a detailed description of the offense(s) and allowing the owner a chance to rectify the offending situation.

G7. Visitors who bring their pets onto Harborside property shall abide by all the Rules and Regulations pertaining to pets. Unit Owners shall be responsible for the actions of the pets of their tenants, guests and agents.

H. Delinquent Fees and Assessments

H1. Any fee or assessment payment not received within 14 days after the due date (being the first of the month) shall be termed delinquent. At the time a fee becomes delinquent (on the 14th day of the month, as set forth in Article VII of the By-Laws), a late charge of \$25.00 shall be added to the Unit Owner's account and recorded for the subsequent statement. Interest in the amount of one and one-half percent per month (1 ½ %) shall be charged to all outstanding past due balances.

H2. Payments received from a Unit Owner shall be applied in the following order of priority: (1) Late Fees; (2) Interest; (3) Special Assessments; (4) Collection and Enforcement Costs; and (5) Common fees.

I. Leasing Policies

I1. Any Unit to be leased shall be leased in its entirety and shall be leased for a period of not less than 30 days, nor shall it be leased for transient purposes. Leases may not be assigned nor subleased without the prior written approval of the Trustees.

I2. Unit Owners who rent their Units shall specify in their Tenant's lease the exact number of parking space(s) authorized in accordance with the Master Deed, and shall require their Tenants to register their vehicle(s) with the Harborside Condominium Management Company and to display a Harborside Condominium parking sticker in accordance with the Rules and Regulations pertaining to Motor Vehicles.

I3. The lease must require that the tenant comply with the Harborside Condominium Rules and Regulations. Failure to comply shall be grounds for default under the lease. In accordance with the Master Deed (paragraph 9., Restrictions on Use), all leases shall contain the following notice: "The Tenant, by signing this lease, acknowledges that he or she has been furnished with a copy of the Harborside Condominium Rules and Regulations, and that he or she has read and understands the same, and that he or she shall be expected to comply in all respects with the same."

I4. A copy of all leases shall be provided to the Trustees when requested, which shall only be used for compliance purposes. Unit Owners and their Tenants may remove any references to the amount of rent paid and any personal information (e.g., private phone numbers, social security numbers, etc) prior to providing the lease agreement to the Trustees.

J. Insurance

J1. As stated in the Rules and Regulations pertaining to the Use of Resident Units and Common Areas and Facilities, above, nothing shall be done or kept in any Unit or in any Common Areas and Facilities, which would increase the rate of insurance of the Condominium Property (buildings and contents within), without prior written approval of the Trustees. No Unit Owner or Resident shall permit anything to be done, or kept in his or her Unit or in any Common Areas and Facilities which would cause the cancellation of insurance coverage or increase insurance premiums of the Condominium Property, or which would be in violation of the law.

J2. All Unit Owners and Residents shall comply with the Rules and Regulations of the New England Fire Rating Association, or other insurance inspection or rating bureau having jurisdiction, and with the Rules and Regulations contained in any fire insurance policy covering the Condominium.

J3. All Unit Owners and Residents shall immediately report to the Trustees or the Condominium Management Company any damage by fire, accident, or other causes, which affect any Unit or any Common Areas and Facilities or affect the liability of the Unit Owners or the Condominium Trust.

K. Administration

K1. The Trustees must approve all Harborside Condominium Committees in writing, and will annually review the status and composition of each committee.

K2. Any consent or approval given under these Rules and Regulations may be added to, amended, or revoked at any time by the Trustees. Any added, amended or revoked consent or approval shall take effect only after written notice to the affected Unit Owner or Resident via registered mail or otherwise delivered to said Unit Owner or Resident.

K3. The right is specifically reserved to the Trustees to rescind, change, or amend the foregoing Rules and Regulations, and to adopt other Rules and Regulations as from time to time the Trustees deem necessary.

K4. In the event of a violation of the Harborside Condominium Rules and Regulations, the following procedure shall apply: (1) A written notification of the alleged violation shall be sent via registered mail or otherwise delivered to the Unit Owner; (2) The notification shall detail the alleged violation and provide the opportunity for an Appeal Hearing before the Trustees within seven (7) days; (3) If the Unit Owner requests a Hearing and the Board determines that there was a violation, the Unit Owner shall be liable for a fine of \$25.00 per day retroactive from the date of the Hearing; (4) The fine shall continue until the violation is corrected; each day a violation continues shall be considered a separate violation; and (5) The fine shall constitute a lien against the Unit pursuant to the provisions of Section 6 of the Massachusetts General Laws, Chapter 183A.

K5. All communications and input from Unit Owners to the Trustees is to be forwarded in writing (letter or email) to the Harborside Management Company, and not communicated directly to individual Trustees.

K6. The Trustees will retain a Harborside Condominium Management Company to manage the Harborside property, to administer these Rules and Regulations, and to carry out all other affairs of the Trust as directed by the Trustees.

Approved by Trustees, November 2004