HARBORSIDE CONDOMINIUM TRUST

AMENDMENT TO RULES AND REGULATIONS

Insurance Resolution

We the undersigned, being a majority of the Board of Trustees of the Harborside Condominium Trust, under Declaration of Trust dated October 13, 1983 and filed with the Essex County (S.D.) Registry District of the Land Court as Document No. 191063 and noted on Master Certificate of Title No. C23, as amended ("Trust"), do hereby adopt the following policy resolution to establish orderly procedures and regulations relating to property insurance claims, repairs and deductibles, pursuant to the provisions as set forth in Article VIII of the By-Laws which are appended to the Trust as Exhibit A, as follows:

1. Master insurance policy: The Condominium shall maintain insurance as required by Article III, Section 4 of the By- Laws as appended to the Trust as Exhibit A, as amended.

2. The Trustees shall determine the amount of the deductible which is currently $10,000.

3. The Unit Owner (s) sustaining the property damage shall be responsible for the payment of the Master Policy deductible. In connection therewith, the Trustees shall have the right to assess the deductible to Unit Owners as the Trustees may determine, in their sole discretion, including, but not limited to, assessing and apportioning the deductible to Unit Owner(s) sustaining property damage to their unit(s).

4. In the event of property damage to a unit or units, the Trust shall not be responsible for the payment of the deductible but rather said Unit Owner or Unit Owners shall be responsible for same regardless of the cause of the claim.

5. Each Unit Owner is solely responsible to obtain his or her own insurance coverage in appropriate kinds and amounts to insure any portion of his/her Unit not covered by the Master Insurance policy, personal effects and contents, unit improvements and coverage for the Condominium Trust's deductible, as well as, insuring for liability and all such other coverages which said Unit Owner desires.

    A. It is suggested that all Unit Owners obtain endorsements to their policy for various coverages including, but not limited to, all risk coverage, loss assessment coverage, coverage A in satisfactory amounts, and any other insurance deemed necessary by the Unit Owner or his or her agent to provide coverage for the Condominium's deductible.

B. It is recommended that all Unit Owners review their own insurance coverage with their own insurance agent or insurance advisor.

C. Investor Owners should also obtain coverage for loss of rent, liability and all other appropriate coverages. Investor Owners should obtain written verification that their tenants have appropriate insurance coverage.

6. <u>Damage Less than Master Policy Deductible.</u>

If a Unit Owner sustains property damage in amounts less than the Condominium Trust's Master Policy deductible, the Unit Owner shall be solely responsible for the cost to repair the damage, and the Unit Owner should notify his or her insurance agent. The Trust will not be responsible for property damage to a unit in an amount less than the deductible, and no Unit Owner shall file a claim under the master insurance policy. The Unit Owner must resolve the claim with their individual insurance agent or carrier.

7. <u>Damage in Excess of Master Policy Deductible.</u>

The following steps should be followed when damage occurs in a unit in excess of the Condominium Trust's master policy deductible:

A. Damage in excess of the Condominium Trust's Master Policy deductible must be reported within 24 hours to the Management Agent. Failure to report claims promptly may result in the claim being denied by the Insurance Carrier. The Trust will not honor claims that are denied by the Carrier because of failure to report in a prompt fashion. Unit Owners shall also notify their Insurance Carrier at the same time. The damage may be inspected to assess the approximate cost of the damage.

B. The Management Agent will notify the Trust's Insurance Agent of the loss. Immediate repairs may to be made in order to insure the safety of unit occupants.

C. The Management Agent will instruct the Unit Owner to secure bids to repair the damage within thirty (30) days. These bids are to be submitted to the Management Agent with a cover sheet itemizing the costs and totaling the same. This sheet must contain the Unit Owner's signature. If the damage is less than the Master Policy Deductible, the Unit Owner need not submit anything further and should deal with their own insurance agent or carrier, as per paragraph 6 in this Resolution.

D. During the bidding and damage assessment process, the Unit Owner must work closely both with the Management Agent and the Master Policy Insurance Adjuster in order that the scope of work is agreed upon by all parties prior to commencement of said restoration work. This includes, but is not limited to, making the unit available for inspection, securing additional bids should the Insurance Adjuster request it, and promptly responding to requests made by the Insurance Adjuster and/or Management Agent. The Trust will not be responsible for the timeliness of Insurance claims being paid. If a claim payment is delayed, no interest, penalties or other claims will be honored.

E. In the event there is a dispute, the final approval of settlement costs is with the Insurance Company and the Unit Owner must abide by its decision.

F. Once it is agreed by all parties what the scope and amount of the claim will be, the Unit Owner will be given permission to commence work. Unit Owners may ask that the Trust request payment of the claim in order that the Unit Owner has funds to initiate restoration work. If the Insurance Carrier forwards this amount to the Trust, then the Trust may pass the benefit of this early payment to the Unit Owner. The Trust will only issue payment of the applicable insurance proceeds to the Unit Owner upon receipt of a signed Release, as attached hereto, by the Unit Owner.

G. Final payment will be made when:

i. The Insurance Adjuster has had the opportunity to inspect and approve all repair work, if required.

ii. The Trust has received the final payment from the Insurance Carrier.

iii. The Unit Owner has signed a Release.

8. The Trust shall have no obligation or responsibility to perform or cause to be performed repairs to an individual unit. If the Trust does perform or cause to be performed repairs to an individual unit, upon completion of such work the unit owner must sign the Release attached hereto.

9. The Unit Owner is responsible for the condominium master policy deductible for items covered by the Master Policy and is also responsible for all damage to the unit, personal property, improvements, rent loss, etc. not covered by the Master Policy.

10. The Trustees shall have the right to employ a public adjuster and the property manager in connection with handling and overseeing the claim. The Trustees shall have the right to assess these fees, as well as any depreciation or other adjustments, to the Unit Owners, as the Trustees may determine, in their sole discretion, including, but not limited to, assessing and apportioning these fees to Unit Owner(s) sustaining property damage to their Unit(s).

Executed under seal this ____ day of ___________, 2006.

Majority of the Trustees
of the Harborside Condominium Trust
and not individually

(
(______________________________
(Donald E. Nowland
(
(______________________________
(Warren Hendriks
(
(______________________________
(James Walters

COMMONWEALTH OF MASSACHUSETTS

____________, ss.

On this ___ day of _________________, 2006, before me, the undersigned notary public, personally appeared Warren Hendriks, Donald E. Nowland and James Walters and proved to me through satisfactory evidence of identification, being (check whichever applies): driver's license or other state or federal governmental document bearing a photographic image, oath or affirmation of a credible witness known to me who knows the above signatories, or my own personal knowledge of the identities of the signatories, to be the persons whose names are signed above, and acknowledged the foregoing to be signed by them voluntarily for its stated purpose, as Trustees of said Harborside Condominium Trust.

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Notary Public
My Commission Expires: __________________________
Print Notary Public's Name: ________________________
Qualified in the State/Commonwealth of ______________

Notary Seal