PROMISSORY NOTE

$160,000.00 Dated: January 31, 2008

FOR VALUE Received, we the undersigned, being a majority of the Board of Trustees of the Harborside Condominium Trust, pursuant to our authority under Declaration of Trust dated October 13, 1983, and recorded with the Land Registration Office of the Southern Registry District of Essex as Document 191063 on Certificate of title No. C23, as amended, on behalf of the organization of Unit Owners of the Harborside Condominium, a condominium established by Master Deed recorded with said Registry as Document No. 191062, as amended and not personally or as individual (hereinafter, collectively the "Borrower"), promise to pay to the order of Marblehead Savings Bank, a mutual savings bank duly organized by law and having a usual place of business at 21 Atlantic Avenue, Marblehead, Massachusetts 01945 (hereinafter, with any subsequent holder, the "Bank" or "Lender"), at the main office of the Bank or at such other place as the holder hereof may from time to time designate in writing, the sum of One Hundred Sixty Thousand and 00/100 ($160,000.00) Dollars in or within three (3) years from the date hereof with interest on the unpaid principal balance of the within Note (based upon a three hundred and sixty-five (365) day year, actual days elapsed).

Commencing **March 1, 2008** and on the like day of each calendar month thereafter, Debtor shall make monthly payments of principal and interest according to a **Three (3) year amortization schedule**. Interest shall be based upon the Annual Percentage Rate which shall be the "Prime Rate" as published in the Wall Street Journal plus zero (0%) percent. As of January 31, 2008, the current prime rate is **6.00%** and the initial interest rate is **6.00%**. "Prime Rate," as used herein, shall mean the prime rate of interest as published in the Wall Street Journal, such rate being a reference rate, not necessarily the lowest, which serves as the basis upon which effective rates of interest are calculated for obligations making reference thereto. The rate of interest payable hereunder shall change on each date on which a change in the Prime Rate becomes effective; provided, however, that the rate of interest payable hereunder shall never be more than the maximum rate allowed by applicable law.

Secured party shall determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe in full on the Maturity Date in substantially equal payments at Debtor's interest rate. The result of this calculation will be the new amount of Borrower's monthly payment. The initial monthly payment shall be **Four Thousand Eight Hundred Sixty Seven and 61/100 ($4867.61) Dollars**. All payments shall be applied first to interest, then to principal due and payable, then to late charges and other charges and fees due hereunder (including reasonable attorneys' fees) and the balance to principal. In all events and under all circumstances, the entire outstanding principal balance hereof and all accrued and unpaid interest hereon shall be due and payable on **February 1, 2011** (the "Maturity Date"). In the event that any monthly payment due hereunder shall remain unpaid for more than fifteen (15) days from the date it is due under the terms hereof, there shall become due hereunder a late charge of **Twenty-five Dollars** shall be assessed. Debtor acknowledges receipt of a copy of this agreement.

The said principal sum hereunder shall be paid in 36 **consecutive installments** due and payable monthly, commencing **March 1, 2008**, and on the 1st day of each calendar month thereafter. Of such monthly installments the initial payment of **$4867.61,** and the final installment shall be in the amount of the entire unpaid principal balance hereof. Interest shall be due and payable monthly in arrears, on the 1st day of each calendar month, commencing with the first such payment due on **March 1, 2008**, and the final payment due on **February 1, 2011**. The undersigned hereby authorize(s) the holder to charge the amount of all monthly interest payments and all installments of principal, when due and payable hereunder, against any general demand deposit account of the undersigned with the holder.

This Note may be prepaid, in whole or in part, at any time without prepayment penalty.

The Bank at its option, may declare the entire unpaid principal balance of this Note and accrued unpaid interest thereon to be immediately due and payable without further demand, notice or protest (which are hereby waived) upon the occurrence of any one or more of the following events (herein, "Events of Default"):

(a) The failure by the Borrower to pay any amount due under this Note within fifteen (15) days after it is due;

(b) Default in the performance of any of the covenants or conditions of the Security Agreement or the Conditional Assignment of Income securing this Note of even date and delivered herewith, within the times therein limited;

(c) The determination by the Bank that any representation or warranty heretofore, now, or hereafter made by the Borrower to the Bank, in any document, instrument, agreement or paper was not materially true or accurate when given;

(d) The occurrence of any event of default under any agreement between the Bank and the Borrower, or instrument or paper given the Bank by the Borrower, whether such agreement, instrument, or paper now exists or hereafter arises (notwithstanding that the Bank may not have exercised its rights upon default under any such other agreement, instrument or paper);

(e) Any act by, against, or relating to the Borrower, or its property or assets, which act constitutes the application for, consent to, or sufferance of the appointment of a receiver, trustee, or other person, pursuant to court action or otherwise, over all, or any part of the Borrower's property; the granting of any trust mortgage or execution of an assignment for the benefit of the creditors of the Borrower, or the occurrence of any other voluntary or involuntary liquidation or extension of debt agreement for the Borrower; the failure by the Borrower to generally pay the debts of the Borrower as they mature; or the commencement of any proceedings under any bankruptcy or insolvency laws of, by, or against the Borrower;

(f) The entry of any judgment against the Borrower, which judgment is not satisfied or appealed from (with execution or similar process stayed) within twenty (20) days of its entry or such shorter appeal period as may apply;

(g) The termination of existence, dissolution, or winding up, or liquidation of the Borrower;

(h) The abandonment of Condominium status or the transfer, encumbrance or alienation of any legal or beneficial interest of the Borrower in any property pledged as security for this Note; and

(i) The Borrower shall furnish Bank within one hundred twenty (120) days of each fiscal year annual financial statements prepared on a compilation basis (including balance sheet, income and expense statement and statement of funds in each of the Borrower's accounts, together with accountant's comments) for that year, prepared by an independent Certified Public Accountant acceptable to the Bank (including sufficient notes to accurately evaluate the operating performance and financial condition of the Borrower). The Borrower shall further, upon request of the Bank, provide Bank within a reasonable time thereafter quarterly and/or monthly financial statements in form satisfactory to the Bank.

(k) If the right of the holder hereof to enforce any material provision hereof shall be impaired by law, the holder hereof shall have the option to deem this note modified to conform therewith or to declare this note immediately due and payable.

In addition, at the Bank's option, and without demand, notice or protest, the occurrence of any such Event of Default shall also constitute a default under all other agreements between the Bank and the Borrower and under all other instruments and papers given the Bank by the Borrower.

After the occurrence of an Event of Default (as defined herein), or after maturity of the Note by acceleration or otherwise, the interest rate hereunder shall immediately increase in an amount of five (5.0%) percent per annum over the note interest rate, as it may be adjusted, for so long as the default shall continue.

Any and all deposits or other sums at any time credited by, or due to the Borrower from the Bank and any cash, securities, instruments, or other property of the Borrower in the possession of the Bank, whether for safekeeping, or otherwise, or in transit to or from the Bank or in the possession of any third party acting on the Bank's behalf (regardless of the reason the Bank had received same or whether the Bank has conditionally released the same) shall at all times constitute security for any and all Liabilities (hereunder the "Liabilities"), and may be applied or set off against such Liabilities at any time, whether or not the Liabilities are then due or whether or not other collateral is available to the Bank.

The Borrower agrees that the holder hereof shall have the right to approve, realize upon or foreclose any collateral securing this note and that such rights shall be cumulative and exercised at the sole discretion of the holder hereof with respect to priority, order and type of collateral realized upon or applied toward this indebtedness until such note, interest, fees and costs shall have been paid in fill. No delay or omission by the Bank in exercising or enforcing any of the Banks's powers, rights, privileges, remedies, or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any default hereunder shall operate as a waiver of any other default hereunder, nor as continuing waiver.

The Borrower, endorsers and guarantors hereof and all others who may become liable for all or any part of this obligation jointly and severally hereby waive the benefit of any suretyship defense against this debt or any renewal or extension thereof, waive presentment, demand, protest and notice of protest, dishonor and non-payment and any and all lack of diligence or delays in collection or enforcement hereof, and expressly consent to any modification, extension of time, release of any other party or person primarily or secondarily liable for this obligation, release of any of the security of this Promissory Note (Note), acceptance of other security therefore, or any other indulgence or forbearance, whatsoever, whether or not made for additional interest or other consideration paid or payable. Any such extension, release, indulgence, or forbearance may be made without notice to said parties and without in any way affecting the personal liability of such parties. This Note shall, at the option of the Holder, become due and payable without notice or demand in the event of the insolvency of, or the filing of a petition of bankruptcy by any Borrower, co-Borrower, endorser or guarantor. In addition to all other rights, the holder shall have the rights and remedies of a secured party under the Uniform Commercial Code.

The Borrower agrees to pay all costs and expenses including reasonable attorneys' fees for the collection of this Note upon default or for enforcement of rights under the Security Agreement or the Conditional Assignment of Income of even date. Under no circumstances shall the Borrower be charged more than the highest rate of interest
which may be lawfully charged by the Holder and paid by the Borrower on the indebtedness evidenced by this Note. Nothing contained in the Note shall be deemed to establish or require the payment of a rate of interest in excess of the maximum rate lawfully chargeable. In the event that the rate of interest so required to be paid exceeds the maximum rate lawfully chargeable, whether as a result of acceleration of the maturity hereof or otherwise, the rate of interest to be paid shall be automatically reduced to the maximum rate lawfully chargeable, and to the extent necessary to accomplish the foregoing, any excess interest reserved, charged or taken shall be automatically credited on account of the principal indebtedness, provided that no such credit shall operate.as a cure or waiver of any event of default occasioning acceleration.

Borrower hereby knowingly, voluntarily and intentionally, irrevocably waives any right to trial by jury in any suit, action, or proceeding arising out of or relating to this note or to any related agreement including, but not limited to, the security agreement or to claim or recover any special, punitive or consequential damages or any privileges other than actual damages. This note is given to evidence a debt for business and/or commercial purposes. Borrower hereby acknowledges and confirms that it has read the provisions of this note and has been provided the opportunity to comment and has consulted with legal counsel in connection with the execution and delivery of this note.

Any notice required to be delivered hereunder shall be in writing, sent by first class mail, postage prepaid, and if intended for Borrower, addressed to Board of Trustees, Harborside Condominium Trust, c/o Markwood Management, P. O. Box 900, Marblehead, MA 01945. If intended for the Lender, such notice shall be addressed to Lender at address above, with a copy to Lausier & Lausier LLC, 147 Washington Street, Marblehead, Massachusetts, 01945. Either Party may notify the other in writing of any different addresses for notice purposes.

This Note is secured by a Security Agreement and Conditional Assignment of Income of even date herewith executed by the undersigned. As used herein, the terms "Borrower", "undersigned, "Bank" and "Holder" shall be construed to include their heirs, successors, legal representatives, and assigns.

This instrument, executed in multiple counterparts, is to be construed as a Massachusetts contract, is to take effect as a sealed instrument, sets forth the entire contract between the parties, is binding upon and enures to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns, and may be cancelled, modified or amended only by a written instrument executed by both the Borrower and the Lender.

Executed as a sealed instrument as of the date first written above.

HARBORSIDE CONDOMINIUM TRUST
By:

Witness: Patricia Glaun

Donald Nowland
DONALD NOWLAND, Trustee

Witness: ______________________

____
JAMES L. WALTERS, Trustee

Witness: Patricia Glaun

Warren Hendriks
WARREN HENDRIKS, Trustee