

BY-LAWS

HIDDEN COVE PROPERTY OWNERS ASSOCIATION, INC.

Section 1. NAME, PURPOSES, LOCATION, CORPORATE SEAL AND FISCAL YEAR

1.1 Name and Purposes. The name and purposes of the corporation shall be as set forth in the articles of organization.

1.2 Location. The principal office of the corporation in the Commonwealth of Massachusetts shall initially be located at the place set forth in the articles of organization of the corporation. The trustees may change the location of the principal office in the Commonwealth of Massachusetts effective upon filing a certificate with the Secretary of the Commonwealth.

1.3 Corporate Seal. The trustees may adopt and alter the seal of the corporation.

1.4 Fiscal Year. The fiscal year of the corporation shall, unless otherwise decided by the trustees, end on December 31 in each year.

Section 2. DEFINITIONS

2.1 "Declaration" shall mean the "Master Declaration of Hidden Cove in Oak Bluffs, Dukes County, Massachusetts, Reservations and Restrictions" dated March 20, 1980, by Peter Van Rosbeck, to be registered in the Dukes County Registry District of the Land Court.

2.2 "Residence Lot" shall have the meaning set forth in Section 2.01A of the said Declaration.

2.3 "Declarant" shall mean Peter Van Rosbeck.

Section 3. MEMBERSHIPS AND REPRESENTATIONS

3.1 Qualifications. The owner or owners from time to time of each Residence Lot shall be members of the corporation, and one membership in the corporation shall be appurtenant to each Residence Lot. The membership in the corporation appurtenant to each Residence Lot shall be vested in the Declarant until the execution and delivery of a deed by which such Residence Lot is sold by Declarant, whereupon such membership shall vest in the purchaser under such deed. Upon each subsequent sale of such Residence Lot the membership in the corporation appurtenant thereto shall be transferred to and vest in the purchase simultaneously with the closing of such sale.

3.2 Voting. Each membership in the corporation shall be entitled to one vote, regardless of the number of owners of the Residence Lot to which such membership appertains and regardless of the number of Residence Lots which may be owned by the same person or persons, provided, however, that:

A. Each membership in the corporation shall be held and exercised as a unit and shall not be divided among several owners of the Residence Lot to which such membership appertains. With respect to the membership in the corporation appurtenant to each Residence Lot, the person (hereinafter in these By-Laws referred to as the "Representative") to receive notice of and vote at meetings of the members of the corporation or to execute written consents of the members without meeting, and to exercise the other rights and privileges of membership in the corporation, shall be determined as follows:

1. in the event the Residence Lot to which such membership appertains is owned of record by one person, the Representative shall be that person:

2. in the event the Residence Lot to which such membership appertains is owned of record by more than one person, whether jointly, in common, by the entirety, or otherwise, the Representative shall be (a) that one of such record owners as shall be designated from time to time in writing, executed by all of such record owners and filed with the Secretary of the corporation, or (b) in the absence of any such designation, that one of such record owners as the Secretary may designate.

B. From and after (1) the expiration of three (3) years after the date of execution and delivery of the first Purchase and Sale Agreement by which a Residence Lot is sold by the Declarant, or (2) the date on which thirty (30%) percent of all the Residence Lots have been sold by the Declarant, whichever of said (1) or (2) shall first occur, the total number of votes appurtenant to Residence Lots which the Declarant shall have, regardless of how many Residence Lots the Declarant then and thereafter owns, shall be limited to one (1) less than the number of votes to which memberships appurtenant to Residence Lots owned by persons other than the Declarant are entitled.

3.3 Powers and Rights. In addition to the right to elect trustees as provided in Section 4.1 and such other powers and rights as are vested in them by law, the articles of organization or these by-laws, the members, acting through the Representatives, shall have such other powers and rights as the trustees may designate.

3.4 Annual Meeting. The annual meeting of the members shall be held on the 4th Saturday of May in each year at the hour fixed by the Trustees or the President and stated in the notice of the meeting. The purposes for which the annual meeting is to be held, in addition to those prescribed by law, by the Articles of Organization or by these By-laws, may be specified by the Trustees or the President. If no annual meeting is held in accordance with the foregoing provisions, a special meeting may be held in lieu thereof, and any action taken at such meeting shall have the same effect as if taken at the annual meeting.

3.5 Special Meetings. Special meetings of the members may be called by the President, the Secretary or by the Trustees, and shall be called by the Secretary or in case of the death, absence, incapacity or refusal of the Secretary, by any other officer, upon written application of Representatives having not less than 5 votes. No call of a special meeting of the members shall be required if such notice of the meeting shall have been waived in writing (including a telegram) by every Representative entitled to notice thereof, or by his attorney thereunto authorized.

3.6 Place of Meetings. All meetings of members shall be held at the principal office of the corporation unless a different place (within the United States) is fixed by the Trustees or the President and stated in the notice of the meeting.

3.7 Notices. Notice of all meetings of members may be given as follows, to wit:-- A written notice, stating the place, day and hour thereof, may be given by the Secretary (or the person or persons calling the meeting), at least seven days before the meeting, to each Representative entitled to vote thereat. Such notice may be left with him or at his residence or usual place of business, or by mailing it, postage prepaid, and addressed to such Representative at his address as it appears upon the books of the corporation (which shall be the Residence Lot to which the membership of such Representative appertains unless another address is designated by such Representative in writing and filed with the Secretary). Such notice, if the meeting is called otherwise than by the Secretary, may be a copy of the call of the meeting; and if the meeting is not otherwise called, such notice given by the Secretary shall constitute a call of the meeting by him. Notices of all meetings of members shall state the purposes for which the meetings are called. No notice need be given to any Representative if a written waiver of notice, executed before or after the meeting by the Representative or his attorney thereunto authorized, is filed with the records of the meeting. Notice given by the method described in this Section 3.7 shall be deemed reasonable and sufficient notice.

3.8 Quorum. At any meeting of members a quorum for the transaction of business shall consist of Representatives, present in person or by proxy, having a total number of votes equal to a majority of the aggregate number of votes to which all the memberships in the corporation are then entitled, provided that less than such quorum shall have power to adjourn the meeting from time to time.

3.9 Proxies. Representatives may vote either in person or by written proxy dated not more than six months before the meeting named therein. Proxies shall be filed with the Secretary before being voted at any meeting or any adjournment thereof. Except as otherwise limited therein, proxies shall entitle the persons named therein to vote at the meeting specified therein and at any adjourned session of such meeting but shall not be valid after final adjournment of the meeting.

3.10 Action at Meeting. Action of the members on any matter properly brought before a meeting shall require, and may be effected by, the affirmative vote of the Representatives having a total number of votes equal to a majority of the votes properly cast by Representatives present in person or by proxy provided that such majority shall be at least a majority of the number of votes required to constitute a quorum for action on such matter except where a different vote is required by law, the Articles of Organization or these By-laws. Any election by members shall be determined by a plurality of the votes cast by the Representatives entitled to vote at the election. No ballot shall be required for such election unless requested by a Representative present or represented at the meeting and entitled to vote in the election.

3.11 Special Action. Any action to be taken by members may be taken without a meeting if all Representatives with respect to all memberships consent to the action by a writing filed with the records of the meetings of the members. Such consent shall be treated for all purposes as a vote at meeting.

Section 4. BOARD OF TRUSTEES

4.1 Number and Election. The members annually at their annual meeting shall fix the number of Trustees and shall elect the number of Trustees so fixed. At any special or regular meeting, the members may increase the number of Trustees and elect new Trustees to complete the number so fixed; or they may decrease the number of Trustees, but only to eliminate vacancies existing by reason of the death, resignation, removal or disqualification of one or more Trustees. A Trustee must be a Representative.

4.2 Tenure. Each Trustee shall hold office until the next annual meeting of members and until his successor is elected and qualified, or until he sooner dies, resigns, is removed or becomes disqualified.

4.3 Powers. The affairs of the corporation shall be managed by the Trustees who shall have and may exercise all the powers of the corporation, except those powers reserved to the members by law, the Articles of Organization, the Declaration or these By-laws.

4.4 Committees.

(a) The Trustees may elect or appoint from their number one or more committees and may delegate to any such committee or committees any or all of their powers. Unless the Trustees otherwise designate, committees shall conduct their affairs in the same manner as is provided in these by-laws for the Trustees. The members of any committee shall remain in office at the pleasure of the Trustees.

(b) The Trustees shall appoint the successors to the initial members of the Approval Committee and shall have the right to remove members of such committee as provided in Article III of the Declaration.

4.5 Suspension or Removal. A Trustee may be suspended or removed with or without cause by the affirmative vote of Representatives having a majority of the total number of votes to which all the memberships in the corporation are then entitled. The Trustees shall not have the power to remove any Trustees, with or without cause.

4.6 Resignation. A Trustee may resign by delivering his written resignation to the President, Treasurer or Secretary of the corporation, to a meeting of the Representatives or Trustees or to the corporation at its principal office. Such resignation shall be effective upon receipt (unless specified to be effective at some other time) and acceptance thereof shall not be necessary to make it effective unless it so states.

4.7 Vacancies. Any vacancy in the Board of Trustees, except a vacancy resulting from enlargement which may be filled only by the members, may be filled by the members or Trustees. Each successor shall hold office for the unexpired term or until he sooner dies, resigns, is removed or becomes disqualified. The Trustees shall have and may exercise all their powers notwithstanding the existence of one or more vacancies in their number.

4.8 Regular Meetings. Regular meetings of the Trustees may be held at such places and at such times as the Trustees may determine.

4.9 Special Meetings. Special meetings of the Trustees may be held at any time and at any place when called by the Chairman of the Board of Trustees (or if there be no such chairman, the president) or by two or more Trustees.

4.10 Call and Notice.

a. Regular Meetings. No call or notice shall be required for regular meetings of Trustees, provided that reasonable notice (i) of the first regular meeting following the determination by the Trustees who were not present at the meeting at which such determination was made, (ii) specifying the purpose of any regular meeting at which interested persons or amendments to these by-laws are to be considered shall be given to each Trustee, and (iii) shall be given as otherwise required by law, the Articles of Organization or these By-laws.

b. Special Meetings. Reasonable notice of the time and place of special meetings of the Trustees shall be given to each Trustee. Such notice need not specify the purposes of a meeting, unless otherwise required by law, the Articles of Organization or these By-laws or unless there is to be considered at the meeting (i) contracts or transactions of the corporation with interested persons, or (ii) amendments to these by-laws.

c. Reasonable and Sufficient Notice. Except as otherwise expressly provided, it shall be reasonable and sufficient notice to a Trustee to send notice by mail at least forty-eight hours or by telegram at least twenty-four hours before the meeting addressed to him at his usual or last known business or residence address or to give notice to him in person or by telephone at least twenty-four hours before the meeting. The above does not preclude the giving of notice in any other way reasonably suited to provide reasonable and sufficient notice of the meeting.

d. Waiver of Notice. Whenever notice of a meeting is required, such notice need not be given to any Trustee if a written waiver of notice, executed by him (or his attorney, thereunto authorized) before or after the meeting, is filed with the records of the meeting, or to any Trustee who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. A waiver of notice need not specify the purposes of the meeting unless such purposes were required to be specified in the notice of such meeting.

4.11 Quorum. At any meeting of the Trustees, a majority of the Trustees then in office shall constitute a quorum. Any meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

4.12 Action by Vote. When a quorum is present at any meeting, a majority of the Trustees present and voting shall decide any question, including election of officers, unless otherwise provided by law, the Articles of Organization, or these By-laws.

4.13 Action by Writing. Any action required or permitted to be taken at any meeting of the Trustees may be taken without meeting, if all the Trustees consent to the action in writing and the written consents are filed with the records of the meeting of the Trustees. Such consents shall be treated for all purposes as a vote of a meeting of the Board.

Section 5. OFFICERS

5.1 Enumeration. The officers of the corporation shall be a President, a Treasurer, a Secretary and such Vice Presidents, Assistant Secretaries and other officers as may from time to time be determined by the Trustees. The Board may appoint one of its members to the office of Chairman of the Board and from time to time define the powers and duties of that office notwithstanding any other provisions of these By-laws.

5.2 Election and Vacancies. The President, Treasurer and Secretary shall be elected annually by the Trustees at their first meeting following the annual meeting of the members, or the special meeting held in lieu thereof. Other officers may be chosen by the Trustees at such meeting or at any other meeting. Any vacancy at any time existing in any office may be filled by the Trustees at any meeting.

5.3 Qualification. The President may, but need not be a Trustee, but all officers must be Representatives. Any two or more offices may be held by the same person, provided that the President and Secretary shall not be the same person.

5.4 Tenure. Except as otherwise provided by law, by the Articles of Organization or by these By-laws, the President, Treasurer and Secretary shall hold office until the first meeting of the Trustees following the next annual meeting of the members or the special meeting held in lieu thereof, and thereafter until his successor is chosen and qualified. Other officers shall hold office until the first meeting of the Trustees following the next annual meeting of members, or the special meeting held in lieu thereof, unless a shorter term is specified in the vote choosing or appoint them. Any officer may resign by delivering his written resignation to the corporation or at its principal office or to the President or Secretary, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

5.5 Removal. The Trustees may suspend or remove any officer with or without cause by a vote of a majority of the entire number of Trustees then in office, at a special meeting called for such purpose, provided, that an officer may be suspended or removed for cause only after reasonable notice and opportunity to be heard by the Board of Trustees prior to action thereon.

5.6 President. The President when present shall preside at all meetings of the members and, if no chairman of the Board of Trustees is elected, all meetings of the Trustees. He shall be the chief executive officer of the corporation except as the Board of Trustees may otherwise provide. It shall be his duty and he shall have the power to see that all orders and resolutions of the Trustees are carried into effect. He shall from time to time report to the Trustees all matters within his knowledge which the interests of the corporation may require to be brought to its notice. The President shall perform such duties and have such powers additional to the foregoing as the Trustees shall designate.

5.7 Vice President. In the absence or disability of the President, his powers and duties shall be performed by the Vice President, if only one, or, if more than one, by the one designated for the purpose by the Trustees. Each Vice President shall have such other powers and perform such other duties as the Trustees shall from time to time designate.

5.8 Treasurer. The Treasurer shall, subject to the direction of the Trustees, have general charge of the financial affairs of the corporation and shall cause to be kept accurate books of account. He shall have custody of all funds, securities, and valuable documents of the corporation, except as the Trustees may otherwise provide. He shall promptly render to the President and to the Trustees such statements of his transactions and accounts as the President and Directors respectively may from time to time require. The Treasurer shall perform such duties and have such powers additional to the foregoing as the Trustees may designate.

5.9 Secretary. The Secretary shall record in books kept for the purpose all votes and proceedings of the members and Trustees. The Secretary shall have custody and care of the original or attested copies of the Declaration, the Articles of Organization and the By-laws, and shall also keep a record of the names and addresses of all the Representatives and Trustees. All such records, minutes, documents, and such list of names and addresses of Representatives and Trustees shall be kept in the Commonwealth, and shall be open at all reasonable times to the inspection of any Representative. The Secretary shall perform such duties and have such powers additional to the foregoing as the Trustees shall designate.

In the absence of the Secretary from any meeting of the members or the Trustees, the Assistant, if one is elected, or, if there be more than one, the one designated for the purpose by the Representatives or Trustees, otherwise a Temporary Secretary designated by the person presiding at the meeting, shall perform the duties of the Secretary. Each Assistant Secretary shall have such other powers and perform such other duties as the Trustees may from time to time designate.

5.10 Any officer may resign by delivering his written resignation to the President, Treasurer or Secretary of the corporation, to a meeting of the members or Trustees or to the principal office of the corporation. Unless the resignation specifies otherwise, the resignation shall be effective upon receipt and need not be accepted in order to be effective.

Section 6. EXECUTION OF PAPERS

Except as the Trustees may generally or in particular cases authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts and other obligations made, accepted or endorsed by the corporation shall be signed by the President or by the Treasurer.

Section 7. PERSONAL LIABILITY

The members, Representatives, Trustees and officers of the corporation shall not be personally liable for any debt, liability or obligation of the corporation. All persons, corporations or other entities extending credit to, contracting with, or having any claim against, the corporation, may look only to the funds and property of the corporation for the payment of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may otherwise become due or payable to them from the corporation.

Section 8. AMENDMENTS

These By-laws may be altered, amended or repealed in whole or in part by vote of a majority of the Trustees then in office, except with respect to any provision thereof which by law, the Articles or Organization or these By-laws requires action by the members. Not later than the time of giving notice of the meeting of members next following the making, amending, or repealing by the Trustees of any By-laws, notice thereof stating the substance of such change shall be given to all Representatives. The members may alter, amend or repeal any by-laws adopted by the Trustees or otherwise and may also adopt, alter, amend, or repeal any provision which by law, the Articles or Organization or these by-laws requires action by the members, or which the members may otherwise choose to alter, amend, adopt, or revoke. Notwithstanding the foregoing, however, these by-laws may not be altered or amended in such a way as to cause them to be inconsistent with the Declaration.