



Bk: 39093 Pg: 369

Recorded: 05/07/2003

Document: 00000937 Page: 1 of 40

40

**PARK STREET LOFTS CONDOMINIUM
DECLARATION OF TRUST**

MSD 05/07/03 11:31:57 937 225.00

PARK STREET LOFTS CONDOMINIUM TRUST

DECLARATION OF TRUST

Index

Page

	DECLARATION OF TRUST	
ARTICLE I	INTRODUCTION	
Section 1.1	Name of Trust	
Section 1.2	Development in Phases	
ARTICLE II THE TRUST AND ITS PURPOSES		
Section 2.1	Unit Owners' Organization	
Section 2.2	No Partnership	
ARTICLE III	THE TRUSTEES	
Section 3.1	Number of Trustees	
Section 3.1.1	Trustees' Term in Office	
Section 3.1.2	Vacancies	
Section 3.2	Trustee Action	
Section 3.3	Resignation and Removal	
Section 3.4	Bond or Surety	
Section 3.5	Compensation of Trustees	
Section 3.6	No Personal Liability	
Section 3.7	Trustees May Deal with the Condominium	
Section 3.8	Indemnity of Trustees	
ARTICLE IV	THE BENEFICIARIES	
Section 4.1	The Beneficiaries and Their Beneficial Interest	
Section 4.	Each Unit to Vote by One Person	
ARTICLE V	THE BY-LAWS	
Section 5.1	Powers of the Trustees	
Section 5.2	Maintenance and Repair of Units	
Section 5.3	Maintenance, Repair and Replacement or Common Areas and Facilities	
Section 5.3.1	No Work Shall Jeopardize Building	

Section 5.3.2	Creation of Duplex Units; Exclusive Use of Common Areas
Section 5.3.3	Architectural Review
Section 5.4	Common Expense Funds
Section 5.4.1	Liability for Common Expenses
Section 5.4.2	Assessments of Common Expenses
Section 5.4.3	Trustees Must Authorize Tax Abatement Applications
Section 5.4.4	Default in Payment of Common Expenses; Foreclosure of Liens for Unpaid Expenses
Section 5.4.5	Application of Common Funds
Section 5.4.6	Acquisition of Units by Trustees
Section 5.5	Rebuilding and Restoration After Casualty
Section 5.5.1	Casualty Loss
Section 5.5.2	Proposed Improvements
Section 5.5.3	Arbitration of Disputed Trustee Action
Section 5.5.4	Condemnation
Section 5.6	Rules and Regulations
Section 5.7	Managing Agent
Section 5.8	Insurance
Section 5.8.1	Coverages
Section 5.8.2	Payment to Trustees in Case of Loss
Section 5.8.3	Other Provisions of Insurance Policies
Section 5.8.4	Unit Owners Insurance and Responsibility for Increase in Premiums of Master Policy
Section 5.8.5	Notice to Trustees of Unit Owners Improvements.
Section 5.8.6	insurance a Common Expense
Section 5.9	Meetings
Section 5.9.1	Meetings of Trustees
Section 5.9.1.1	Trustees' Votes
Section 5.9.2	Meetings of Unit Owners
Section 5.9.3	Quorum of Unit Owners
Section 5.10	Trustees' Records of Unit Owners and Unit Mortgagees Deemed Conclusive
Section 5.10.1	Notices to Unit Owners
Section 5.11	Inspection of Books
Section 5.12	Checks, Notes, Drafts and Other Instruments
Section 5.13	Fiscal Year
Section 5.14.	Mortgages
Section 5.14.1	Notice to Trustees
Section 5.14.2	Notice of Default
Section 5.14.3	Examination of Books

Section 5.15

Enforcement

ARTICLE VI

RIGHTS AND OBLIGATIONS OF THIRD
PARTIES DEALING WITH THE TRUSTEES

Section 6.1
Section 6.2
Section 6.3
Section 6.4
Section 6.5
Section 6.6

Reliance on identity of Trustees
No Personal Liability In Trustees
All Obligations Subject to This Trust
Further Matters of Reliance
Statement of Common Expenses
Federal Home Loan Mortgage Corporation and Federal
National Mortgage Association
Compliance

ARTICLE VII

AMENDMENTS AND TERMINATION

Section 7.1
Section 7.2
Section 7.3

Amendments
Termination
Disposition of Trust Property Upon
Termination

ARTICLE VIII

MISCELLANEOUS

Section 8.1
Section 8.2
Section 8.3

Construction
Waiver
Partial Invalidity

SIGNATURES

RULES AND REGULATIONS

R-1

PARK STREET LOFTS CONDOMINIUM TRUST

DECLARATION OF TRUST

DECLARATION OF TRUST made this _____ day of _____, 2003 by Alex M. Steinbergh. of Cambridge, Massachusetts, and R. Stanley Bowden, of Cambridge, Massachusetts (hereinafter called the "Trustees", which term and any pronoun referring thereto shall be deemed to include their successors in trust hereunder and to mean the Trustee or the Trustees for the time being hereunder wherever the context so-permits) and to be recorded with the Middlesex County Registry of Deeds (the "Registry of Deeds").

ARTICLE I

INTRODUCTION

Section 1.1 Name of Trust. The Trust hereby created shall be known as the PARK STREET LOFTS CONDOMINIUM TRUST, and under that name, so far as legal, convenient and practicable, shall all business carried on by the Trustees be conducted and shall all instruments in writing by the Trustees be executed.

ARTICLE II

THE TRUST AND ITS PURPOSES

Section 2.1 Unit Owners' Organization. All of the rights and powers in and with respect to the common areas and facilities of the Condominium which are by virtue of Massachusetts General Laws, Chapter 183A ("Chapter 183 A"), conferred upon or exercisable by the organization of Unit Owners of said Condominium (the "Unit Owners"), and all property, real and personal, tangible and intangible, conveyed to the Trustees hereunder shall vest in the Trustees as joint tenants with rights of survivorship as Trustees of this Trust, in trust, to exercise, manage, administer and dispose (except for common areas and facilities) of the same and to receive the income thereof for the benefit of the owners of record from time to time of the Units of the Condominium (hereinafter referred to as the beneficial interest) set forth in Article IV hereof and in accordance with the provisions of section 10 of Chapter 183A for the purposes therein set forth.

Section 2.2 No Partnership. It is hereby declared that a trust and not a partnership has been created and that the Unit Owners are beneficiaries, and not partners or associates nor in any other relation whatever between themselves with respect to the Trust property, and hold no relation to the Trustees other than that of beneficiaries, with only such rights as are conferred upon them as such beneficiaries hereunder and under and pursuant to the provisions of Chapter 183A.

ARTICLE III

THE TRUSTEES

Section 3.1 Number of Trustees: Declarant's Right to Designate Trustees. Except as expressly set forth herein, there shall be at all times three (3) to five (5) Trustees; provided however, that until Park Street Lofts Trust, Declarant of the Condominium, or any successor to the Declarant's interest in the Condominium (the "Declarant"), (a) has conveyed nineteen (19) units, or (b) three (3) years after the date of recording the first Unit Deed of the Condominium, whichever first occurs ("initial Period"), the number of Trustees shall be two (2), consisting of Alex M. Steinbergh and R. Stanley Bowden, the original Trustees named herein (the "Initial Trustees", which expression shall include their successors designated by the Declarant). During the Initial Period, the Declarant shall be entitled to designate, remove and re-designate the Trustees and no Trustee designated by the Declarant need be a Unit Owner. Notwithstanding anything to the contrary in this Trust, during the Initial Period, any vacancy resulting from expiration of the term, resignation, removal or death of a Trustee designated by the Declarant may be filled by an instrument executed by the Declarant and recorded with the Registry of Deeds stating the new Trustee's name and business address so designated, and containing the Trustee's acceptance of designation duly acknowledged. The Declarant's rights under this Section 3.1 shall inure to the benefit of any successor to the Declarant's interest in the Condominium.

Section 3.1.1 Trustees' Term in Office. After the Initial Period, the terms of office of the Initial Trustees shall be deemed ended, but, they shall not expire until successor Trustees are elected at the next annual meeting of the Unit Owners (or special meeting in lieu thereof in the manner hereinafter set forth. Thereafter, the terms of office of the Trustees shall, except as hereinafter provided, be three (3) years (a term shall commence at the annual meeting of Unit Owners (or special meeting in lieu thereof) at which the Trustee was appointed and end at the annual meeting (or special meeting in lieu thereof) at which such Trustee's successor is due to be appointed), and such terms shall be staggered so that the term of one of the Trustees shall expire each year; provided that, in order to establish and maintain such staggering of terms, the terms of the persons first appointed as Trustees after the expiration of the terms of office of the initial Trustees shall be one (1) year, two (2) years and (3) years, respectively, determined by lot. Notwithstanding anything herein to the contrary, the term of any Trustee appointed to fill a vacancy in an unexpired term shall end when his or her predecessor's term would, but for the vacancy, have ended.

Whenever a Trustee's term expires (but in no other circumstance), provided that a successor Trustee has been appointed by the Unit Owners as required under this Trust to fill the vacancy, the Trustee whose term is ending shall continue to exercise and discharge all

of the rights and powers of a Trustee until the instrument of the successor's appointment and acceptance is recorded with the Registry of Deeds as provided in Section 3.1.2.

Section 3.1.2 Vacancies: Appointment and Acceptance of Successor Trustees.

Subject to the rights of the Declarant recited in Section 3.1 concerning the filling of

vacancies during the time the Declarant is entitled to designate Trustees, if and whenever any Trustee's term is to expire or for any other reason, including, without limitation, removal, resignation or death of a Trustee, the number of Trustees shall be less than three (3), a vacancy or vacancies shall be deemed to exist. Each vacancy may be filled at any time by an instrument in writing which sets forth (i) the name and address of a natural person being appointed as a Trustee, (ii) the certification of any five Unit Owners that the Unit Owners have appointed such person by vote of not less than fifty-one percent (51%) of the beneficial interest hereunder, and (iii) the acceptance of such appointment signed and acknowledged by the person appointed. If the Unit Owners have not voted to make such appointment within thirty (30) days after the vacancy or vacancies first existed, then such vacancy or vacancies may be filled by vote of the remaining Trustee(s) for a term ending at the next annual meeting of the Unit Owners (or special meeting in lieu thereof by an instrument in writing which sets forth (a) the Trustee(s)' appointment of a natural person to act as Trustee signed by a majority of the Trustees then in office (or by the sole Trustee if there be only one then in office) and (b) the acceptance of such appointment signed and acknowledged by the person appointed. Any vacancy which shall continue for more than sixty (60) days may also be filled by appointment by any court of competent jurisdiction upon the application of one or more Unit Owner(s) or Trustees after notice to all Unit Owners and Trustees and to such other parties in interest, if any, to whom the court may direct that notice be given.

Appointments of Trustees shall be effective immediately upon recording with the Registry of Deeds the instrument of appointment and acceptance and such person shall then become a Trustee and shall be vested with the title to the trust property jointly with the other Trustee then in office without the necessity of any act of transfer or conveyance.

The foregoing provisions of this Section notwithstanding, despite any vacancy in the office of Trustee, however caused and for whatever duration, the remaining Trustee(s) shall continue to exercise and discharge all of the powers, discretions and duties hereby conferred or imposed upon the Trustees.

Section 3.2 Trustee Action. In any matter relating to the administration of the trust hereunder and the exercise of the powers hereby conferred, the Trustees shall act by majority vote at any duly called meeting at which a quorum, as defined in Section 5.9.1, is present. The Trustees may act without a meeting in any case by unanimous written consent and in cases requiring, in the sole judgment of a majority of the Trustees, response to an emergency, by majority written consent.

Section 3.3 Resignation and Removal. Any Trustee may resign at any time by instrument in writing signed and duly acknowledged by that Trustee. Resignations shall take effect upon the recording of such instrument with the Registry of Deeds. Any Trustee, except for a Trustee designated by the Declarant during the initial Period, may be removed with or without cause by vote of Unit Owners entitled to seventy-five percent (75%) of the beneficial interest hereunder. The vacancy resulting from such removal shall be filled in the manner provided in Section 3.1.2. Any removal shall become effective upon the recording with the Registry of Deeds of a certificate of removal signed by a majority of the remaining Trustees in office, or by five Unit Owners, who certify under oath that the Unit Owners have voted such removal in accordance with the requirements of this Section 3.3. The Declarant may remove, with or without cause, any Trustee, which the Declarant is entitled to designate, and to appoint a successor as provided in Section 3.1 hereof.

Section 3.4 Bond or Surety. Except as may be required under Section 5.8.1, no Trustee, whether an original or successor Trustee, shall be required to provide security for the performance of any of his or her duties hereunder, provided, however, that Unit Owners entitled to a majority of the beneficial interest of this Trust may at any time by instrument in writing signed by them and delivered to the Trustee or Trustees affected require that any one or more of the Trustees shall give bond in such amount and with such sureties as shall be specified in such instrument. All expenses incident to any such bond shall be charged as a common expense of the Condominium.

Section 3.5 Compensation of Trustees. With the approval of Unit Owners holding no less than fifty-one percent (51%) of the beneficial interest in this Trust, each Trustee may receive such reasonable remuneration for his services and also additional reasonable remuneration for extraordinary or unusual services, legal or otherwise rendered by him or her in connection with the trust hereof, all as shall be from time to time fixed and determined by such Unit Owners, and such remuneration shall be a common expense of the Condominium. No compensation to Trustees may be voted for during the Initial Period or while the Declarant owns more than fifty percent (50%) of the beneficial interest of this Trust.

Section 3.6 No Personal Liability. No Trustee shall under any circumstances or in any event be held liable or accountable out of his personal assets or be deprived of compensation by reason of any action taken, suffered or omitted in good faith or be so liable, accountable or deprived by reason of honest errors of judgment or mistakes of fact or law or by reason of the existence of any personal or adverse interest or by reason of negligence or any other reason except his own personal and willful dishonesty, malfeasance and defaults or gross negligence. Actions taken (1) by a successor Trustee after appointment by the Unit Owners and prior to recording of the written instrument recorded under Section 3.1.2 and (2) by the outgoing Trustee after filing of said instrument, in both cases in the good faith belief that such person holds the rights and powers of a Trustee, shall not create any liability for such person beyond that which he or she would have had as a Trustee.

Section 3.7 Trustees May Deal with the Condominium. No Trustee shall be disqualified by his office from contracting or dealing with the Trustees or with one or more Unit Owners (whether directly or indirectly because of his interest individually or the Trustees' interest or any Unit Owners interest in any corporation, firm, trust or other organization connected with such contract or dealing or because of any other reason) as vendor, purchaser or otherwise, nor shall any such dealing, contract or arrangement entered into in respect of this Trust in which any Trustee shall be interested in any way be avoided, nor shall any Trustee so dealing or contracting or being so interested be liable to account for any profit realized by any such dealing, contract or arrangement by reason of such Trustee's holding office or of the fiduciary relation hereby established, provided the Trustee shall act in good faith and shall disclose the nature of his interest before entering into the dealing, contract or arrangement.

Section 3.8 Indemnity of Trustees. Each Trustee and, to the extent stated in Section 3.6, any outgoing and successor Trustee as to actions taken as a Trustee before the person became entitled or after the person ceased to be entitled to exercise the rights and powers of a Trustee, shall be entitled to indemnity both out of the Trust property and by the Unit Owners against any

liability incurred by them or any of them in the execution hereof and performance of their obligations hereunder, including without limiting the generality of the foregoing, liabilities in contract and in tort and liabilities for damages, penalties and fines; and, acting by majority, the Trustees may purchase such insurance against such liability as they shall determine is reasonable and necessary, the cost of such insurance to be a common expense of the Condominium. Each Unit Owner shall be personally liable for all sums lawfully assessed for his share of the common expenses of the Condominium and for his proportionate share of any claims involving the Trust property in excess thereof, all as provided in Sections 6 and 13 of Chapter 1 83A. Nothing in this paragraph shall be deemed to limit in any respect the powers granted to the Trustees in this Declaration of Trust.

ARTICLE IV

THE BENEFICIARIES

Section 4.1 The Beneficiaries and Their Beneficial Interest. The beneficiaries of this Trust shall be the Unit Owners of the Condominium from time to time. The beneficial interest in this Trust shall be divided among the Unit Owners in the percentage of undivided beneficial interest appertaining to the Units of the Condominium stated in the Master Deed of the Condominium as it may be amended from time to time.

Section 4.2 Each Unit to Vote by One Person: Proxies. The beneficial interest of each Unit of the Condominium shall be held and exercised as a Unit and shall not be divided among the several owners of any such Unit. To that end, whenever any Unit is owned of record by more than one person, the several owners of such Unit shall (a) determine and designate which one of such owners shall be authorized and entitled to cast votes, execute instruments and otherwise exercise the rights appertaining to such Unit under this Trust and (b) notify the Trustees of such designation by a notice in writing signed by all of the record owners of such Unit. Any such designation shall take effect upon receipt by the Trustees and may be changed at any time and from time to time by notice as aforesaid. In the absence of any such notice of designation, the Trustees may, by notice to both or all record owners of a Unit, designate any one of such owners for such purposes.

All rights of a Unit Owner under this Trust may be exercised by written proxy. The Trustees shall make any necessary determinations in their sole discretion as to the validity of proxies.

ARTICLE V

THE BY-LAWS

The provisions of this Article V shall constitute the By-laws of this Trust and the organization of Unit Owners established hereby, and shall be applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the buildings and all other improvements thereon including the units and common areas and facilities, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of

Chapter 183A. The provisions of these by-laws shall automatically become applicable to property which may be added to the Condominium upon the recording of an amendment to the Master Deed submitting such additional property to the provisions of Chapter 1 83A.

All present and future owners, mortgagees, lessees, and occupants of units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to this Trust and these by-laws, the Master Deed, the rules and regulations and all covenants, agreements, restrictions, conditions, easements, reservations and declarations of record ("Title Conditions"). The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that this Trust, these by-laws, the provisions of the Master Deed, as they may be amended from time to time, and the Title Conditions are accepted, ratified, and will be complied with.

Section 5.1 Powers of the Trustees. The Trustees shall have all the powers, duties, and functions necessary for the administration of the affairs of the Condominium and may do and perform in relation thereto all such acts and things except such as, by virtue of the provisions of Chapter 1 83A, the Master Deed of said Condominium or these by-laws, may not be delegated by the Unit Owners to the Trustees. The powers, functions and duties of the Trustees shall include, but shall not be limited to, the following:

- (a) operation, maintenance, cleaning and care of the common areas and facilities;
- (b) determination of the common expenses required for the affairs of the Condominium, including without limitation, the operation and maintenance of the Property, and preparation of budgets therefor;
- (c) assessment and collection of the common charges from the Unit Owners;
- (d) employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the common areas and facilities;
- (e) promulgation of rules and regulations relating to the use and the operation of the Condominium property;
- (f) opening of bank accounts on behalf of the association and designation of the signatories required therefor;
- (g) leasing, managing, and otherwise dealing with such community facilities as are provided for in the Master Deed of the Condominium as being common areas and facilities;
- (h) owning, conveying, encumbering, leasing, and otherwise dealing with units of the Condominium acquired by the Trustees pursuant to provisions of Chapter 1 83A, said Master Deed or these by-laws;
- (i) obtaining of insurance for the Condominium property pursuant to the provisions hereof;
- (j) making of repairs, additions, and improvements to, or alteration of, the Condominium

property and repairs to and restoration of the property pursuant to and in accordance with the provisions of Chapter 183A, the Master Deed or these by-laws;

- (k) management of the finances of the association including allocation of income and expenses;
- (l) enforcement of obligations of Unit Owners pursuant to and in accordance with provisions of Chapter 183A, this Trust, the Master Deed and these bylaws, including, without limitation, the power to seek equitable relief or damages for failure to comply with said obligations, the power to impose charges or to charge interest for the late payment of common expense assessments or other charges, and to levy reasonable fines, and other charges against the Unit Owner or persons for whom a Unit Owner is responsible, for violations of the Master Deed, Trust, by-laws, restrictions, rules or regulations of the Trust;
- (m) allocation of use of parking spaces (including Garage Parking Spaces as such term is defined in the Master Deed) except as to which easements for exclusive use have been retained by the Declarant, or granted to a Unit owner or others pursuant to the provisions of the Master Deed, and other non-exclusive portions of the common areas and facilities and, if permitted by the Master Deed and these by-laws, the collection of special charges therefor which shall be common funds of the Condominium;
- (n) making arrangements for the furnishing of utility services to the Condominium property, including the granting of licenses and easements required in connection therewith; and
- (o) all such other powers, functions, and duties as are reasonably required by or implicit in the foregoing, including, but not limited to, the following:
 - (i) to retain the Trust property, or any part or parts thereof, in the same form or forms of investment in which received or acquired by them so far and so long as they shall think fit, without liability for any loss resulting therefrom;
 - (ii) to sell, assign, convey, transfer (except for common areas and facilities), exchange and otherwise deal with or dispose of the Trust property, but not the whole thereof, free and discharged of any and all trusts, at public or private sale, to any person or persons for cash or on credit, and in such manner and on such restrictions, stipulations, agreements and reservations as they shall deem proper, including the power to take back mortgages to secure the whole or any part of the purchase price of any of the Trust property sold or transferred by them, and execute and deliver any deed or other instrument in connection with the foregoing;
 - (iii) to purchase or otherwise acquire title to, and rent, lease or hire from others for terms which may extend beyond the termination of this Trust any property or right to property, real or personal, and own, manage, use and hold such property and such rights;
 - (iv) to borrow or in any other manner raise such sum or sums of money or other property as they shall deem advisable in any manner and on any terms, and evidence the same by notes, bonds, securities or other evidences of indebtedness, which may mature at a time or

times, even beyond the possible duration of this Trust, and execute and deliver any mortgage, pledge or other instrument to secure any such borrowing;

(v) to enter into any arrangement for the use or occupation of the Trust property, or any part or parts thereof, including, without thereby limiting the generality of the foregoing, leases, subleases, easements, licenses or concessions upon such terms and conditions and with such stipulations and agreements as they shall deem desirable, even if the same extend beyond the possible duration of this Trust;

(vi) to invest and reinvest the Trust property, or any part or parts thereof, and from time to time, as often as they shall see fit, change investments, including investments in all types of securities and other property, of whatsoever nature and however denominated, all to such extent as to them shall seem proper, and without liability for loss even though such property or such investments shall be of a character or in an amount not customarily considered proper for the investment of trust funds or which does not or may not produce income;

(vii) to incur such liabilities, obligations and expenses and pay from the principal or the income of the Trust property in their hands all such sums as they shall deem necessary or proper for the furtherance of the purposes of this Trust;

(viii) to determine whether receipt by them constitutes principal or income or surplus and allocate between principal and income and designate as capital or surplus any of the funds of the Trust;

(ix) to vote in such manner as they shall think fit any or all shares in any corporation or trust which shall be held as Trust property, and for that purpose give proxies to any person, persons or to one or more of their number, to vote, waive any notice or otherwise act in respect of any such shares;

(x) to deposit any funds of the Trust in any bank or trust company, and delegate to any one or more of their number, or to any other person or persons, the power to deposit, withdraw and draw checks on any funds of the Trust;

(xi) to engage in such litigation in the name of and on behalf of the Trust as they deem necessary and proper to further the purposes of this Trust;

(xii) to maintain such offices and other places of business as they shall deem necessary or proper and engage in business in Massachusetts or elsewhere;

(xiii) to employ, appoint and remove such agents, managers, officers, board of managers, brokers, engineers, architects, employees, servants, assistants and counsel (which counsel may be a firm of which one or more of the Trustees are members) as they shall deem proper for the purchase, sale or management of the Trust property, or any part or parts thereof, or for conducting the business of the Trust, and may define their respective duties and fix and pay their compensation, and the Trustees shall not be answerable for the acts and defaults of any such person. The Trustees may delegate to any such agent, manager, officer, board, broker, engineer, architect, employee, servant, assistant or counsel any or all of their powers (including discretionary powers, except that the power to join in amending, altering, adding to, terminating

or changing this Declaration of Trust and the Trust hereby created shall not be delegated) all for such times and purposes as they shall deem proper. Without hereby limiting the generality of the foregoing, the Trustees may designate from their number a Chairman, a Treasurer, a Secretary, and such other officers as they deem fit, and may from time to time designate one or more of their own number to be the managing Trustee or managing Trustees for the management and administration of the Trust property and the business of the Trust, or any part or parts thereof;

(xiv) generally, in all matters not herein otherwise specified, to control and do each and every thing necessary, suitable, convenient, or proper for the accomplishment of any of the purposes of the Trust or incidental to the powers herein or in Chapter 1 83A, manage and dispose of the Trust property (except for common areas and facilities) as if the Trustees were the absolute owners thereof, and to do any and all acts, including the execution of any instruments, which by their performance thereof shall be shown to be in their judgment for the best interest of the Unit Owners.

Section 5.2 Maintenance and Repair of Units. The Unit Owners shall be responsible for the proper maintenance and repair of their respective Units and the maintenance, repair and replacement of utility fixtures therein serving only the same, including without limitation (and except as stated in the Master Deed to be part of the common areas and facilities of the Condominium), interior finish walls, ceilings, and floors; windows and window trim; doors, door frames and interior door trim; plumbing and sanitary waste fixtures and fixtures for water and other utilities; electrical fixtures and outlets; and all wires, pipes, vents, drains and conduits for water, sewerage, electrical power and light, telephone and any other utility services which are contained in and serve only such Unit. If the Trustees shall at any time in their reasonable judgment determine that the interior of any Unit is in such need of maintenance or repair that the market value or reasonable enjoyment of one or more other Units is being adversely affected or that the condition of a Unit or fixtures, furnishing, facility or equipment therein is hazardous to any Unit or the occupants, the Trustees shall in writing request the Unit Owner to perform the needed maintenance, repair or replacement or to correct the hazardous condition, and in case such work shall not have been commenced within fifteen (15) days (or such reasonable short period in case of emergency as the Trustees shall determine) of such request and thereafter diligently brought to completion, the Trustees shall be entitled to have the work performed for the account of the owner(s) of such Unit and to enter upon and have access to such Unit for that purpose. The reasonable cost of such work shall constitute a lien upon such Unit and the owner(s) of such Unit shall be personally liable therefor and such lien shall have the same priority as a lien under Section 5.4.2 hereof.

Section 5.3 Maintenance, Repair and Replacement of Common Areas and Facilities:
Trustee Access to Units. The Trustees shall be responsible for the proper maintenance, repair and replacement of the common areas and facilities of the Condominium except as otherwise provided herein or in the Master Deed. The aforesaid work of maintenance, repair and replacement may be done through the managing agent, if any, as hereinafter provided, and any two Trustees (or one if there be only one in office). The managing agent or any others who may be so designated by a majority of the Trustees may approve payment of vouchers for such work. The expenses of such maintenance, repair and replacement shall be assessed to the Unit Owners as common expenses of the Condominium at such times, in such proportions, and in such amounts as provided in the Master Deed and in Section 5.4 hereof, except to the extent that the same are necessitated by the negligence, misuse, abuse or neglect of a Unit Owner, his or her

agents, or invitees, in which event such expense shall be charged to such Unit Owner individually and the Unit Owner shall be personally liable therefor. The Trustees' decision that work on the common areas and facilities is in maintenance, repair or replacement, and not improvement, thereof, shall be conclusive and binding on all Unit Owners unless shown to have been made in bad faith.

The Trustees and their agents shall have access to each Unit from time to time during reasonable hours for the maintenance, repair or replacement of any of the common areas and facilities therein or accessible therefrom or for making emergency repairs therein necessary, in the Trustee's sole judgment, to prevent damage to the common areas and facilities or to another Unit or Units.

Section 5.3.1 No Work Shall Jeopardize Building. No work which would jeopardize the soundness or safety of the building in which the Unit is located shall be done in a Unit or in the common areas and facilities unless in every such case the unanimous written consent of all Unit Owners of the Condominium is first obtained.

Section 5.3.2 Creation of Duplex Units. In the event that at any time or from time to time two (2) or more contiguously located Residential Units (whether such Residential Units are contiguous vertically or horizontally) are in common ownership and if the owner of such Residential Units (hereinafter called the "Duplex Owner") desires to cut an opening, or openings between such Units in order to physically connect such Units, the following procedure shall apply:

(a) The Duplex Owner shall send written notice to all of the Unit Owners and to the Trustees of its intention to so physically connect such Units and such notice shall be accompanied by (i) a plan drawn by an architect registered in Massachusetts showing the work which the Duplex Owner proposes to perform, and (ii) a written statement by such registered architect that such work will not impair the structural integrity of the Building, and (iii) a written agreement under which the Duplex Owner obligates itself to the other Unit Owners and to the Trustees to proceed expeditiously with such work according to such plan, in a first-class workmanlike manner, utilizing new materials, and that all such work shall be done under the supervision of such architect, and that such work shall not in any manner impair the structural integrity of the Building, and that all bills for labor and materials will be promptly paid by the Duplex Owner, and that the Duplex Owner will indemnify the other Unit Owners and the Trustees against any liens for labor or materials in connection with such work, and that the Duplex Owner shall pay for all costs of said work, the fee of such registered architect, and the reasonable fees of any architect which the Trustees may engage to advise them as to any aspect of such work. (The Trustees may, but shall not be obligated to engage an architect to so advise them.)

(b) No such work shall commence unless and until the Trustees shall have assented thereto in writing. Said Trustees may withhold their consent for any reason in their sole discretion. Following such consent, the Duplex Owner shall expeditiously proceed with the work in accordance with such written agreement and plans and with this Section.

(c) At the completion of the work, the Duplex Owner shall notify the Trustees, in writing, that the work has been completed in all respects and that all bills for labor and materials

in connection therewith have been paid in full, and such notice shall be accompanied by a written verification of such architect that the work has been completed in all respects and that the performance of such work has not impaired the structural integrity of the Building. During such time as the Units are physically connected, the Duplex Owner and his successors in title to such Units shall have an easement for itself and those lawfully occupying such Units, to pass and repass through the common areas and facilities which separated such Units from each other prior to the work which is the subject of this Section of this Master Deed. In the event that at any time or from time to time, two (2) or more Units in common ownership have been combined as hereinabove set forth, the then Duplex Owner shall have the right at any time thereafter to replace the opening or openings between such Units which physically connected such Units by following the procedure set forth hereinabove in this Section, and in such event or events the reference to the "work" hereinabove shall be deemed to mean the work of replacing such opening or openings, and restoring such opening or openings to their condition immediately prior to the physical connection of such Units, so that such Units are no longer physically connected. Thereafter, the Units that were formerly physically connected may again be sold, conveyed, mortgaged or otherwise transferred or alienated as separate Units.

The Trustees may authorize that exclusive use of one or more common areas be assigned to one or more Units for such time and on such conditions as the Trustees may determine, which conditions may, without limitation, include a requirement that the Unit Owner(s) so benefited pay, as additional common expenses, such costs of said common areas as the Trustees from time to time may determine. The failure of the Trustees granting said exclusive use to require payment of any such costs as a condition of such exclusive use shall not preclude those Trustees, or any successor Trustees, from imposing reasonable additional common expenses for the exclusive use of said common areas. Unless otherwise provided in a writing signed by a majority of the Trustees and filed with the Registry of Deeds, such rights of exclusive use of common areas shall be personal to the Unit Owner(s) to whom granted and shall terminate when such Unit Owner(s) no longer own the Units so benefited.

Section 5.3.3 Architectural Review. (a) No improvements, additions, alterations, or other work that in any way alters the exterior appearance or structure of any Unit from its natural or improved state existing on the date such Unit was first conveyed in fee by the Declarant, shall be made or done without the prior written approval of the Trustees.

(b) Any Unit Owner or Owners, except the Declarant and its designated agents, proposing to make any improvements that, under the preceding paragraph, require the prior written approval of the Trustees shall apply for approval by delivering to the Trustees a written application describing in detail the nature of the proposed improvement, together with such additional documents as the Trustees may reasonably require, including plans, drawings, and specifications.

(c) The Trustees shall, after consideration of the items set forth above and such other matters as it deems necessary, grant the requested approval if the Trustees determine that:

- (i) The proposed improvement is reasonably compatible with the standards of the Condominium as to quality of workmanship and materials, as to harmony of external design with existing structures and as to location with respect to topography and finished grade elevation; and

- (ii) The proposed improvement complies with all applicable building, health, sanitary, zoning, and other land-use laws and municipal ordinances.

(d) All approvals given under the foregoing paragraph shall be in writing, *provided, however*, that any such application for approval that has not been acted upon within one hundred twenty (120) days from the date of delivery thereof to the Trustees shall be deemed approved and a Certificate to that effect signed by any Trustee shall be conclusive evidence of approval. One set of plans (as finally approved by the City of Somerville) shall be retained by the Trustees as a permanent record.

(e) Upon receipt of approval from the Trustees or upon the elapse of one hundred twenty (120) days without action as provided in paragraph (d) of this Section, the Unit Owner shall, as soon as practicable, commence and diligently proceed with the construction, refinishing, alterations, and excavations so approved in strict compliance with all applicable laws, rules, regulations, and ordinances as aforesaid.

(f) In the event that the construction, reconstruction, refinishing, or alteration of any improvement is not completed within a reasonable time, or having been completed does not comply with the approval therefor given by the Trustees, the remedy and authority of the Trustees shall be as set forth herein.

(g) Any improvement, addition, alteration, or other work done by a Unit Owner in violation of any of the provisions of this Section 5.3.3 shall be removed forthwith upon direction of the Trustees and the premises restored to their original condition, all at the cost of the Unit Owner. In the event that the Unit Owner refuses or neglects to perform in accordance with the direction of the Trustees, the Trustees shall have the authority to enter upon the Unit Owner's premises and accomplish the restoration and the cost thereof shall be charged to the Unit Owner and shall become a lien upon his or her unit enforceable in accordance with these by-laws.

Section 5.4 Common Expense Funds.

Section 5.4.1 Liability for Common Expenses: Reserve Funds. The Unit Owners shall be liable for common expenses and, subject to the Trustees' obligations with respect to reserve funds stated below, shall be entitled to surplus accumulations, if any, of the Condominium in proportion to their payments of such common expenses. The Trustees may from time to time in their sole discretion distribute surplus accumulations, if any, among the Unit Owners in such proportions. The Trustees shall set aside common funds in order to establish and maintain an adequate replacement reserve fund collected as part of the common expenses and shall deposit the same in an account or accounts separate and segregated from operating funds, and may use the funds so set aside for reduction of indebtedness or other lawful capital purpose, or, subject to the provisions of the following Sections 5.4.2 and 5.4.5, for repair, rebuilding or restoration of the Trust property or for improvements thereto. Such reserve fund shall be funded by regular monthly assessments from the regular assessment for common expenses referred to below and the funds so set aside shall not be deemed to be common profits available for distribution.

Section 5.4.2 Assessments of Common Expenses: Taxes. At least thirty (30) days prior

to the commencement of each fiscal year of this Trust, the Trustees shall estimate the Common Charges as set forth in Section 8 of the Master Deed expected to be incurred during the next fiscal year together with a reasonable provision for contingencies and reserves, and after taking into account any undistributed surplus accumulations from prior years not set aside for reserve or contingent liabilities, shall determine the assessment for common expenses to be made for the next fiscal year.

During such time that real estate taxes (including betterment assessments) are assessed against the real property described in the Master Deed as one (or more) tax parcels, but not as condominium units, the Trustees may collect and expend, in the same manner as common expenses, all amounts necessary to pay such real estate taxes and betterment assessments for common benefit. Each Unit shall be assessed for such real estate taxes in proportion to its beneficial interest in the common areas and facilities of the Condominium. The Trustees may collect the funds for such real estate taxes in lump sums or installments, using such procedure, including installment payments in advance, as they in their sole discretion shall determine and they may charge any penalties for late payment imposed by the municipal authorities to the Unit(s) responsible therefor.

The Trustees shall promptly render statements to the Unit Owners for their respective shares of assessments as set forth in Section 8 of the Master Deed specifying, among other things, the Common Charges payable by a Unit owner and such assessments shall, unless otherwise provided therein, be due and payable within thirty (30) days after the same are rendered. In the event that the Trustees shall determine during any fiscal year that an assessment so made is less than the common expenses actually incurred, or in the reasonable opinion of the Trustees likely to be incurred (with respect to all Units or to any one or more Units), the Trustees shall make a supplemental or special assessment or assessments and render statements therefor in the manner aforesaid. **The Trustees will typically provide for payments of assessments in monthly installments. They may, however, at their discretion, call for payments in a shorter period.** The amount of each such assessment shall be a personal liability of each Unit Owner (jointly and severally among the owners of each Unit) and, if not paid when due, or upon the expiration of such grace period as the Trustees may (but need not) designate, shall carry a late charge in such amount or at such rate (which amount or rate need not be in proportion to the beneficial interests in this Trust) as the Trustees shall determine and, together with any such late amount or charge and attorneys' fees and all other costs of collection as hereinafter provided, shall constitute a lien on the Unit pursuant to the provisions of Section 6 of Chapter 183A. The Trustees in their sole discretion may for good cause waive all or any portion of the late charge, attorneys' fees and the other costs of collection; provided (i) that Trustees shall be disqualified from voting with respect to any Unit owned or occupied by such Trustee and (ii) Trustees designated by the Declarant or elected while the Declarant owns Units having more than 50% of the beneficial interest in the Trust shall be disqualified from voting regarding any such waiver with respect to any Unit owned by the Declarant or any person affiliated with the Declarant. Each Unit Owner, by acceptance of a Unit deed, agrees to pay all costs and expenses, including reasonable attorneys' fees, incurred by the Trustees in collection of said assessments for common expenses, delinquent fees, charges, penalties and interest charged to a delinquent owner, and such charges and fees as may be incurred in the enforcement of said lien.

Section 5.4.3 Trustees Must Authorize Tax Abatement Applications. No Unit Owner

shall file an application for abatement of real estate taxes without prior notice to the Trustees.

Section 5.4.4 Default in Payment of Common Expenses: Foreclosure of Liens for Unpaid Common Expenses. In the event of a default by any Unit Owner in the payment of his or her share of the common expenses, the Trustees may seek to recover such common expenses, interest, and charges by an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit as provided in Section 6 of Chapter 183A or in any other manner permitted by law.

In any action brought by the Trustees to foreclose a lien on a Unit because of unpaid common expenses, the Unit Owner shall, to the extent permitted by law, be required to pay the costs and expenses of such proceedings and reasonable attorneys fees and, further, to pay a reasonable rental for the use of his or her unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Trustees, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey, or otherwise deal with the same. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

Section 5.4.5 Application of Common Funds. The Trustees shall expend common funds only for the purposes permitted by this Trust and by Chapter 1 83A.

Section 5.4.6 Acquisition of Units by Trustees. Acquisition of Units by the Trustees for the Trust may be made from the working capital and common expenses in the hands of the Trustees, or if such funds are insufficient, the Trustees may levy an assessment against each Unit Owner in proportion to his or her ownership in the common areas and facilities, as a common expense, or the Trustees, in their 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, so to be acquired by the Trustees.

Section 5.5 Rebuilding and Restoration After Casualty: Improvements.

Section 5.5.1 Casualty Loss. In the event of any casualty loss to the Condominium property, the Trustees shall determine in their reasonable discretion whether or not such loss exceeds ten percent (10%) of the value of the Condominium immediately prior to the casualty, and shall notify all Unit Owners of such determination. If such loss as so determined does not exceed ten percent (10%) of such value, the Trustees shall proceed with the necessary repairs, rebuilding or restoration as provided in paragraph (a) of Section 17 of Chapter 183A. If such loss as so determined exceeds ten percent (10%) of such value, the Trustees shall forthwith submit to all Unit Owners (a) a form of agreement (which may be in several counterparts) by the Unit Owners authorizing the Trustees to proceed with the necessary repair, rebuilding or restoration, and (b) a copy of the provisions of Section 17; and the Trustees shall thereafter proceed in accordance with and take such further action as they may in their discretion deem advisable in order to implement the provisions of paragraph (b) of Section 17.

Section 5.5.2 Proposed Improvements. If and whenever the Trustees shall propose to make any improvement to the common areas and facilities of the Condominium, or shall be requested in writing by the Unit Owners holding twenty-five percent (25%) or more of the

beneficial interest in this Trust to make any such improvement, the Trustees shall submit to all Unit Owners (a) a form of agreement (which may be in several counterparts) specifying the improvement or improvements proposed to be made and the estimated cost thereof and authorizing the Trustees to proceed to make the same, and (b) a copy of the provisions of Section 18 of Chapter 183 A. Upon the receipt by the Trustees of such agreement signed by the Unit Owners holding seventy-five (75%) percent or more of the beneficial interest or the expiration of ninety (90) days after such agreement was first submitted to the Unit Owners, whichever shall first occur, the Trustees shall notify all Unit Owners of the aggregate percentage of beneficial interest held by Unit Owners who have then signed such agreement. If such percentage exceeds seventy-five percent (75%), the Trustees shall proceed to make the improvement or improvements specified in such agreement and, in accordance with Section 18 of Chapter 183A, shall charge the cost of such improvement to all the Unit Owners. The Agreement so circulated may also provide for a separate agreement by the Unit Owners that if more than fifty percent (50%), but less than seventy-five percent (75%) of the beneficial interest so consent, the Trustees shall proceed to make such improvement or improvements and shall charge the same to the Unit Owners so consenting.

Section 5.5.3 Arbitration of Disputed Trustee Action. Notwithstanding anything in Sections 5.5.1 and 5.5.2, in the event that any Unit Owner(s), by written notice to the Trustees, shall dissent from any determination of the Trustees with respect to the value of the Condominium or any other determination or action of the Trustees under this Section 5.5, and such dispute shall not be resolved within thirty (30) days after such notice, then either the Trustees or the dissenting Unit Owner(s) shall submit the matter to arbitration. For that purpose, one arbitrator shall be designated by the Trustees, one by the dissenting Unit Owner(s) and a third by the two arbitrators so designated. Such arbitration shall be conducted in accordance with the rules and procedures of the American Arbitration Association and shall be binding upon all parties. The Trustees' decision that work constitutes a repair, rebuilding and restoration rather than an improvement shall be conclusive and binding on all Unit Owners unless shown to have been made in bad faith. The Trustees shall in no event be obliged to proceed with any repair, rebuilding or restoration, or any improvement, unless and until they have received funds in an amount equal to the Trustees' estimate of all costs thereof.

Section 5.5.4 Condemnation. In the event of any condemnation of the Trust property, the Trustees shall estimate the cost of restoring what remains of the Trust property and shall notify all Unit Owners of such estimate. Until the Unit Owners instruct the Trustees otherwise by majority vote, the Trustees in their discretion shall proceed with rebuilding and restoration of the remaining Trust property as far as practical to the condition and standards existing before the taking and the cost thereof shall be a common expense. Any award in connection with condemnation of Trust property shall be common funds and the Trustees shall have all power and authority to deal with all persons, including without limitation, the taking authority, in connection therewith.

The Condominium Trustees shall represent the Unit Owners in all proceedings, negotiations, settlements or agreements with the taking authority and any proceeds received from said authority shall be paid to the Condominium Trustees for the benefit of the Unit Owners and their mortgagees.

>From and after any condemnation which includes one or more Units or parts thereof, (i) the beneficial interests of the remaining Units, and the corresponding percentage interest of

each as stated in the Master Deed, shall be in proportion to their original beneficial interests, with equitable adjustments based on diminution in fair market value as to any Unit partially taken, and (ii) those Units entirely taken shall have no beneficial interest hereunder nor any percentage interest under the Master Deed. Any award or portion thereof for taking of any Unit or portion thereof paid by the taking authority to the Trustees shall be paid to the Owners, mortgagees and other lien holders of such Unit as their interests may appear.

Section 5.6 Rules and Regulations. The Trustees may, at any time and from time to time, adopt, amend and rescind rules and regulations governing the details of the operation and use of the common areas and facilities and such restrictions on and requirements respecting the use and maintenance of the Units and the use of the common areas and facilities as are consistent with Chapter 183A, the Master Deed, and these by-laws, and are designed to prevent unreasonable interference with the use by the Unit Owners of their Units and of the common areas and facilities. The Trustees do hereby adopt the initial Rules and Regulations annexed to this Declaration of Trust.

Section 5.7 Managing Agent. The Trustees may, at their discretion, appoint a manager or managing agent to administer the management and operation of the Condominium, including the incurring of expenses, the making of disbursements and the keeping of accounts, as the Trustees shall from time to time determine. The Trustees or such manager or managing agent may appoint, employ and remove such additional agents, attorneys, accountants or employees as the Trustees shall determine. In any contract between a manager or managing agent and the Condominium Trust, the Condominium Trust shall have a right to terminate the contract for cause with ten days' notice, during which time the manager or managing agent shall have an opportunity to cure. The Condominium Trust shall in no case be required to provide more than ninety days' notice if the contract is terminated without cause.

Section 5.8 Insurance.

Section 5.8.1 Coverages. The Trustees shall obtain and maintain, to the extent required under Chapter 183A and otherwise as available at reasonable cost, in their name as insurance trustees for the Unit Owners, master policies of insurance of the following kinds, insuring the interests of the Trust, the Trustees, all Unit Owners and their mortgagees as their interests may appear:

A. Casualty Insurance. Casualty and physical damage insurance on the buildings and all other insurable improvements forming part of the Condominium (including all of the common areas and facilities and all of the Units and excluding only personal property, furnishings, equipment and trade fixtures of the Unit Owners therein), now existing or as they may from time to time be increased by amendment to the Master Deed, together with the service machinery, apparatus, equipment, personal property and supplies of the Condominium Trust and installations located in the Condominium and existing for the provision of central services or for common use, in an amount not less than one hundred percent (100%) of their full replacement value (exclusive of land, footings, excavations, foundations and such other like items as are normally excluded from coverage), against (1) loss or damage by fire and other hazards covered by the standard extended coverage endorsement and the standard "all risk" endorsement and (2) such other hazards and risks as the Trustees from time to time in

their discretion shall determine to be appropriate, including but not limited to sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage and plate glass damage. All policies of casualty and physical damage insurance may, and insofar as required by FNMA (hereinafter defined) or FHLMC (hereinafter defined) shall, also include so-called Construction Code Endorsements, including, if available, a Demolition Cost Endorsement, Contingent Liability from Operation of Building Laws Endorsement and Increased Cost of Construction Endorsement, or their equivalent, and Steam Boiler and Machinery Coverage, Replacement Cost, Inflation Guard and Agreed Amount Endorsements or their equivalents.

All policies of casualty and physical damage insurance shall provide (to the extent such clauses are so obtainable) (1) that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including each Unit mortgagee and (2) that the coverage thereof shall not be terminated for nonpayment of premiums without ten (10) days' notice to all of the insureds including each Unit mortgagee. Certificates of such insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered by the Trustees to Unit Owners and their mortgagees upon request at least ten (10) days prior to the expiration of the then current policies.

B. Public Liability Insurance. Comprehensive public liability insurance including so-called Broadening Endorsement' with Severability of Interest Endorsement or equivalent coverage covering all of the common areas and facilities and including protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, liability arising out of lawsuits relating to employment contracts to which the Trust is a party, and such other risks as are customarily covered in similar projects, in each instance to the extent applicable to the Condominium, in such amounts as shall be determined by the Trustees, covering the Trust, the Trustees, the Unit Owners and any manager or managing agent of the Condominium, with limits of not less than a single limit of One Million (\$1,000,000.00) Dollars for claims for bodily injury or property damage arising out of one occurrence, and with an endorsement to cover liability of any insured to other insureds. Each such policy shall provide for at least ten (10) days' prior written notice to all of the insureds, including each mortgagee before any cancellation or substantial modification thereof by the insurer.

C. Workmen's Compensation Insurance. Workmen's compensation and employer's liability insurance shall be obtained with respect to any manager, agent or any employees of the Trust.

D. Fidelity Coverage. The Trustees shall obtain and maintain in the name of the Condominium Trust blanket fidelity insurance coverage for anyone, including said Trustees, who either handles or is responsible for funds held or administered by the Trustees or on behalf of the Condominium Trust whether or not such persons receive compensation for their services. All expenses incident to any such insurance coverage shall be charged as a common expense of the Condominium and shall name the Condominium Trust as an obligee. Said fidelity insurance coverage shall cover the maximum funds that will be in custody of the Trustees or the Condominium Trust or its management agent at any time while the insurance is in force. In addition, the fidelity

insurance coverage must at least equal the sum of three (3) months assessment on all Units in the Condominium plus any reserve funds maintained in accordance herewith.

The fidelity insurance coverage must include a provision for ten (10) days written notice to the Condominium Trust or the Trustees, as insurance trustees, before the insurance can be cancelled or substantially modified for any reason. The same notice must also be given to each servicer that services an FNMA-owned mortgage in the Condominium.

A management agent that handles funds for the Condominium Trust shall be covered by its own fidelity insurance in the same manner and to the same extent as provided above.

E. Flood Insurance. If any part of the Condominium is located in a special flood hazard area designated by the Federal Emergency Management Agency, or its successor, under the National Flood Insurance Administration Program, flood insurance covering the buildings and any other property located within such designated flood hazard area, in an amount at least equal to the lesser of (i) 100% of the current replacement cost of all buildings and other insurable property located in such flood hazard area, or (ii) the maximum coverage available for such buildings and property under the National Flood Insurance Administration Program.

F. Directors and Officers Liability Insurance. In the Trustees' sole discretion, Directors and Officers Liability Insurance covering the Trustees and other Unit Owners participating in the governance of the Condominium.

G. Other Insurance. In the Trustees' sole discretion, such other insurance coverage as they shall deem desirable.

If FNMA or FHLMC shall hold any interest in one or more first mortgages of Units in the Condominium, upon the written request of FNMA, FHLMC or the holder of record of a first mortgage on a Unit, the Trustees shall purchase, to the extent available, such other insurance coverages as may be required from time to time by FNMA or FHLMC, as applicable.

Section 5.8.2 Payment to Trustees in Case of Loss. Such master policies shall provide that all casualty loss proceeds thereunder shall be paid to the Trustees as insurance trustees under these By-laws. The duty of the Trustees as such insurance trustees shall be to receive such proceeds as are paid and to hold, use and disburse the same for the purposes stated in this Section and Section 5.5. If repair or restoration of the damaged portions of the Condominium is to be made, all insurance loss proceeds shall be held in shares for the Trust and the owners of damaged Units in proportion to the respective costs of repair or restoration of the common areas and facilities and damaged Units, with each share to be disbursed to defray the respective costs of repair or restoration of the damaged common areas and facilities and damaged Units, and with any excess of any such share of proceeds above such costs of repair or restoration to be paid to the Trust or Unit Owners for whom held upon completion of repair or restoration; but if pursuant to Section 5.5, restoration or repair is not to be made, all insurance loss proceeds shall be held as common funds of the Trust and applied for the benefit of Unit Owners in proportion to their beneficial interests in the Trust if the Condominium is totally destroyed, and, in the event of a partial destruction, after payment for such restoration of the common areas and facilities as the Trustees may determine, to those Unit Owners who have suffered damage in

proportion to the damage suffered by them. Such application for the benefit of Unit Owners shall include payment directly to a Unit Owner's mortgagee if the mortgage with respect to such Unit so requires.

Section 5.8.3 Other Provisions of Insurance Policies. In addition to the coverage and provisions set forth in Section 5.8.1, the Trustees shall, in their discretion, see that all policies of physical damage insurance, insofar as practicable: (1) contain waivers of subrogation by the insurer as to claims against the Condominium, the Trustees, their employees, Unit Owners, their employees and business invitees, and members of the family of any Unit Owner who reside with said Unit Owner, except in cases of arson and fraud; (2) contain a waiver of defense of invalidity on account of the conduct of any of the Unit Owners over which the Trustees have no control; (3) provide that the insurance policies shall be primary and that in no event shall the insurance under said policies be brought into contribution with insurance purchased individually by Unit Owners or their mortgagees; and (4) exclude policies obtained by individual Unit Owners from consideration under any "no other insurance" clause. The Trustees may include a deductible provision, which may be the lesser of (i) \$10,000.00 or (ii) 1% of the policy face amount, in their own discretion and in such greater amounts, if permitted under FNMA and FHLMC guidelines, as may be authorized by the owners of all Units in writing or by majority vote at any Unit Owners' meeting.

Section 5.8.4 Unit Owner's Insurance and Responsibility for Increase in Premiums of Master Policy. Each Unit Owner may (and is solely responsible to) obtain additional insurance for his or her own benefit, including without limitation personal property, public liability and loss assessment insurance, at his or her own expense. No policy may be written so as to decrease the coverage under any of the master policies obtained by the Trustees and each Unit Owner hereby assigns to the Trustees the proceeds of any such policy to the extent that any such policy does in fact result in a decrease in such coverage, said proceeds to be applied pursuant to the terms of these Sections 5.8 as if produced by such coverage. Copies of all such policies (except policies covering only personal property of individual Unit Owners) shall be filed with the Trustees.

Section 5.8.5 Notice to Trustees of Unit Owner's Improvements. Each Unit Owner shall notify the Trustees in writing of all improvements to his or her Unit (except personal property other than fixtures) which exceed a total value of Ten Thousand (\$10,000) Dollars within twenty (20) days after the commencement of construction of such improvements and on receipt of such notice, the Trustees shall notify the insurer under any policy obtained pursuant to Section 5.8.1 hereof of any such improvements. Any premium increase caused by such improvements may be assessed to the owners of the improved Unit. No Unit Owner shall be entitled to receive insurance proceeds for the repair, restoration or rebuilding of any such improvements not so reported to the Trustees, unless otherwise consented to by unanimous vote of the Trustees.

Section 5.8.6 Insurance a Common Expense. The cost of the insurance purchased pursuant to Section 5.8 shall be a common expense assessable and payable as provided in Section 5.4, except as otherwise expressly provided.

Section 5.9 Meetings.

Section 5.9.1 Meetings of Trustees. The Trustees shall meet annually on the date of the annual meeting of the Unit Owners and at such meeting may elect a Chairman, Treasurer, Secretary and any other officers they deem expedient. Other meetings may be called by any Trustee and in such other manner as the Trustees may establish, provided, however, that written notice of each meeting stating the place, day and hour thereof shall be given at least two (2) days before such meeting to each Trustee. A majority of the Trustees then in office shall constitute a quorum at all meetings. Such meetings shall be conducted in accordance with such rules as the Trustees may adopt.

Section 5.9.1.1 Trustees' Votes: Majority Vote Defined. Each Trustee shall have one vote. A "majority" and a "majority vote" shall mean the vote of a majority of Trustees then in office.

Section 5.9.2 Meetings of Unit Owners. There shall be an annual meeting of the Unit Owners on the second Monday in November in each year at 8 p.m. (or on such other day and time at least once each calendar year as may be designated by the Trustees) at such reasonable place as may be designated by the Trustees by written notice given by the Trustees to the Unit Owners at least seven (7) days prior to the date so designated. Special meetings (including a meeting in lieu of a passed annual meeting) of the Unit Owners may be called at any time by the Trustees and shall be called by them upon the written request of the Unit Owners entitled to more than thirty-three percent (33%) of the beneficial interest of the Trust. Written notice of any special meeting, designating the place, day and hour thereof, shall be given by the Trustees to the Unit Owners at least seven (7) days prior to the date so designated. Whenever at any meeting the Trustees propose to submit to the Unit Owners any matter with respect to which approval of or action by the Unit Owners is necessary or appropriate, the notice of the meeting shall so state and reasonably specify such matter.

Section 5.9.3 Quorum of Unit Owners: Majority Vote of Unit Owners Defined: Unit Owner Action by Consent in Lieu of Meetings. Unit Owners entitled to more than fifty percent (50%) of the beneficial interest of this Trust shall constitute a quorum at all meetings. "Majority" and "majority vote" of Unit Owners as used in this Trust shall mean the votes at a duly noticed meeting of Unit Owners in person or by proxy of Unit Owners entitled to more than fifty percent (50%) of that portion of the beneficial interest represented in person or by proxy at any meeting at which a quorum is present at the commencement of the meeting or such larger portion of the beneficial interest represented at the time of the vote. All actions by the Unit Owners shall require a majority vote except where the provisions of this Trust or Chapter 183A require a larger percentage. The Unit Owners may take any action requiring a vote without a meeting only by unanimous written consent.

Section 5.10 Trustees' Records of Unit Owners and Unit Mortgagees Deemed Conclusive. On each transfer of an ownership interest in or the grant of any mortgage on a Unit, the person or persons acquiring the interest or granting the mortgage shall have the duty to give the Trustees written notice of their interest in or mortgage on the Unit and, in the case of persons acquiring an ownership interest, of the correct name of all the owners of the Unit and of any mortgagee thereof. Unless otherwise required by law, records of owners and mortgagees maintained by the Trustees shall be conclusive for all purposes, including without limitation, for all notices to Unit Owners, for owners' meetings and all owner votes and for amendments to the

Master Deed and this Condominium Trust; and the Trustees may, but shall have no obligation to, examine the records of the Registry of Deeds to determine ownership of Units. Unless otherwise required by law, all actions, including without limitation amendments to this Trust or to the Master Deed of the Condominium, shall be valid if taken by the requisite number of Unit Owners as they appear on the Trustees' records of ownership; provided, as to actions filed and registered with the Registry of Deeds, that the Trustees so certify under oath and such certificate is filed and registered with the Registry of Deeds.

Section 5.10.1 Notices to Unit Owners. Every notice to any Unit Owner required under the provisions of this Trust or which may be deemed by the Trustees necessary or desirable in connection with the execution of the trust created hereby or which may be ordered in any judicial proceeding shall be deemed sufficient and binding if given in writing by one or more of the Trustees to such Unit Owner by mailing it, postage prepaid, addressed to such Unit Owner at his address as it appears upon the records of the Trustees if other than at his Unit in the Condominium or by mailing or delivering it to such Unit if such Unit appears as the Unit Owner's address or if no address appears, at least seven (7) days prior to the date fixed for the happening of the matter, thing or event of which such notice is given. The Owner(s) of each Unit shall have the responsibility of providing the Trustees with any address other than the Unit to which the Owner(s) desire notices to be mailed.

Whenever at any meeting the Trustees propose to submit to the Unit Owners any matter with respect to which specific approval of, or action by, the Unit Owners is required by law or this Trust, the notice of such meeting shall so state and reasonably specify such matter.

Section 5.11 Inspection of Books: Reports to Unit Owners. Books, accounts, and records of the Trustees shall be open to inspection to any one or more of the Trustees, the Unit Owners, and their respective first mortgagees at all reasonable times. The Trustees shall, within one hundred twenty (120) days after the close of each fiscal year, or more often if convenient to them, complete a report of the operations of the Trustees and the Trust for such year. The report shall include, without limitation, a balance sheet, an income and expense statement, and a statement of funds available in the various funds of the Trust. The Trustees, shall make a copy of the report available, to all Unit Owners, within thirty (30) days of completion and a copy of the report shall be made available, upon request, to any mortgagee holding a recorded mortgage on a Unit. The Trustees shall cause a review of the report to be prepared by an independent certified public accountant if so required by a vote of the Unit Owners as set forth in Chapter 183.A Section 10(d). A Unit Owner or Unit mortgagee shall have the right to have a review or audit prepared as provided for by the provisions of Chapter 183A.

Section 5.12 Checks, Notes, Drafts and Other Instruments. Checks, notes, drafts and other instruments for the payment of money drawn or endorsed in the names of the Trustees or of the Trust may be signed by any two Trustees (or by one Trustee if there is only one), or by any person or persons to whom such power may at any time or from time to time, in accordance with the provisions of Chapter 183A, Section 10(g), be delegated by not less than a majority of the Trustees.

Section 5.13 Fiscal Year. The fiscal year of the Trust shall be the year ending with the last day of December or such other date as may from time to time be determined by the Trustees.

Section 5.14 Mortgages.

Section 5.14.1 Notice to Trustees. A Unit Owner who mortgages his or her Unit (and/or any easement for exclusive use for the benefit of the Unit) shall notify the Trustees of the name and address of his or her mortgagee. The Trustees shall maintain such information in a book entitled "Mortgagees of Units."

Section 5.14.2 Notice of Default. The Trustees, when giving notice to a Unit Owner of a default in paying common funds or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Trustees, if the mortgagee has requested the same.

Section 5.14.3 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.

Section 5.15 Enforcement. The Trust, acting by its Trustees, shall have the right to levy, without further legal action, fines or other charges for violations of the restrictions contained in this Trust, the Master Deed, and in any of the rules and regulations adopted pursuant hereto. Any fine or charge so levied is to be collected in the same manner as a common expense against the particular Unit Owner involved, and collection may be enforced by the Trustees in the same manner as they are entitled to enforce collection of common charges. Such levy of fines or charges shall not replace nor abrogate any action for damages or injunctive relief as provided by law.

ARTICLE VI

RIGHTS AND OBLIGATIONS OF THIRD PARTIES DEALING WITH THE TRUSTEES

Section 6.1 Reliance on Identity of Trustees. No purchaser, mortgagee, lender or other person dealing with the Trustees as they then appear on record in the Registry of Deeds shall be bound to ascertain or inquire further as to the persons who are then Trustees under this Trust, or be affected by any notice, implied, constructive or actual, otherwise than by a certificate thereof signed by one or more of the persons appearing of record in the Registry of Deeds as Trustees, and such record or certificate shall be conclusive evidence of the personnel of the Trustees and of any changes therein. The receipts of the Trustees, or any one or more of them, for moneys or things paid or delivered to them or him/her shall be effectual discharges therefrom to the persons paying or delivering the same and no person from whom the Trustees, or any one or more of them, shall receive any money, property or other credit shall be required to see to the application thereof. No purchaser, mortgagee, lender or other person dealing with the Trustees or with any real or personal property which then is or formerly was Trust property shall be bound to ascertain or inquire as to the existence or occurrence of any event or purpose in or for which a sale, mortgage, pledge or charge is herein authorized or directed, or otherwise as to the purpose or regularity of any of the acts of the Trustees, and any instrument of appointment of a new Trustee or resignation or removal of an old Trustee purporting to be executed by the Trustees, Unit Owners or other persons required by this Trust to execute the same, shall be

conclusive in favor of any such purchaser or other person dealing with the Trustees of the matters therein recited relating to such discharge, resignation, removal or appointment or the occasion thereof.

Section 6.2 No Personal Liability In Trustees. No recourse shall at any time be had under or upon any note, bond, contract, order, instrument, certificate, undertaking, obligation, covenant or agreement, whether oral or written, made, issued or executed by the Trustees or by any agent or employee of the Trustees, or by reason of anything done or omitted to be done by or on behalf of them or any of them, against the Trustees individually, or against any such agent or employee, or against any beneficiary, either directly or indirectly, by legal or equitable proceedings, or by virtue of any suit or otherwise, and all persons extending credit to, contracting with or having any claim against the Trustees shall look only to the Trust property for any debt, damage, judgment or decree, or of any money that may otherwise become due or payable to them from the Trustees, so that neither the Trustees nor the beneficiaries, present or future, shall be personally liable therefor; provided, however, that nothing herein contained shall be deemed to limit or impair the liability of Unit Owners or the indemnity of the Trustees under provisions of Section 3.8 of this Trust or under provisions of Chapter 183A.

Section 6.3 All Obligations Subject to This Trust. Every note, bond, contract, order, instrument, certificate, undertaking, obligation, covenant or agreement, whether oral or written, made, issued or executed by the Trustees, or by any agent or employee of the Trustees, shall be deemed to have been entered into subject to the terms, conditions, provisions and restrictions of this Trust, whether or not express reference shall have been made to this instrument.

Section 6.4 Further Matters of Reliance. This Declaration of Trust and any amendments to this Trust and any certificate required by the terms of this Trust to be recorded and any other certificate or paper signed by the Trustees or any of them which it may be deemed desirable to record shall upon such recording be deemed conclusive evidence of the contents and effectiveness thereof according to the tenor thereof; and all persons dealing in any manner whatsoever with the Trustees, the Trust property or any beneficiary thereunder shall be held to have notice of any alteration or amendment of this Declaration of Trust, or change of Trustee or Trustees, when the same shall be recorded with the Registry of Deeds. Any certificate signed by two Trustees in office at the time (only one Trustee if there is only one at the time, or only one Trustee for the purpose of delivering a 6D Certificate (as such term is defined in Section 6.5)) setting forth as facts any matters affecting the Trust, including statements as to who are the beneficiaries, as to what action has been taken by the beneficiaries and as to matters determining the authority of the Trustees, or any one of them to do any act, when duly acknowledged and recorded with the Registry of Deeds shall be conclusive evidence as to the existence of such alleged facts in favor of all third persons, including the Trustees, acting in reliance thereon. Any certificate executed by any Trustee hereunder, or by a majority of the Trustees hereunder, setting forth the existence of any facts, the existence of which is necessary to authorize the execution of any instrument or the taking of any action by such Trustee or majority, as the case may be, shall, as to all persons acting in good faith in reliance thereon be conclusive evidence of the truth of the statements made in such certificate, the existence of the facts therein set forth and the existence of the authority of such one or more Trustees to execute and deliver the designated instrument on behalf of the Trust.

Section 6.5 Statement of Common Expenses. The Trustees shall, in accordance with Chapter 183A, upon the written request of any Unit Owner or any encumbrancer or prospective

encumbrancer of a Unit; upon payment of a reasonable fee, issue to a person so requesting a written statement (which shall be valid and effective if signed by any one of the Trustees then in office (a "6D Certificate")), setting forth the unpaid common expenses with respect to the Unit covered by the request, which shall be conclusive upon the remaining Unit Owners and upon the Trustees in favor of all persons who rely thereon in good faith.

In a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his or her share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee, *provided, however*, that any such grantee shall be entitled to a statement from the Trustees setting forth the amount of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth. No Unit Owner may exempt himself or herself from liability for his or her contribution toward the common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by abandonment of his or her Unit.

Section 6.6 Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Compliance. To the extent required to qualify the Units of the Condominium for Unit mortgages under the then prevailing regulations of the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"), the following provisions shall apply notwithstanding any other provisions of this Condominium Trust or the Master Deed.

(a) Except as provided by Chapter 183A, in case of condemnation or substantial loss to the Units and/or common areas and facilities of the Condominium, unless at least 67% of the first mortgagees holding mortgages on individual Units of the Condominium (based upon one vote for each first mortgage owned and representing at least 67% in percentage interest of the mortgaged units in the Condominium) have given their prior written approval, neither the Unit Owners nor the Trustees of the Condominium Trust, by amendment to this Condominium Trust or otherwise, shall:

- (i) by act or omission, seek to abandon or terminate the Condominium;
- (ii) change the pro-rata interest or obligations of any individual Unit for the purpose of: (a) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (b) determining the pro-rata share of ownership of each Unit in the common areas and facilities;
- (iii) partition or subdivide any Unit;
- (iv) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common areas and facilities, provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the common areas and facilities by the Condominium shall not be deemed an action for which any prior approval of a mortgagee shall be required under this

subsection; and

- (v) use hazard insurance proceeds for losses to any property of the Condominium (whether to Units or to common areas and facilities) for other than the repair, replacement or reconstruction of such property of the Condominium.

(b) Except as may be otherwise provided by applicable law, any first mortgagee who obtains title to a Unit by foreclosure or pursuant to any other remedies provided in the mortgage or by law will not be liable for such Unit's unpaid common charges or dues, which accrued prior to the acquisition of title to such Unit by the mortgagee.

(c) Except as may be otherwise provided by applicable law, in no case shall any provision of this Condominium Trust give a Unit Owner or any other party priority over any rights of the first mortgagee of a Unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of such Unit and/or the common areas and facilities of the Condominium.

(d) Any agreement for professional management of the Condominium shall provide for termination by either party without cause and without payment of a termination fee on no more than ninety (90) days notice. Any agreement for professional management of the Condominium with Declarant, or any entity affiliated with Declarant, shall be terminable by the Trustees without cause and without payment of a termination fee at any time after the Initial Period.

(e) Unless otherwise required by applicable law, any holder, insurer or guarantor of a first mortgage on a Unit, upon written request to the Trustees of the Condominium Trust, which includes its name and address and the Unit against which the mortgage in question has been placed, will be entitled to:

- (i) timely written notification of any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit on which it holds the mortgage;
- (ii) timely written notification of any 60-day delinquency in the payment of assessments or charges owed by the owner of the Unit on which it holds the mortgage;
- (iii) timely written notification of a lapse, cancellation or material modification of any insurance policy or fidelity insurance coverage maintained by the Condominium Trust;
- (iv) timely written notification of any proposed action that requires the consent of a specified percentage of "Eligible Mortgage Holders", as hereinafter defined;
- (v) inspect the books and records of the Condominium Trust during normal business hours or as otherwise specified in Chapter 1 83A;

- (vi) receive an audited annual financial statement of the Condominium Trust within one hundred twenty (120) days following the end of any fiscal year of the Condominium Trust where the Condominium consists of fifty (50) or more Units, or, if the Condominium consists of fewer than 50 Units and there is no audited statement available, or less than 51% the beneficial interest of the Condominium Trust voted to have an audited statement prepared, then such holder, insurer or guarantor of a first mortgage will be entitled to pay for the cost of preparing such audited financial statement; and
- (vii) timely written notice of all meetings of the Condominium Trust, and to be permitted to designate a representative to attend all such meetings.

(f) Unless Unit owners representing at least sixty-seven (67%) percent of the percentage interest in the common areas and facilities, and at least fifty-one (51%) percent (by percentage interest) of the "Eligible Mortgage Holders", as hereinafter defined, have given their prior approval, no amendment shall be adopted which would make any material change to the Master Deed or this Condominium Trust (i.e. other than amendments to correct technical errors or for clarification). A change with respect to any of the following matters is hereby deemed to be material:

- (i) voting rights;
- (ii) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens or the priority of such liens;
- (iii) reductions in reserves for maintenance, repair and replacement of common areas;
- (iv) responsibility for maintenance and repair of the Condominium;
- (v) reallocation of interests in the general or limited common areas, or rights to their use;
- (vi) boundaries of any Unit;
- (vii) convertibility of Units into common areas or of common areas into Units;
- (viii) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium except as provided in the Master Deed;
- (ix) hazard or fidelity insurance requirements;
- (x) imposition of any restrictions on the leasing of Units;

- (xi) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her Unit;
- (xii) a decision by the Condominium Trust, where the Condominium consists of 50 or more Units, to establish self management when professional management had been required previously by this Condominium Trust or the Master Deed or by an Eligible Mortgage Holder;
- (xiii) restoration or repair of the Condominium premises (after a casualty loss or partial condemnation) in a manner other than as specified in the Master Deed and this Condominium Trust;
- (xiv) any action to terminate the Condominium after substantial destruction or condemnation occurs; and
- (xv) any provisions that expressly benefit holders, insurers or guarantors of mortgages on Units.

As used herein, an "Eligible Mortgage Holder" is any holder of a first mortgage on a Unit who has requested in writing that the Condominium Trust notify it of any proposed action as set forth in this subsection (f).

Any Eligible Mortgage Holder that does not deliver or post to the Condominium Trust a negative response within thirty (30) days of a written request by the Trustees for approval of any addition or amendment pursuant to this subsection (f), provided such written request is delivered by certified or registered mail, return receipt requested, shall be deemed to have consented to the addition or change set forth in such request. An affidavit by a majority of the Trustees making reference to this Section, when filed at the Registry of Deeds shall be conclusive against all persons as to the facts set forth therein.

(g) Any lien of the Condominium Trust for common expense assessments or other charges becoming due and payable on or after the date of filing of a first mortgage on any Unit shall have priority with respect to said mortgage as provided by Chapter 183A. A lien for common expense or other assessments shall not be affected by any sale or transfer of a Unit, except that a sale or transfer pursuant to a foreclosure of a first mortgage, or deed in lieu of foreclosure, to the holder of a first mortgage, shall extinguish a subordinate lien for assessments which became due and payable prior to such sale or transfer, except as otherwise provided by Chapter 1 83A. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a Unit from liability for, nor the Unit from the lien of, any assessment made thereafter.

(h) An initial working capital fund shall be established by the Declarant equal to at least two months' estimated common area expenses for each Unit. Each Unit's share of the working capital fund must be collected and transferred to the Condominium Trust either at the time of closing of the sale of each Unit or when control of this Condominium Trust is transferred to the Trustees elected by Unit Owners other than the Declarant, whichever shall

first occur. Said fund shall be maintained in a segregated account for the use and the benefit of the Condominium Trust. Amounts paid into the working capital fund shall not be considered as advance payment of regular assessments. The purpose of the working capital fund is to insure that there will be cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Trustees. During the term of the Initial Trustees, the working capital fund established pursuant to this section cannot be used to defray the expenses, reserve contributions or construction costs which are the responsibility of the Declarant in its role as developer of the Condominium or to make up budget deficits.

(i) In the event that the Unit Owners shall amend the Master Deed or this Condominium Trust to include therein any right of first refusal in connection with the sale of a Unit (or the right to provide a substitute buyer) such right of first refusal shall not impair the rights of a first mortgagee to:

- (a) foreclose or take title to a Unit pursuant to the remedies provided in its mortgage; or
- (b) accept a deed (or assignment) in lieu of a foreclosure in the event of default by a mortgagor; or
- (c) sell or lease a Unit acquired by the first mortgagee through the procedures described in subparagraphs (a) and (b) above.

(j) Consistent with the provisions of Chapter 183A, all taxes, assessments and charges which may become liens prior to a first mortgage under the laws of the Commonwealth of Massachusetts shall relate only to the individual units and not to the Condominium as a whole.

(k) Nothing in the Master Deed or this Condominium Trust shall be construed to impair the right of each Unit Owner to unrestricted ingress and egress to its Unit, which right shall be perpetual and shall run with the Land (as defined in the Master Deed) as an appurtenant right to each Unit.

(l) Any person taking title to a Unit through a foreclosure sale duly conducted by a first mortgagee shall be exempt from any right of first refusal adopted by the Unit Owners and incorporated in the Master Deed or this Condominium Trust.

The Trustees intend that the provisions of this Section 6.6 and all other provisions of this Condominium Trust, including Sections 5.4.2 and 5.8.1, comply with the requirements of FNMA and FHLMC with respect to condominium mortgage loans and, except as otherwise required by the provisions of Chapter 183A, all questions with respect thereto shall be resolved consistent with that intention. In the event of any conflict between the percentage requirements of FNMA, FHLMC, other sections of the Master Deed and Condominium Trust and Chapter 183A with respect to any action or non-action to be taken or omitted by the Unit Owners or the Trustees, or with respect to any other matter, the greater percentage requirement shall control. The provisions of this Section 6.6 and Section 5.4.2 and 5.8.1 may not be amended without the prior written approval of a majority of the Trustees, first mortgage lenders representing at least sixty-seven percent (67%) in number and percentage interest of the mortgaged Units in the Condominium, and sixty-seven percent (67%) in percentage interest of the owners of Units in

the Condominium.

ARTICLE VII

AMENDMENTS AND TERMINATION

Section 7.1 Amendments. Except as stated in Section 6.6, the Trustees, with the consent in writing of Unit Owners entitled to not less than sixty-seven percent (67%) of the beneficial interest in this Trust, may at any time and from time to time amend, alter, add to, or change this Declaration of Trust in any manner or to any extent, the Trustees first, however, being duly indemnified to their reasonable satisfaction against outstanding obligations and liabilities.

Any such amendment is subject to the provision however that:

- (a) no instrument of amendment that alters the dimensions of any Unit or affects the use of a Unit or the exclusive use of a common area reserved to a Unit shall be of any force or effect unless the same has been signed by the owner of the Unit affected;
- (b) Except as provided in Section 5.5.4 hereof or otherwise in the Master Deed, no instrument of amendment that alters the percentage of the undivided interest to which any Unit is entitled in the common areas and facilities shall be of any force or effect unless the same has been signed by the owner of the Unit affected;
- (c) No instrument of amendment that alters the percentage of Common Charges attributable to a Unit shall be of any force or effect unless all Unit owners have signed the same;
- (d) No instrument of amendment affecting any Unit in a manner that impairs the security of a first mortgage of record or which would disqualify it for sale to Federal Home Loan Mortgage Corporation or Federal National Mortgage Association under any law or regulation applicable thereto shall be of any force or effect unless the same has been assented to by the holder or holders thereof and no amendment which relates to matters described in Section 6.6 of this Trust and which has not been assented to by the appropriate percentage of the holders of first mortgages as described in said Section 6.6 shall be of any force or effect;
- (e) No instrument of amendment according to the purport of which would eliminate, impair or otherwise adversely affect any rights special to the Declarant (i.e., not appertaining generally to all Unit Owners) shall be of any force or effect unless assented to in writing by the Declarant; and
- (f) No instrument of amendment that alters this Condominium Trust in any manner that would render it contrary to or inconsistent with any requirements or provisions of Chapter 183A shall be of any force or effect.

Any amendment, alteration, addition or change pursuant to the foregoing provisions of this paragraph shall become effective upon the recording with the Registry of Deeds of an instrument of amendment, alteration, addition, or change as the case may be, signed, sealed and

acknowledged in the manner required in Massachusetts for the acknowledgment of deeds by any two Trustees, if there be at least two then in office (or one Trustee if there be only one in office), setting forth in full the amendment, alteration, addition or change and reciting the consent of the Unit Owners required by this Trust to consent thereto. Such instrument, so executed and recorded, shall be conclusive evidence of the existence of all facts and of compliance with all questions as to title or affecting the rights of third persons and for all other purposes. Nothing in this paragraph shall be construed as making it obligatory upon the Trustees to amend, alter, add to or change the Declaration of Trust upon obtaining the necessary consent as hereinbefore provided.

The Declarant reserves for itself and any successors to the Declarant's interest in the Condominium during such time as the Declarant is entitled to appoint the Trustees of the Condominium Trust the right, without the consent or signature of any other Unit Owner or Mortgagee, to amend this Condominium Trust to conform it with the requirements of FNMA and/or FHLMC as they may apply to the Condominium.

Section 7.2 Termination. The Trust hereby created shall terminate only upon the removal of the Condominium from the provisions of Chapter 183A in accordance with the procedure therefor set forth in Section 19 thereof.

Section 7.3 Disposition of Trust Property Upon Termination. Upon the termination of this Trust, the Trustees may, subject to and in accordance with the provisions of Chapter 183A, sell and convert into money the whole of the Trust property, or any part thereof, and, after paying or retiring all known liabilities and obligations of the Trustees and providing for indemnity against any other outstanding liabilities and

obligations, shall divide the proceeds thereof among, and distribute in kind, at valuations made by them which shall be conclusive, all other property then held by them in trust hereunder, to the Unit Owners according to their respective beneficial interest stated in this Trust. In making any sale under this section, the Trustees shall have power to sell by public auction or private sale or contract and to buy in or rescind or vary any contract of sale and to resell without being answerable for loss and, for said purposes, to do all things including the execution and delivery of instruments, as may by their performance thereof be shown to be in their judgment necessary or desirable in connection therewith. The powers of sale and all other powers herein given to the Trustees shall continue as to all property at any time remaining in their hands or ownership, even though all times herein fixed for distributions of Trust property may have passed.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Construction. In the construction hereof, whether or not so expressed, words used in the singular or in the plural respectively include individuals, firms, associations, companies (joint stock or otherwise), trusts and corporations unless a contrary intention is reasonably required by the subject matter or context. The title headings of different parts hereof are inserted only for convenience of reference and are not to be taken to be any part hereof or to control or affect the meaning, construction, interpretation or

effect hereof. All the trusts, powers and provisions herein contained shall take effect and be construed according to the laws of the Commonwealth of Massachusetts. All capitalized terms used herein shall have the meaning herein as in the Master Deed, unless otherwise specifically provided herein. Unless the context otherwise indicates, words defined in Chapter 1 83A shall have the same meaning here.

Section 8.2 Waiver. The provisions of this Trust shall be waived only in writing by the party charged therewith, and not by conduct, no matter how often repeated.

Section 8.3 Partial Invalidity. The invalidity of any provision of this Trust shall not impair or affect the validity of the remainder of this Trust and all valid provisions shall remain enforceable and in effect notwithstanding such invalidity.

IN WITNESS WHEREOF, the undersigned has executed this Declaration of Trust under seal this 6th day of May, 2003.

Alex M. Steinbergh, Tr.
Alex M. Steinbergh, Trustee
R. Stanley Bowden, Trustee
R. Stanley Bowden, Trustee

COMMONWEALTH OF MASSACHUSETTS

Middlesex, SS

May 6, 2003

Then personally appeared the above-named Alex M. Steinbergh, as Trustee, and acknowledged the foregoing to be his free act and deed, before me,

Scott Twadelle
, Notary Public

My commission expires 10/17/08

COMMONWEALTH OF MASSACHUSETTS

Middlesex, SS

SCOTT TWADELLE

Notary Public

My Commission Expires

October 17, 2008

May 6, 2003

Then personally appeared the above-named R. Stanley Bowden, as Trustee and acknowledged the foregoing to be his free act and deed, before me,

Scott Twadelle
, Notary Public

My commission expires 10/17/08

SCOTT TWADELLE

Notary Public

My Commission Expires

October 17, 2008

RULES AND REGULATIONS

FOR

PARK STREET LOFTS CONDOMINIUM

These Rules and Regulations are, and shall be recognized for all purposes to be, the Rules and Regulations of the Park Street Lofts Condominium. In these Rules and Regulations, the terms "Condominium", "Property", "Common Areas and Facilities", "Trustees", "Unit", "Unit Owners" and other capitalized terms shall have the meanings given to those terms in the Declaration of Trust of the Park Street Lofts Condominium Trust (the "Trust").

1. Use. No part of the Condominium shall be used for any purpose except as set forth in the Master Deed and as permitted from time to time by the Zoning By-Law of the City of Somerville. Units 1-18 shall be used for residential use. Unit 19 can be used for office or residential use. Until all the Units have been sold by the Declarant, Declarant may use one or more Units for a sales office or model showroom.

2. No Obstruction of Common Areas and Facilities: Storage. There shall be no obstruction of the Common Areas and Facilities of the Condominium; nor shall anything be stored in the Common Areas and Facilities without the prior consent of the Trustees, except as herein or in the By-Laws expressly provided. The provisions of the foregoing sentence shall not be applicable to any portion of the Common Areas and Facilities that are subject to an easement for the exclusive use of such area as appurtenant to a particular Unit as provided in the Master Deed. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the By-Laws. Door mats, shoes, boots, umbrellas, or other articles are not allowed in hallways, lobbies or other public areas of the Building; nor may any decoration, or other article, other than those provided by the Condominium Trustees be attached to hallway doors or walls.

3. Effect on Insurance. Nothing shall be done or kept in any Unit or the Common Areas and Facilities which will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Trustees. No Unit Owner shall permit anything to be done, or kept in his Unit or the Common Areas and Facilities which will result in the increase in cost of or cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law.

4. Displays. Except as otherwise provided in the Master Deed, owners of Residential Units shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of the Buildings, and no sign, awning, canopy, shutter or radio or television antenna (except as set forth in the Trust for master antenna system) shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window, without the prior consent of the Trustees.

5. Draperies. All draperies, window treatments and coverings in each Residential Unit shall be lined with an off-white material or shall be off-white on the facing visible from the

exterior such that when closed or drawn the appearance of the window from the exterior of the Building shall be off-white. Wood shutters may be painted off-white or stained natural. Blinds may be off-white or silver-colored aluminum.

6. Minimum Temperature. Each Unit Owner shall be required to maintain a temperature of at least fifty (50) degrees Fahrenheit in his Unit at all times.

7. Exclusive Courtyards, Balconies and Roof Decks. No Exclusive Courtyard, Balcony, or Roof Deck may be used except as provided in the Master Deed. Unit Owners may place ordinary items of furniture, carpets and plants on a Patio, Yard, Balcony or Roof Deck provided that no Exclusive Courtyard, Balcony or Roof Deck shall be overloaded, and all such furniture, carpets, decorative items and plants shall be entirely contained within the Exclusive Courtyard, Balcony or Roof Deck. No Exclusive Courtyard, Balcony or Roof Deck shall be enclosed.

8. No Offensive Activity: Interference with Rights. No Unit Owner shall do or permit to be done anything in or about his or her Unit that will interfere with the rights, comfort or convenience of other Unit Owners, it being the intent that Park Street Lofts Condominium shall be a community wherein all residents shall live in a peaceful and tranquil environment. No noxious or offensive activity shall be carried on in any Unit or the Common Areas and Facilities; nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises by himself, his family, servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other Unit Owners. No Unit Owner shall play upon, or suffer to be played upon, any musical instrument or operate or suffer to be operated a phonograph, television set or radio in his Unit between the hours of ten o'clock p.m. and the following eight o'clock A.M. if the same shall disturb or annoy other occupants of the Buildings.

9. Preservation of Structural Integrity. Nothing shall be done in any Unit or in, or to the Common Areas and Facilities that will impair the structural integrity of the Buildings or which would structurally change the Building.

10. Laundry. No clothes, sheets, blankets, laundry or any kind of other articles shall be hung out of a Unit or exposed on any part of the Common Areas and Facilities. The Common Areas and Facilities shall be kept free and clear of rubbish, debris and other unsightly materials.

11. Parking. For other than drop off purposes, Unit Owners shall not park nor allow any guest, visitor, licensee or employee to park any automobile or other motor vehicle of any kind anywhere on the Property except in a Parking Space (collectively, "Parking Spaces"), the exclusive use to which such Unit Owner is entitled. All movement of automobiles or other motor vehicles, temporary standing, traffic patterns and the like on any Common Areas and Facilities of the Condominium shall be subject to the control and regulation of the Condominium Trustees. Any automobile or other motor vehicle operated or parking, in violation of the provisions of this paragraph, may be removed (by towing or otherwise) by the Condominium Trustees without liability on the part of the Condominium Trustees or any Unit Owner, and the offending Unit Owner shall be obligated to reimburse for the costs and expenses

incurred by the Condominium Trustees in connection with removal, towing, storage and the like.

No Parking Spaces shall be used for any purpose except as set forth in the Master Deed. No Parking Spaces shall be used for any purpose other than to park automobiles, recreational vehicles (sport utility vehicles only) and to the extent used primarily for the transportation of passengers rather than cargo, trucks and vans not substantially larger than full-sized automobiles, excluding specifically all other trucks, commercial vehicles, trailers, or boats. Unit Owners shall also comply with the operational and security requirements governing use of the Garage from time to time.

12. Signs. Except by the Declarant, no "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising shall be maintained or permitted on any part of the Property or in any Unit therein. The right is reserved by the Condominium Trustees, or its agent, to place "For Sale", "For Rent" or "For Lease" signs on any unsold or unoccupied Units, or on the Buildings or Property, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1') foot by (2') feet.

13. Alterations. Except as may be provided in the Master Deed, nothing shall be altered or constructed in or removed from the Common Areas and Facilities, except upon the written consent of the Condominium Trustees. Except as may be provided in the Master Deed, no portion of the Common Areas and Facilities shall be decorated or furnished by any Unit Owner in any manner.

14. Unit Cleanliness. Each Unit Owner shall keep his Unit and such other areas with respect to which the Unit Owner has right of exclusive use in a good state of preservation and cleanliness. The water closets and other water apparatus shall not be used for any purpose other than that for which they were constructed, and no sweepings, rubbish, rags, paper, ashes or other substances shall be thrown therein. The Unit Owner who shall have caused it shall pay for any damage to the plumbing system of the Building resulting from misuse. No Unit Owner shall sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

15. Electrical Equipment. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit.

16. Entry Into Units. The agents of the Condominium Trustees or the managing agent, and any contractor or workman authorized by the Condominium or the managing agent, may enter any room or Unit in the Building at any reasonable hour of the day after notification (except in case of emergency when no notice shall be required) for the purpose of inspection, maintenance, pest control, repair or restoration of or to the Building or Common Areas and Facilities.

17. Consent. Any consent or approval given under these Rules and Regulations

may be added to, amended or repealed at any time by resolution of the Condominium Trustees.

18. Hazardous Substances. No Unit Owner or occupant or any of his agents, servants, employees, licensees or visitors shall, at any time, bring into or keep in his Unit any flammable, combustible or explosive fluid, material, chemical or substance, except for small quantities of mineral spirits and other materials customarily used by artists in their work and such lighting and cleaning fluids, and such wood and other materials for burning in fireplaces as are customary for residential use.

19. Keys. The Trustees or the managing agent may retain a passkey to each Unit, with the exceptions of Units 1, 2, 3 and 4 (the true townhouse units). No Unit Owner shall alter any lock or install a new lock or a knocker on any door of a Unit without the written consent of the Trustees. In case such consent is given, the Unit Owner shall provide the Trustees, or their designated agent, with an additional key pursuant to its rights of access to the Unit. If any key or keys are entrusted by a Unit Owner or occupant or by any member of his family or by his agent, servant, employee, licensee or visitor to any employee of the Condominium, whether for such Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Condominium Trustees shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith. If any Unit owner fails to give the Trustees or the Managing Agent a passkey to his/her unit., the Trustees or the Condominium Association will bear no responsibility for damages to the Unit or Common areas caused by burst pipes or other causes for which they might otherwise be responsible.

20. Garbage. Garbage and refuse from the Units shall be disposed of only in such manner as the Trustees may direct. All garbage, trash and cans or bottles must be placed in a bag or wrapped and placed in a trash room located on each floor.

21. Exterior Lighting. Except as part of the initial construction of the Units and the Common Areas and Facilities for the original occupants thereof, no exterior lighting equipment, fixtures, or facilities shall be attached to or utilized for any Unit without the prior consent of the Trustees.

22. Safety. Each Unit Owner assumes responsibility for his own safety, actions and conduct, and that of his family, guests, agents, servants, employees, business invitees, licensees, lessees and Household Pets (as such term is defined in the Master Deed).

23. Late Fees. Any monthly common charge or special assessment that is not paid within 15 days of when due shall carry a late charge of \$25. Any such charge or assessment that is not paid within 30 days of when due shall carry an additional late charge of \$50. Late charges shall constitute a lien on a Unit and/or on an easement for the exclusive use of a Parking Space pursuant to Section 6 of Massachusetts General Laws Chapter 183A.

24. Personal Property. All personal property of the Unit Owners in the Units and in the Common Areas and Facilities, the exclusive use of which is provided to the Unit, and elsewhere shall be kept therein at the sole risk and responsibility of the respective Unit

Owner, and neither the Condominium Trustees, nor their respective successors or assigns, shall bear any responsibility therefor. The Condominium Trustees shall not be responsible for the loss of or damage to any package or other items, which may be delivered during a resident's absence. Such deliveries will be accepted only during those hours, which may be established from time to time by the Condominium Trustees.

25. Moving. When a Unit Owner or a lessee, invitee, employee or agent of such Unit Owner moves furniture or personal property into or out of a Unit, such Unit Owner shall so notify the Condominium Trustees prior to the move and shall provide the Trustees with a certificate of insurance from the company or firm contracted to move the furniture or personal property naming the Condominium Trustees as an insured with regard to any damage caused to the Common Areas and Facilities and to any damage, either to persons or property covered by a general comprehensive public liability policy. The Condominium Trustees shall have the sole discretion as to whether the certificates of insurance are adequate as to the amounts of coverage and as to the company issuing the policy. In addition, the Condominium Trustees may require that the Unit Owner post a bond in such amount as the Condominium Trustees deem reasonable to cover any loss or damage caused by the move. The Unit Owner shall indemnify the Condominium Trust and hold it harmless against any loss or liabilities of any kind or character whatsoever arising from or growing out of moving furniture or personal property into or out of a Unit, and upon the failure to so indemnify, the amount of any loss or liability, until so indemnified, shall constitute a lien against such Unit pursuant to Section 6 of Chapter 183A.

26. Elevators. No notices, signs or any advertisement whatsoever shall be placed in the elevators. Any person requiring use of an elevator for transporting furniture or other large items shall make a reservation in advance through the Condominium Trustees or the management agent for use of the elevator. All furniture and other large items shall be delivered or moved into the Building as directed by the Condominium Trustees or management agent. In no event shall furniture or other large items be transported in the elevator other than from 9:00 a.m. to 5:00 p.m. Smoking, eating and drinking are not allowed.

27. Amendments. These rules and regulations may, from time to time, be amended, modified, rescinded, or otherwise changed by the Trustees, and other rules and regulations may be adopted by the Trustees; provided, however, a Unit Owner shall not be bound by such amendment, modification or change until said Unit Owner has notice of such change. For purposes hereof, a notice of such amendment, modification or change conspicuously posted shall be deemed notice to all.