

BY-LAWS

OF

BAY CLUB
COMMUNITY ASSOCIATION, INC.

BY-LAWS OF BAY CLUB COMMUNITY ASSOCIATION, INC.

TABLE OF CONTENTS

ARTICLE I IDENTITY.....	1
1. Name	1
2. Principal Office	1
3. Adoption.....	1
4. Definitions.....	1
ARTICLE II POWERS AND DUTIES OF THE BCCA AND THE EXERCISE THEREOF.....	1
ARTICLE III MEMBERSHIP	1
1. Membership; Voting	1
2. Multiple Owners.....	2
3. Turnover Date	2
ARTICLE IV MEMBERS' MEETINGS	2
1. Date and Place of Meetings.....	2
2. Annual Meetings	2
3. Special Meetings	3
4. Notice of Meetings	3
5. Quorum	3
6. Adjournment of Meetings.....	3
7. Vote Required	4
8. Proxies.....	4
9. Conduct of Meetings	4
10. Action Without a Meeting.....	4
ARTICLE V BOARD OF DIRECTORS	4
1. Number of Directors.....	4
2. Election or Appointment of Directors	4
3. Designation of Term.....	5
4. Qualifications for Election	5
5. Nomination of Directors.....	6
6. Removal of Directors and Vacancies	6
7. Compensation.....	6
8. Fiduciary Duty.....	6
9. Powers and Duties.....	7
ARTICLE VI MEETINGS OF BOARD OF DIRECTORS.....	8
1. Organizational Meeting.....	8
2. Regular Meetings	8
3. Special Meetings	8
4. Waiver of Notice	9
5. Quorum of Board of Directors and Required Vote	9
6. Conduct of Meetings	9
7. Telephone Meetings	9
8. Action Without a Meeting.....	9
9. The Class "C" Member's Approval Rights	9

ARTICLE VII OFFICERS.....	10
1. Officers.....	10
2. Appointment, Term of Office and Vacancies.....	10
3. Removal	10
4. Resignation.....	10
ARTICLE VIII DUTIES OF OFFICERS	10
1. Chairman	11
2. Vice Chairman.....	11
3. Secretary.....	11
4. Treasurer	11
ARTICLE IX COMMITTEES	12
1. Standing Committees.....	12
2. Ad Hoc Committees	13
3. Powers of Committees.....	13
ARTICLE X DISCIPLINE.....	13
1. Enforcement	13
2. Notice	13
3. Hearing.....	14
4. Additional Enforcement Rights	14
ARTICLE XI FISCAL MANAGEMENT	14
1. Fiscal Year	14
2. Depositories	14
3. Expenses.....	14
4. Reserve Accounts	15
5. Budget	15
6. Fidelity Bonds	15
7. Accounts and Reports.....	15
8. Agreements, Contracts, Deeds, Leases, Checks, Etc.....	16
9. Books and Records.....	16
10. Insurance.....	16
11. Limited Liability and Indemnification	16
ARTICLE XII MISCELLANEOUS	18
1. Parliamentary Rules	18
2. Construction	18
3. Validity.....	18
4. Notices	19
5. Amendments.....	19
6. Dissolution	20

ARTICLE I IDENTITY

1. NAME

The name of the corporation is Bay Club Community Association, Inc. (the "BCCA").

2. PRINCIPAL OFFICE

The initial principal office of the BCCA is at 63 County Road, Mattapoisett, MA 02739.

3. ADOPTION

These By-Laws have been adopted as the By-Laws of the BCCA.

4. DEFINITIONS

Terms used in these By-Laws which are defined in the Declaration of Covenants, Conditions and Restrictions for Bay Club Community (the "Declaration") shall have the same meaning in these By-Laws as in the Declaration.

ARTICLE II POWERS AND DUTIES OF THE BCCA AND THE EXERCISE THEREOF

The BCCA shall have all powers granted to it by Massachusetts law, the Declaration, the Articles of Organization, and these By-Laws. All granted powers shall be exercised by the Board of Directors unless the exercise thereof is otherwise restricted in the Declaration, the Articles, these By-Laws or by applicable law.

ARTICLE III MEMBERSHIP

1. MEMBERSHIP; VOTING

There shall be three classes of membership in the BCCA as follows:

(a) Class "A" Membership. Each Lot, other than Declarant owned Lots, shall have one (1) Class "A" Membership assigned to the Owner(s) of such Lot. Each Class "A" Membership shall entitle the Owner(s) thereof to one (1) vote in any vote of the Class "A" Members.

(b) Class "B" Membership. The Class "B" Member shall be Declarant. The Class "B" Member shall be entitled to five (5) votes for each Lot owned by Declarant. On the Turnover Date, the Class "B" Membership shall terminate, Declarant shall become a Class "A" Member and shall be entitled to one (1) vote for each Lot owned by Declarant.

(c) Class "C" Membership. The Class "C" Member shall be the owner of the Country Club Property. The Class "C" Member shall be entitled to ten (10) votes and, for purposes of assessments, the Country Club Property shall be treated as ten (10) Lots. After the Turnover Date, the Class "C" Member shall be entitled to appoint one (1) member of the Board of Directors as specified herein.

2. MULTIPLE OWNERS

Voting rights may be exercised by a Member or the Member's spouse. In any situation where more than one Person holds an interest in a Lot, the vote for the respective Lot shall be exercised by one of such Persons; provided, however, the Persons holding the interest in the Lot shall notify the Secretary of the BCCA, in writing, prior to or during any meeting of the manner in which the vote for the Lot is to be exercised and, in the absence of such notice, the Lot's vote shall be suspended if more than one Person seeks to exercise it. The voting rights of a Member that is a company or other form of entity shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary.

The BCCA may suspend the voting rights of any Member for nonpayment of Assessments that are delinquent in excess of ninety (90) days.

3. TURNOVER DATE

The Turnover Date shall occur within sixty (60) days of the occurrence of the earliest of the following conditions:

- (a) the sale to Persons other than Declarant of all of the Lots intended to be developed within the Property and the Additional Property; or
- (b) such earlier date, as determined by the Declarant, in its sole and absolute discretion.

ARTICLE IV

MEMBERS' MEETINGS

1. DATE AND PLACE OF MEETINGS

Meetings of the Members shall be held on the date and at such place in Plymouth County, Massachusetts as may be designated by the Board of Directors from time to time.

2. ANNUAL MEETINGS

Each year an annual meeting shall be held for the purpose of receiving reports of officers, committees, and others, to elect members of the Board of Directors and to conduct such other business as may be properly brought before the meeting.

3. SPECIAL MEETINGS

The Chairman of the BCCA may call special meetings of the Members. In addition, it shall be the duty of the Chairman to call a special meeting of the BCCA if so directed by resolution of a majority of a quorum of the Board of Directors or, if after the Turnover Date, upon a petition signed by ten percent (10%) of the total votes of the Members of the BCCA. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

4. NOTICE OF MEETINGS

Written or printed notice stating the time, date, place, and purpose of any meeting of the Members shall be delivered, either personally or by mail, to each Member, not more than fifty (50) nor less than ten (10) days before the date of such meeting, by or at the direction of the Chairman or the Secretary or the officers or persons calling the meeting.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the BCCA.

Waiver of notice of a meeting of the BCCA shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the BCCA, either before or after such meeting. Attendance at a meeting by a Member, either in person or by proxy, shall be deemed a waiver by such Member of notice of the time, date, place, and purpose thereof, unless such Member or his or her proxy, as the case may be, specifically objects to lack of proper notice at the time the meeting is called to order.

5. QUORUM

Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of a majority of the votes eligible to be cast by Members shall constitute a quorum at any meeting of the BCCA.

6. ADJOURNMENT OF MEETINGS

If any meeting of the BCCA cannot be held because a quorum is not present, a majority of the Members entitled to vote who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed in Article IV, Section 4 hereof.

7. VOTE REQUIRED

When a quorum is present at any meeting, a majority of the votes present, whether in person or by proxy, shall decide any question brought before the meeting, unless the Declaration, the Articles of Organization, these By-Laws or any applicable law provides otherwise.

8. PROXIES

Members may vote by proxy. Proxies must be in writing, dated, signed and filed with the Secretary at the time of or before the appointed time of a meeting of the Owners. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his or her Lot, upon receipt by the Secretary of notice of the death or judicially declared incompetence of an Owner, or of written revocation, or upon the expiration of six (6) months from the date of the proxy. The Board of Directors may, from time to time, establish such other or additional requirements for proxies as it shall determine.

9. CONDUCT OF MEETINGS

The Chairman shall preside over all meetings of the BCCA. The Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted and all transactions and proceedings occurring at the meeting.

10. ACTION WITHOUT A MEETING

Any action which may be taken at a meeting of the Members may be taken without a meeting if written consent setting forth the action to be taken is signed by a majority of the Members entitled to vote on the subject matter thereof, unless a greater percentage is otherwise required by these By-Laws.

ARTICLE V

BOARD OF DIRECTORS

1. NUMBER OF DIRECTORS

The governance and administration of the affairs of the BCCA shall be vested in a Board of Directors. The number of directors of the BCCA shall be not less than three (3) nor more than nine (9). The initial Board shall consist of the three (3) persons named in the Articles of Organization.

2. ELECTION OR APPOINTMENT OF DIRECTORS

Prior to the conveyance of twenty-five percent (25%) of the Lots intended to be developed within the Property to Persons other than Declarant, the Class "B" Member shall be entitled to appoint all of the members of the Board of Directors. Not later than sixty (60) days after conveyance of twenty-five (25%) of the Lots intended to be developed within the Property to Persons other than Declarant, the general manager of the Club shall be appointed as a member of the Board and at least one (1) additional member, but not less than twenty-five

percent (25%) of the members of the Board, shall be elected by Class "A" Members. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots intended to be developed within the Property to Persons other than Declarant, not less than thirty-three percent (33%) of the members of the Board shall be elected by the Class "A" Members. After the Turnover Date, the Class "A" Members shall elect all of the members of the Board of Directors, except for one (1) member of the Board who shall be the general manager of the Club and one (1) member of the Board who shall be appointed by the Class "C" Member. Subsequent to the Turnover Date, each Class "A" Member shall be entitled to cast one (1) vote for each director to be elected.

Immediately prior to the Turnover Date, Declarant shall call a special meeting of the Members at which the following shall occur:

- (a) all of the Declarant appointed directors shall resign;
- (b) the Class "A" Members shall elect the number of directors necessary to replace the resigned Declarant appointed directors except for one (1) member of the Board, the general manager of the Club and one (1) member of the Board who shall be appointed by the Class "C" Member;
- (c) the general manager of the Club shall remain on the Board;
- (d) the Class "C" Member shall appoint one (1) member of the Board; and
- (e) the Class "B" Membership shall terminate and be converted to a Class "A" Membership. On and after the Turnover Date, Declarant shall be considered a Member entitled to one (1) vote for each Lot owned by Declarant as a Class "A" Member. The Declarant may, in its sole and absolute discretion, permit the Members to elect directors earlier than the conditions set forth above.

3. DESIGNATION OF TERM

Immediately prior to the Turnover Date, the Class "A" Members shall elect the number of directors required to replace the Declarant appointed directors, pursuant to paragraph 2 above. Three (3) of the Class "A" Member elected directors shall be designated to serve on the Board of Directors commencing on the Turnover Date for three (3) years; two (2) shall be designated to serve on the Board of Directors commencing on the Turnover Date for two (2) years; and two (2) shall be designated to serve on the Board of Directors commencing on the Turnover Date for a term of one (1) year. Each year after the Turnover Date, the Class "A" Members will elect the number of directors necessary to replace the directors whose terms have expired. The newly elected directors will serve for a term of three (3) years. Directors shall be elected by a plurality of the votes cast, such that those candidates receiving the largest number of votes shall be elected. In the case of a tie vote, the winner shall be determined by a run-off election between the candidates who are tied. Cumulative voting is not permitted.

4. QUALIFICATIONS FOR ELECTION

Except with respect to directors appointed by Declarant, the Class "C" Member and the general manager of the Club, all directors shall be Members of the BCCA.

5. NOMINATION OF DIRECTORS

Immediately prior to any election by the Members, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and at least three (3) Members of the BCCA who may also be members of the existing Board of Directors. The Nominating Committee shall be appointed by the Board of Directors not less than ninety (90) days prior to each annual meeting of the Members. The members of the Nominating Committee serve for a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it, in its sole discretion, determines appropriate, but in no event less than the number of positions to be filled. At least sixty (60) days prior to the annual meeting, the Nominating Committee shall recommend the names of Members selected by a majority vote of the Nominating Committee to be submitted to the Members for election to the Board of Directors.

6. REMOVAL OF DIRECTORS AND VACANCIES

Any director who is appointed by Declarant, the Class "C" Member or the general manager of the Club may be removed, with or without cause, only by Declarant or the Class "C" Member, as the case may be. Any director elected by the Class "A" Members at large may be removed, with or without cause, by the vote of the Class "A" Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be appointed by Declarant or the Class "C" Member, or elected by the Class "A" Members, as the case may be, to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three (3) consecutive unexcused absences from Board meetings, as determined by the Board, or who is delinquent in the payment of any Assessment or other charges due the BCCA for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the remaining directors. In the event of the death, disability, removal, or resignation of a director, the members of the Board may elect a successor to fill the vacancy for the remainder of the term of such director.

7. COMPENSATION

No director shall receive a salary or any other compensation whatsoever from the BCCA for acting as such, but shall be entitled to be reimbursed for expenses reasonably incurred on behalf of the BCCA.

8. FIDUCIARY DUTY

The directors shall act in good faith in a manner they reasonably believe to be in the best interests of the development of the Bay Club at Mattapoisett residential community (the "Community") and the goals of the BCCA.

9. POWERS AND DUTIES

The Board of Directors shall be responsible for the affairs of the BCCA and shall have all of the powers and duties necessary for the administration of the BCCA's affairs and as provided by law may do all acts other than those acts which may be done and exercised exclusively by the Members. In addition to the duties imposed by these By-Laws or by any resolution of the BCCA that may hereafter be adopted, the Board shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;
- (b) making assessments to defray the Common Expenses and other assessments authorized by the Declaration, establishing the means and methods of collecting such assessments, and establishing the period of payment for assessments;
- (c) providing for the operation, repair, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the BCCA as determined by the Board, including maintenance or provision of services which are generally provided by a municipality, such as maintenance of grassed or landscaped areas along dedicated rights-of-way, maintenance of community signage and lighting, garbage pick-up and maintenance of roadways within the Community;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the BCCA and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the BCCA;
- (f) making and amending use restrictions, Rules and Regulations, and Design Guidelines;
- (g) opening of bank accounts on behalf of the BCCA and designating the signatories required;
- (h) enforcing by legal means the provisions of the Documents and Design Guidelines and any amendments adopted pursuant to any of the foregoing, and bringing any proceedings which may be instituted on behalf of or against the Owners, their respective invitees or licensees concerning the BCCA;
- (i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (j) providing services to all areas for which the BCCA is obligated to provide services;

(k) paying the cost of all services, if any, rendered to the BCCA or its Members which are not directly chargeable to Owners of particular Lots;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the BCCA and its administration, and specifying the maintenance and repair expenses and any other expenses incurred;

(m) depositing BCCA funds into interest bearing accounts; and

(n) contracting with any Person for the performance of various duties and functions.

The Board shall have the power to enter into common management agreements and other agreements with trusts, condominium associations, Declarant and such other Persons as it determines appropriate from time to time. Any and all functions of the BCCA shall be fully transferable by the Board, in whole or in part, to any other entity. To the extent permitted by law, the Board shall have the power to delegate its functions to designees of the Board, such as, without limitation, a management agent, committees established by the Board, and employees and independent contractors of the BCCA.

ARTICLE VI **MEETINGS OF BOARD OF DIRECTORS**

1. ORGANIZATIONAL MEETING

The organizational meeting of the first elected Board of Directors shall be held within ten (10) days after the annual meeting of the Members at which the Directors were elected at such time and place as shall be fixed by the Board of Directors.

2. REGULAR MEETINGS

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, commencing with the Turnover Date. At least four (4) regular meetings shall be held during each fiscal year with at least one (1) meeting per quarter; provided, however, that the annual meeting shall constitute a regular meeting. Notice of the time and place of any meeting, other than an annual meeting, shall be communicated to the directors not less than ten (10) days prior to the meeting.

3. SPECIAL MEETINGS

Special meetings of the Board of Directors shall be held when called by written notice signed by the Chairman or by any five (5) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by personal delivery, first class mail or telephone at least ten (10) days prior to the date of the meeting, unless the special business is of a nature which, in the Chairman's discretion, requires more immediate action, and then a minimum of twenty-four (24) hours' notice shall be deemed sufficient.

4. WAIVER OF NOTICE

Any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as when taken at a meeting duly held after regular call and notice if (a) a quorum is present and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

5. QUORUM OF BOARD OF DIRECTORS AND REQUIRED VOTE

At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors except as otherwise provided in the Declaration, the Articles of Organization or these By-Laws. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used for the election of officers.

6. CONDUCT OF MEETINGS

The Chairman shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

7. TELEPHONE MEETINGS

Any regular or special meeting of the Board of Directors may be held by telephone conference, at which each participating director can hear and be heard by all other participating directors.

8. ACTION WITHOUT A MEETING

Any action to be taken at a meeting of the directors or any action that may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

9. THE CLASS "C" MEMBER'S APPROVAL RIGHTS

The Class "C" Member shall have the right to disapprove actions of the Board and any committees which in its reasonable judgment materially and adversely affect the use of the Club, the Country Club Property or its rights or obligations under this Declaration. This right

may be exercised by the Class "C" Member at any time within ten (10) days after the Class "C" Member's receipt of the notice of such proposed action.

ARTICLE VII OFFICERS

1. OFFICERS

The officers of the BCCA shall be a Chairman, Vice Chairman, Secretary, and Treasurer to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of Chairman and Secretary or Chairman and Treasurer may not be held by the same person.

2. APPOINTMENT, TERM OF OFFICE AND VACANCIES

The officers of the BCCA shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors during a fiscal year. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

3. REMOVAL

Any officer may be removed by a majority vote of the Board of Directors in the sole discretion of the Board and the removal of a director who is also an officer shall automatically act as a removal from such director's position as an officer.

4. RESIGNATION

Any officer may resign at any time by giving written notice to the Board of Directors, the Chairman or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified in the notice and unless otherwise specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

ARTICLE VIII DUTIES OF OFFICERS

The officers of the BCCA shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as are from time to time specifically conferred or imposed by the Board of Directors.

1. CHAIRMAN

The Chairman (who may also be the President) shall be the chief executive officer of the BCCA and shall:

- (a) act as presiding officer at all meetings of the Members and the Board of Directors;
- (b) call special meetings of the Members and the Board of Directors;
- (c) sign, with the Secretary or Treasurer if the Board of Directors so requires, all checks, contracts, promissory notes, leases, subleases and other instruments on behalf of the BCCA, except those which the Board of Directors specifies may be signed by other persons;
- (d) perform all acts and duties usually required of a chief executive to ensure that all orders and resolutions of the Board of Directors are carried out; and
- (e) act as an ex-officio member of all committees and render an annual report at the annual meeting of Members.

2. VICE CHAIRMAN

The Vice Chairman (who may also be the Vice President, if any), in the absence or disability of the Chairman, shall exercise the powers and perform the duties of the Chairman. The Vice Chairman also shall assist the Chairman generally, and exercise other powers and perform other duties as shall be prescribed by the directors.

3. SECRETARY

The Secretary (who may also be the Clerk) shall have the following duties and responsibilities:

- (a) attend all regular and special meetings of the Members and the Board of Directors and keep all records and minutes of proceedings thereof or cause the same to be done;
- (b) have custody of the corporate seal, if any, and affix the same when necessary or required;
- (c) attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings and keep membership books; and
- (d) have custody of the minute book of the meetings of the Board of Directors and the meetings of the Members and act as agent for the transfer of the corporate books.

4. TREASURER

The Treasurer shall:

(a) receive monies as shall be paid into his or her hands for the account of the BCCA and disburse funds as may be ordered by the Board of Directors, taking proper vouchers for disbursements and be custodian of all contracts, leases and other important documents of the BCCA which he or she shall keep safely deposited;

(b) supervise the keeping of accounts of all financial transactions of the BCCA in books belonging to the BCCA and deliver the books to his or her successor;

(c) prepare and distribute to all of the members of the Board of Directors prior to each annual meeting, and whenever else required, a summary of the financial transactions and condition of the BCCA from the preceding year;

(d) make a full and accurate report on matters and business pertaining to his or her office to the Members at the annual meeting and make all reports required by law; and

(e) act as the chairman of the Finance Committee.

The Treasurer may have the assistance of an accountant or auditor who shall be employed by the BCCA. In the event the BCCA enters into a management agreement, it shall be proper to delegate any or all of the Treasurer's functions to the management agent as is deemed appropriate by the Board of Directors.

ARTICLE IX COMMITTEES

1. STANDING COMMITTEES

Each year after the Turnover Date, the Chairman, subject to the approval of the Board of Directors, shall designate the chairman (who shall be a director) and members of each of the following committees:

(a) Grounds Committee. The Grounds Committee shall advise the Board of Directors on matters concerning maintenance of Common Area. No live trees shall be moved from Common Area nor shall any alteration or improvement be made to Common Area except with the approval of the Board of Directors and in accordance with the Declaration.

(b) Finance Committee. The Finance Committee shall in general supervise, direct and control all matters pertaining to BCCA finances including, but not limited to, the placing of insurance, the filing of tax returns, the payment of taxes, the preparation of the annual operating budget for approval by the Board of Directors, preparation of current reports for the Board of Directors and the BCCA's financial condition and the issuance to Members of a condensed quarterly operating statement. The Finance Committee shall have the power, with the approval of the Board of Directors, to direct the BCCA to employ at the expense of the BCCA, such clerical aid and assistance as may be necessary to handle the accounts.

(c) Newsletter Committee. The Newsletter Committee shall supervise and control the preparation of a newsletter for distribution to all Members.

(d) Legal and By-Laws Committee. The Legal and By-Laws Committee shall be charged with the publication and interpretation of the rules and regulations, these By-Laws, and the Declaration and, in general, with all matters of a legal nature pertaining to the BCCA.

2. AD HOC COMMITTEES

The Chairman, subject to the approval of the Board of Directors, may from time to time, appoint such ad hoc committees with such powers and composition as the Chairman, with the approval of the Board of Directors, shall determine.

3. POWERS OF COMMITTEES

The several committees shall act only as committees and the individual members thereof shall have no power or authority to act on behalf of the Board or the BCCA.

ARTICLE X

DISCIPLINE

1. ENFORCEMENT

The Board of Directors shall have the power to impose reasonable fines which shall constitute an automatic and continuing lien upon a Lot of the violating Owner, to suspend an Owner's right to use the Common Area, and to preclude contractors, subcontractors, agents and other invitees of an Owner or occupant from the Community for violation of any duty imposed under the Declaration, the Rules and Regulations or these By-Laws; provided, however, that nothing herein shall authorize the BCCA or the Board of Directors to limit an Owner's or occupant's ingress and egress to or from a Lot. In the event that any occupant of a Lot violates the Declaration or these By-Laws, and a fine is imposed, the fine shall first be assessed against the occupant residing therein; provided, however, that if the fine is not paid by the occupant within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the BCCA. The failure of the Board of Directors to enforce any provision of the Declaration, the Rules and Regulations or By-Laws shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

2. NOTICE

Prior to imposition of any sanction hereunder for any reason other than nonpayment of assessments or other charges, the Board of Directors or its delegate shall serve the parties involved with written notice describing (a) the nature of the alleged violation; (b) the proposed sanction to be imposed; (c) a period of not less than ten (10) days within which the alleged violator may present a written request to the Board of Directors for a hearing; and (d) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge has been requested within ten (10) days of the service of the written notice. Service of the written notice shall be deemed to have occurred when deposited with U.S. mail or other recognized commercial carrier and addressed to the parties involved at the address provided by such parties and on file with the BCCA.

3. HEARING

If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in executive session of the Board of Directors at the next regularly scheduled meeting or at a Special Meeting affording the parties involved with a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall also be deemed satisfied if the parties involved appear at the meeting. The committee shall decide by majority vote whether or not the proposed fine or suspension shall be imposed. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Any suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions by any Person.

4. ADDITIONAL ENFORCEMENT RIGHTS

Notwithstanding anything to the contrary herein contained, the BCCA may elect to enforce any provisions of the Declaration, the Rules and Regulations or these By-Laws by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

ARTICLE XI

FISCAL MANAGEMENT

1. FISCAL YEAR

The fiscal year of the BCCA shall commence upon the first (1st) day of January and conclude on the thirty-first (31st) day of December.

2. DEPOSITORYES

The funds of the BCCA shall be deposited in such accounts as may be selected by the Board of Directors, including checking and savings accounts in one (1) or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market accounts with an investment firm or firms, all in accordance with resolutions approved by the Board of Directors. The funds shall be used only for lawful purposes of the BCCA.

3. EXPENSES

The receipts and expenditures of the BCCA may be credited and charged to accounts as the Board of Directors may determine, in accordance with good accounting practices as set forth in Article XI, Section 7, below.

4. RESERVE ACCOUNTS

The BCCA shall establish and maintain an adequate reserve account for the periodic construction, maintenance, repair and replacement of Common Area.

5. BUDGET

The Board of Directors shall adopt a budget for each fiscal year that shall reflect the estimated revenues and expenses of the BCCA for that year; the estimated surplus or deficit as of the end of the current year; and the estimated funds to maintain the accounts established by the Board of Directors (including a capital replacement reserve) in accordance with good accounting practices, as set forth in Article XI, Section 7, below.

6. FIDELITY BONDS

The BCCA shall, if reasonably available, purchase blanket fidelity bonds for all directors, officers and employees of the BCCA and for any management agent who controls or disburses funds of the BCCA and any contractor handling or responsible for BCCA funds. The following provisions shall govern the BCCA's purchase of the bonds:

- (a) Each fidelity bond purchased by the BCCA shall name the BCCA as an obligee of the bond;
- (b) The premiums for bonds shall be paid by the BCCA;
- (c) The fidelity bonds shall be in the amount determined from time to time by the Board of Directors; and
- (d) Each bond shall include a provision requiring ten (10) days' written notice to the BCCA before the bond can be canceled or substantially modified for any reason.

7. ACCOUNTS AND REPORTS

The following standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting (exclusive of depreciation and amortization), as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the BCCA shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by any officer, director or employee of the BCCA from vendors, independent contractors, or others providing goods or services to the BCCA, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the BCCA;

(e) any financial or other interest which any officer, director or employee of the BCCA may have in any firm providing goods or services to the BCCA shall be disclosed promptly to the Board of Directors; and

(f) an annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year.

8. AGREEMENTS, CONTRACTS, DEEDS, LEASES, CHECKS, ETC.

All agreements, contracts, deeds, leases, checks, and other instruments of the BCCA shall be executed by the Chairman and Secretary or by such other members of the Board or officers of the BCCA as may be designated by resolution of the Board of Directors.

9. BOOKS AND RECORDS

The Declaration, Articles of Organization, By-Laws, membership register, books of account and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any mortgagee, Owner or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as an Owner, at the office of the BCCA. Such records shall include a record of receipts and expenditures and accounts for each Owner, which accounts shall designate the names and addresses of the Owners, the due dates and amount of each Assessment, the amounts paid upon the account and the balance due. Accounts of Owners shall only be available for inspection by the Board, the officers and the Owner or such Owner's mortgagee. Minutes of grievance hearings will not be released to any person other than the person subject to the disciplinary action. Books and records of the BCCA may be kept at the BCCA office at the Property or off-site at the office designated by Declarant.

The Board shall establish reasonable rules with respect to: (1) notice to be given to the custodian of the records; (2) hours and days of the week when an inspection may be made; and (3) payment of the cost of reproducing copies of documents requested.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the BCCA and the physical properties owned or controlled by the BCCA. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the BCCA.

10. INSURANCE

The BCCA shall procure, maintain and keep in full force and effect insurance as may be required by the Declaration to protect the interests of the BCCA and the Owners.

11. LIMITED LIABILITY AND INDEMNIFICATION

(a) No officer or director shall be personally liable to the BCCA or its members for monetary damages for breach of fiduciary duty as an officer or director notwithstanding any provision of law imposing such liability; provided, however, that to the extent provided by

applicable law, this provision shall not eliminate the liability of an officer or director (i) for any breach of the officer's or director's duty of loyalty to the BCCA or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the officer or director derived an improper personal benefit. This provision shall not eliminate the liability of an officer or director for any act or omission occurring prior to the date upon which this provision becomes effective. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any officer or director for or with respect to any acts or omissions of such officer or director occurring prior to such amendment or repeal.

(b) The BCCA shall, to the maximum extent permitted from time to time under the law of The Commonwealth of Massachusetts, indemnify any person against all liabilities and expenses, including amounts paid in satisfaction of judgments, in settlement or as fines and penalties, and counsel fees, reasonably incurred by such person in connection with the defense or disposition of any action, suit or other proceeding, whether civil, criminal, administrative or investigative, in which such person may be involved or with which such person may be threatened, by reason of the fact that such person is or was or has agreed to be a director or officer of the BCCA or while a director or officer is or was serving at the request of the BCCA as a director, officer, partner, trustee, employee or agent of another organization or in any capacity with respect to any employee benefit plan. Such indemnification shall be provided although the person to be indemnified is not currently a director, officer, partner, trustee, employee or agent of the BCCA or such other organization or no longer serves with respect to any such employee benefit plan.

(c) No indemnification shall be provided for any person with respect to any matter as to which said person shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his/her action was in the best interest of the BCCA or to the extent that such matter relates to service with respect to an employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan.

(d) Notwithstanding the foregoing, no indemnification shall be provided with respect to any matter disposed of by settlement, consent decree or other negotiated disposition unless: (i) such indemnification shall have been approved at any annual or special meeting of the voting members by a majority of the votes cast on the question exclusive of any votes cast by an interested director or officer; or (ii) such indemnification and such settlement, decree or disposition shall have been approved as being in the best interest of the BCCA or organization or plan or participants served, as the case may be, after notice that it involves such indemnification, by a majority of the disinterested directors (or, if applicable, the sole disinterested director) then in office (whether or not constituting a quorum); or (iii) if no directors are disinterested, a written opinion, reasonably satisfactory to the BCCA, of independent legal counsel selected by the BCCA shall have been furnished to the BCCA that (a) such indemnification and such settlement, decree or disposition are in the best interest of the BCCA or organization or plan or participants served, as the case may be, and (b) if adjudicated, such indemnification would not be found to have been prohibited by law.

(e) Expenses reasonably incurred in the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the BCCA in advance of the final disposition thereof upon receipt of an undertaking by the person so indemnified to repay to the

BCCA the amounts so paid if it is ultimately determined that indemnification for such expenses is not authorized under this Article.

(f) Such undertaking may be accepted without reference to the financial ability of such person to make repayment.

(g) The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any person may be entitled. As used in this Article XI, section 11, the term "person" includes the heirs, executors, administrators and personal representatives of any person, an "interested" director or officer is one against whom in such capacity the proceeding in question or another proceeding on the same or similar grounds is then pending or threatened, and a "disinterested director" is any director who is not an interested director. The absence of any express provision for indemnification shall not limit any right of indemnification existing independently of this Article.

(h) The BCCA shall have power to purchase and maintain insurance on behalf of any person who is or was a director or officer of the BCCA, or is or was serving at the request of the BCCA as a director, officer, partner, trustee, employee or agent of another BCCA or in any capacity with respect to any employee benefit plan, against any liability incurred by said person in such capacity or arising out of his/her status as such, whether or not the BCCA would have the power to indemnify such person against such liability.

(i) Any repeal or modification of the foregoing provisions of this Article shall not adversely affect any right or protection of a director or officer of the BCCA with respect to any acts or omission of such director or officer occurring prior to such repeal or modification.

ARTICLE XII MISCELLANEOUS

1. PARLIAMENTARY RULES

Robert's Rules of Order (then current edition) shall govern the conduct of BCCA proceedings when not in conflict with applicable law, the Declaration, the Articles of Organization, or these By-Laws.

2. CONSTRUCTION

If there are conflicts between the provisions of Massachusetts law, the Declaration, the Articles of Organization, and/or these By-Laws, the provisions of Massachusetts law, the Declaration, the Articles of Organization, and these By-Laws (in that order) shall prevail.

3. VALIDITY

If any By-Law or rule or regulation is adjudicated to be invalid, such fact shall not affect the validity of any other By-Law or rule or regulation.

4. NOTICES

Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first-class, postage prepaid: (a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of the Member; or (b) if to the BCCA or the Board of Directors, then at the principal office of the BCCA or at such other address as shall be designated by the BCCA or the Board of Directors in writing and given to the Owners or Members in accordance with this Section.

5. AMENDMENTS

Until the Turnover Date, Declarant may amend these By-Laws in its sole and absolute discretion. After the Turnover Date, Declarant may amend these By-Laws at any time and from time to time, in its sole and absolute discretion, if such amendment is (a) necessary to bring any provisions hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on a Lot; (c) required by an institutional lender or a government mortgage agency or purchaser of mortgage loans to enable the same to make, insure or purchase mortgage loans on a Lot; (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on a Lot subject to the Declaration; or (e) correct any stenographic, scrivener's or surveyor's error or any error of a like nature; provided, however, any such amendment shall not adversely affect the title to a Lot, unless the Owner thereof shall consent thereto in writing.

After the Turnover Date and so long as it still owns any part of the Property or the Additional Property (as described in the Declaration) for development, Declarant may amend these By-Laws in its sole and absolute discretion for any other purpose; provided, however, that such amendment shall not materially and adversely affect the rights of any Owner of a Lot without the approval of such Owner.

After the Turnover Date, (a) any non-Declarant initiated amendment, or (b) any Declarant initiated amendment which has a materially adverse effect upon the rights of an Owner of a Lot, shall require the affirmative vote (in person or by proxy) or the written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total votes in the BCCA (other than Declarant), and the consent of Declarant, so long as Declarant owns any portion of the Property or the Additional Property. However, the percentage of votes necessary to amend a specific clause shall be not less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "C" Member without the written consent of Declarant or the Class "C" Member as the case may be.

6. DISSOLUTION

In addition to any other statutory requirements, in the event of the dissolution of the BCCA, notice of such dissolution shall be given to the Massachusetts Department of Environmental Protection or its successor agency.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am duly elected and acting Secretary of Bay Club Community Association, Inc., a Massachusetts not-for-profit corporation;

That the foregoing By-Laws constitute the original By-Laws of said BCCA, as duly adopted at a meeting of the Board of Directors thereof held on the _____ day of _____, 200___.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the corporate seal this _____ day of _____, 20___.

Secretary

(Seal)