

THE COURTYARD CONDOMINIUM TRUST

THIS DECLARATION OF TRUST made by HRM, Inc. of Chelmsford, Middlesex County, Massachusetts, (hereinafter called the "Trustee" or "Trustees", which term and any pronoun referring thereto shall be deemed to include any successors in trust hereunder and to mean the trustees for the time being hereunder wherever the context so permits).

ARTICLE I - Name of Trust

The Trust created hereby shall be known as: THE COURTYARD CONDOMINIUM TRUST.

ARTICLE II - The Trust and Its Purposes

2.1 General Purposes. This Trust is created as the organization of unit owners (hereinafter the "Owners" or "Unit Owners") as required by the provisions of Chapter 183A, as amended, of the Massachusetts General Laws (hereinafter "Chapter 183A") for the purpose of managing THE COURTYARD CONDOMINIUM, a condominium ("Condominium") established by the Master Deed (hereinafter "Master Deed") executed by ROBERT H. MC BRIDE, Trustee, THE COMMONS REALTY TRUST (hereinafter the "Declarant"), which term shall also include all persons or entities which may succeed to the Declarant's position as developer of the Condominium in accordance with the definition of Declarant contained in paragraph 18 of the Master Deed, dated the same date as the date of this Trust and recorded herewith.

2.2 Definitions. Unless the context otherwise requires, the words defined in the Master Deed and the definitions contained in Section 1 of Chapter 183A shall be applicable to this Trust.

2.3 Trust and Not Partnership. It is hereby expressly declared that a trust and not a partnership or corporation is hereby created, and that the Unit Owners are beneficiaries and not partners or associates between or among themselves with respect to the trust property, and hold no relation to the Trustees other than as beneficiaries hereunder.

2.4 Property Held in Trust. All property, real and personal, tangible and intangible, conveyed to or held hereunder by the Trustees shall vest in the Trustees, in trust, to manage, administer and dispose of the same, exclusive of the common areas and facilities, and to receive and/or distribute the income and/or principal thereof for the benefit of the Owners from time to time of the Units of the Condominium. The beneficial interest of each Unit Owner is set forth in Exhibit B of

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the Master Deed, which interest is equal to the percentage undivided interest of each Owner's Unit in the Common Areas and Facilities of the Condominium, as said Master Deed may be amended from time to time.

ARTICLE III - The Trustees

3.1 Number of Trustees; Term of Office; Vacancies. There shall be at all times five Trustees: provided, however, that until the "takeover event", as hereinafter defined, the number of Trustees shall be any number of persons or corporations as designated by the Declarant, and may consist of as little as one Trustee. Upon the occurrence of the "takeover event", which shall be no later than the earlier of the following events: (a) four (4) months after seventy-five percent (75%) of the total Units included in all Phases have been conveyed to unit purchasers or (b) five (5) years following conveyance of the first unit within the Condominium, the term of office of the original Trustees or their successors designated by the Declarant, shall be deemed vacant so as to permit such vacancies to be filled in the manner hereinafter set forth. Until such vacancies have been filled, or until the expiration of a period of thirty (30) days after the occurrence of the takeover event, whichever shall first occur, the Trustees may continue to act hereunder. The term of office of the Trustees elected or appointed to fill the vacancies of the original Trustees or the successors to the original Trustees designated by the Declarant shall be for the period until the annual meeting of the Unit Owners immediately succeeding their election or appointment and until their successors have been elected or appointed and qualified. Thereafter, the term of office of the Trustees shall be for a period of three (3) years and until their successors have been elected or appointed and qualified, but in order to provide for a staggering of terms, terms from time to time may be adjusted by the Board to be for one, two and three years in order to provide for one-third of the terms to the extent possible becoming vacant each year. Trustees may be a corporation.

3.2 Election of Trustees. The Trustees shall be elected by a vote of Unit Owners holding not less than fifty-one percent (51%) of the beneficial interest hereunder, which vote shall be cast at any annual or special meeting of the Unit Owners. Each person elected to serve as Trustee who wishes to so serve shall promptly file with the Secretary of the Trust his written acceptance of election, and upon receipt of such acceptance, the Secretary shall sign and record with the Registry of Deeds a certificate of election setting forth the names of the new Trustees and reciting that they have been duly elected by the requisite vote of the Unit Owners and have filed their written acceptance of election with the Secretary. In this Trust, the meaning of "Registry of Deeds" shall be limited to that Registry district in which the Condominium land is located.

3.3 Vacancies. Except in the case of the original

Trustees hereunder or any successor Trustee or Trustees as designated by the Declarant, if and whenever the number of Trustees shall become less than the number of Trustees last determined as aforesaid, a vacancy or vacancies in said office shall be deemed to exist. Each such vacancy shall be filled by the appointment of a successor who shall be designated by Unit Owners holding a majority of the beneficial interest represented in person or by proxy at a duly called annual or special meeting of Unit Owners at which a quorum is present; if such successor shall not be so designated within thirty (30) days after the vacancy occurs, then the remaining Trustees or Trustee shall make such appointment. Each appointment to fill a vacancy, other than by court proceeding as hereinafter provided, shall become effective upon recording with the Registry of Deeds of an instrument in writing signed by such successor and by a majority of the Trustees and acknowledged by such successor and by at least one of said Trustees. Any appointment by such court proceeding shall become effective upon recording with said Registry of Deeds, of a certified copy of such decree and of the acceptance of such appointment subscribed and sworn to by the successor so appointed. If for any reason any successor shall not be so designated within sixty (60) days after the vacancy in office occurs, a Trustee or Trustees to fill such vacancy or vacancies may be appointed by any Court of competent jurisdiction upon the application of any Unit Owner upon notice to all Unit Owners and Trustees and to such others as the court may direct. Notwithstanding the foregoing provisions of this Section, the remaining or surviving Trustees shall continue to exercise and discharge all of the powers, discretions and duties hereby conferred or imposed upon the Trustees and any person appointed as a successor Trustee as hereinbefore provided shall be vested with the title to the trust property jointly with the remaining or surviving Trustee or Trustees without the necessity of any act or transfer or conveyance.

3.4 Quorum and Action by Majority. The Trustees may act by a majority vote at any duly called meeting at which a quorum is present, and a quorum shall consist of a majority of the Trustees. The Trustees, may also act without a meeting if a written consent is signed by at least two-thirds (2/3) of the Trustees then in office.

3.5 Bond by Trustees. Any Trustee elected or appointed as hereinbefore provided, who is vested with authority or responsibility for handling funds belonging to or administered by the Trust, shall be covered by a fidelity bond conforming to the requirements of section 5.6.1(f). All expenses incident to any such bond shall be charged as a common expense of the Condominium.

3.6 Resignation and Removal of Trustee. Any Trustee may resign by notice in writing given to the Secretary of the Trust, who shall in turn transmit written notice of such resignation to each of the other Trustees. Such written

resignation shall be recorded by the Secretary of the Trust at the Registry of Deeds. After reasonable notice and an opportunity to be heard, a Trustee may be removed from office with or without cause relating to the performance (or the non-performance), as the case may be, of his or her duties as a Trustee by vote of Unit Owners holding at least fifty-one percent (51%) of the beneficial interest hereunder, which vote shall be cast at any annual or special meeting of the Unit Owners the notice of which shall specify that the removal shall be voted upon thereat. Any such removal shall be evidenced by the recording at the Registry of Deeds of a certificate of removal signed by the Secretary of the Trust naming the Trustee so removed and reciting that the requisite votes of the Unit Owners were cast for the removal.

3.7. Compensation of Trustees. No Trustees shall receive compensation for his services, except that, by a vote of a majority of the other Trustees, a Trustee may be reimbursed for his or her out-of-pocket expenditures associated with Trust business.

3.8. No Liability If In Good Faith. No Trustee shall be personally liable or accountable out of her or his personal assets by reason of any action taken, suffered or omitted in good faith, or for allowing one or more of the other Trustees to have possession of the Trust books or property, or by reason of honest errors of judgment, mistakes of fact or law, the existence of any personal or adverse interest, or by reason of anything except her or his own willful malfeasance and default.

3.9. Dealing with Trust Not Prohibited. No Trustee or Unit Owner shall be disqualified by their office from contracting or dealing directly or indirectly with the Trustees or with one or more Unit Owners, nor shall any such dealing, contract or arrangement entered into in respect to this Trust, in which any Trustee or Unit Owner shall be in any way interested, be avoided, nor shall any Trustee or Unit Owner so dealing or contracting 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, or by reason of such Unit Owners status, provided the Trustee or Unit Owner shall act in good faith and shall disclose the nature of his or her interest before the dealing, contract or arrangement is entered into.

3.10. Indemnity. The Trustees and each of them 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, including without limiting the generality of the foregoing, liabilities in contract and in tort and liabilities for damages, penalties, and fines. Each Unit Owner shall be personally liable for all sums lawfully assessed for his or her share of the common expenses of the Condominium and for his or her proportionate share of any claims involving the trust

property in excess thereof, all as provided in Section 6 and 13 of Chapter 183A. Nothing contained in this paragraph shall be deemed, however, to limit in any respect the powers granted to the Trustees in this instrument.

ARTICLE IV - Beneficiaries and Beneficial Interest

4.1 **Percentage Interest.** The beneficiaries shall be the Unit Owners of the Condominium from time to time. The beneficial interest in the trust hereunder shall be divided among the Unit Owners in the percentage of undivided beneficial interest appertaining to the Units of the Condominium as set forth in Exhibit B of the Master Deed or as said Exhibit B may be amended pursuant to paragraph 16 of the Master Deed.

4.2 **Persons to Vote as Unit Owners.** The beneficial interest of each Unit of the Condominium shall be held as a unit and shall not be divided among the several owners of any such Unit. To that end, whenever any of said Units is owned of record by more than one person, the several owners of such Unit shall determine and designate which one of such owners or other person shall be authorized and entitled to cast votes, execute instruments and otherwise exercise the rights appertaining to such Unit hereunder, and it may be conclusively presumed that any Unit Owner attending any meeting has obtained such authorization unless an objection has been filed with the Trustees prior to or at such meeting.

4.3 **Voting Power of the Unit Owners.** Each Unit Owner, including the Declarant, shall have voting power in the affairs of the Condominium equal to the percentage of undivided beneficial interest appertaining to his Unit as set forth in Exhibit B of the Master Deed or as amended under paragraph 16 of the Master Deed.

ARTICLE V - By-Laws

The provisions of this ARTICLE V shall constitute the By-Laws (the "By-Laws") of this Trust and the organization of Unit Owners established hereby.

5.1 **Powers and Duties of the Trustees.** The Trustees shall have the powers and duties specifically conferred upon them by Chapter 183A, the Master Deed and these By-Laws, and all other powers and duties necessary for the administration of the affairs of the Condominium (except as otherwise provided by law, the Master Deed or these By-Laws), including, without limiting the generality of the foregoing, the following powers and duties:

5.1.1 To appoint and remove at pleasure all officers, agents and employees of the Trust, prescribe their duties, fix their compensation, and require of them such security or fidelity bond(s) as they may deem expedient. Nothing contained in these

By-Laws shall be construed to prohibit the employment of any Unit Owner or Trustee in any capacity whatsoever.

5.1.2 To establish, levy and assess, and collect general and special assessments for common expenses referred to in Section 5.5 hereof. The Trustees shall have the duty to take such action as they may deem reasonably required under the circumstances to collect from Unit Owners who fail to pay such assessments within thirty (30) days of the due date or within such shorter period of time as may be determined by the Trustees, including without thereby limiting the generality of the foregoing, the commencement of legal action.

5.1.3 To do all things necessary to operate, maintain, repair, improve, replace, alter and otherwise administer and care for the Common Areas and Facilities and, to the extent provided in the Master Deed and these By-Laws, maintain, repair and care for the Units.

5.1.4 To obtain all policies of insurance required by these By-Laws and such other insurance as may be required by law or as the Trustees may from time to time determine.

5.1.5 To obtain any legal, architectural, accounting, administrative and other services deemed advisable by the Trustees, including the services of a manager and any other personnel, to whom the Trustees, except to the extent limited by Chapter 183A, the Master Deed, or these By-Laws, (including this Section 5.1), may delegate certain of its powers and duties. The Trustees shall be entitled to rely upon the advice and counsel of attorneys, architects, accountants and other advisors hired by them and shall be protected in so doing. If and to the extent that any legal, architectural or other review is because of the acts of a unit owner or if such review benefits a unit owner, the unit owner shall begin said review costs.

5.1.6 To adopt, amend, modify and rescind from time to time and enforce rules and regulations (the "Condominium Rules") governing the use of the Condominium and the personal conduct of the Unit Owners and their families, tenants and guests thereon.

5.1.7 To cause to be kept a complete record of all its acts and the affairs of the Trust and to present a statement thereof to the Unit Owners at the annual meeting of the Unit Owners.

5.1.8 To purchase, or otherwise acquire title to or an interest in, sell, and otherwise maintain, manage, hold, use, and encumber and dispose of any property, real or personal, tangible or intangible, in the course of their administration and management of the Condominium; provided that, except in the event of condemnation or substantial loss to the Units and/or the Common Areas and Facilities subject to the provisions of Sections 5.7.5 and/or 5.7.1 (b) hereof, the Trustees may not by act or omission

seek to abandon, partition, subdivide, encumber, sell or transfer any part or all of the Common Areas and Facilities, other than by the granting of utility rights and easements, without the prior authorization of Unit Owners holding at least seventy-five percent (75%) of the total voting power of the Unit Owners hereunder.

5.1.9 To open and maintain bank accounts, and to authorize the drawing of checks and other financial instruments, and to keep a full and complete record of all financial transactions for mortgagees of the Units and to prepare periodic financial reports and accountings as may be reasonably required by the Unit Owners.

5.1.10 To purchase in its own name or the name of a nominee one or more Units in the Condominium at any public or private sale upon such terms and conditions as the Trustees may deem desirable, provided that the Trustees obtain the prior authorization of the Unit Owners for any such purchase pursuant to Section 5.26 hereof; and to sell, lease, mortgage and otherwise maintain, manage, hold, encumber and dispose of such Units, upon such terms and conditions as the Trustees shall deem appropriate.

5.1.11 To borrow or in any other manner raise such sum or sums of money or other property as it shall deem advisable in any manner and on any terms, and to evidence the same by notes, bonds, securities or other evidence of indebtedness, which may mature at a time or times, and subject to any limitations imposed by law, the Master Deed or these By-Laws, to execute and deliver any mortgage, pledge, or other instrument to secure any such borrowing; provided, however, that the Trustees shall have no authority to bind the Unit Owners personally.

5.1.12 To establish committees from among the Unit Owners, define their powers and duties, and appoint and remove their members.

5.1.13 To grant easements and rights with respect to utilities to be installed in, upon, under or over the Common Areas and Facilities and to enter into such agreements and undertakings as shall be necessary therefor, and to grant the same rights to any owner of contiguous land, provided that such grants do not materially adversely interfere with the intended use of the Units.

5.1.14 To approve the location and relocation of easements and rights for utilities which have been installed in, upon, under or over the Common Areas and Facilities, and to execute, acknowledge and record such instruments and plans identifying such easements as the Trustees deem necessary or desirable.

5.1.15 To, acting as a Design Review Committee, establish, pursuant to Section 5.10 hereof, review and approve (a) certain modifications to the Building(s) as referred

to in the Master Deed; (b) the modification, removal and installation by the Unit Owner of certain interior walls within their Unit; or (c) any other construction, modification or decoration activities with respect to a Unit, which involve or impact the Common Areas or Facilities and/or over which the Trustees may specifically have review and approval authority under the provisions of the Master Deed and this Condominium Trust. If said review is because of the act or benefits of a unit owner, the unit owner shall be responsible for the cost of review.

5.1.16 To sign, seal, acknowledge, deliver and record in any one or more public offices or places of recording all such instruments and documents as the Trustees shall deem necessary or desirable in the exercise of their powers and the discharge of their duties.

5.1.17 To take such steps, including the expenditure of funds, to protect and preserve the Common Areas and Facilities of the Condominium.

Notwithstanding any provisions of this Trust and By-Laws to the contrary, the Trustees may not delegate to any manager or managing agent for the Condominium any of the following powers and duties:

- (a) The power to appoint the officers of the Trust.
- (b) The power to establish, levy and assess the assessments or charges for common expenses or special assessments.
- (c) The power to adopt, revise, modify and rescind the Condominium rules and regulations.
- (d) The powers and duties described in Sections 5.1.9, 5.1.10, 5.1.11, 5.1.12, 5.1.13, 5.1.14, and 5.1.15 above.

5.2 Reserves and Working Capital. The Trustees shall be required to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas which the Trust is obligated to maintain. The fund shall be maintained out of regular assessments for common expenses.

Additionally, a working capital fund shall be established equal to at least two (2) months estimated common area charge for each Unit. Each Unit's share of the working capital fund must be collected and transferred to the Trust at the time of closing of the sale of each Unit and maintained in a segregated account for the use and the benefit of the 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. While the Declarant is in control of the owner's association, the working capital funds can not be used to defray Declarant's expenses, reserve contributions, or construction costs, or to make up any budget deficits.

The contribution to the working capital fund for each unsold unit estate shall be paid to the trustees by the original Buyer upon the purchase of each unit.

5.3 Maintenance and Repair of Units.

5.3.1 Each Unit Owner shall be responsible for the proper maintenance, repair and replacement of his Unit and the maintenance, repair and replacement of utility fixtures serving the same which are not part of the Common Areas and Facilities, including, without limitation: interior walls, ceiling and floors; windows and window frame, including screens and storm windows, if any; window trim; doors; door frames and door trim; plumbing and sanitary waste fixtures and fixtures for water and other utilities; electrical fixtures and outlets; air conditioning equipment, if any; and all wires, pipes, drains and conduits for water, electrical power and light, telephone and other utility services which are contained in and serve such Unit solely. Each Unit Owner shall be responsible for all damages for maintenance, repair and/or replacement obligations hereunder.

5.3.2 If the Trustees shall, at any time in their reasonable judgment, determine that a Unit is in such need of maintenance or repair that the market value of one or more other Units is being adversely affected or that the condition of a Unit or any fixtures, furnishing, facility or equipment therein is hazardous to any Unit or the occupants thereof, 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 shorter 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 such Unit Owner whose Unit is in need of work and to enter upon and have access to such Unit for such purpose; and the cost of such work as is reasonably necessary therefor shall constitute a lien upon such Unit and the Unit Owner thereof shall be personally liable therefor.

5.4 Maintenance, Repair and Replacement of Common Areas and Facilities and Assessments of Common Expenses. The Trustees shall be responsible for the proper maintenance, repair and replacement of the Common Areas and Facilities of the Condominium, subject to the provisions of Section 5.7 hereof with respect to repairs.

5.5 Common Expenses, Profits and Funds. The Unit Owners shall be liable for common expenses and entitled to common profits of the Condominium in proportion to their respective percentage of beneficial interest as set forth in Exhibit B of the Master Deed, provided, however, that each Unit Owner shall be solely responsible to any utility companies for the cost of utility services billed or assessed in connection with the furnishing of utilities to her or his Unit which are separately metered. The Trustees may at any time or times distribute common profits among the Unit Owners in such proportions.

5.5.1 At least thirty (30) days prior to the commencement of each fiscal year of this trust (and within thirty (30) days after the recording hereof with respect to the portion of a fiscal year then remaining), the Trustees shall estimate the common expenses expected to be incurred during such fiscal year together with a reasonable provision for contingencies and reserves, and, after taking into account any undistributed common profits from prior years, shall determine the assessment to be made for such fiscal year. The Trustees shall promptly render statements to the Unit Owners for their respective shares of such assessments according to their respective percentages of the undivided interest in the Common Areas and Facilities (as set forth in said Exhibit B), and such statements shall be due and payable in one-twelfth (1/12) installments on the first day of each month. If a Unit Owner is in default in the payment of an assessment for a period of more than sixty (60) days, the Trustees may accelerate any remaining installments of the assessment for the fiscal year. In the event that the Trustees determine during a fiscal year that the assessment so made is less than the common expenses actually incurred, or, in the reasonable opinion of the Trustees, likely to be incurred, they shall make a supplemental assessment or assessments and render statements for such assessments in the same manner as is done for annual assessments. The amount of each such payment, together with interest thereon, shall if not paid when due, accrue at the rate of eighteen percent (18%) per annum or such lesser rate of interest as shall then be the maximum rate permitted by law, and shall constitute a lien on the Unit of the Unit Owner assessed, pursuant to the provisions of Section 6 of Chapter 183A.

5.5.2 Each Unit Owner shall be personally liable for those common expenses assessed against his or her Unit which are due and payable during her or his period of ownership. No Unit Owner shall be liable for the payment of any part of the common expenses assessed against his or her Unit which become due and payable subsequent to a sale, transfer or other conveyance of such Unit. Any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that her or his Unit is free and clear of liens and encumbrances other than the statutory lien for unpaid common expenses, convey his or her Unit to the Trustees and, in such event, be exempt from common expenses thereafter becoming due. A purchaser of a Unit shall

be personally liable for the payment of common expenses assessed and due, but unpaid, on account of such Unit prior to its acquisition by her or him, except that (a) a purchaser of a Unit at the foreclosure sale or (b) any first mortgagee who comes into possession of a Unit pursuant to the remedies provided in the mortgage or by virtue of foreclosing the mortgage or taking a Deed (or Assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid common expense assessments against the Unit which accrue prior to the time such purchaser or mortgagee comes into possession or takes title to the Unit.

5.5.3 In the event of default by any Unit Owner in paying to the Trustees their common expenses, such Unit Owner shall be obligated to pay all expenses, including attorney's fees and court costs, incurred by the Trustees in proceedings brought to collect such unpaid common expenses. The Trustees shall have the right and duty to attempt to recover such common expenses, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action brought against such Unit Owner, or by foreclosure of the lien on such Unit as provided in Section 6 of Chapter 183A. Each unit owner and occupant agrees that if a unit owner owes funds to the Trust and if said unit is or becomes rented, the Board may collect rents from the occupant of the unit until all sums due to the association are paid. A letter to the occupant advising them of the delinquency shall be a conclusive presumption as to the delinquency.

5.5.4 After a successful action brought by the Trustees to foreclose a lien on a Unit because of unpaid common expenses, a Unit Owner, allowed by the Trustees to remain in the Unit for a period of time, may, at the option of the Trustees, and after entry of a judgement of foreclosure, be required to pay rental for the use of the Unit. Subject to the provisions of Section 5.26 hereof, the Trustees, acting on behalf of all Unit Owners, shall have power to purchase such Unit, together with its appurtenant interest, at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the vote appurtenant thereto), 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.

5.5.5 The Trustees shall expend common funds only for common expenses and lawful purposes permitted hereby and by the provisions of Chapter 183A.

5.5.6 Within ten (10) calendar days after receiving appropriate request from a Unit Owner, a purchaser of a Unit under a written contract of sale therefor, or a Unit Mortgagee, addressed to the Trustees and payment of a reasonable fee, not to exceed Ten Dollars (\$10.00), the Trustees shall supply a certificate in recordable form stating the amount of any unpaid assessments (including interest due thereon and costs of collection associated therewith) for common expenses against the

Unit. Upon the recording at the Registry of Deeds of such certificate signed either by the Secretary of the Trust or by a majority of the Trustees who then appear to be serving according to the records of said Registry of Deeds, the Unit involved shall be discharged from any lien for unpaid common expenses which do not appear in said certificate.

5.5.7 With respect to common expense assessments which are payable in monthly installments, a Unit Owner may, by arrangement with his mortgagee bank, provide for payment by him of installments due on account of such assessments to said mortgagee bank in full satisfaction of his obligation to pay said installments to the Trustees. Provided, however, that, as a precondition to such an arrangement, the mortgagee bank must specifically agree with the Trustees to hold such payments on account of assessments in escrow for the benefit of the Trust and to pay over to the Trustees, upon their or their authorized officer's or agent's written request, all sums so held in escrow.

5.6 Insurance.

5.6.1 Casualty Insurance. The Trustees shall obtain and maintain, to the extent obtainable at reasonable costs as determined by the Trustees, and permitted by applicable law, so-called master policies of insurance providing fire-with-extended and all risk coverage insurance, insuring the Condominium, including, without limitation, the Common Areas and Facilities, all of the Units with all fixtures, additions, alterations and improvements thereof, all heating and cooling equipment and other service machinery, apparatus, equipment and installations comprised in the Common Areas and Facilities, and also all such portions and elements of the Units as are for insurance purposes normally deemed to constitute part of the buildings and customarily covered by such insurance, but not including any furniture, furnishings, household and personal property belonging to and owned by the individual Unit Owners, in an amount equal to not less than one hundred percent (100%), minus the amount of any deductible, of the full replacement value thereof (as determined by the Trustees not less frequently than on an annual basis) without deduction for depreciation and shall include, if available, so-called Agreed Amount, Inflation Guard, Construction Code and Replacement Cost endorsements. The Trustees may purchase a so-called "blanket" policy covering the buildings if they deem it advisable. In determining full replacement value, the Trustees may reasonably rely upon the advice of the insurer or their insurance agent. The name of the insured under each required policy must be stated in form and substance similar to the following: "Trustees of the Condominium Trust for use and benefit of the individual unit owners." Such insurance shall contain the standard mortgagee clause and shall name the Trustees as Insurance Trustees for the use and benefit of all Unit Owners of The Condominium and their mortgagees as their interest may appear, with loss payable to and adjusted by the Trustees as Insurance Trustees in accordance with the provisions of these

By-Laws.

The Trustees shall insure against such other hazards or risks as the Trustees from time to time in their discretion shall determine to be appropriate, including, but not limited to, vandalism, malicious mischief, windstorm and water damage, and machinery explosion or damage. The cost of all insurance obtained and maintained by the Trustees pursuant to the provisions of this Declaration of Trust shall be a Common Expense.

5.6.2 Terms and Conditions of Policies. Policies for such casualty insurance shall provide: (i) that the insurance company waive any right of subrogation against the Trustees, their agents and employees, unit Owners, their respective employees, agents, tenants and guests; (ii) that the insurance shall not be prejudiced by any act or neglect of any Unit Owners or occupants or any other person or firm (including employees and agents of the Trustees) when such act or neglect is not within the control of the Trustees (or Unit Owners collectively) or by failure of the Trustees (or Unit Owners collectively) to comply with any warranty or condition with regard to any portion of the premises over which the Trustees (or Unit Owners collectively), have not control; (iii) that such policies may not be cancelled or substantially modified without at least twenty (20) days' prior written notice to all Unit Owners and mortgagees of Units to whom certificates of insurance have been issued; (iv) that recovery thereunder shall not be affected on account of the availability of proceeds under any policies obtained by individual Unit Owners covering their own Units; and (v) if available, that the company shall waive any right it may have under the policy to repair or restore damage should the Unit Owners elect to terminate the Condominium because of such damage.

Such insurance may provide for a reasonable deductible amount from the coverage thereof, as determined by the Trustees in their reasonable discretion. In the event of any loss which relates solely to the Common Areas and Facilities, such deductible amount may be assessed to all Unit Owners as a special assessment of Common Expenses hereunder. In the event of any loss which relates in whole or in part to items forming part of a unit, the Trustees may assess to the Unit Owner of such Unit, as a special assessment, all or part of such deductible amount, such special assessment being in an amount directly proportional to the amount of such loss related to such Unit items and the amount of the loss related to the Common Areas and Facilities. Unit Owners shall be liable for such special assessments in addition to their respective shares of the Common Expenses, and until such charges are paid by such Unit Owners, the same shall constitute a lien against their Units pursuant to the provisions of Section 6 of said Chapter 183A.

5.6.3 Certificates of Insurance. Certificates of

insurance with proper mortgagee endorsements, when requested, shall show the amount of insurance covering the Unit and its interest in the Common Areas and Facilities.

5.6.4 Insurance Appraisal. Unless waived by unanimous vote of all Trustees then in office, the Trustees shall obtain at least annually an independent insurance company appraisal of the full replacement value of the property to be insured in accordance with the foregoing provisions of this Section, without deduction for depreciation, for the purpose of determining the amount of insurance to be effected pursuant to this Section, and the amount of such insurance shall in no event be less than the full replacement value as so determined, minus the amount of any deductible. If the Trustees in their discretion deem it necessary, they shall upon notification of improvements to be made to a Unit by a Unit Owner increase the insurance coverage afforded by said master policy.

5.6.5 Notification of Mortgagees. Subject to the provisions hereof, insurance proceeds received by the Insurance Trustees shall be held in trust in an identified and segregated fund for the benefit of the Unit Owners and their mortgagees. The Trustees, on behalf of the organization of Unit Owners, shall give written notice to all mortgagees of which the Trust has received notice, of any loss to, or taking of, the Common Areas and Facilities if such loss or taking exceeds \$10,000, and in addition, if the loss or taking to any Unit exceeds \$1,000, then the Trustees shall give written notice of such loss or taking to such mortgagees listed as holding mortgages on that Unit.

5.6.6 Liability Insurance. The Trustees shall obtain and maintain, to the extent obtainable master policies of insurance with respect to the Common Areas and Facilities for the benefit and protection of the Trustees and all Unit Owners for: (i) comprehensive public liability insurance in such limits as the Trustees may, from time to time, determine but in no case less than \$1,000,000/\$1,000,000 in coverage, covering the Trust, the Trustees, the Manager and each Unit Owner with respect to liability arising out of ownership, maintenance or repair of those portions of the Condominium not reserved for exclusive use by the Owner or Owners of a single Unit, such insurance to provide for cross claims by the coinsured, such insurance policy shall also contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Condominium Unit Owner because of negligent acts of the condominium association of owners, the Trustees or other Unit Owners; (ii) workmen's compensation and employee's liability insurance with respect to any Manager, agent or employee of the Condominium but excluding any independent agent or Manager, and (iii) such other insurance as the Trustees may from time to time deem to be desirable or appropriate, including, without limitation, fiduciary liability insurance.

5.6.7 Unit Owner's Insurance. Unit Owners shall carry

insurance for their own benefit insuring their furniture, furnishings and other property located within their respective Units; provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Trustees shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Unit Owners are advised to obtain loss assessment coverage to the extent required by the Federal National Mortgage Association. This section shall not apply to Units owned or controlled by the local housing authority, Executive Office of Communities and Development (EOCD) or successor agencies.

5.6.8 Fidelity Coverage. To the extent required by the Federal National Mortgage Association, the Trustees shall obtain fidelity coverage against dishonest acts on the part of the Manager, Trustees, employees or volunteers responsible for handling funds belonging to or administered by the Trustees. The fidelity bond or insurance shall name the Condominium Trust as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than three (3) months of the insured's estimated annual operating expenses plus reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. The premiums for such coverage shall be a Common Expense of the Condominium and any such insurance or bond may not be cancelled or substantially modified without at least twenty (20) days prior written notice to all Unit Owners and mortgagees of such Units.

5.6.9 MHFA, FHLMC and FNMA Insurance Requirements. If MHFA, FHLMC or FNMA holds any interest in one or more mortgages on Units of which the Trustees have received notice, the Trustees shall obtain and maintain to the extent obtainable such other insurance as may be required from time to time by whichever of MHFA, FHLMC or FNMA holds such interest. All such policies shall provide that adjustment or loss shall be made by the Trustees, and if MHFA, FHLMC or FNMA holds any interest in one or more mortgages on Units, all such policies shall be in such amounts and contain such terms as may be required from time to time by whichever of MHFA, FHLMC or FNMA holds such interest.

5.6.10 Authorized Insurance Representatives. Notwithstanding any of the foregoing provisions and requirements to the contrary relating to physical damage or liability insurance, there may be named as an insured, on behalf of the Trustees, the Trustees' authorized representative, including any Trustee with whom such Trustees may enter into any Insurance Trust Agreement or any successor to such Trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such physical damage or public liability insurance. Each Unit Owner appoints the trustees, or any Insurance Trustee or substitute Insurance Trustee designated by the Trustees, as

attorney-in-fact for the purpose of purchasing and maintaining such insurance, including without limitation the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Trustees or any Insurance Trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first mortgage holders of record, as their interest may appear provided however, to the extent any such proceeds represent losses attributable to improvements which the Grantor has constructed on the Condominium Land as part of uncreated phases, such proceeds shall be paid to the Grantor and his mortgagees, as their interests may appear.

5.6.11 Notification to Trustees of Improvements. Each Unit Owner shall notify the Trustees in writing of all improvements to his or her Unit (except personal property other than fixtures) within twenty (20) days after the commencement of construction of such improvements, and upon receipt of such notice, the Trustees shall notify the insurer under any policy obtained pursuant to this Section of any such improvements and shall purchase additional insurance in such amounts as required by Section 5.12.1 and any premium increase caused by such improvements may be assessed to the Owner of the improved Unit as a Common Expense. No Unit Owner shall be entitled to receive insurance proceeds for the repair, replacement or restoration of any such improvements not so reported to the Trustees, unless otherwise consented to by unanimous vote of the Trustees.

5.6.12 Director's and Officer's Liability Insurance. The Trustees shall obtain to the extent available directors and officers liability coverage in such amounts and in such form as they deem advisable but in amounts not less than one million dollars. The premiums for such coverage shall be a Common Expense of the Condominium.

5.7 Rebuilding, Restoration and Condemnation.

5.7.1 In the event of any casualty loss to the Common Areas and Facilities, 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.

- (a) If such loss as so determined does not exceed ten percent (10%) of such value, the Trustees, acting as Insurance Trustees, shall promptly adjust and collect the loss, arrange for the prompt repair or restoration of the damaged areas, and disburse the proceeds of all insurance policies in payment of all costs and expenses incurred in connection with such repair or restoration in appropriate progress payment and with appropriate retainage.

- (b) If such loss as so determined exceeds ten percent (10%) of such value and, if within one hundred twenty (120) days after the date of such loss, seventy-five percent (75%) or more of the Unit Owners do not agree to proceed with repair or restoration, each Unit Owner's proportionate share of the insurance proceeds with respect to the Common Areas and Facilities based upon the Unit's respective undivided Ownership interest in said Common Areas and Facilities, together with the portion of the insurance proceeds allocated to any Unit as a result of a loss to such Unit and/or its appurtenant Common Areas and Facilities due to the casualty, shall, to the extent permitted by law, be divided among the Unit Owners and shall be paid first to the holders of the first mortgages on their Units, if any, up to, but not in excess of, the amounts secured thereby, and thereafter to the Unit Owners, and the Condominium shall be subject to partition at the suit of any Unit Owner. Such suit shall be subject to dismissal at any time prior to entry of an order to sell if an appropriate agreement to rebuild is filed. The net proceeds of a partition sale together with any common funds of the Trust (adjusted for insurance proceeds paid or payable as aforesaid) shall be divided among the Unit Owners in proportion to their Units' undivided interests in the Common Areas and Facilities and shall be paid first to the holders of the first mortgages on their Units, if any, to the extent of the amounts secured thereby, and thereafter to the Unit Owners. If, on the other hand, seventy-five percent (75%) or more of the Unit Owners agree to proceed with the necessary repair or restoration, the Trustees shall arrange for the repair and restoration of the damaged areas, and disburse the proceeds of all insurance policies in payment of all costs and expenses incurred in connection therewith in appropriate progress payments and with appropriate retainage.
- (c) Notwithstanding the provisions of subparagraphs (a) and (b) hereof, any restoration or repair of the Condominium shall be performed substantially in accordance with the Condominium documents and the original plans and specifications unless other action is approved by "eligible holders of mortgages" (as the term "eligible mortgage holder" is defined and may from time to time be defined) on Units which have at least fifty-one percent (51%) of the votes of Units subject to eligible mortgages; and further provided that no

reallocation of interests in the Common Areas resulting from a partial destruction or partial condemnation of the Condominium shall be effected without the prior approval of eligible holders of mortgages on all remaining Units, whether existing in whole or in part, and which have at least fifty-one percent (51%) of the votes of such remaining Units subject to eligible mortgages.

5.7.2 In the event that the total cost of repair and restoration as estimated on the basis of an independent appraisal, or as determined during the course of repair or restoration, exceeds the total sum of available insurance proceeds, then the Trustees shall assess all the Unit Owners, as a common expense, the amount in excess of available insurance proceeds necessary to cover the cost of the repair and restoration; provided, however, that the cost of repairing or restoring improvements to the Unit, which improvements exceed a value of One Thousand Dollars (\$1,000) when they were made (said value to be determined by the reasonable judgment of the Trustees) and were not reported to the Trustees as required by Section 5.6.2(d) hereof, shall be borne exclusively by the Owner of the Unit involved; and provided further that, if the casualty loss exceeds ten percent (10%) of the value of the Condominium as described in Section 5.7.1(b) hereof and if such excess cost of repairs over available insurance proceeds exceeds ten percent (10%) of the value of the Condominium prior to casualty, any Unit Owner not agreeing as provided in Section 5.7.1(b) hereof to proceed with the repair and restoration may apply to the Superior Court in which district the Condominium lies, on such notice to the Trustees as the Court shall direct, for an order directing the purchase of his Unit by the Trustees at the fair market value thereof as approved by the court. The cost of any such purchase shall be a common expense.

5.7.3 The Trustees may perform emergency work essential to the preservation and safety of the Condominium, or the safety of persons, or required to avoid the suspension of any essential service to the Condominium, without having first adjusted the loss or obtained the proceeds of insurance.

5.7.4 If there shall have been repair or restoration pursuant to the foregoing and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds, if any, shall be divided into separate shares for the Trust and the Unit Owners of the damaged Units, in proportion to the respective costs of repair or restoration of the damaged portions of the Common Areas and Facilities and of each damaged Unit and its damaged appurtenant Common Areas and Facilities, and shall then be paid over to the Trustees and/or each such Unit Owner entitled to a share.

5.7.5 In the event that any of the Units or the Common Areas and Facilities of the Condominium are affected by eminent domain proceedings, the following shall apply:

- (a) If a Unit is acquired by eminent domain, or if a part of a Unit is acquired by eminent domain, leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Master Deed, the award shall compensate the Unit Owner for their Unit and its undivided percentage interest in the Common Areas and Facilities whether or not any of the Common Areas and Facilities have been acquired. Upon acquisition, unless the decree otherwise provides, that Unit's entire undivided interest in the Common Areas and Facilities and the beneficial interest under the Trust shall automatically be allocated to the remaining Units of the Condominium in proportion to the respective undivided interest of the remaining Units in the Common Areas and Facilities prior to the taking, and the Trustees shall promptly prepare, execute and record an amendment to the Master Deed and the Trust reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subsection shall thereafter be a part of the Common Areas and Facilities.
- (b) Except as provided in subsection (a), if part of a Unit is acquired by eminent domain, the award shall compensate the Unit Owner for the reduction in value of the Unit and its undivided percentage interest in the Common Areas and Facilities. Upon acquisition, (1) that Unit's undivided interest in the Common Areas and Facilities shall be reduced on the basis of the reduction of the fair value of the Unit as of the date of such taking bears to the fair value of the remaining Units in the Condominium as of such date, and (2) the reduction of interest in the Common Areas and Facilities of such Unit shall be divested from the Unit so acquired and shall automatically be reallocated to the remaining Units in proportion to the respective undivided interest of the remaining Units in the Common Areas and Facilities prior to the date of such taking.
- (c) If the Common Areas and Facilities or any part thereof are acquired by eminent domain, the Trustees shall be the party in interest to receive any such award and to pursue any additional awards due to such taking. Any such award or any action taken by the Trustees pursuant hereto shall be brought or paid to the Trustees naming the "Trustees of Condominium Trust as Condemnation Trustees for the benefit of Condominium, of the several Unit Owners and their respective

mortgagees." The Trustees shall divide any portion of the award not used for restoration or repair of the remaining Common Areas and Facilities among the Unit Owners in proportion to their respective undivided percentage interest before the taking, but any portion of the award attributable to the acquisition of a portion of the Common Areas and Facilities which had been exclusively reserved to any Unit pursuant to the terms of the Master Deed shall be paid to the Owner of such Unit or his mortgagee. Each Unit Owner hereby appoints the Trustees hereof as his or her attorney-in-fact for the foregoing purposes.

5.8 Improvements to Common Areas and Facilities

5.8.1 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 twenty-five percent (25%) or more of the Unit Owners to make any such improvement, the Trustees shall submit to all Unit Owners (a) a form of agreement (which will 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 183A. Upon whichever of the following shall first occur, namely, (a) the receipt by the Trustees of such agreement signed by fifty percent (50%) of the Unit Owners, or (b) the expiration of six (6) months after such agreement was first submitted to the Unit Owners, the Trustees shall notify all Unit Owners of the aggregate percentage of Unit Owners who have then signed such agreement. If the percentage of agreeing Unit Owners equals or exceeds seventy-five percent (75%), then the Trustees shall proceed to make the improvement or improvements specified in such agreement and shall charge the costs thereof as a common expense, provided, however, that, if such improvement costs in excess of ten percent (10%) of the then value of the Condominium, any Unit Owner not agreeing to the improvement may apply to the appropriate Superior Court, upon such notice to the Trustees as the Court shall direct, for an order directing the purchase of his Unit by the Trustees at the fair market value thereof as approved by the court. The cost of any such purchase shall be a common expense. If the percentage of agreeing Unit Owners equals or exceeds fifty percent (50%), but is less than seventy-five percent (75%), the Trustees may, with the agreement of those Unit Owners who wish the improvement to be made, proceed to make the improvement and charge the cost thereof as a common expense to such agreeing Owners only.

5.8.2 If and when any Unit Owner shall propose to make an improvement to or affecting the Common Areas and Facilities of the Condominium at such Unit Owner's own expense, and the Trustees determine in their reasonable discretion that such improvement

would be consistent and compatible with the provisions and intent of the Master Deed, the Trustees, after consulting with the Design Review Committee hereof may, but shall not be obligated to, authorize such improvement to be made at the sole expense of the Unit Owner proposing the same, without the consent or approval of the other Unit Owners, as the Trustees in their reasonable discretion deem to be necessary or desirable in the circumstances.

5.9 Determination of Trustees Subject to Arbitration.

Notwithstanding anything in Section 5.7 or Section 5.8 contained, (a) in the event that any Unit Owner or Owners shall by notice in writing to the Trustees dissent from any determination of the Trustees with respect to the value of the Condominium or of any Unit or Units or any other determination or action of the Trustees under Section 5.7 or Section 5.8, and such disputes shall not be resolved within thirty (30) days after such notice, then either the Trustees or the dissenting Unit Owner or Owners may submit the matter to arbitration, and for that purpose one arbitrator shall be designated by the Trustees, one by the dissenting Unit Owner or Owners, and a third by the two arbitrators so designated, and such arbitration shall be conducted in accordance with the rules and procedures of the American Arbitration Association then obtaining; and (b) the Trustees shall not in any event be obligated to proceed with any repair, rebuilding or restoration, or any improvement, unless and until they have received funds in an amount equal to the estimate of the Trustees of all costs associated hereunder.

5.10 Design Review Committee and Procedures.

5.10.1 No Unit Owner shall make any addition, alteration or improvement in or to the Unit which could affect the structural integrity of the Building(s) or cause any dislocation or impairment of or interruption to the Common Areas and Facilities, unless the same shall have been approved by the Trustees in accordance with the provisions of this Section 5.10 and shall conform to the conditions set forth in this Section 5.10.

5.10.2 The following procedures and conditions shall apply with respect to all additions, alterations, improvements, structures, installations or other work or activities (hereinafter individually or collectively referred to as the "Proposed Work") which are subject to the approval procedures and conditions of this Section 5.10:

(a) Prior to the commencement of the Proposed Work:

(i) The Unit Owner shall have submitted plans and specifications for the Proposed Work to the Trustees for their approval pursuant to the provisions of this Section 5.10. Such plans and specifications shall be in such detail as the

Trustees may reasonably request and shall be prepared and signed by a Registered Architect, Registered Professional Engineer and/or Registered Land Surveyor satisfactory to the Trustees, if so requested by Trustees:

(ii) The Unit Owner shall have submitted to the Trustees such supplemental information, in addition to the said plans and specifications, as the Trustees shall reasonably request in order to fully evaluate the proposed work; and

(iii) The Trustees, acting as a Design Review Committee shall have given their written approval of the proposed work.

(iv) If the professional services of an attorney, architect, engineer or other professional is required by the Board, the cost of such professional services shall be borne by the unit owner requesting the review.

5.11 Pets. Dogs, cats or other animals may not be kept in any Unit without the prior written approval of the Trustees pursuant to the Rules and REgulations. If any pet is permitted by the Trustees, such pet or pets shall not be kept in any Unit in such number or of such type or under any circumstances as to be noisome or offensive to the other Unit Owners. The Trustees may, in their sole discretion exercised in such manner as they may determine, upon complaint made by any Unit Owner as to the noisomeness or offensiveness of any pet, order that such pet may not be kept in a Unit notwithstanding any prior permission to maintain such pet.

5.12 Rules, Regulations, Restrictions and Requirements. The use of the Condominium and each Unit Owner's Owner's Unit shall be restricted to and shall be in accordance with the provisions of said Master Deed, this Trust (including By-Laws and such administrative rules and regulations and requirements of all governmental bodies having jurisdiction over the Condominium or the use and occupancy thereof. The Trustees may eliminate any violation of any such provisions and the cost and expense of eliminating same shall constitute a Common Expense; except, however, that if a violation is caused in whole or in part by any Unit Owner, his family, servants, employees, agents visitors, lessees, or licensees, the cost and expense as the Trustees may determine, shall be charged to the Unit Owner's Common Expenses which shall be payable by the Unit Owner of such Unit upon demand and until same is paid by such Unit Owner, shall constitute a lien against such Unit pursuant to the provisions of this paragraph and Section 6 of said Chapter 183A.

The Trustees shall have the right (which right shall not be delegated) at any time and from time to time to adopt, amend and rescind reasonable administrative rules and regulations governing the operation, appearance and use of the Units and the Common Areas and Facilities including without limitation Common Areas and Facilities the exclusive use of which is for one or more Units (the "Rules and Regulations"); provided, promulgated and/or amended which will materially adversely affect the holder of any first mortgage of which the Trustees have received notice without the written consent of such holder. All Rules and Regulations adopted hereunder shall be deemed to be additional By-Laws and are incorporated herein by reference. A vote of a Majority of Unit Owners at any annual or special meeting may overrule and declare void any Rules and Regulations and any amendments or changes thereto shall be furnished by the Trustees to each Unit Owner.

The Rules and Regulations, Master Deed, Declaration of Trust and By-Laws, as from time to time amended, shall be enforced by the Trustees. The Trustees may eliminate any violation of any such documents and the cost and expense of eliminating same shall be chargeable to the Unit Owner who himself or whose family, servants, employees, agents, visitors, lessees, licensees, or pets are responsible for such violation and shall constitute a portion of such Unit Owner's Common Expenses which shall be payable by the Unit Owner of such Unit upon demand and until same is paid shall constitute a lien against such Unit pursuant to the provisions of this paragraph and Section 6 of said Chapter 183A. The Trustees may also levy reasonable fines against such Unit Owner for such violations and such fine shall constitute a portion of such Unit Owner's Common Expenses which shall be payable by the Unit Owner of such Unit upon demand and until same is paid by such Unit Owner shall constitute a lien against such Unit pursuant to the provisions of this paragraph and Section 6 of said Chapter 183A. For each day a violation continues after notice it shall be considered a separate violation. In the case of persistent violation of the rules and regulations by a Unit Owner, the Trustee shall have the power to require such Unit Owner to post a bond to secure adherence to the Rules and Regulations. All Rules and Regulations shall contain such restrictions and requirements respecting the use and maintenance of the Units and the use of the Common Areas and Facilities to prevent unreasonable interference with the use by Unit Owners of their Units and the Common Areas and Facilities.

5.13 Manager. The Trustees may hire or appoint a manager or managing agent to perform such duties in the administration, management and operation of the Condominium, including the incurring of expenses, the making of disbursements and keeping of accounts, as the Trustees shall from time to time determine. However, notwithstanding the appointment of such a manager, the Trustees shall retain ultimate control over the administration, management and operation of the Condominium, and they may not delegate to such manager those powers and duties

specified, under Section 5.1 hereof, not to be delegable. An agreement for professional management of the Condominium shall be terminable without cause and without incurring payment of a termination fee on ninety (90) days' or less written notice. The term of such an agreement shall not exceed three (3) years.

5.14 Meetings.

5.14.1 The Trustees shall meet annually on the date of the annual meeting of the Unit Owners and at such meeting shall be the Chairperson, Treasurer and Secretary. Other meetings of the Trustees may be called by the Chairperson and shall be called on the written request of at least two (2) Trustees, provided, however, that written notice of each meeting, stating the place, day and hour thereof, shall be given at least three (3) days before such meeting to each of the Trustees.

5.14.2 The annual meeting of the Unit Owners shall be held on the date and time set forth in Paragraph 12 of the Master Deed of the Condominium or at other reasonable places and times as may be designated by the Trustees by written notice given to the Unit Owners at least seven (7) days prior to the date so designated. Special meetings of the Unit Owners may be called at any time by the Trustees, and special meetings of the Unit Owners shall be called by the Trustees upon the written request of Unit Owners holding at least thirty-three and one-third percent (33 1/3%) of the beneficial interest. Written notice of any such special meeting designating the place, day and hour hereof shall be given by the Trustees to the Unit Owners at least fourteen (14) days prior to the date so designated. At the annual meeting of the Unit Owners, the Trustees shall submit reports of the management and finances of the Condominium. Whenever, at any meeting, the Trustees propose to submit to the Unit Owners any matter with respect to which the approval of or action by the Unit Owners is necessary or appropriate, the notice of such meeting shall so state and reasonably specify such matter. The presence in person or by proxy of the holders of at least fifty-one percent (51%) of the beneficial interest hereunder shall be necessary to constitute a quorum at all meetings of the Unit Owners for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners present in person or represented by proxy shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented; any business may be transacted which could have been transacted at the meeting as originally called. Notwithstanding the foregoing, no such subsequent meeting shall be held more than sixty (60) days following the date of the originally called meeting. Unless a greater vote of the Unit Owners shall be required by the provisions of Chapter 183A, the Master Deed or this Trust Agreement, a vote of the holders of at least fifty-one percent (51%) of the beneficial interest, present in person or by proxy at any meeting of the Unit Owners at which a quorum is present, shall be

sufficient to transact the business of the Unit Owners, provided always that the Unit Owners may not act to rescind, reverse, modify or amend any decision of or action taken by the Trustees pursuant to their authority under this Trust, nor may the Unit Owners undertake to exercise in any manner the powers or functions of the Trustees hereunder, unless such action by the Unit Owners is authorized by the affirmative vote of the holders of at least two-thirds (2/3) of the beneficial interest hereunder.

5.15 Notices to Unit Owners. Every notice to any Unit Owner, required or permitted under the provisions hereof or which may be ordered in any judicial proceeding, shall be deemed sufficient and binding if a written or printed copy of such notice shall be given by one or more of the Trustees to such Unit Owner by leaving such notice with her or him at their residence in the Condominium or by mailing it, postage prepaid, addressed to such Unit Owner at such address as may appear upon the records of the Trustees.

5.16 Record Date. The Trustees may, for a period not in excess of thirty (30) days prior to a date of any meeting of the Unit Owners, fix in advance a time as a record date for determining the Unit Owners having a right to notice of and to vote at such meeting, and in such case only Unit Owners of record on such record date shall have such rights, notwithstanding any transfer by a Unit Owner of their interest in the Unit after the record date. If no record date is fixed, the record date for the aforementioned purposes shall be 5:00 p.m. on the day next preceding the day on which notice of a meeting of the Unit Owners is given.

5.17 Order of Business. The order of business at all meetings of Unit Owners shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of the Trustees.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of Trustees (when required).
- (i) Unfinished business.
- (j) New business.

5.18 Voting at Meetings. At all meetings of Unit Owners, each Owner may vote in person or by proxy. All proxies shall be (a) in writing signed by or on behalf of all the Owners of the Unit involved, (b) dated and (c) filed with the Secretary of the Trust. No proxy shall be valid beyond the date of the final adjournment of the first meeting of Owners, whether annual or special, held on or after the date thereof, and every proxy shall automatically terminate upon sale by the Owner of the Unit. A proxy may be revoked by notice given by an Owner of the Unit involved to the person presiding at the meeting at which it is to be cast. Any proxy which purports to be revocable without such notice shall be void.

5.19 Officers.

5.19.1 Designation. The Officers of the Trust shall be a Chairperson, a Treasurer, a Secretary and such other officers as the Trustees from time to time may determine.

5.19.2 Election and Qualification. The officers shall be the original Trustees or the successors selected by the Declarant until the occurrence of the takeover event as defined in Section 3.1 hereof, and, thereafter, the Trustees at their regular meeting or if such regular meeting is not held or in the event of resignation, removal or decease of an officer, at any special meeting of the Trustees. All officers shall be Trustees.

5.19.3 Term of Office. All officers, other than said original Trustees or their successors as appointed by the Declarant, shall hold office for a term of two (2) years and until their successors are elected and qualified.

5.19.4 Resignation and Removal. Any officer may resign at any time, by written notice to the Chairperson or the Secretary, which notice shall take effect on the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any officer may be removed at any time, with or without cause, by a vote of a majority of the Trustees, provided that, if removal for cause shall be proposed, the officers involved shall be granted the opportunity to be heard by the Trustees.

5.19.5 Vacancies. A vacancy in any office may be filled in the manner prescribed in Section 5.19.2 hereof. The officer selected to fill such a vacancy shall serve for the remainder of the term of the officer he or she replaces.

5.19.6 Chairperson. The Chairperson shall preside at all meetings of the Trustees and of the Unit Owners and shall have such other powers and perform such other duties as are provided in the Master Deed or in this Trust and By-Laws or as may be designated by the Trustees or the Unit Owners from time to time or

as are ordinarily exercised by the presiding officer of a corporation.

5.19.7 Secretary. The Secretary shall record the votes and keep the minutes of all meetings of the Trustees and of the Unit Owners in a book or books to be kept for that purpose. He or she shall keep the records and documents of the Trustees and of the Unit Owners. He or she shall record in a book kept for that purpose the names of all Unit Owners, together with their addresses as registered by such Unit Owners, and shall have such other powers and duties as may be delegated to her or him by the Trustees or the Unit Owners from time to time.

5.19.8 Treasurer. The Treasurer shall be responsible for the funds of the Trust and shall be responsible for keeping or having kept full and accurate financial records and books of account showing all receipts and disbursements of the Trust and any other financial data required by the Trustees or by the Unit Owners. He or she shall be responsible for the deposit of all funds in the name of the Trustees in such depositories as may be designated by the Trustees from time to time. The Trustees may delegate such of the Treasurer's powers and duties to the manager or managing agent as they deem to be advisable.

5.20 Inspection of Books, Report to Unit Owners. Books, accounts, and records of the Trustees shall be open to inspection to any one or more of the Trustees and the Unit Owners and first mortgage holders of the Units at all reasonable times. The Trustees shall, as soon as reasonably possible after the close of each fiscal year or more often if convenient to them, submit to the Unit Owners a report of the operations of the Trustees for such year which shall include financial statements in such summary form and in such detail as the Trustees shall deem proper. Any person, who has been furnished with such report and shall have failed to object thereto by notice in writing to the Trustees given by certified or registered mail within a period of ninety (90) days after the date of the receipt by him, shall be deemed to have assented thereto.

5.21 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 any person or persons to whom such power may at any time or from time to time be delegated by not less than a majority of the Trustees.

5.22 Seal. The Trustees may adopt a seal circular in form bearing an inscription of the name of this Trust as set forth in ARTICLE I, but such seal may be altered by the Trustees at their pleasure, and the Trustees may, at any time or from time to time, at their option, adopt a common or wafer seal which shall be valid for all purposes.

5.23 Fiscal Year. The fiscal year of the Trust shall

commence on date set forth in paragraph 12 of Master Deed, or at such other time as the Trustees may determine from time to time.

5.24 Removal from Condominium Law. Until such time as the Declarant has no beneficial interest hereunder, Unit Owners holding one hundred percent (100%) of the beneficial interest and the written consent of holders of all liens on the Units shall be required to approve the removal of the Condominium described herein from the provisions of Chapter 183A, and thereafter the provisions of Section 19 of said Chapter 183A shall apply; provided, however, if during such time the Declarant holds a portion of the beneficial interest hereunder, the Declarant approves of such removal, the approval of Unit Owners holding at least seventy-five percent (75%) of the beneficial interest hereunder, together with consent in writing of the holders of all liens on the Units, shall also be required for such removal, all as provided in said Section 19 of Chapter 183A.

5.25 Sale or Lease of Units. Subject to such restrictions as may otherwise be set forth in the Master Deed or in this Trust and By-Laws, a Unit Owner may assign, lease, sell or otherwise transfer all of the interest in the Unit(s), together with (a) the undivided interest in the Common Areas and Facilities appurtenant thereto; (b) the interest of such Unit Owner in any Units theretofore acquired by the Trustees or their designee, on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (c) the interest of such Unit Owner in any other assets of the Condominium. No right to any Unit may be sold, leased, transferred or otherwise disposed of, except as part of a sale, lease, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, lease, transfer or other disposition of such part of all Units.

5.26 Acquisition of Units by the Trustees. With the approval of Unit Owners holding at least seventy-five percent (75%) of the beneficial interest under this Trust, the Trustees may acquire a Unit using funds 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 percentage of beneficial interest as set forth in said Exhibit B, 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 to be so acquired by the Trustees.

ARTICLE VI

Rights and Obligations of Third Parties Dealing with the Trustees

6.1 Dealing with Trustees. No purchaser, mortgagee, lender or other person dealing with the Trustees as they then

appear of record in the Registry of Deeds need inquire further as to the persons who are then Trustees hereunder. The receipts of the Trustees or any one or more of them for monies or things paid or delivered to them 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 Trustee, 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 of 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 or any one or more of them purporting to be done in pursuance of any of the provisions or powers herein contained.

6.2 Recourse Against 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 payment under such contract or claim or for the payment of any debts, damage, judgment or decree or of any money that may otherwise become due and payable to them from the Trustees or 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 under the provisions of Chapter 183A.

6.3 Instruments Subject to Trust Terms. Every note, bond, contract, order, instrument, certificate, undertaking, obligations, 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 hereof, whether or not express references shall have been made to this instrument.

6.4 Certifications by Trustees for Recording. All persons dealing in any manner whatsoever with the Trustees, the Trust Property, or any beneficiary hereunder, 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 said District Registry of Deeds. Any certificate executed by the Secretary of this Trust setting forth

the names of the Trustees hereunder, when recorded with said Registry of Deeds, shall be conclusive evidence of identity of those persons who are serving as Trustees in favor of all third persons, including the Trustees, acting in reliance thereon. Any certificate, signed by a majority of the Trustees in office at the time, 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 to do any act, when duly acknowledged and recorded with said 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 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 the Trustees or any one or more of them, as the case may be, shall, as to all persons acting in good faith in reliance thereof, be conclusive evidence of the truth of the statements made in such certificate and of the existence of the facts therein set forth.

ARTICLE VII
Amendments and Termination

7.1 Amendment of Trust. The Trustees, with the consent in writing of Owners of Units holding at least seventy-five percent (75%) of the beneficial interest thereunder, 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; provided always, however, that no such amendment, alteration, addition or change shall be valid or effective if:

7.1.1 It would alter, or in any manner or to any extent whatsoever, modify or affect the percentage of beneficial interest of any Unit Owner hereunder so as to be different than the percentage of the undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Owner's Unit as set forth in the Master Deed.

7.1.2 It would, without the consent of the Declarant, alter or affect the Declarant's right under Section 5.10 hereof to act as the Design Review Committee or to appoint a person to so act; or

7.1.3 It would render this Trust contrary to or inconsistent with the Master Deed or any requirements or provisions of Chapter 183A.

7.2 Necessity for Recording Amendments, Alterations, Additions or Changes. Any amendment, alteration, addition or change, pursuant to the foregoing provisions of the ARTICLE VII,

shall become effective upon the recording with the said District 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 for the acknowledgment of deeds by a majority of the Trustees, setting forth in full the amendment, alteration, addition or change, and reciting the consent of the Unit Owners herein required to consent thereto. Such instrument, so executed and recorded, shall be conclusive evidence of the existence of all facts and of compliance with the prerequisites to the validity of such amendment, alteration, addition or change, whether stated in such instrument or not, upon all questions as to title or affecting the rights of third persons and for all other purposes.

7.3 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 of said law, as said Section 19 may be modified by Section 5.24 of this Trust.

7.4 Disposition of Property on Termination. Upon the termination of this Trust, the Trustees may, subject to and in accordance with provisions of Chapter 183A, sell and convert into money the whole of the Trust Property, or any part or parts thereof, and, after paying or retiring all known liabilities and obligations of the Trust 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 as tenants in common, according to their respective percentages of beneficial interest hereunder. In making any sale under this provision, the Trustees shall have power to sell or vary any contract of sale and 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.

ARTICLE VIII

Construction and Interpretation; Waiver

8.1 Terms. In the construction hereof, whether or not so expressed, words used in the singular or in the plural respectively include both the plural and singular, words denoting males include females, words denoting females include males and words denoting persons include individuals, firms, associations, companies (joint stock or otherwise), trusts and corporations, unless a contrary intention is to be inferred from or required by the subject matter or context. The cover, title, index, headings of different parts hereof, and the marginal notes, if any, are inserted only for the 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 law of the Commonwealth of Massachusetts.

8.2 Waiver. The Trustees shall have the power and authority to waive any provision of this Trust affecting or limiting the rights of a Unit Owner for any cause or reason determined to be reasonable by such Trustees in their discretion; provided, however, that no such waiver on any one occasion shall constitute a waiver on any future occasion, nor shall any waiver of a provision of this Trust affect the Trustees' rights and power to enforce all other provisions of this Trust. No restriction, condition, obligation or provision contained in this Trust or By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same.

8.3 Conflicts. If any provision of this Trust shall be invalid or shall conflict with Chapter 183A, as amended, of the General Laws of Massachusetts, or, if any provision of this Trust conflicts with any provision of the Master Deed, the following rules of construction shall be used:

8.3.1 In the event of a conflict between the Trust and said Chapter 183A, as amended, the provisions of Chapter 183A shall control;

8.3.2 In the event of a conflict between any numerical or percentage voting requirements for action set forth in the Master Deed and any such requirements set forth herein, the provisions requiring the greater percentage or fraction for action to be taken or avoided shall control;

8.3.3 In the event of any conflict other than as set forth in Paragraph 8.3.2 of this Section between the provisions of the Master Deed and any other provision hereof, the provisions of the Master Deed shall control.

8.4 Severability. In the event that any provision of this Trust shall be determined to be invalid or unenforceable in any respect, it shall be interpreted and construed to be enforceable to the extent and in such situations as may be permitted by applicable law, and, in any event, the partial or total enforceability of such provision shall not affect in any manner the validity, enforceability or effect of the remainder of this Trust; and, in such event, all of the other provisions of this Trust shall continue in full force and effect as if such invalid provision had never been included herein.

Executed as a Sealed Instrument on this 12th day of Dec., 1990.

HRM, Inc.

by [Signature]

as TRUSTEE of THE COURTYARD
CONDOMINIUM TRUST, and not individually

COMMONWEALTH OF MASSACHUSETTS

Middlesex, SS.

December 12, 1990

Then personally appeared the above-named

and acknowledged the foregoing instrument to be the free act
and deed of HRM, INC. as trustee, before me,

[Signature]
James M. Geary, Jr., NOTARY PUBLIC
My Commission expires: 9/28/95