

HARBORSIDE CONDOMINIUM TRUST

2008 ANNUAL MEETING MINUTES

August 2008

The 2008 Annual Meeting of the Harborside Condominium Trust was held Tuesday, August 5, 2008 at the Boston Yacht Club. Sixteen units were represented at the meeting.

1. MOTIONS

A motion was made, seconded and approved unanimously to accept the minutes of the 2007 Annual Meeting as written.

2. TRUSTEE ELECTION

Markwood Management announced that Don Nowland has been elected for a three year Trustee term with over 90% of the ownership interest voting in this year's election. Don's term is effective August 5, 2008. All homeowners present acknowledged Don's continuing service to the Harborside condominium. Many thanks Don!!

Markwood Management will have Don Nowland registered at the Essex South Registry of Deeds.

3.

FINANCIALS

Trustee Don Nowland presented an in-depth narrative of the current financial position of the Harborside Condominium Trust (please see attached homeowner correspondence and proposed 2009 budget). As in 2006 and 2007, the Board of Trustees continues to project a balanced Operating Budget for fiscal year 2008. Although projections indicate overruns in insurance premiums and snow removal for 2008, these overruns should be offset by underruns in legal, extermination, water/sewer and natural gas expenditures.

Also, it is projected that the Reserve Account will be fully funded in 2008, with contributions totaling \$25,000.

Trustee Nowland also presented the status of the Harborside Dock Committee membership and financials.

The 2009 budget is projected to increase by approximately 2.5% resulting in a corresponding increase in Common Element Fees.

4.

2008 MAINTENANCE

PROJECTS

Trustee Nowland continued his presentation with upcoming maintenance projects at Harborside. This year B Building will receive a new roof, Unit C2 will undergo extensive damage repair caused by undetected water intrusion, and Units C5/C8 will have the entry

walkway rebuilt (if funds are available.) The rebuilding of Unit D2/D3 deck will be addressed in the winter of 2009.

Also, structural engineers Bergman and Associates will inspect the foundations and crawlspaces of Buildings A, B and C for structural integrity and moisture control. They will present the Board a report with recommendations.

5. LAWSUIT UPDATE

A settlement agreement for the lawsuit between Harborside Condominium Trust and Charles and Lorraine Arrigo is in place. Because of a Confidentiality clause, no details will be available for the time being. .

A question was raised as to the amount of Trust expenses attributed to the lawsuit. Trustee Nowland explained that approximately \$8000 had been spent on legal fees over the last six years in preparing our defense, and that \$8710 had been spent “at risk” for remediation inside the Arrigo unit. This latter expense would likely be recovered from our insurance company. All the work done in the B Building crawlspace was the responsibility of the Trust.

6. GREGORY STREET EASEMENT

In 1988 an easement was granted by the owners of the Harborside property purporting to grant the owners and tenants of Four Gregory Street the right to pass by foot over the common areas of the Harborside Condominiums to use the floats for recreational boating purposes.

The Board of Trustees is reviewing this easement relative to a recent request from a Four Gregory Street resident to put a dingy at the back of the float.

7. ELECTRONIC MAIL AND WEBSITE USAGE

In an effort to streamline communication with Harborside residents and lower mailing expenses, the Board will amplify its use of both email and the website designed by Bart Jones. This amplification will begin with the emailing of monthly Trustee Meeting Minutes to all homeowners and will continue as the Board reviews homeowner input from this first electronic action.

For your information the website is: www.harborsidecondos.net

User Name: **owner**
Password: **hs08**

8. PARKING

Trustee Nowland presented the homeowners with a narrative on the recently amended parking regulations (see attached Rules Part "E"). Please note the italicized wording indicating one hour parking for visitors during the summer season.

Also, please be very aware of the prohibition of fire lane parking. This is a crucial safety issue.

9. LEASING

If you are leasing your residence for any period of time, please contact Markwood Management requesting a copy of the leasing requirements at Harborside.

10. COMMITTEES

The homeowners briefly discussed the various committees in place at the Harborside Condominium. These committees include the Dock Committee, Parking Committee, Landscaping Committee, and the Safety Committee (HSC). Please consider volunteering for any of these committees by contacting Markwood Management.

All attending homeowners acknowledged the service to the condominium this year by Bert Michaud on both the dock and the safety committees. Many thanks Bert!!

11. MARKWOOD MANAGEMENT will attend to the following:

- 1 Install appropriate lighting on driveway side of Building B.
- 2 Ensure that Bergman and Associates inspects the water damaged beam near Unit C8 and C2.

12. BOARD CONSIDERATION

The Board will take under consideration the following items:

- 1 Straightening of the north dock.
- 2 A safety mirror at the property entrance.

13. ADJOURNMENT

There being no further business of the Harborside Condominium Trust, the 2008 Annual Meeting adjourned at 6:45 PM.

Minutes prepared and submitted by Markwood Management.

Attachments:

Letter to Harborside Owners – 12 July 2008
Proposed 2009 Budget
Harborside Rules and Regulations

Letter to Harborside Owners – August 5, 2008 Annual Owners Meeting

July 12, 2008

Dear Harborside Owners:

The purpose of this letter is to provide you information regarding the financial status of the Harborside Condominium Trust, specifically the 2008 budget projections based on our financial statements as of June 30, 2008 and the proposed budget for 2009. We also provide a status report on the Dock Accounts and Capital Reserve Projects. For reference, we invite your attention to the January 28, 2008 Trustee's letter to Harborside owners, which summarized our financial performance for 2007.

2008 Budget Status and Year-end Projection – Based on revenue and expenses as of June 30th, we are projecting a balanced budget for fiscal year 2008.

Our assessment of the **Operating Account** is as follows:

1. The January 1, 2008 beginning Operating Account balance was \$112.30. This was the carry over from the 2007 fiscal year. Projected revenues are consistent with the 2008 Budget at \$152,580.
2. Based on expenditures to date:
 - a. We are projecting a \$1,800 overrun in insurance premiums this year.
 - b. We will also overrun in Snow Removal, as we are over our \$5,000 budget by \$271.50 and expect some additional expenses this coming December.
 - c. All other expense lines are tracking to budget or projecting an underrun.

Our assessment of the **Reserve Account** is as follows:

1. The January 1, 2008 beginning Reserve Account balance was \$5,575.
2. During the first six months of 2008, the Reserve Account was funded at \$14,583 with earned interest of \$45.
3. Out of a Reserve Account of \$20,203, we paid the following:
 - a. Painting Building A - \$2,750.
 - b. Sewage pump controls project - \$8,935.
 - c. Refurbishment of B1/B4 entry steps - \$3,335.
 - d. As of 30 June, the Reserve Account balance was \$5,189. We expect to fully fund the Reserve for the final six months, adding \$12,500.
4. We also executed one bank loan in 2008 to fund the D Building foundation and drainage project. The loan interest is tax deductible. The details follow:
 - a. Total Loan: \$160,000.
 - b. Total Closing Costs: \$1,270.
 - c. Engineering: \$13,145.
 - d. Contractor: \$95,256.
 - e. Interest: \$2,149.
 - f. Project Underrun: \$29,000 (paid to principal, reducing term of the loan).
 - g. Anticipated Interest: \$19,180.
 - h. Projected Payout Date: February 1, 2010.

Proposed 2009 Budget (see attached) – We are proposing a 2009 Budget of \$156,480, a \$3,900 or 2.5% increase over this year in Common Element Fees (Condo Fees). In the Operating Account, Insurance will be increased by \$3,000 and Management Fees increased by \$900. All other expenses remain the same as this year, unless we encounter some unexpected issues. The Reserve Account will remain at \$25,000. For comparison, we raised Condo Fees by 4% in 2008, 11% in 2007, and 17% in 2006.

Status of the Dock Accounts – As of June 30, 2008 the Dock Operating Account balance was \$9,282 and the Dock Reserve Account Balance was \$1086.

1. All dock fees are paid in full and nightly rental fees are current. Additionally, the Trust makes a one time, annual contribution of \$5400 to reflect the use of the docks by all residents. This will be paid to the Harborside Dock Committee (HDC) in December, 2008, providing total operating funds of \$14,682.

2. Against this \$14,682 are the fall float service (\$1899), paint and repairs to docks (\$1716), gangway paint and repairs (\$1700), mooring fee (\$200) and winter storage (\$2000), leaving a total of operating funds of \$7167.

3. The HDC will request of the Board of Trustees to transfer a portion of this \$7167 into the HDC Dock Reserve Account.

Status of Capital Reserve Projects:

In addition to the above financial information, we would like to update you on current and pending Capital Reserve Projects, which we first presented at the 2003 Annual Meeting and have updated at subsequent Annual Meetings. These major infrastructure projects resulted from follow-up inspections stemming from the Goddard Report on the state of the Harborside infrastructure and on-going engineering site reports from Bergman & Associates. These projects are summarized below:

1. The structural work under the D Building has been completed. Many thanks to Liz and Bert Michaud for their patience during this extreme inconvenience.
2. The project also resulted in a refurbished drainage system in Buildings B & D, including moisture control and improved ventilation under Building D.
3. We have again this year temporarily deferred the repair or replacement of the failing north retaining wall between Harborside and the Boston Yacht Club. We will continue to monitor the site conditions.

In conclusion, the Trustees' goal continues to be the establishment of a reasonable Annual Budget and to execute responsibly to that Budget. We also continue to close the gap between years of infrastructure neglect and the demand of owners to keep pace with increasing property values. We have a unique and beautiful place to live, and we believe these expenditures are prudent and will serve us well in the years to come.

Thank you,

The Trustees

Attachment: Proposed 2009 Budget

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, *except for one hour in the summer season*). 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). *It is permissible to ask another Unit Owner or Resident who is not using their parking space if that space may be used for a guest. If that request is approved, the “visitor sign” must reflect the requesting Owner/Resident’s Unit Number as above and the granting Owner/Resident Unit Number in parenthesis, e.g., D-4 / (D-6).*

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. *In preparation for an expected snow storm, vehicles will be parked in the lower lot, up against the B or C Buildings or along the seawall starting from the north. The goal is to not have any vehicles in the upper lot or in the path of the plow to the south end of the seawall. After the plowing and shoveling, vehicles may be parked in the upper lot, but pulled as far forward as possible against the C Building and in as close as possible along the south side of the upper driveway. Do not block the garages or carports. A "no parking" cone may be placed in the "Compact Car Only" spot next to the entry way to the C Building, as it's very difficult to get vehicles out of the carport if a snow bank forms.*

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
Amended E3 and E7. (Italics), Dec 07
Amended E3. (Italics), Jul 08