

I. DECLARATION OF THE HAY BUILDINGS CONDOMINIUM

II. HAY BUILDINGS CONDOMINIUM ASSOCIATION, INC.

BY-LAWS

AND

RULES AND REGULATIONS

DECLARATION OF
THE HAY BUILDINGS
CONDOMINIUM

THIS DECLARATION made this 1ST day of NOVEMBER, 1979, by HAY BUILDINGS ASSOCIATES, a general partnership organized and existing under the laws of the State of Rhode Island, hereinafter called the "Declarant", hereby declares and publishes this Plan for ownership in condominium as authorized by Chapter 36 of Title 34, General Laws of Rhode Island, 1956, as amended, referred to as the "Condominium ownership act", which shall hereafter be known as HAY BUILDINGS CONDOMINIUM PLAN. The HAY BUILDINGS CONDOMINIUM PLAN shall consist of the Declaration, By-Laws and Survey.

W I T N E S S E T H:

WHEREAS, the Declarant is the owner in fee simple of certain land located in the City and County of Providence, State of Rhode Island, and more particularly described in Exhibit A, attached hereto and made a part hereof, together with all improvements located thereon, all easement rights and appurtenances thereto and all personal property intended for use in connection therewith (the "Property") and has plans to convert the building thereon to a combination commercial and office condominium; and

WHEREAS, by this Declaration, Declarant intends to subdivide the Property into real estate units and to establish the Property as a condominium project pursuant to the provisions of said Condominium ownership act subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable

servitudes, charges and liens hereinafter set forth, each of which is for the benefit of the Property and the subsequent owners thereof; and

WHEREAS, a condominium is a method of ownership, which, when applied to a commercial and multi-office building, provides for a separate title to each unit and an undivided interest in and to all and/or a part of the property that remains; and

WHEREAS, under the said Condominium ownership act, it is necessary that the rights, privileges and obligations of the Declarant, unit owners, board of managers, mortgagees and others who may be interested therein be explicitly set forth;

NOW, THEREFORE, the Declarant, pursuant to said Condominium ownership act does hereby declare and state on behalf of itself, its successors and assigns and on behalf of all persons having or seeking to acquire any interest of any nature whatsoever in the Property, as follows:

ARTICLE I

1.1 Intention. The Declarant states that it is the owner in fee simple of the Property and hereby submits the same to the provisions of said Condominium ownership act.

ARTICLE II

Definitions. Unless the context shall plainly require otherwise, the following words when used in this Declaration, including the Exhibits hereto, shall have the following meanings:

2.1 "Act" means Chapter 36 of Title 34 of the General Laws of Rhode Island 1956, as amended, entitled the "Condominium ownership act", as the same may be amended from time to time.

2.2 "Assessment" means the assessment made by the Board of Directors with respect to each Unit for the payment of Common Expenses as described in the By-Laws.

2.3 "Association" means the HAY BUILDINGS CONDOMINIUM ASSOCIATION, INC., a Rhode Island nonbusiness corporation, the sole members of which are the Unit Owners acting as a group in accordance with this Declaration.

2.4 "Board of Directors" means those persons elected from time to time as members of the Board of Directors of the Association pursuant to this Declaration and their successors in office.

2.5 "Building" means any structure or other improvement now comprising a part of the Property or hereafter comprising a part of the Property.

2.6 "By-Laws" means the By-Laws of the Association, attached hereto as Exhibit B, as the same may be amended from time to time.

2.7 "Common Elements" means both General Common Elements and Limited Common Elements as defined in Article V hereof.

2.8 "Common Charges" means each Unit's share of the Common Expenses in accordance with its common interest in relation to the entire project, as determined by the Board of Directors.

2.9 "Common Expenses" means all costs, expenses and other liabilities lawfully assessed against the Unit Owners (a) incurred by the Board of Directors in connection with the administration, management, maintenance, repair and replacement of the Common Elements, or (b) incurred by the Board of Directors in connection with the exercise of its rights or the performance of its duties and obligations hereunder, or (c) determined by the Association to be Common Expenses or (d) declared to be Common Expenses by the provisions of this Declaration.

2.10 "Common Profits" means the excess of all receipts derived from Assessments and other payments to the Board of Directors, including insurance proceeds and condemnation awards after the deduction of all Common Expenses and amounts reserved for payment of Common Expenses.

2.11 "Declarant" means HAY BUILDINGS ASSOCIATES, its successors and assigns.

2.12 "Common Surplus" means the excess of all receipts of the Condominium organization including, but not limited to, assessments, rents, profits, and revenues on account of the common elements over the amount of common expenses.

2.13 "Condominium Documents" means and includes this Declaration as the same may be amended from time to time, By-Laws and Survey.

2.14 "Condominium Property" means and includes the land in the Condominium whether or not contiguous, and all improvements thereon and all easements and rights thereto for use in connection with the Condominium.

2.15 "Declaration" means this Declaration, together with all exhibits thereto, as the same may be amended from time to time.

2.16 "Mortgagee" means the holder of any recorded first mortgage encumbering one or more Units.

2.17 "Percentage Interest" means the interest of each Unit in the Common Elements, established pursuant to Article VI hereof.

2.18 "Plans" means the plans and specifications for the rehabilitation and renovation of the improvements on the Property prepared by Childs, Bertman Tseckares & Casendino, Inc., 306 Dartmouth Street, Boston, Massachusetts 02116 a true and correct copy of which shall be kept on the Property by the Board of Directors.

2.19 "Property" means the land, together with all buildings and improvements thereon described in said Exhibit A, attached hereto, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

2.20 "Rules and Regulations" means the Rules and Regulations set forth in Schedule A attached to the By-Laws as the same may be amended from time to time.

2.21 "Survey" means that certain record of survey map entitled "A Condominium Proposal for HAY BUILDINGS ASSOCIATES, Providence, RI, Kenneth W. Anthony & Assoc., 275 South Pierce Rd., East Greenwich, RI 02818, dated May 1978", and recorded in the Records of Land Evidence of the City of Providence contemporaneously herewith.

2.22 "Unit" means an enclosed space consisting of one or more rooms occupying all or part of one or more floors in the building of one or more floors or stories provided, always, that any such Unit has direct exit to a thoroughfare or to a Common Element leading to a thoroughfare. The lower boundary of any Unit is a horizontal plane (or planes), the elevation of which coincides with the elevation of the upper surface of the unfinished subfloor thereof extended to intersect the lateral or perimetrical boundaries thereof. The upper boundary of any such Unit is a horizontal or inclined plane (or planes), the elevation or slope of which coincides with the lower surface of the unfinished ceiling or thereof, extended to intersect the lateral or perimetrical boundaries thereof. The lateral or perimetrical boundaries of any such Unit are vertical planes which coincide with the unexposed unfinished interior surfaces of the perimeter walls thereof, extended to intersect the upper and lower boundaries thereof and to intersect the other lateral perimetrical boundaries of the Unit. In addition to the area contained in each Unit as hereinabove described, electrical and mechanical equipment and appurtenances located within any Unit or adjacent thereto and designated to serve only that Unit, such as appliances, air-conditioners, condensers, heaters, outlets, electrical receptacles and outlets, fixtures, and doors, windows and all nonstructural interior dividing walls and partitions (including the space occupied by such walls and partitions), and the like, shall be considered a part of and included in the Unit. Without limiting the foregoing, the electrical panel box and all wiring therefrom into a Unit and the condenser for the air conditioner and all wiring therefrom into a Unit shall be considered part of such Unit. Excluded from the Unit are all

bearing walls (other than the finished surfaces thereof) and all floor joists and subfloors.

2.23 "Unit Owner" or "Owner" means any person, group of persons, corporation, trust or other legal entity or any combination thereof, which holds legal title to a Unit within the Condominium Project; provided, however, that any person or group of persons, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be an Owner.

2.24 "Termination of Control Date" means December 31, 1979 or whenever Declarant shall either sell or lease to purchasers all of the Units, whichever event shall occur first.

ARTICLE III

3.1 Property Subject to Declaration. The Property which is, and shall be subject to this Declaration is located in the City of Providence, State of Rhode Island, and is more particularly described in said Exhibit A.

3.2 The Building. The Condominium Project consists of one building constructed principally of brick which is four stories in height together with storage areas in the basement.

3.3 The Condominium Units. The general description and number of each Unit, including its dimensions, location and such other data as may be necessary or appropriate for its identification, are set forth on the Survey.

ARTICLE IV

4.1 Use, Purposes and Restrictions. Each Unit located on the second, third and fourth floors of the Property will be used exclusively by professional business occupants, including without limiting the generality of the foregoing, attorneys-at-law, certified public accountants, architects, banking and trust type institutions, insurance agencies, advertising agencies, stock brokerage, real estate and real estate title insurance firms and/or investment firms, or the like. Each Unit (including the upper and lower levels thereof) located on the first floor of the Property will be used exclusively by (a) the aforesaid pro-

professional business occupants; provided, however, no practising attorney-at-law will be permitted to occupy any portion thereof and (b) retail business establishments which may be permitted or allowed under the provisions of the zoning ordinances of the City of Providence; provided, however, no type of restaurant operation shall be permitted.

4.2 No Unit may be divided or subdivided into a smaller Unit nor any portion thereof sold or otherwise transferred except as may be provided in the Act or Article VI hereof.

4.3 There shall be no obstruction of the General Common Elements nor shall anything be stored in the General Common Elements without prior consent of the Board of Directors.

4.4 Nothing shall be done or kept in any Unit or the Common Elements which will increase the rate of insurance on the Building or the contents thereof without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Building or the contents thereof or which would be in violation of any law. No waste shall be committed in the Common Elements.

4.5 Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of any of the Buildings and no signs, awnings, canopies, shutters or radio or television antennas shall be affixed to or placed upon the exterior walls or roofs or any part thereof without the prior consent of the Board of Directors.

4.6 No animals, livestock, or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements.

4.7 No noxious or offensive activities shall be carried on in any Unit in the Common Elements nor shall anything be done therein either wilfully or negligently which may be or become an annoyance or nuisance to the other Units.

Owners or occupants.

4.8 Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of the Building or the mechanical systems or lessen the support of any part of the Property.

4.9 No materials or matter of any kind or any articles shall be hung out or exposed on any part of the Common Elements, other than rights permitted by the By-Laws. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials and items.

4.10 All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

4.11 The Association, acting by its Board of Directors, shall have the power to amend or supercede the Rules and Regulations as may be necessary to carry out the intent of these restrictions. Such rules and regulations may allow the Board of Directors to levy fines for violations of these regulations. Any unpaid charge so levied is to be considered a special assessment against the violating Unit Owner and his Unit. Such levy of charges shall not replace or abrogate any action for damages or injunctive relief as provided by law.

ARTICLE V

Common Elements. All areas and facilities shown on the Survey which are not part of a Unit shall comprise the Common Elements and such Common Elements shall be designated as "General Common Elements" and "Limited Common Elements" defined as follows:

5.1 Limited Common Elements. The Limited Common Elements are those designated as such on the Survey by appropriate designation as Limited Common Elements. All such Limited Common Elements are reserved for the exclusive use of the Unit indicated on the Survey or designated by the Board of Directors, as the case may

5.2 General Common Elements. The General Common Elements shall be comprised of all of the Common Elements which are not part of the Limited Common Elements as designated on the Survey and shall include the following:

(a) The land described in said Exhibit A on which the improvements stand; and

(b) The foundations, bearing walls, perimeter walls, main walls, halls, columns, girders, beams, supports, corridors, concrete floors, and those portions of the ceilings of Units from the exposed face of the unfinished ceiling to the upper face of the unfinished floor of the Unit or roof above and the roofs of the Building, lobbies, stairways, and entrances and exits or communication ways; and

(c) The compartments or installations of central services such as power, light, gas, hot and cold water, central air-conditioning, central heating, compressors, pumps generators, and the like, including, but in no way limited to, all pipes, ducts, flues, chutes, conduits, cables, wires and other utility lines, except such as may be included in and for the exclusive use of a Unit; and

(d) The storage area located in the basement and in general, all devices or installations existing for common use; and

(e) All other elements of the condominium project rationally of common use or necessary to its existence, upkeep and safety.

ARTICLE VI

6.1 Undivided Interest in Common Elements. The undivided Percentage Interest of each Unit in the Common Elements is set forth in Exhibit B, attached hereto and made a part hereof, except as the same may be altered in accordance with Section 6.2 or 6.5 hereof. The Percentage Interest in the Common Elements shall be conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyancing deed or other instrument, except as provided in Section 6.2 or 6.5 hereof.

6.2 Alterations by Declarant. The Declarant reserves the right to alter the lateral boundaries of any Unit, to subdivide any Unit or to merge two or more Units together (so long as after such merger the Building shall contain not less than four (4) Units) so long as the Declarant owns such Unit or Units. In such event, the Declarant shall record (a) an amendment to the Survey showing any change in the dimensions of a Unit and the adjoining Common Elements and (b) an amendment to this Declaration to reapportion the Percentage Interests in the

Common Elements of the Units so altered, subdivided or merged to reflect the change in value of such Unit or Units. No such amendment shall (a) alter or diminish the undivided interest in the Common Elements of Units not then owned by the Declarant or Units owned by Declarant but under a contract of sale not then in default or (b) diminish the total undivided interest in the Common Elements previously allocated to the Units undergoing such alteration, subdivision or merger. Notwithstanding any provision in this Declaration to the contrary any such amendment to the Survey and this Declaration need be executed only by the Declarant.

6.3 Percentage Interest in Common Expenses. Each Unit shall have a percentage interest in the Common Expenses and Common Profits of the Condominium equal to its Percentage Interest in the Common Elements set forth in Exhibit B, attached hereto, except as amended in accordance with the provisions of Sections 6.2 or 6.5 hereof.

6.4 Voting. The Owner or Owners of each Unit shall be entitled to cast the number of votes per Unit specified in the By-Laws on any matter which an Owner is entitled to vote pursuant to this Declaration, except that no Owner, directly or indirectly, other than the Declarant may vote more than forty-five (45%) percent the aggregate voting power. The voting power in excess of forty-five (45%) percent of any such Owner shall be reallocated pro rata among all other Owners and such other Owners shall have the right to vote the shares allocated to each of them pursuant to such reallocation.

6.5 Subdivision, etc. by Unit Owners. If a Unit Owner desires to subdivide or relocate the boundary of his Unit, the Unit Owner shall send a notice

to the Board of Directors setting forth the proposed subdivision or relocation and how the Percentage Interests of his Unit will be reallocated. Unless the Board of Directors determines within thirty (30) days that the reallocation of Percentage Interests is unreasonable, the Board of Directors shall approve the proposed subdivision or relocation provided that the proposed action (a) will not cause the Condominium to have less than four (4) Units as defined in Section 2.22 hereof, (b) will not result in a Unit that has less than five hundred (500) square feet of floor area and (c) will not cause any violation of any applicable zoning ordinance, building or fire code or other Federal, State or local law, ordinance or regulation. The Board shall prepare at the Unit Owner or Owners' expense an amendment to the Declaration that identifies the Unit or Units involved, states the reallocations of Percentage Interests, assigns an identifying number to each new Unit, if any, created, and contains words of conveyance, if necessary. The amendment shall be executed by the Unit Owner or Owners involved and recorded with the Land Evidence Records of the City of Providence. The Board of Directors shall cause an amendment to the Survey to be prepared and recorded at the expense of the Unit Owner or Owners to show the subdivision or relocation. All expenses incurred by the Board of Directors, including, without limitation, counsel fees, filing fees and architectural and engineering fees, shall be paid by the Unit Owner or Unit Owners involved irrespective of whether the Board approves the proposed action. The Board may require prior to its approval that the Unit Owner or Unit Owners make a cash deposit with the Board to pay for the expected expenses. Any amount owed by the Unit Owner hereunder to the Association or the Board of Directors shall constitute a Special Assessment against such Owner's Unit. Such a relocation or merger shall not affect the boundaries of any Common Elements.

6.6 Ownership of Two Adjoining Units. If a Unit Owner who owns two adjoining Units desires to remove or alter any intervening partition which is a Common Element or create apertures therein, he shall send a notice together with plans to the Board of Directors setting forth the proposed action. Thirty (30) days after the giving of such notice or the prior approval of the Board of Directors, the Unit Owner may proceed; provided that the proposed acts will not impair the structural integrity or utility systems or lessen the support of any portion of the Building. Removal of partitions or creation of apertures under this Section is not a relocation of boundaries.

ARTICLE VII

7.1 Covenant Against Partition. The Common Elements, both General and Limited, shall remain undivided and appurtenant to the designated Unit except as provided in Sections 6.2 and 6.5 hereof. No Owner of any Unit or any other person shall bring any action for partition or division thereof except as may be provided for in the Act.

7.2 Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction or repair of the Building, made by or with the consent of the Association, or if any such encroachments shall occur hereafter as a result of settlement or shifting of the Building, a valid easement for the encroachment and for the maintenance of same, so long as the Building stands, shall exist. In the event the Building, any Unit, any adjoining Unit, or any adjoining Common Element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then reconstructed, with the consent of the Association, then any minor encroachment of parts of the Common

Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements, due to such reconstruction, shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

7.3 Easements. Each Unit Owner shall have an easement in common with the other Owners to use all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements located in the Common Elements or located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements serving other Units and located in such Unit. The Association shall have the right of access to each Unit to inspect the same, remove violations therefrom and to maintain, repair, or replace the Common Elements contained therein or elsewhere in the Building, subject, however, to the provision that the work of installation or repair (other than work done by the Owner of a Unit within his own Unit) shall be performed by the Association or its agent. The Owners of Unit Nos. 2-B, 3-B and 4-B, their respective heirs, executors, administrators, successors and assigns, shall have an easement of ingress and egress across Units 2-A, 3-A and 4-A, respectively, to the stairway on their respective floors on the westerly side of the building.

The location of said easements shall be determined by the Owners of Units 2-A, 3-A and 4-A, respectively, provided that such easements shall provide reasonably direct access and shall conform to State and local Building and Fire Code requirements.

7.4 Storage. Each Unit Owner shall have the right of access to and use of the storage area located in the basement area on the northerly side of the building. The percentage of such storage area available to each Unit Owner is shown on Exhibit B, attached hereto.

ARTICLE VIII

8.1 Sale or Lease of Units. Prior to the sale or lease of a Unit by any Unit Owner other than the Declarant, and its successors and assigns, the Owner thereof shall notify the Board of Directors of the proposed sale or lease. Such notice shall include an executed copy of a purchase and sale agreement or lease between the Unit Owner and the proposed purchaser or lessee containing the terms of the proposed sale or lease, the name and address of the proposed buyer or lessee (including that of any stockholder or other person who has a financial interest in the proposed buyer or lessee), a list of all mortgages, taxes and other liens encumbering the Unit, the purpose for which the proposed buyer (or lessee) intends to use the Unit and such other information as the Board of Directors may reasonably request. The notice shall be accompanied by an offer to sell or lease the Unit to the Association on the same terms and conditions as contained in the purchase and sale agreement or lease with the proposed buyer or lessee. Within fifteen (15) days after receipt of such notice the Board of Directors may elect, by notice to such Unit Owner, to purchase or lease the Unit on said terms and conditions. The closing shall be held at the office of the Registry of Deeds of the City of Providence, State of Rhode Island forty-five (45) days after the Board of Directors has given such notice. In the event that the Association does not exercise its right of first refusal within the time period allowed, the Unit Owner may sell or lease his Unit within the next ninety (90) days to the proposed purchaser or lessee in accordance with the proposed purchase and sale agreement or lease. In the event the Unit Owner does not so sell or lease his Unit, the Unit may not be sold or leased without again complying with the provisions of this Section. The above provisions shall apply also to any sublease of a Unit.

Notwithstanding the foregoing, a Unit Owner may lease or sublease his rights to the basement storage area referred to in paragraph 7.4 of Article VII to another Unit Owner (or the latter's lessee or sublessee) without the permission of the Board of Directors.

8.2 Written Release. If the Association waives or fails to exercise its right of first refusal to purchase or lease a Unit, the Association shall, on written request of the Owner of such Unit, execute and deliver in recordable form an instrument which indicates such waiver or expiration of the right of first refusal. The instrument of the Association, when executed and acknowledged by a majority of the Board of Directors, shall be conclusive in favor of all persons who rely thereon in good faith.

8.3 Financing of Purchase of Units by Board of Directors. Acquisition of Units by the Board of Directors, or its designee, on behalf of the Association, may be made from the working capital and common charges in the hands of the Board of Directors, or, if such funds are insufficient, the Board of Directors may levy a Special Assessment against each Unit Owner in proportion to his Percentage Interest. The Board of Directors, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit being acquired by the Board of Directors. No approval from the Unit Owners shall be required for such acquisition, Special Assessment or financing.

8.4 Exceptions. The provisions of Section 8.1 shall not apply with respect to any sale or conveyance by a Unit Owner of his Unit to his spouse or to any of his children or to his parent or parents or to his brothers or sisters or any or more of them, or to any corporation which is a wholly owned subsidiary of a Unit Owner or to any Unit owned by the Declarant, or to the acquisition or sale of a Unit by a mortgagee herein authorized who shall acquire title to such Unit

by foreclosure or by deed in lieu of foreclosure, or to any (a) partnership or corporation that acquires, or succeeds to, the business of the Unit Owner; or (b) corporation into which or with which a corporate Unit Owner merges or consolidates or which acquires all of the assets of any such corporate Unit Owner; provided, the majority ownership of such partnership or corporation, directly or indirectly, is comprised of the owners of said Unit. However, the provisions of Section 7.1 shall apply with respect to any purchaser of such Unit from such mortgagee.

8.5 Gifts and Devises, etc. Any individual Unit Owner shall be free to convey or transfer his Unit by gift, or to devise his Unit by will, or to pass the same by intestacy, without restriction.

8.6 Lease Provisions; Termination by Board of Directors. Every lease and sublease shall provide that the Board of Directors shall have the power to terminate any lease or sublease and to bring legal proceedings to evict the lessee in the name of the lessor in the event of a default by the lessee or sublessee, or in the event such persons shall violate the terms of the Declaration.

8.7 Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Association all unpaid Common Expenses and Special Assessments assessed by the Board of Directors against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

8.8 Mortgage of Units. No Unit Owner shall mortgage his Unit except by mortgages made to a commercial or savings bank, trust company, insurance company savings and loan association, pension fund, governmental agency or other institutional lender, or to the seller of such Unit (purchase money mortgage) including without limitation, the Declarant.

ARTICLE IX

9.1 Condemnation: Partial Taking Without Direct Effect on Units. If part of the Condominium shall be taken or condemned by any authority having the power of eminent domain, such that no Unit is taken, all compensation and damages for and on account of the taking of the Common Elements, exclusive of compensation for consequential damages to an affected Unit, shall be payable to the Association or to the Insurance Trustee, if any, selected in accordance with the By-Laws, as trustee for all Unit Owners and mortgagees in proportion to their respective interests in such Common Elements. The Association acting through the Board of Directors, shall have the right to act on behalf of the Unit Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Elements, without limitation on the right of the Unit Owners to represent their own interest. Such proceeds shall be disbursed in accordance with the provisions in the By-Laws governing the disbursement of insurance proceeds. Nothing herein is to prevent Unit Owners whose Units are specially affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Units, or personal improvements therein, exclusive of damages relating to Common Elements. In the event that the condemnation award does not allocate consequential damages to specific Unit Owners, but by its terms includes an award for reduction in value of Units without such allocation, the award shall be divided between affected Unit Owners and the Association, or Trustee, as the interests may appear by arbitration in accordance with the rules of the American Arbitration Association.

9.2 Condemnation: Partial or Total Taking Directly Affecting Units. If part of all the Condominium shall be taken or condemned by any authority having the power of eminent domain, such that any Unit or a part thereof is taken, the

Association shall have the right to act on behalf of the Unit Owners with respect to Common Elements as in Section 9.1 of this Article, and the proceeds shall be payable as outlined therein. The Unit Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Units. The awards so made shall be distributed through the Association or Trustee, first to restore the remaining Units and Common Elements in the same manner as provided for restoration under the By-Laws to the extent possible, attempting to rebuild buildings containing new Units of the same number, size and basic plan as the Units taken with any excess award distributed in accordance with the provisions of the By-Laws. In the event that the Board of Directors determines that such a taking so removes land and a portion of the Building that cannot effectively be restored or replaced substantially in compliance with the Plans and unless seventy-five (75%) percent of the Unit Owners and holders of the first mortgages encumbering seventy-five (75%) percent of the undivided interest in the Common Elements subject to mortgages vote to accept an alternative plan, then the Association shall submit the issue to arbitration in accordance with the Rules of the American Arbitration Association for remedies with respect to the continued existence or reform of the Condominium, the division of the award as to the taken and remaining Units, and such other remedies as may be required.

ARTICLE X

10.1 Resident Agent. The Resident Agent for the Condominium and the person authorized to accept service of process as provided by law is Joseph V. Cavanagh, whose present post office address is 600 Turks Head Building, Providence Rhode Island 02903. The Board of Directors may from time to time designate a

successor Resident Agent and same shall be evidenced by an instrument duly executed by the Secretary of the Association and Recorded.

ARTICLE XI

11.1 Construction and Enforcement. The provisions hereof shall be liberally construed to achieve the purpose of creating a uniform plan for the operation of a condominium project. Violation of any of the terms of this Declaration, including the By-Laws and the Rules and Regulations, shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, and other relief provided for in this Declaration, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the Managing Agent, or any Owner or Mortgagee.

In addition, each Owner or other person violating the terms hereof shall be liable for all court costs and reasonable attorneys' fees incurred by the Association, Board of Directors, Managing Agent and any Owner relating to such violation. The failure or forbearance by any person to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

11.2 Severability. Invalidation of any one of the covenants of restriction by judgment, decree or order shall in no way affect any other provisions hereof,

each of which shall remain in full force and effect.

11.3 Amendment. This Declaration may be amended only by the written consent of the Owners of three-fourths (3/4ths) of the Percentage Interests in Good Standing or by the vote of such Owners at a meeting called in accordance with the By-Laws, except as hereinafter provided:

(a) Until the Termination of Control Date, in addition to the Declarant's rights under Section 6.2, the Declarant may modify the Plans and Survey with respect to minor changes in the dimensions of any Unit or the Building or changes with respect to location thereof on the Property.

(b) Until the Termination of Control Date, the Declaration may not be amended without the written approval of the Declarant.

(c) The By-Laws and Regulations may be amended as provided by the By-Laws.

(d) Except as provided in Sections 6.2 and 6.5 hereof, no amendment shall change the Percentage Interest, common expense liability, voting strength, boundaries, or permitted use of any Unit without the approval of all Unit Owners and Mortgagees in writing or by vote (in person or by proxy) at a meeting called in accordance with the By-Laws.

(e) The provisions of Section 4.1 relating to the use of Units located on the first floor of the Property and in that portion of the basement area which is available for use, may not be amended without the approval of the Owners of such Units.

In the event an amendment is approved at a meeting of the Unit Owners, the Secretary shall execute a certified resolution of such vote. Any amendment shall become effective only when the written consent or the certified resolution, as the case may be, is Recorded.

ARTICLE XII

12.1 Termination. The Unit Owners may remove the Property from the provisions of the Act and this Declaration by an instrument to that effect, recorded and containing the signatures of eighty (80%) percent of the Unit Owners, provided the holders of all liens affecting any of the Units, consent thereto or agree, in either case by recorded instruments, that their liens be transferred to an undivided interest in the Property.

Upon the removal of the Property from the provisions of the Act and this Declaration, the Unit Owners shall be deemed to own the Property as tenants in common, with undivided interests equal to the percentage of undivided interests in the Common Elements owned by each such owner immediately prior to the recordation of the instrument referred to in Section 12.1 of this Article. As long as such tenancy in common continues, each Unit Owner shall have an exclusive right of occupancy of that portion of the Property which formerly constituted his Unit.

Upon removal of the property from the provisions of the Act and this Declaration, any rights the Unit Owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the Common Elements immediately prior to the recordation of the instrument referred to in Section 12.1 of this Article.

The removal provided for in this Section shall not bar the subsequent resubmission of the Property to the provisions of the Act, by an instrument signed by the same percentage of Unit Owners and mortgages as specified in Section 12.1 of this Article for removal.

ARTICLE XIII

13.1 Miscellaneous. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine and neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective

of the number of violations or breaches which may occur.

The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

This Declaration is set forth to comply with the requirements of the Condominium Ownership Act. In the event of any conflict between this Declaration and the provisions of the Condominium Ownership Act, the provisions of such statute shall control.

IN WITNESS WHEREOF, the Declarant has executed these presents on the day and year first above written.

HAY BUILDINGS ASSOCIATES

By Guido R. Salvadore

By John T. Walsh, Jr.

By Gerald C. Adams, Jr.

By Joseph V. Cavanagh

Kenneth P. Borden

Harold E. Adams, Jr.

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence in said County on this 1st day of NOVEMBER A. D. 1979, before me personally appeared GUIDO R. SALVADORE, JOHN T. WALSH, JR., GERALD C. I JOSEPH V. CAVANAGH, KENNETH P. BORDEN AND HAROLD E. ADAMS, JR. to me known and known by me to be the parties executing the foregoing instrument and they acknowledged said instrument by them executed to be their free act and deed and the free act and deed of HAY BUILDINGS ASSOCIATES.

Clair H. Hogan
-21- CLAIR H. HOGAN Notary Public
Notary Public

That parcel of land, with all buildings and improvements thereon, situated in the City of Providence in the State of Rhode Island bounded and described as follows:

Beginning at a point in the northeasterly line of Hay Street at the most westerly corner of the premises herein described and at the most southerly corner of land now or lately of Thomas Realty Assoc., Ltd., said point of beginning being sixty-seven and 42/100 (67.42) feet southeasterly from the intersection of the southeasterly line of Pine Street with the northeasterly line of Hay Street as measured along the northeasterly line of Hay Street; thence northeasterly bounding northwesterly on said Thomas Realty Assoc., Ltd. land ninety and 953/1000 (90.953) feet to land now or lately of Ekim Corporation; thence southeasterly bounding northeasterly on said Ekim Corporation land sixty-three and 10/100 (63.10) feet to Dyer Street; thence southwesterly bounding southeasterly on Dyer Street one hundred twenty-four and 91/1000 (124.091) feet to a point at the intersection of the northwesterly line of Dyer Street with the northwesterly line of Friendship Street; thence continuing southwesterly bounding southeasterly on Friendship Street eight and 398/1000 (8.398) feet to Hay Street; thence northwesterly bounding southwesterly on Hay Street one hundred thirty-nine and 784/1000 (139.784) feet to the point and place of beginning.

Being the same premises conveyed by deed from West Passage Development Corporation to Hay Buildings Associates

Subject to the following:

Gangway rights and obligations as granted and reserved by deed from Jacob D. Grossman et al to Edward C. Wilde dated April 3, 1923 and recorded in the Office of the Recorder of Deeds in the City of Providence in Book 634 at page 229.

Party Wall Agreement in Deed Book 179 at page 355.

Party Wall Agreement in Deed Book 187 at page 517.

Sewer and drains serving the northwesterly adjoiner together with the drain serving the premises and thence into the sewer in Hay Street.

SCHEDULE OF UNITS AND PERCENTAGE
OF INTEREST IN THE COMMON ELEMENTS

<u>UNIT NO.</u>	<u>AREA IN SQUARE FEET*</u>	<u>PERCENTAGE OF INTEREST IN COMMON ELEMENTS</u>
1-A	3,530	.1093
1-B (Upper)	1,530	.0474
1-B (Lower)	1,133	.0351
1-C	1,001	.0310
1-D	1,490	.0461
2-A	5,073	.1571
2-B	2,595	.0804
3-A	5,073	.1571
3-B	2,672	.0828
4-A	5,300	.1641
4-B	<u>2,892</u>	<u>.0896</u>
TOTALS	32,289	1.0000
1-A (Lower)**	3,530	None

* Square feet specified are based upon amounts shown in Survey.

** The area of Unit 1-A(Lower) is not to be included in these computations, since it is storage area appurtenant to and part of Unit 1-A.

HAY BUILDINGS CONDOMINIUM ASSOCIATION, INC.

BY-LAWS

ARTICLE I

GENERAL PROVISIONS

Section 1.1. Application. The provisions of these By-Laws are applicable to the Condominium and to the use and occupancy thereof. All present and future owners of any freehold or leasehold interest, all occupants or users of the premises, and the agents and servants of any of them are subject to the provisions of the Declaration, these By-Laws, and the applicable laws of the State of Rhode Island. The acceptance of a Deed or the entering into of a Lease or the act of occupancy of a Unit shall conclusively establish the acceptance and ratification of these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, by the person so acquiring, leasing or occupying a Unit and shall constitute and evidence an agreement by such person to comply with the same.

1.2. Definitions. Unless it is plainly evident from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration.

ARTICLE II

ASSOCIATION

2.1. Constitution. There is hereby constituted the Association, which shall be comprised of every person, firm, or corporation, which owns, several or with others, any Unit within the Condominium. The Association shall be a nonbusiness corporation organized under the laws of the State of Rhode Island

2.2. Powers. The Association shall have all of the powers and may do all the things and acts necessary for and related to the administration of the affairs of the Condominium, not inconsistent with the laws of the State of Rhode Island including but not limited to the following:

1. To transact its business, and exercise its powers in any State, Territory, District or Possession of the United States.

2. To make contracts and guarantees, incur liabilities and borrow money, sell, mortgage, lease, pledge, exchange, convey, transfer, and otherwise dispose of any part of its property and assets.

3. To acquire by purchase or in any other manner to take, receive, own, hold, use, employ, improve and otherwise deal with any property, real or personal, or any interest therein.

4. To invest its funds and to lend money in any manner appropriate to enable it to carry on the operations or to fulfill the purposes set forth in the Declaration and these By-Laws, and to take and hold real and personal property as security for the payment of funds so invested or loaned.

2.3. Voting. The total number of votes of all Unit Owners shall be 100 and each Unit Owner shall be entitled to cast a number of votes at all meetings of Unit Owners equal to the Percentage Interest of his Unit. In the case of multiple ownership of a Unit, the Owners thereof shall notify the Association in writing who of such Owners shall exercise the right to vote. No lessee, lien holder, mortgagee, pledgee, or contract purchasers shall have any voting rights with respect to the affairs of the Condominium, except as expressly provided herein or except as the proxy of the Unit Owner. An Owner shall be deemed to be in "Good Standing" and "entitled to vote" at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all assessments made or levied against him and his Unit by the Directors as hereinafter provided, together with all interests, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to him and against his Unit, at least three (3) days prior to the date fixed for such annual or special meeting.

2.4. Majority of Owners. As used in these By-Laws, "Majority of Owners" means Unit Owners representing more than fifty percent (50%) of the total votes of all Unit Owners in Good Standing at the time of a proposed action and "two-thirds of the Owners" means Unit Owners representing more than sixty-six and 2/3rds (66 2/3%) percent of the total votes of all Unit Owners in Good Standing at the time of a proposed action.

2.5. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "Majority of Owners" as defined in Section 2.4. above shall constitute a quorum.

2.6. Majority Vote. The vote of Unit Owners owning more than fifty (50%) percent of the total authorized votes of all Unit Owners in Good Standing present in person or by proxy at a meeting at which a quorum is present shall be binding upon all Unit Owners except where in the Declaration or By-Laws a higher percent vote is required.

2.7. Proxies. At all meetings of the Association, votes may be cast in person or by proxy. Proxies must be filed, in writing, with the Secretary before the appointed time of each meeting, and shall be revocable at any time by

written notice to the Secretary by the Owner or Owners so designating; and all such proxies shall be valid only for a maximum period of one hundred eighty (180) days following date of issuance, unless granted to a mortgagee or lessee.

ARTICLE III

ADMINISTRATION

3.1. Association.

A. Association Responsibilities: The Association shall be responsible for the overall policy and administration of the Condominium, but, except as otherwise provided in these By-Laws or by statute, shall act by and through its elected Board of Directors. The Association shall have the responsibility of electing the Board of Directors, seeing that the Board of Directors maintains a current roster of names and addresses of each Unit Owner, prepares an annual budget, establishes monthly assessments and arranges for the professional management of the Condominium pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the manager or management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of the Unit Owners.

B. Place of Meeting: Meetings of the Association shall be held at the principal office of the Condominium or such other suitable place convenient to the Association as may be designated by the Board of Directors.

C. Annual Meetings: The first annual meeting of the Association shall be held within thirty days after the Termination of Control Date or such earlier date as may be determined by the Declarant. Thereafter, the annual meetings of the Association shall be held on the second Tuesday in the month of June of each succeeding year; and if such date shall be a legal holiday, the such meeting shall be held on the next succeeding business day. At such meeting there shall be elected, by ballot of the Unit Owners, Directors in accordance with the requirements of Section 3.2. of these By-Laws and the Owners may also transact such other business of the Association as may properly come before the

D. Special Meetings. It shall be the duty of the President to call a special meeting of the Association when directed to do so by a duly adopted resolution of the Board of Directors or upon presentment to the President or Secretary of a petition signed by the Owners of twenty-five (25%) percent or more of the Percentage Interest in the Common Elements requesting such a meeting. The notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

E. Notice of Meeting. It shall be the duty of the Secretary of the Association to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and the place where it is to be held, to each Owner of record, at least fifteen (15) days but not more than thirty (30)

days prior to such meeting. The mailing or delivery of a notice in the manner provided in this Section shall be considered notice served.

F. Adjourned Meetings: If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy; may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, without notice other than announcement at the adjourned meeting, until a quorum shall be present or represented. At such meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

G. Order of Business: The order of business at all meetings of the Association shall be as follows: (a) roll call, (b) proof of notice of meeting or waiver of notice, (c) reading of minutes of preceding meeting, (d) reports of officers, (e) report of committees, (f) election of Directors, if applicable (g) unfinished business, and (h) new business.

H. Validity of Contracts: No contract or other transaction between the Association and any other legal entity, and no act of the Association, shall in any way be affected or invalidated by virtue of the fact that any of the Officers or Directors are pecuniarily or otherwise interested in, or are Directors or Officers of such other legal entity.

3.2. Board of Directors.

A. Number and Qualification: The affairs of the Association shall be governed by a Board of Directors composed of not less than seven (7) nor more than eleven (11) persons. All Directors shall be either Unit Owners in "Good Standing" or their spouses, or any person designated as a representative, by a corporation, partnership, or other entity which is a Unit Owner. If any Unit is used for commercial purposes, at least one director shall be a Unit Owner in "Good Standing" of a Unit that is used for commercial purposes, or his or her spouse or a representative of such a Unit Owner, unless at the time of election by the Owners (or the Directors) no Owner of a Unit used for commercial purposes is in Good Standing. The provision in the foregoing sentence may not be amended without the written approval of the Owner of Units which may be used for commercial purposes who own seventy-five (75%) percent of the Percentage Interests represented by such Units.

B. Election and Term of Office: Except for the first Board of Directors which shall be elected by the Declarant as provided in paragraph M. of this Section 3.2., the Directors shall be elected at each annual meeting of the Association. The term of office shall be fixed for one (1) year. Each Director shall hold office until disqualified or until his successor shall have been elected to the Association.

C. Vacancies: Vacancies in the Board of Directors caused by disqualification or any reason other than removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum of said Board; and each person s

lected shall be a Director until a successor is elected at the next annual meeting of the Association.

D. Powers and Duties: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Association, and such duties shall include but not be limited to the following:

(a) provide for the operation, care, upkeep, maintenance and surveillance of the Common Elements and services of the Condominium;

(b) preparation of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;

(c) making assessments against the Owners, based upon the annual budget, to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payment of such assessments.

(d) collection of the Annual Assessment from the Unit Owners, including collection by legal means, if necessary;

(e) designation, hiring, dismissal, and control of the personnel necessary for the maintenance, operation and good working order of the Condominium and the Common Elements;

(f) adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property, subject to the right of the Owners to overrule the Board of Directors;

(g) opening of bank accounts on behalf of the Condominium and designation of signatories required therefor;

(h) obtaining of insurance for the Property, including the Units pursuant to the provisions of these By-Laws;

(i) making of alterations, repairs, additions and improvements to, and restoration of the Property in accordance with the other provisions of these By-Laws;

(j) enforcing by legal means the provisions of the Declaration, these By-Laws and the Rules and Regulations, and bringing any proceeding which may be necessary to institute on behalf of the Owners;

(k) paying the costs of all authorized services rendered to the Condominium and not chargeable to Owners of individual Units;

(l) keeping books with detailed account, in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. The said books and

vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the Owners. All books and records shall be kept in accordance with good and accepted accounting practices, and at the request of any Unit Owner, the same shall be audited at least once a year by an outside auditor employed by the Board of Directors who shall not be a resident of the Condominium. The cost of such audit shall be a Common Expense;

(m) notifying the mortgagee of any Unit of any default by the Owner of such Unit whenever requested in writing by such mortgagee to send such notice;

(n) to do such other things and acts, not inconsistent with the laws of the State of Rhode Island, and with the Declaration, which it may be authorized to do by a resolution of the Association.

E. Removal of Directors: At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a majority of Owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

F. Annual Meeting: The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

G. Special Meetings: Special meetings of the Board of Directors may be called by the President or by any two (2) Directors on three (3) business days notice to each Director. Such notice shall be given personally or by mail, telephone, or telegraph, and such notice shall state the time, place (as herein above provided) and the purposes of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and like notice on the written request of one (1) Director.

H. Waiver of Notice: Before or at any meeting of the Board of Directors any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

I. Board of Directors' Quorum: At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present the majority of those present may adjourn the meeting from time to time. At any

such adjourned meeting, at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

J. Fidelity Bonds: The Board of Directors may require that all Officers and employees of the Association handling, or responsible for funds furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense.

K. Compensation: No member of the Board of Directors shall receive any compensation from the Condominium for acting as such.

L. Managing Agent: The Board of Directors may employ for the Condominium a professional managing agent at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Paragraph 1 of this Section 3.2. The Declarant or an affiliate of the Declarant may be employed as Managing Agent provided that any management contract which provides for the Declarant or its affiliate to be manager and which is approved by the initial Board of Directors appointed by the Declarant may be terminated by the Board of Directors elected at the first annual meeting of the Association.

M. Declarant's Right to Elect Initial Directors: The first Board of Directors shall be appointed by the Declarant and shall consist of seven (7) members. The terms of these Directors and their successors designated by Declarant shall terminate upon the election of directors at the first annual meeting of the Association. The Declarant shall have the sole right to remove and replace any member of the initial Board of Directors which it has a right to appoint. The Declarant shall have the option at any time after the date of the execution of the Declaration to turn over to the Owners the responsibility of electing all or some of the members of the Board of Directors.

ARTICLE IV

OFFICERS

4.1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of which shall be elected by the Board of Directors. The Directors may appoint assistants and such other officers as in their judgment may be necessary. The President and Vice President shall be members of the Board of Directors and all other officers may be, but are not required to be members of the Board of Directors.

4.2. Election of Officers. The Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any vacancy in an office shall be filled by the Board of Directors at any of its regular or special meetings.

4.3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting called for that purpose.

4.4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of an organization, including but not limited to the power to appoint committees from among the Owners from time to time as he may in his discretion decide to be appropriate to assist in the conduct of the affairs of the Association.

4.5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint a member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be assigned to him by the Board of Directors.

4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall count votes at all meetings of the Association and the Board of Directors, and in general perform all the duties incident to the office of Secretary.

4.7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit of, the Association in such depositories as may from time to time be designated by the Board of Directors. The Board may arrange for an external annual audit of the fiscal records of the Association.

4.8. Agreements, Contracts, Etc. All agreements, deeds, contracts, leases and other instruments of the Condominium shall be executed by the President or Vice President and Secretary or Treasurer or such other person or persons as the Board of Directors may designate.

4.9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

LIABILITY AND INDEMNIFICATION OF OFFICERS AND BOARD OF DIRECTORS

The Officers and members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the Officers and Directors from and against a contractual liability to others arising out of contracts made by the Officers and the Board of Directors on behalf of the Unit Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration.

or of these By-Laws. It is intended that the Officers and the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contract made by the Officers or the Board of Directors or out of the aforesaid indemnity in favor of the Officers and the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all of the Unit Owners. Every agreement made by the Officers and the Board of Directors or by the Managing Agent on behalf of the Unit Owners shall, if obtainable, provide that the Officers and the members of the Board of Directors, or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all Unit Owners. The Unit Owners shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was a Director, or Officer, against expenses (including attorneys' fees), fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in the best interest of the Unit Owners.

Neither the Association nor the Board of Directors shall be liable for any failure to obtain or provide services to or for any Unit, or for injury or damage to person or property caused by the elements or by the Owner of any Condominium Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any wire, pipe, drain, conduit, appliance or equipment. The Association and the Board of Directors shall not be liable to the Owner of any Condominium Unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of Common Expense Assessment as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, or to any Condominium Unit, or from any action taken by the Association or the Board of Directors to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE VI

BUDGET, CHARGES AND ASSESSMENTS

6.1 Charges and Assessments. The Association, acting by and through its Board of Directors, shall manage, operate and maintain the Condominium and, for the benefit of the Units and the Owners thereof, shall enforce the provisions hereof and shall pay out of the Common Expense Fund herein elsewhere provided for, the following:

(a) The cost of providing water, sewer, garbage and trash collection, electrical, gas and other necessary utility service for the Common Elements and, to the extent that the same are not separately metered or billed to each Unit, for the Units;

(b) The cost of fire, extended coverage and liability insurance on the Condominium and the cost of such other insurance as the Association may effect;

(c) The cost of the services of a person or firm to manage the Condominium to the extent deemed advisable by the Board of Directors together with the services of such other personnel as the Board of Directors shall consider necessary for the operation of the Condominium;

(d) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Condominium;

(e) The cost of painting, maintaining, replacing, repairing and landscaping the General Common Elements and the Limited Common Elements as provided in Section 8.4 hereof and such furnishings and equipment for the Common Elements as the Board of Directors shall determine are necessary and proper and the Board of Directors shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Board of Directors or the Association to paint, repair, or otherwise maintain the interior of any Unit or any fixtures, appliances, or equipment located therein;

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the Common Elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Unit or Units, the cost thereof shall be specially assessed to the Owner or Owners thereof in the manner provided in Subsection (g) of this Section 6.1.

(g) The cost of the maintenance or repair of any Unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the Common Elements or to preserve the appearance or value of the Condominium or is otherwise in the interest of the general welfare of all Owners of the Units; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and without reasonable written notice to the Owner of the Condominium Unit proposed to be maintained and provided further that the cost thereof shall be assessed against the Condominium Unit on which such maintenance or repair is performed, and when so assessed, a statement for the amount thereof shall be rendered promptly to the then Owner of said Unit at which time the assessment shall become due and payable and a continuing lien and obligation of said Unit Owner in all respects as provided in these By-Laws.

(h) Any amount necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against any of the Common Elements rather than the interests of the Owner of any individual Unit.

6.2. Preparation and Approval of Budget. Each year on or before December 1st, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary and required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Condominium and the rendering to the Unit Owners of all related services as provided in Section 1. of this Article. Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital for the Condominium, a general operating reserve, and reserves for contingencies and replacements. The Board of Directors shall send to each Unit Owner a copy of the budget on or before December 15th, preceding the fiscal year to which the budget applies, and if the Board of Directors deems it advisable, the assessment shall set forth separately such Unit Owner's share of the total assessment allocated to the normal and recurring expense of administration, management, operation and repair, and the amount of the total assessment allocated to each category of reserves included in the budget. Said budget shall constitute the basis for determining each Unit Owner's contribution for the Common Expenses. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expense as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until such new annual or adjusted budget shall have been mailed or delivered and thereafter all subsequent monthly payments shall be as provided by such new annual or adjusted budget. Notwithstanding any provision in these By-Laws to the contrary, the budget, as defined in this Section, for the period from the date of commencement of the Condominium and ending on December 31, 1979, shall be the budget prepared by the Declarant for the Condominium and assessments shall be levied against the Unit Owners during said period as hereinafter provided based upon said budget. The Board of Directors may increase or decrease the Annual Assessment at any time during the year in which it is payable, provided that the Board of Directors shall give not less than twenty (20) days' prior written notice to each Unit Owner of such increase.

6.3. Assessment and Payment of Common Charges. The Board of Directors shall assess each Unit its percentage share of the Common Expenses set forth on Exhibit C to the Declaration, based upon the budget adopted as aforesaid. Each such assessment shall be a lien against the Unit to which it applies and all Unit Owners shall be obligated to pay the Common Expenses so assessed by the Board of Directors in twelve (12) equal monthly installments on the first day of each month beginning with the first day of the first month of the fiscal year for which the budget applies or at such other time or times as the Board of Directors shall determine. Any amount accumulated in excess of the amount required for actual expenses and reserves shall in the discretion of the Board of Directors either be returned to the Unit Owners as Common Profit or applied to the reduction of the next monthly installment or installments due from the Unit Owners under the current fiscal year's budget until exhausted.

6.4. Reserves. Subject to the provisions of Section 6.2. hereof, the Board of Directors, in its discretion, may build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. All

funds accumulated for reserves shall be kept in a separate bank account, segregated from the general operating funds, and if the Board of Directors deems it advisable, funds accumulated for each type of reserve shall be kept in a separate bank account, identified by reference to the specific category of reserve. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires an expenditure to prevent or minimize loss from further damage to, or deterioration of the Common Elements, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Association.

6.5. Special Assessments. In addition to the regular assessments authorized by these By-laws, the Association may levy in any assessment year a special assessment or assessments against one or more Units, applicable to that year only, for the purposes of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the Condominium, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate, provided that two-thirds of the Unit Owners assent to such assessment in writing or at a duly called meeting of the Association, the notice of which shall have set forth the purpose of the meeting.

6.6. Acceleration of Installments. Upon default in the payment of any one or more installments of any assessment levied pursuant to the Declaration and/or these By-Laws, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full

6.7. Default in Payment of Assessment. Upon default in the payment of an assessment the amount due and payable shall become a lien on the Unit owned by the defaulting Unit Owner and the delinquent Unit Owner shall be obligated to pay interest at the maximum legal rate on such charges from the due date thereof to the date of payment together with all expenses, including attorneys' fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid assessment and if any such delinquent assessment (including accelerated installments) is not paid within thirty (30) days after written notice and demand is made, the Association or Board of Directors shall be entitled to enforce the payment of said lien according to the laws of the State of Rhode Island.

The Board of Directors may post a list of Unit Owners who are delinquent in the payment of any assessment or other fees which may be due, including any installment thereof which becomes delinquent, in any prominent location within the Condominium.

The Board of Directors shall notify the holder of any mortgage secured on a Unit for which any assessment levied pursuant to these By-Laws become delinquent for a period in excess of sixty (60) days and in any other case where the Owner of such Unit is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days and in a case where any suit or other action to enforce any obligation of any Owner is undertaken by the Board of Directors, provided the holder of such lien has pre-

viously notified the Board of Directors that it is the holder of a lien on such Unit, but failure to give any such notice shall not affect the validity of the lien for any assessment levied pursuant to these By-Laws.

6.8. Priority of Lien. The lien established by this Article shall have preference over any other assessments, liens, judgments or charges of whatever nature except the following:

(a) real estate taxes and special assessment liens on the Unit; and

(b) the liens of any mortgage instruments or encumbrances duly recorded prior to the assessment of the lien thereon.

6.9. Subordination and Mortgage Protection. Notwithstanding any other provision hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any Unit (and any penalties, interest on assessments, "late charge" or the like) shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage (meaning a mortgage with priority over other mortgages) upon such Unit made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a foreclosure sale, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the Unit from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which said lien, if any, claimed shall have the same effect and be enforced in the same manner as provided herein.

The Board of Directors may, in its sole and absolute discretion extend the provisions of this Section to the holders of mortgages (or the indebtedness secured thereby) not otherwise entitled thereto.

ARTICLE VII

INSURANCE

7.1. Insurance Coverage. The Board of Directors shall obtain and maintain, to the extent reasonably available, the following insurance coverage:

(a) Casualty or physical damage insurance in an amount equal to the full replacement value (i.e. 100% of "replacement cost") of the Condominium Project, including each Unit but excluding any personal property owned by a Unit Owner or any additional improvements made by a Unit Owner within his Unit, with an "agreed amount" endorsement and a "Condominium replacement cost" endorsement without deduction or allowance for depreciation (said amount to be re-determined annually by the Board of Directors with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

(i) loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with

coverage for Common Expenses with respect to Units during any period of repair or reconstruction;

(ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including but not limited to, vandalism, malicious mischief, wind-storm, water damage, machinery explosion or damage and such other insurance as the Board of Directors may from time to time determine; and

(b) public liability insurance with a "Severability of Interest endorsement in such amounts and in such forms as may be considered appropriate by the Board of Directors including but not limited to water damage, legal liability, liability for property of others, and any and all other liability incident to the ownership and/or use of the Condominium or any portion thereof; and

(c) workmen's compensation insurance to the extent necessary to comply with any applicable law; and

(d) such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be required by law or which may be considered appropriate by the Board of Directors.

7.2. Insurance Limitations. Any insurance obtained pursuant to the requirements hereof shall be subject to the following provisions to the extent available:

(a) all policies shall be written with a company or companies licenses to do business in the jurisdiction where the Condominium is located with a rating equal or comparable to a rating of "A" or better in Best's Insurance Guide;

(b) exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors or its authorized representative, including any trustee with which the Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be herein elsewhere referred to as the "Insurance Trustee" provided, however, that no loss under any insurance policy shall be compromised or settled, either by the Board of Directors or the Insurance Trustee, without the prior written consent of the mortgagee holding the first mortgage on the Unit for which such claim has been made;

(c) the insurer shall not be entitled to contribution against casualty insurance which may be obtained by a Unit Owner in accordance with Section 7.3. hereof;

(d) all policies shall provide that such policies may not be cancelled, or substantially modified without at least ten (10) days' prior written notice to any and all insureds named thereon, including any and all mortgagees of the Units.

(e) all policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement such option shall not be exercisable without the prior written approval of the Board of Directors (or any Insurance Trustee);

(f) all policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Condominium, the Board of Directors, the Owners and/or their respective agents, employees or invitees, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured;

(g) all policies shall contain the standard mortgagee clause, except that any loss or losses payable to named mortgagees shall be payable in the manner hereinafter set forth in this Article. Such mortgagee clause shall provide for notice in writing to the mortgagee of any loss paid as aforesaid.

7.3. Individual Insurance Policies. Each Owner (and the holder of any mortgage thereon) may obtain additional insurance (including a "Condominium Unit-Owner's Endorsement" for improvements and betterments to the Unit made or acquired at the expense of the Owner) at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(f) of this Article. The Declarant recommends that each Owner obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a "Tenant's Homeowners Policy", or equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of his Unit, additional living expense, plate glass damage, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "Condominium Unit Owner's Endorsement" covering losses to improvements and betterments to the Unit made or acquired at the expense of the Owner.

7.4. Endorsements, Etc. The Board of Directors, at the request of any Owner or at the request of the mortgagee of any such Unit, shall promptly obtain and forward to such Owner or mortgagee (a) an endorsement to any of the policies aforementioned in this Article showing the interest of such Owner or mortgagee as it may appear; and (b) certificates of insurance relating to any of such policies; and (c) copies of any such policies, duly certified by the insurer or its duly authorized agent; and (d) proof of payment of premium for any such policy or policies; and the Board of Directors may, at its discretion, make a nominal charge for furnishing such information, except for the initial request for such information.

7.5. Insurance Trustee. All insurance policies purchased by the Board of Directors shall be for the benefit of the Association and the Owners and the mortgagees of the Units as their respective interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Insurance Trustee, or if there is no Insurance Trustee, to the Board of Directors. Such Insurance Trustee shall be any bank with trust powers or any other qualified

subsidiary of a bank or savings and loan association, as may be designated not less than fifty-one percent (51%) of the Percentage Interest. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes herein elsewhere provided.

7.6. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Insurance Trustee or the Board of Directors shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Expense of Trust: All customary expenses of the Insurance Trustee, if any, shall be first paid or provision made therefor.

(b) Reconstruction or Repair: In the event the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as herein elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to or credited to the Owners in proportion to their Percentage Interests as set forth in the Declaration and their respective mortgagees (if any) as their interests may appear. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

(c) When Damaged Area is not to be Restored: In the event it is determined in the manner herein elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, then the remaining proceeds shall be paid to the Unit Owners in proportion to their Percentage Interests and their respective mortgagees (if any) as their interests may appear. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

7.7. Repair or Reconstruction after Fire or Other Casualty.

(a) In the event of damage to or destruction of the Condominium as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the damaged area, substantially in the same condition which existed prior to the damage (including any damaged Units, and any bathroom fixtures initially installed therein but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units), and the Board of Directors shall, under the direction of the Insurance Trustee if any, arrange for the disbursement of the proceeds of all insurance policies. If the proceeds of insurance are insufficient to defray the estimated costs of reconstruction and repair, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, an assessment shall be made against each Unit Owner for damage to the Common Elements in sufficient amounts to provide funds for the payment of such costs. Such assessments against Unit Owners shall be in proportion to the Owner's respective Percentage Interests in the Common Elements. Said fund shall be paid to the Insurance Trustee, or if none to the Board of Directors, for disbursement as hereinafter set forth.

(b) Immediately after a casualty causing damage to property for which the Board of Directors has the responsibility of restoration and repair, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors may reasonably require.

(c) The proceeds of insurance collected on account of casualty, and the sums received from collection of assessments against Unit Owners on account of such casualty, if any, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(i) if the amount of the estimated costs of reconstruction is less than Ten Thousand Dollars (\$10,000.00), then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors; provided, however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided in the following paragraph (ii);

(ii) if the estimated cost of reconstruction and repair of the Buildings or other improvements is more than Ten Thousand Dollars (\$10,000.00), then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Rhode Island and employed by the Association to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work, (a) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (b) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and (c) that the cost as estimated by said architect for the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(d) Restoration not Required. In the event the Condominium is damaged or destroyed by fire or other casualty to the extent of three-fourths (3/4ths) of its then replacement cost and the Unit Owners owning three-fourths (3/4ths) of the total Percentage Interests (irrespective of whether such Unit Owners are in good standing) do not within one hundred (100) days after such destruction or damage resolve to proceed with repair or reconstruction, the Condominium shall be deemed to be owned in common by the Owners of all of the Units in the same proportions as their Percentage Interests, and the Condominium shall be subject to an action for partition at the suit of the Owner of any Unit or the holder of any lien thereon, i

which event the net proceeds of sale together with the net proceeds of any insurance paid to the Board of Directors shall be considered as one fund and shall be divided among all the Owners in the same proportion as their Percentage Interests after first paying out of the share of the Owner of any Unit, to the extent such share is sufficient for the purpose, all liens upon said Unit.

ARTICLE VIII

OPERATION OF THE PROPERTY

8.1. Abatement and Enjoinment of Violation by Unit Owners. The breach of any provision of the Rules or Regulations, these By-Laws or the Declaration shall give the Board of Directors or their authorized agents, the right, in addition to any other rights set forth in these By-Laws; (a) to enter the Unit in which or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof; and the Board of Directors shall not thereby be deemed guilty in any manner of trespass or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

8.2. Access at Reasonable Times. For the purpose solely of performing any of the repairs or maintenance, or inspections for same, required or authorized by these By-Laws, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Association, the Board of Directors the Manager or Managing Agent, through their duly authorized agents or employees shall have the right, after reasonable efforts to give notice to the Unit Owner or occupant or without notice in the event of an emergency, to enter any Unit at any hour considered to be reasonable under the circumstances. In the event the Association, Board of Directors, Manager or Managing Agent maintains or repairs any Unit in accordance herewith, the cost thereof shall constitute a Special Assessment against such Unit.

8.3. Easements for Utilities and Related Purposes. The Association, upon the vote of the Board of Directors, is authorized and empowered to grant (and shall from time to time grant) such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provisions of public utilities to the Condominium as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the Common Elements or for the preservation of the health, safety, convenience and/or welfare of the Owners.

8.4. Maintenance and Repairs.

(a) Units: Except for maintenance requirements herein imposed on the Association, each Owner shall maintain, repair and replace at his own expense, the interior of his Unit and any and all equipment, appliances or fixtures therein situate, in good order, condition and repair, and in clean and sanitary condition, and shall do all redecorating, painting and

the like which may at any time be necessary to maintain the good appearance of his Unit. Each Owner shall be liable for damages, liabilities, costs and expenses, including reasonable attorneys' fees, caused by or arising out of his failure to perform any such maintenance or repair work.

(b) Windows and Doors: Notwithstanding the foregoing subsection 8.4.(a), the Board of Directors may resolve that the exterior surfaces of all windows and/or entry doors of the Units shall be cleaned and maintained as a Common Expense in accordance with a schedule, determined by the Board of Directors.

(c) Common Elements: The cost of all maintenance, repairs and replacements to the Common Elements including the painting and decorating of all exterior surfaces shall be charged by the Board of Directors as a Common Expense to all of the Owners.

(d) Negligence, etc. of Unit Owner. Any expense incurred by the Board of Directors in carrying out its responsibilities under subsections 8.4.(b) or (c) necessitated by the negligence, misuse or neglect of a Unit Owner, to the extent not paid for by insurance, shall be charged to such Unit Owner.

8.5. Additions, Alterations or Improvements by Board of Directors. Whenever, in the judgment of the Board of Directors, the Common Elements shall require additions, alterations or improvements costing in excess of One Thousand Dollars (\$1,000.00), and the making of such additions, alterations or improvements shall have been approved at a meeting by a majority of the Owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess one or more of the Unit Owners for the cost thereof. Any additions, alterations or improvements costing One Thousand Dollars (\$1,000) or less may be made by the Board of Directors without approval of the Unit Owner and the costs thereof shall constitute part of the Common Expense.

8.6. Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any structural addition, alteration, or improvement in or to his Unit, and no Unit Owner shall make any addition, alteration or improvement to the Common Elements, without the prior written consent thereto of the Board of Directors except as provided in Section 8.12. hereof or in Section 4.6 of the Declaration. The Board of Directors shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement.

8.7. Use of Common Elements. A Unit Owner shall not place or cause to be placed on the General Common Elements or Limited Common Elements, any furniture, packages, or objects of any kind.

8.8. Rules of Conduct. Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Directors with the approval of a majority of the Owners. Copies of such Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time when the same shall become effective. Initial Rules and Regulations which shall be effective until amended by the Board of Directors with the approval of a majority of the Unit Owners, are annexed hereto and made a part hereof as "Schedule A".

8.9. Water and Sewer Charges. Water and sewer services shall be supplied to each Unit and to the Common Elements and the Board of Directors shall pay all bills for water and sewer supplied to the Condominium as a Common Expense, unless such services are separately metered for each Unit.

8.10. Electricity. Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Owner shall be required to pay the bills for the electricity consumed or used in his Unit. The electricity and any other utilities that may hereafter be used for or serve the General Common Elements shall be separately metered and the Board of Directors shall pay all bills for such Common Expense.

8.11. Heat. The heat for all of the Units and Common Elements will be furnished from the boilers in the basement of the building. The Association will bill each Unit Owner for its percentage share of the heating bills, which heating bills are a Common Expense.

8.12. Sign Restriction. The following additional provisions and restrictions shall govern the erection of signs:

(a) With respect to the second, third and fourth floors of the building, no signs, placards, displays or lettering of any type shall be permitted.

(b) With respect to the first floor of the building, no promotional or other display of merchandise shall be affixed to windows or doors nor shall they be placed nearer than six (6) inches to the window surface.

(c) The Owner of each Unit on the first floor of the building may erect one sign on the exterior of the Building after five (5) days' prior written notice to the Board of Directors. The notice shall be accompanied by a plan showing the proposed sign and the proposed location thereof. Such sign shall comply with the Sign Regulations of the City of Providence.

(d) The Owner of each Unit used for office purposes may erect one sign in the common hallway near the door to his Unit or in such location as may be approved by the Board of Directors. Such sign shall comply with the Sign Regulations.

(e) The Association may maintain a common directory sign outside the Building and such common directories inside the Building as the Board of Directors deems necessary. The common directories shall include the name of each occupant within the Building. The cost of such signs shall be a Common Expense.

ARTICLE IX

MORTGAGEES

9.1. Record of Mortgagees. The Board of Directors shall keep an accurate record of each mortgagee of a Unit who notifies the Board of Directors in writing that said mortgagee is the holder of a mortgage secured by one or more Units and such records shall contain at least the name and address of the mortgagee, the Unit upon which the lien is secured and the date of receipt of notice of said lien.

9.2. Notice of Unpaid Assessments. The Board of Directors, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid assessments due from, or any other default by, the Owner of the mortgage Unit.

9.3. Notice of Default. The Board of Directors, when giving notice to a Unit Owner of a default in paying Annual Assessments or other default, shall send a copy of such notice to each mortgagee covering such Unit whose name and address has theretofore been furnished to the Board of Directors.

9.4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, provided that reasonable advance notice has been given.

ARTICLE X

SPECIAL PROVISIONS RELATING TO DECLARANT

10.1. Management of Property. Until the Termination of Control Date, subject to the provisions of subsection 3.2., the Declarant may require the Association to appoint Gilbane Properties, Inc. as agent for the Association in the development or management of the Property at a rate of compensation which is competitive within the State of Rhode Island. The compensation or fee shall constitute a Common Expense.

10.2. Payment of Assessments. Until the Termination of Control Date, the Declarant shall not be required to pay any Annual or Special Assessment with respect to any Unit owned by it, which has not been completed; provided, however, the Declarant shall provide such amounts until the Termination of Control Date, as it in its sole discretion may deem necessary, for the efficient operation, management and maintenance of the Property if assessments paid by the Unit Owners are not sufficient for the purpose. The Declarant's obligation hereunder shall not exceed the amount of Common Expenses otherwise attributable to the Units owned by the Declarant.

10.3. Construction and Sale of Units. The Declarant shall have the right to construct the Condominium Project and to maintain an office, post signs and to take such other action on the Property as it may deem desirable in connection with the development, construction and sale of the Property or any part thereof.

ARTICLE XI

COMPLIANCE - SEVERABILITY

These By-Laws are set forth to comply with the requirements of the Act. In case any of the By-Laws conflict with the provisions of the Act, the provisions of the Act shall apply. If any provisions of these By-Laws or any Section, sentence, clause, phrase, or word or the application thereof in any circumstance is held invalid, the validity of the remainder of these By-Laws shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

ARTICLE XII

NO SEVERANCE OF OWNERSHIP

No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more such interests without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant interests of all Units, except insofar as permitted by the Act. The above provisions are subject to Section 7. of the Declaration.

ARTICLE XIII

MISCELLANEOUS

13.1. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

13.2. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, whenever the context so requires.

13.3. Waiver. No restriction, condition, obligation, or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

13.4. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Directors c/o the Managing Agent or if there be

no Managing Agent to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time by notice in writing to all Unit Owners and to all mortgagees of Units. All notices of any Unit Owner shall be sent by regular mail to Unit addresses or such other address as may have been designated by them in writing to the Board of Directors. All notices to mortgagees of Units shall be sent by regular mail to their respective addresses, as designated by them, from time to time, in writing, to the Board of Directors. All notices shall be deemed to have been given when mailed.

ARTICLE XIV

AMENDMENT TO BY-LAWS

14.1. Amendments. Except as otherwise provided in this Article, these By-Laws may be amended either (i) by a vote of two-thirds of the Owners of Units at any annual or special meeting, as evidenced by a certified resolution of such vote executed by the Secretary of such meeting, provided that notice of the proposed amendment shall have been given to each Unit Owner at least fifteen (15) days in advance of such meeting or (ii) pursuant to a written instrument duly executed by the Owners of two-thirds of the Percentage Interests

14.2. Recording. An amendment of these By-Laws shall become effective only when such certified resolution or written instrument referred to in Section 14.1. hereof is recorded in the Land Records of the City of Providence.

14.3. Conflicts. No modification or amendment of these By-Laws may be adopted which shall violate the provisions of the Act. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official By-Laws of the Condominium, and all Owners shall be bound to abide by such modification or amendment.

14.4. Approval of Mortgagees. Any provision in these By-Laws which is stated to be for the benefit of mortgagees may be amended only if the written consent of the mortgagee or mortgagees holding first mortgages on seventy-five (75%) percent or more of the Percentage Interests encumbered by first mortgages is obtained.

14.5. Approval of Declarant. Until the Termination of Control Date, these By-Laws may not be amended without the prior written approval of the Declarant.

SCHEDULE A

HAY BUILDINGS CONDOMINIUM ASSOCIATION, INC.

BY-LAWS

RULES AND REGULATIONS
OF THE
HAY BUILDINGS CONDOMINIUM

1. The Association will place in the main lobby a directory bearing the name of the Unit Owner of each of the Units and the designated office number. Any changes, alterations, or additions, thereto when required, will be made by the Association at the cost of the Unit Owner.
2. No auction sales shall be conducted on or in the Units or on or in the Common Elements and no signs or other method of advertising auction sales shall be exhibited therefrom without the consent of the Association in writing.
3. No storage shall be permitted on or in the Units except for such storage as may be normally required in the conduct of the Unit Owner's business.
4. No Unit Owner shall do or permit anything to be done on or in the Units, or bring, or keep anything therein, which will make void or in any way increase the rate of fire insurance on said Building, or on property kept therein, or which will conflict with laws or ordinance relating to fires or the keeping of inflammable substances or with the regulations of the Providence Fire Department, or with any insurance policy upon said Building or any part thereof, or which will conflict with any of the rules and ordinances of the City of Providence, or of the Board of Health, or of any of the other Departments of said City or State of Rhode Island.
5. Unit Owners, their servants, agents or persons visiting their premises with their consent, shall not make nor permit any improper noises or other nuisance in the Building, or defile the elevators, or other parts or equipment of the Building, or annoy or interfere in any way with other Unit Owners or those having business with them.
6. No animal or animals shall be kept in or about the Units or any other part of the building.
7. No Unit Owner shall use or permit to be used any portion of the Units for the purpose of lodging or sleeping therein.
8. Unit Owners shall not use or keep in the Building any kerosene, gasoline, camphene, burning fluid, or other illuminating or inflammable substances

or materials, except with the written consent of the Association.

9. Unit Owner shall give to the Building Manager prompt written notice of any accident to or defect in water pipes, electric light wires, and in or to any plumbing, heating, lighting, or other fixtures in or about the Units, and of any damage to any part of the Units.

10. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness. He shall not allow anything whatever to fall from the windows or doors of the building, nor shall he sweep or throw from the Unit any dirt or other substance into any of the corridors or halls, elevators, ventilators or elsewhere in the building or upon the gangway. Refuse shall be placed in containers in such manner and at such times and places as the Board of Managers or its agent may direct.

11. The sidewalks, entrances, elevators, vestibules, stairways, corridors, halls, landings and fire exits must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Units in the building.

12. Employees of the Unit Owners may not gather or lounge in the Common Elements of the buildings.

13. Supplies, goods and packages of every kind are to be delivered in such manner as the Board of Directors or its agent may prescribe and the said Board is not responsible for the loss or damage of any such property, notwithstanding such loss or damage that may occur through the carelessness or negligence of the employees of the building.

14. Unit owners shall not cause or permit any disturbing noises or objectionable odors to be produced upon or to emanate from their units. Doors leading to Common Elements shall be kept closed at all times except when in actual use for ingress and egress.

15. Unit owners shall not permit or keep in their Unit any inflammable, combustible or explosive material, chemical or substances, except such products as are required in normal professional use.

16. Water closets and other water apparatus in the building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or other articles be thrown into same. Any damage resulting from misuse of any water closets or other apparatus in a unit shall be repaired and paid for by the owner of such unit.

17. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted, or affixed by any Unit Owner on any part of the outside of the building (including windows), hung from windows or placed on window sills, without the prior written consent of the Board of Directors; provided, however, with respect to the first story of said building, signs permitted under the zoning laws or any other applicable law of the City of Providence shall be allowed.

18. No radio or television aerials or other projections shall be attached to the outside walls of the building, and no blinds, shades or screens shall be

attached to, hung or used on the exterior of any window or door of the Building without the prior written consent of the Board of Directors.

19. Unit Owners, their employees, clients or visitors shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the building.

20. The Board of Directors or its designee shall have the right of access to any unit for the purpose of making inspections, repairs, replacements or improvements, or to remedy certain conditions which would result in damage to other portions of the building. In the event it finds vermin, insects or other pests, it may take such measures as it deems necessary to control or exterminate same.

21. No servants or employees of the Board of Directors or its agent shall be sent out of the building by any Unit Owner at any time for any purpose.

22. Complaints regarding the services of the building shall be made in writing to the Board of Directors or its agent.

23. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Directors.

24. Wherever the context permits use herein of the language "Unit Owner" or "Unit Owners" shall be deemed to include any occupant of a Unit.

25. The Association reserves the right to amend or rescind any of these rules, and to make such other and further rules and regulations as in its judgment may from time to time be needful for the safety, care and cleanliness of the Building, and for the preservation of good order therein, and for the protection of the Association and Unit Owners.

FIRST AMENDMENT TO DECLARATION OF HAY
BUILDINGS CONDOMINIUM

DATED NOVEMBER 1, 1979

WHEREAS, Hay Buildings Associates, a Rhode Island General Partnership, as Declarant, created a condominium entitled HAY BUILDINGS CONDOMINIUM by a Declaration of Condominium ("Declaration") dated November 1, 1979; and

WHEREAS, said Declaration was recorded in the Providence Land Records in Condominium Book 2 at page 1150 on November 5, 1979 at 11:15 a.m.; and

WHEREAS, Paragraph 11.3 of Article XI of the Declaration reserves unto the Unit Owners and Mortgagees or said Units the power to amend the Declaration; and

WHEREAS, all of the Unit Owners and Mortgagees desire to amend said Declaration in order to change the resident agent and the permitted use of certain units.

NOW, THEREFORE, the following provisions of the Declaration are hereby modified and amended as follows:

1. The provisions of Paragraph 4.1 of Article IV of the Declaration are amended and modified by deleting said provisions in their entirety and by substituting therefore the provisions hereinafter set forth:

"4.1 Use, Purposes and Restrictions. Each Unit located on the second, third and fourth floors of the Property will be used exclusively by professional business occupants, including

without limiting the generality of the foregoing, attorneys-at-law, certified public accountants, architects, banking and trust type institutions, insurance agencies, advertising agencies, stock brokerage, real estate and real estate title insurance firms and/or investment firms, or the like. Each Unit (including the upper and lower levels thereof) located on the first floor of the Property will be used exclusively by (a) the aforesaid professional business occupants and (b) retail business establishments which may be permitted or allowed under the provisions of the zoning ordinances of the City of Providence; provided, however, no type of restaurant operation shall be permitted."

2. The provisions of Paragraph 10.1 of Article X of the Declaration are amended and modified by deleting said provisions in their entirety and by substituting therefore the provisions hereinafter set forth:

"10.1 Resident Agent. The Resident Agent for the Condominium and the person authorized to accept service of process as provided by law is John T. Walsh, Jr., whose present post office address is 123 Dyer Street, Providence, Rhode Island 02903. The Board of Directors may from time to time designate a successor Resident Agent and same shall be evidenced by an instrument duly executed by the Secretary of the Association and Recorded."

3. Except as herein and hereby modified and amended, the Declaration shall be and remain in full force and effect.

IN WITNESS WHEREOF, all of the Unit Owners and the mortgagees of said Units, have caused these presents to be executed all as of the ~~27th~~ day of ~~May~~, 1987.

HAY BUILDING ASSOCIATES II

Euido R. Salvadore
Units 1-B (Upper), 1-B (Lower),
1-C, 1-D, 4-A and 4-B
Dated ~~May~~ 1987
August 27

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence ^{EUIDO R. SALVADORE.} on the ~~27th~~ day of ~~May~~, 1987 before me personally appeared ^{AUGUST} general partner of the Hay Building Associates II, to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument by him executed, to be his free act and deed in said capacity and the free act and deed of Hay Building Associates II.

Lawrence P. McLaughlin III
Notary Public

Unit 1-A
Dated May , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of May, 1987 before me personally appeared , to me known and known by me to be the party executing the foregoing instrument, and acknowledged said instrument by executed, to be free act and deed.

Notary Public

Unit 2-A
Dated May , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of May, 1987 before me
personally appeared , to me known and known by me
to be the party executing the foregoing instrument, and
acknowledged said instrument by executed, to be free
act and deed.

Notary Public

Unit 2-B
Dated May , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of May, 1987 before me
personally appeared , to me known and known by me
to be the party executing the foregoing instrument, and
acknowledged said instrument by executed, to be free
act and deed.

Notary Public

Unit 3-A
Dated May , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of May, 1987 before me
personally appeared , to me known and known by me
to be the party executing the foregoing instrument, and
acknowledged said instrument by executed, to be free
act and deed.

Notary Public

Fleet National Bank

By [Signature]
Mortgagee of Units 1-B (Upper),
1-B (Lower), 1-C, 1-D, 4-A and
4-B
Dated ~~May~~ ^{August} , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the 31st day of ~~May~~ ^{August}, 1987 before me
personally appeared Gail Aquinetta, to me known and known by me to
be the party executing the foregoing instrument, and
acknowledged said instrument by executed, to be her free
act and deed.

[Signature]
Notary Public

Unit 3-B
Dated May , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of May, 1987 before me
personally appeared , to me known and known by me to
be the party executing the foregoing instrument, and
acknowledged said instrument by executed, to be free
act and deed.

Notary Public

Mortgagee of Unit 1-A
Dated May , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of May, 1987 before me
personally appeared , to me known and known by me to
be the party executing the foregoing instrument, and
acknowledged said instrument by executed, to be free
act and deed.

Notary Public

Mortgagee of Unit 2-A
Dated September , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of September, 1987 before me personally appeared , to me known and known by me to be the party executing the foregoing instrument, and acknowledged said instrument by executed, to be free act and deed.

Notary Public

Mortgagee of Unit 2-B
Dated September , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of September, 1987 before me personally appeared , to me known and known by me to be the party executing the foregoing instrument, and acknowledged said instrument by executed, to be free act and deed.

Notary Public

Mortgagee of Unit 3-A
Dated September , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of September, 1987 before me personally appeared , to me known and known by me to be the party executing the foregoing instrument, and acknowledged said instrument by executed, to be free act and deed.

Notary Public

Mortgagee of Unit 3-B
Dated May , 1987

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Providence on the day of May, 1987 before me
personally appeared , to me known and known by me to
be the party executing the foregoing instrument, and
acknowledged said instrument by executed, to be free
act and deed.

Notary Public