

EXHIBIT C: Draft Condominium Documents

**MASTER DEED OF THE
OLD STONE BANK CONDOMINIUM**

DUNN FAMILY LLC of 455 State Road, PMB 108, Vineyard Haven, Dukes County, Massachusetts (hereinafter referred to as “Declarant”), being the sole owner of certain property in Tisbury, Dukes County, Massachusetts, described in Exhibit “A” hereto (the “Premises”), by duly executing and recording this Master Deed, do hereby submit the Premises to the provisions of Chapter 183A of the General Laws of Massachusetts and hereby create a condominium (“Condominium”), to be governed by and subject to the provisions of said Chapter 183A, as amended, and to that end, do hereby declare and provide as follows:

1. Name.

The name of the Condominium shall be as follows: OLD STONE BANK CONDOMINIUM

2. Description of Land.

The Premises which constitute the Condominium comprise the land situated on Main Street in Tisbury, Dukes County, Massachusetts, as shown on the plan herewith filed with the Dukes County Registry of Deeds in Plan Book _____, Page _____ and entitled “Plan of Land in Tisbury, Mass. Prepared for The Old Stone Bank Condominium” dated_____, by Schofield, Barbini and Hoehn, Inc. State Road, Vineyard Haven, Mass. (hereinafter referred to as the “Plan”), to which reference is hereby made for a more particular description.

A description of the land on which the buildings and improvements are located is more particularly described in Exhibit A attached hereto and made a part hereof, which land, buildings and improvements are subject to and have the benefit of, any easements, encumbrances, restrictions and appurtenant rights set forth and contained in said Exhibit A.

The meaning of the phrase “Registry of Deeds” as used in this Master Deed shall be limited to Dukes County Registry of Deeds.

3. Description of the Buildings.

A. The Condominium consists of two Commercial Units and eight Residential Units in four buildings: (1) The original stone bank with attached stucco addition containing Commercial Unit 1 on the main floor and Residential Units 1-3 on the lower floor, (2) A new stucco building which replaces an existing garage and

heating plant containing Units 4 & 5, (3) The original stone bank annex containing Commercial Unit 2 and Residential Unit 6 in a new second floor, and (4) a new frame building near the harbor raised above the flood plain containing Residential Units 7 & 8.

The locations of said buildings are as shown on the Plan as referred to in paragraph 2 above. The Condominium also contains approximately 26 existing gravel parking places, two of which will be conveyed with each Residential Condominium Unit and the remainder disposed of as the Declarant may decide.

B. The Declarant, pursuant to paragraph 9 and paragraph 14 hereof, expressly reserves to itself, its successors and assigns the right to add additional land and up to three Residential Units and two Commercial Units to the Condominium in the area designated as "7 D 10" off Union Street as shown on the Plan referred to in paragraph 2 above.

4. Designation of the Units and their Boundaries.

(a) The Condominium Units and the designations, locations, approximate areas, immediately accessible Common Areas and other descriptive specifications thereof are set forth in Exhibit "B" attached hereto, and are shown on the Plan, and

(b) The boundaries of each of the Units with respect to the floors, ceilings, walls, doors and windows thereof are as follows:

(i) Floors: The plane of the upper surface of the concrete floor slab and the upper surface of the unfinished surface of the sub-flooring (first floor and attic spaces).

(ii) Ceiling: The plane of the lower surface of the ceiling joists (first floor) and the collar ties or roof rafters (attic spaces).

(iii) Walls, Doors and Windows: As to walls, the plane of the interior surface of the wall studs and/or concrete walls facing the Unit; as to the exterior doors, the exterior surface thereof; as to the exterior door frames and window frames, the exterior surface thereof; and as to the windows, the exterior surface of the glass, mullions and sash.

All glass window panes and/or screens shall be part of the Unit to which they are attached and shall be replaced, if damaged or destroyed, and cleaned and maintained by the Unit Owner thereof.

(c) Each Unit excludes the foundation, structural columns, girders, beams, supporters, perimeter walls, the studs between Units lying inside of the inner surface of the wallboard facing such studs, roofs, concrete floor slabs, lawns, walks and all conduits, ducts, pipes, flues, wires and other installations or facilities

for the furnishing of utility services or waste removal, which are situated within a Unit, but which serve the other Units.

(d) Each Unit includes the ownership of all utility installations contained therein which exclusively serve the Unit.

(e) Each Unit shall have as appurtenant thereto the right and easement to use, in common with the other Units served thereby, all utility lines and other common facilities which serve it, but which are located in the other Unit.

(f) Each Unit shall have as appurtenant thereto the exclusive right and easement to use and enjoy certain portions of the Common Areas and Facilities which are designated as an "Limited Common Area" in paragraph 6 hereof.

(g) Each Unit shall have as appurtenant thereto the right to use the Common Areas and Facilities, as described in paragraph 5 hereof, in common with all other Units in the Condominium, except for the Limited Common Areas described in paragraph 6 hereof, which are reserved for the exclusive use of the Unit to which such Limited Common Areas appertain.

5. Common Areas and Facilities

Except for the Units and subject to the provision of paragraph 6 hereof, the entire premises, including without limitation the land and all parts of the building and all improvements thereon and thereto, shall constitute the Common Areas and Facilities of the Condominium. These Common Areas and Facilities shall consist of and include, without limitation, the following:

(a) The land described in Exhibit A, together with the benefit of and subject to all rights, easements, restrictions and agreements of record, insofar as the same may be in force and applicable.

(b) The foundation, structural columns, girders, beams, supports, perimeter walls, the studs between Units lying inside the inner surface of the wallboard facing such studs, roofs, and concrete floor slabs.

(c) The lawns, walkways, fences, beaches and the improvements thereon and thereto including, without limiting the generality of the foregoing, landscaping, lighting fixtures, swimming pools and signs.

(d) All conduits, ducts, pipes, wires, meters and other installations or facilities for the furnishing of utility services and waste removal including, without limitation, water, sewerage, electricity and telephone, which are not located within any Unit or which although located within a Unit serve the other Unit, whether alone or in common with such Unit.

(e) Installations of central services, including all equipment attendant thereto, but excluding equipment contained within and exclusively serving a Unit.

(f) In general, any and all apparatus, equipment and installations existing for common use.

(g) Such additional Common Areas and Facilities as may be defined in Massachusetts General Laws, Chapter 183A.

6. Limited Common Areas.

The following portions of the Common Areas and Facilities are hereby designated Limited Common Areas for the exclusive use of one or more Units as hereinafter described:

(a) Porches and Decks. All exterior porches and decks appurtenant to and accessed from the Units, the exclusive right of the Unit Owner to install, keep and maintain at the Unit Owner's sole expense.

The said Limited Common Areas and Facilities shall, however, be subject to the restrictions set forth in paragraph 8 hereof and to the reserved rights and easements set forth in paragraphs 9 and 10 hereof.

7. Percentage Ownership Interest in Common Areas and Facilities.

The percentage ownership interest of each Unit in the Common Areas and Facilities has been determined upon the basis of interior square footage of each Unit measured as of the date of this Master Deed bears to the aggregate total square footage of all Units, also measured as of the date of this Master Deed, which undivided interest is set forth in Exhibit B hereof.

8. Restrictions and Use

(a) The Owners of any Unit may at any time and from time to time modify, remove and install walls lying wholly within such Unit, including the attic spaces of such Units, provided, however, that any and all work with respect to such modifications, removal and installation of interior walls or other improvements shall have first received all applicable state, federal or local permits or approvals and then also be approved by the Condominium Trustees in accordance with the

provisions of the Condominium Trust and shall conform to the conditions set forth in said Condominium Trust.

(b) Any existing structural elements, common electrical, utility, plumbing, heating, air conditioning or ventilation lines shall remain or, with the design approval of the Trustees of the Condominium Trust, be re-routed in such a way as to retain full functionality.

(c) All use and maintenance of a Unit, the Common Areas and Facilities and Limited Common Areas shall be conducted in a manner consistent with the comfort and convenience of the occupants of the other units. No Unit Owner may use or maintain his Unit, Common Areas and Facilities appurtenant thereto or Limited Common Areas in any manner or condition which will impair the value or interfere with the beneficial enjoyment of another Unit, the Common Areas and Facilities or Limited Common Areas.

(d) Notwithstanding any other provisions of this Master Deed, no Unit Owner shall make any additions to his/her Unit which would encroach upon the Common Areas without the prior written consent of all Unit Owners creating a new Limited Common Area.

(e) No Unit or any part of the Common Areas and Facilities or Limited Common Areas shall be used or maintained in a manner contrary to or inconsistent with the provisions of this Master Deed, the Condominium Trust and the By-Laws set forth therein (hereinafter the "By-Laws") and the Rules and Regulations of the Condominium adopted pursuant to said By-Laws.

(f) Leasing Restriction: A unit may be leased for period of no less than one week. A unit may be leased no more that three times in one calendar year unless otherwise approved by two thirds of the Condominium Trustees. All leases or rental agreements for Units shall be in writing. The name(s), address, contact person for all lessees shall be provided to the Condominium Trustees at the commencement of such lease or rental agreement.

(g) The Fee interest in Units may not be fractionalized through ownership in the form of time-sharing, quartering, interval ownership or any similar form of ownership of the Unit.

(h) Said restrictions shall be for the benefit of each of the Unit Owners, and shall be enforceable by each Unit Owner. Also, insofar as permitted by law, such restrictions shall be for three hundred years, and, to that end, they may be extended at such time or times and in such manner as permitted or required by law for the continued enforceability thereof. No Unit Owner shall be liable for any breach of the provisions of this paragraph, except as occur during his or her ownership of a Unit.

9. Rights Reserved to the Declarant.

All rights reserved herein to the Declarant, notwithstanding any provisions of this Master Deed, the Trust or by-laws, are assignable and transferable by the Declarant to any assignee of the Declarant's selection. Declarant specifically intends to assign all if its rights herein to Woodland Center, LLC.

(a) Notwithstanding any provisions of this Master Deed, the Condominium Trust or the By-Laws to the contrary, in the event that Declarant owns a Unit, the Declarant shall have the same rights, as the Owner of such Unit, as any other Unit Owner. In addition to the foregoing, the Declarant reserves to itself and not to other Unit Owners generally, the right to:

(i) Lease and License the use of any unsold Unit, parking place or storage unit;

(ii) Raise or lower the price of any unsold Unit;

(iii) Use any Unit owned by the Declarant as a model for display for purposes of sale or leasing of the condominium unit;

(iv) Use any Unit owned by the Declarant as an office for the Declarant's use;

(b) Notwithstanding any provision of this Master Deed, the Condominium Trust or the By-Laws to the contrary, the Declarant and his authorized agents, representatives and employees shall have the right and easement to erect and maintain on any portion of the Condominium, including in or upon the building, such sales signs and other advertising and promotional notices, displays and insignia as they shall deem necessary or desirable.

(c) Notwithstanding any provisions of this Master Deed, the Condominium Trust or the By-Laws to the contrary, the Declarant hereby reserves to itself and its agents, representatives, employees and contractors the right and easement to enter upon all or any portion of the Common Areas and Facilities with workers, vehicles, machinery and equipment for purposes of constructing, installing, operating, maintaining, repairing, modifying and rebuilding the buildings and their appurtenances in order to complete the development and renovation of the Condominium which may include the construction or reconstruction of septic systems, porches, new roofs, landscaping and parking areas. This easement shall include the right to store at, in or upon the Common Areas and Facilities vehicles, machinery, equipment and materials used or to be used in connection with said development work for such periods of time as shall be conveniently required for said development work. This easement shall not be construed to limit or restrict the

scope of any easements granted for the purpose of facilitating development of the Condominium under the provisions of any other paragraph of this Master Deed or any other instrument or document or otherwise in accordance with applicable law or regulation.

10. Rights Reserved to the Condominium Trustees.

Upon twenty-four hours advance notice (or such longer notice as the Condominium shall determine appropriate) to the Unit Owner involved, or immediately in case of emergency or a condition causing or threatening to cause serious inconvenience to another Unit, the Condominium Trustees shall have the right of access to each Unit, the Common Areas and Facilities thereto, and to the Limited Common Areas:

(a) To inspect, maintain, repair or replace the Common Areas and Facilities and Limited Common Areas and to do other work reasonably necessary for the proper maintenance or operation of the Condominium.

(b) To obtain permits, licenses applicable to the Condominium and to grant, modify or relocate easements over the Common Areas for utilities, right of ways, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

(c) To exercise any other rights or satisfy any other obligations they may have as Condominium Trustees.

11. The Unit Owners' Organization.

The organization through which the Unit Owners will manage and regulate the Condominium established hereby is the OLD STONE BANK CONDOMINIUM TRUST (hereinafter referred to as the "Condominium Trust") under a Declaration of Trust of even date to be recorded at the Registry of Deeds herewith. Each Unit Owner shall have an interest in the Condominium Trust in proportion to the percentage of undivided ownership interest in the Common Areas and Facilities to which the Unit is entitled hereunder. As of the date hereof, the name of the original and present Trustee of the Condominium Trust (hereinabove and hereinafter the "Condominium Trustees") is as follows:

REID A. DUNN

The Condominium Trustees have enacted the By-Laws pursuant to and in accordance with the provisions of Chapter 183A.

12. Easement for Encroachment.

If any portion of the Common Areas and Facilities now encroaches upon any Unit, or if any Unit now encroaches upon another Unit or upon any portion of the Common Areas and Facilities, or if any such encroachment shall occur hereafter as a result of (a) settling of the buildings, or (b) alteration or repair to the Units or the Common Areas and Facilities made by or with the consent of the Condominium Trustees, or (c) as a result of repair or restoration of the building or any Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the building involved stands.

13. Units Subject to Master Deed, Unit Deed and Condominium Trust.

(a) All present and future owners, lessees, tenants, licensees, visitors, invitees, servants and occupants of Units shall be subject to, and shall comply with, the provisions of this Master Deed, the Condominium Trust, the By-Laws, the Unit Deed and the Rules and Regulations of the Condominium adopted pursuant to the By-Laws, as they may be amended from time to time, and the items affecting title to the Land as set forth in Exhibit A. The acceptance of a deed or conveyance of a Unit or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Master Deed, the Condominium Trust, the By-Laws, the Unit Deed, and said Rules and Regulations, as they may be amended from time to time, and the said items affecting title to the Land, are accepted and ratified by such owner, lessee, tenant, licensee, visitor, invitee, servant or occupant; and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance thereof or lease, tenancy, license or occupancy agreement or arrangement with respect thereto.

(b) There shall be no restriction upon any Unit Owner's rights of ingress and egress to and from the Owner's Unit, which right shall be perpetual and appurtenant to Unit ownership.

14. Amendments.

Except as otherwise provided herein, this Master Deed may be amended by an instrument in writing (a) signed by the Owners of all Units, and (b) duly recorded with the Registry of Deeds, provided, that:

(a) No instrument of amendment which alters this Master Deed in any manner which would render it contrary to or inconsistent with any requirement or provisions of Chapter 183A shall be of any force or effect.

(b) No instrument of amendment which purports to affect the Declarant's reserved rights to develop the Condominium as set forth in paragraph 9 or elsewhere in this Master Deed shall be of any force and effect unless it is assented to in writing by the Declarant, and this assent is recorded with such amendment at the Registry of Deeds.

(c) No instrument of amendment affecting any Unit in a manner which impairs the security of a mortgage of record thereon held by an institutional lender or for a purchase money mortgage shall be of any force or effect unless the same has been assented to by such mortgage holder.

(d) No instrument of amendment which purports to amend or otherwise affect paragraphs (a) through (c) of this paragraph shall be of any force and effect unless signed by all of the Unit Owners and all first mortgagees of record with respect to the Units.

(e) The consent of the Owners of all Units and the approval of eligible holders of mortgages (as the term "eligible mortgage holder" is defined and may be defined from time to time in the Federal National Mortgage Association Conventional Home Mortgage Selling Contract Supplement) on Units which have at least fifty-one per cent (51%) of the voting power of the Units subject to eligible mortgages shall be required to add or amend any material provisions of the Condominium documents which establish any of the following:

- (1) Voting;
- (2) Methods of assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair or replacement of the Common Areas;
- (4) Insurance;
- (5) Rights to use of the Common Areas, including creation of Limited Common Areas;
- (6) Responsibility for maintenance and repair of the several portions of the Condominium;
- (7) Boundaries of any Unit;

- (8) The interests in the Common Areas;
- (9) Convertibility of Units into Common Areas or of Common Areas into Units;
- (10) Leasing of Units;
- (11) A decision by the Condominium Association to establish self management when professional management had been required previously by an eligible mortgage holder;
- (12) 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;
- (13) Any provisions which are for the excess benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Units.

(f) Where required under the provisions of paragraph 16 hereof, the instrument of amendment shall be assented to by the holders of the first mortgages of record with respect to the Units.

Each instrument of amendment executed and recorded in accordance with the requirements of this paragraph shall be conclusive evidence of the existence of all facts recited therein and of compliance with all prerequisites to the validity of such amendment in favor of all persons who rely thereon without actual knowledge that such facts are not true or that such amendment is not valid.

(g) Notwithstanding anything herein contained to the contrary, Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Master Deed at any time, and from time to time, which amends this Master Deed (i) to comply with the requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities; (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit ownership; (iii) to bring this Master Deed into compliance with Chapter 183A of the General Laws of the Commonwealth of Massachusetts; or (iv) to correct clerical or typographical errors in this Master Deed or any exhibit hereto or any supplemental or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to vote in favor or, make or consent to any such Special Amendment(s) on behalf of each Unit Owner. Each deed, mortgage, other

evidence of obligation, or other instrument affecting a Unit and the acceptance thereof, shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record Special Amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds or controls title to a Unit.

15. Definition of "Declarant".

For purposes of this Master Deed, the Condominium Trust and the By-Laws, "Declarant" shall mean and refer to Dunn Family LLC and its Managing Member, Reid A. Dunn or his successors and assigns who come to stand in the same relation as developer of the Condominium as it does.

16. Provisions for the Protection of Mortgagees.

Notwithstanding anything in this Master Deed or in the Condominium Trust and By-Laws to the contrary, the following provisions shall apply for the protection of the holders of the first mortgages (hereinafter "First Mortgagees") of record with respect to the Units and shall be enforceable by any First Mortgagee:

(a) Except as provided for in Section 6 of Chapter 183A, any First Mortgagee who obtains title to a Unit by foreclosure or pursuant to any other remedies provided in its mortgage or by law shall not be liable for such Unit's unpaid common expenses or dues which accrued prior to the acquisition of title to such Unit by such First Mortgagee;

(b) Any and all common expenses, assessments and charges that may be levied by the Trust in connection with unpaid expenses or assessments shall be subordinate to the rights of any First Mortgagee pursuant to its mortgage on any Unit, except as provided for in Section 6 of Chapter 183A;

(c) A lien for common expenses 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 shall extinguish a subordinate lien for assessments which became payable prior to such sale or transfer. However, any such delinquent assessments which are extinguished pursuant to the foregoing provision may be reallocated and assessed to all Units as a common expense. 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 assessments made thereafter.

(d) Unless all of the institutional first mortgage lenders holding mortgages on the individual units at the Condominium have given their prior

written approval, neither the Unit Owners nor the Trustees of the Condominium Trust shall be entitled to:

(i) By act or omission, seek to abandon or terminate the Condominium except in the event of substantial destruction of the Condominium Premises by fire or other casualty or in the case of taking by condemnation or eminent domain;

(ii) Change, except by the Declarant pursuant to section 9(d), above, the pro-rata interest or obligation 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; or

(iv) By act or omission, seek or abandon, partition, subdivide, encumber, sell or transfer the common elements, provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium and the exercise of other actions with respect to granting of easements of Common Areas and Facilities contemplated herein shall not be deemed an action for which any prior approval of a mortgagee shall be required under this Subsection; and further provided that the granting of rights by the Trustees of the Condominium Trust to connect adjoining Units shall require the prior approval of only the mortgagees of the Units to be connected; or

(v) Use hazard insurance proceeds for losses to any property of the Condominium (whether to Units or to common elements) for other than the repair, replacement or reconstruction of such property of the Condominium, except as provided by statute in case of taking of or substantial loss to the Units and/or common elements of the Condominium.

(g) To the extent permitted by law, 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;

(h) In no case shall any provision of the Master Deed or the Condominium Trust give a Unit Owner or any other party priority over any rights of an institutional first mortgagee of the 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.

(i) An institutional first mortgage lender, upon request to the Trustees of the Condominium Trust, will be entitled to:

(i) written notification from the Trustees of the Condominium Trust of any default by its borrower who is an Owner of a Unit with respect to any obligation of such borrower under this Master Deed or the provisions of the Condominium Trust which is not cured within sixty (60) days;

(ii) inspect the books and records of the Condominium Trust at all reasonable times;

(iii) receive an audited annual financial statement of the Condominium Trust within ninety (90) days following the end of any fiscal year of the Condominium Trust;

(iv) receive written notice of all meetings of the Condominium Trust, and be permitted to designate a representative to attend all such meetings;

(v) receive prompt written notification from the Trustees of the Condominium Trust of any damage by fire or other casualty to the Unit upon which the institutional lender holds a first mortgage or proposed taking by condemnation or eminent domain of said Unit or the Common Areas and Facilities of the Condominium;

(vi) receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Trust; and

(vii) receive written notice of any action which requires the consent of a specified percentage of eligible mortgagees.

The Declarant intends that the provisions of this paragraph shall comply with the requirements of the Federal Home Loan Mortgage Corporation and The Federal National Mortgage Association with respect to condominium mortgage loans, and all questions with respect thereto shall be resolved consistent with that intention.

The provisions of this paragraph 16 may not be amended or rescinded without the written consent of all First Mortgagees, which consent shall appear on the instrument of amendment as such instrument is duly recorded with the appropriate District Registry of Deeds in accordance with the requirements of paragraph 14 hereof.

17. Resolution of Disputes.

In the event of a dispute between the Unit Owners or the Trustees of the Condominium Trust, such dispute shall be resolved under the procedures of Article IX of the Condominium Trust.

18. Severability.

In the event that any provisions of this Master Deed shall be determined to be invalid or unenforceable in any respect it shall be interpreted and construed so as 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 provisions shall not affect in any manner the validity, enforceability or effect of the remainder of this Master Deed; and, in such event, all of the other provisions of this Master Deed shall continue in full force and effect as if such invalid provision had never been included herein.

19. Waiver.

No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

IN WITNESS WHEREOF, the aforesaid Declarant, Reid A. Dunn, Trustee of Woodland Realty Trust, has hereunto executed this Master Deed as a sealed instrument on the day and year first above written.

DUNN FAMILY LLC

By: Reid A. Dunn, Managing member

COMMONWEALTH OF MASSACHUSETTS

County of Dukes County, ss

On this ____ day of _____ before me, the undersigned notary public, personally appeared Reid A. Dunn to me personally known to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Notary Public
My Commission Expires:

EXHIBIT "A"
to Master Deed of Old Stone Bank Condominium
(Legal Description)

The land with improvements thereon is Tisbury, County of Dukes County, Commonwealth of Massachusetts, being more particularly bounded and described as follows:

In addition to any other matter of record, the premises are conveyed subject to the following, each recorded with the Dukes County Registry of Deeds:

Exhibit "B"
Unit Interests in Common Areas and Facilities

Unit Designation		Floor Area (square feet)	% Interest in Common Areas and Facilities
C 1	with LCA	2,300	12.33%
C2	with LCA	1,400	7.51%
C3	with LCA	750	4.02%
C4	with LCA	1,200	6.43%
R1	with LCA	800	4.30%
R2	with LCA	600	3.22%
R3	with LCA	1,150	6.17%
R4	with LCA	1,450	7.77%
R5	with LCA	1,100	5.90%
R6	with LCA	1,650	8.85%
R7	with LCA	1,700	9.12%
R8	with LCA	1,700	9.12%
R9	with LCA	750	4.02%
R10	with LCA	1,050	5.63%
R 11	with LCA	<u>1,050</u>	<u>5.63%</u>
		18,650 SF	100.00%

Notes:

A. LCA = Limited Common Area, although the area thereof has not been included in the total floor area calculation

B. Immediately accessible common areas are as shown on the Plan

C. Floor area was the sole determinant for % Interest in Common Areas and Facilities.

OLD STONE BANK CONDOMINIUM TRUST

THIS DECLARATION OF TRUST is made this 18th day of May, 2005, by DUNN FAMILY LLC, Reid A. Dunn, Managing member of Tisbury, MA, (hereinafter called the "Trustee", which term and any pronoun referring thereto or plural thereof shall be deemed to include his or her successors in trust hereunder and to mean the Trustees for time to time hereunder wherever the context so permits.)

ARTICLE I – Name of Trust

The Trust created hereby shall be known as: OLD STONE BANK 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" or "Association" or "Association of Owners") as required by the provisions of Chapter 183A, as amended, of the Massachusetts General Laws (hereinafter "Chapter 183A") for the purpose of managing and regulating OLD STONE BANK CONDOMINIUM, a condominium (hereinafter the "Condominium") established by a Master Deed (hereinafter the "Master Deed") executed by Dunn Family LLC and recorded herewith (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 15 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 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 under the Trust is as set forth in Exhibit B of the Master Deed for the unit owned by such Unit Owner; such percentage beneficial interest is in the approximate relation that the floor area of the unit owned by the Unit Owner on the date of the Master Deed bears to the then aggregate floor area of all the units in the Condominium.

ARTICLE III - The Trustees

3.1 Number of Trustees; Term of Office; Vacancies. There shall be at all times Trustees consisting of such number not less than two (2), nor more than five (5), as shall be determined from time to time by vote of the Unit Owners entitled to not less than fifty-one percent (51%) of the beneficial interest hereunder; provided, however, that until the Declarant of said Master Deed determines or ceases to be entitled to more than 50% of the beneficial interests hereunder, the number of Trustees shall be one (1) person. Until the 'takeover event', as hereinafter defined, the Trustees shall be designated by the Declarant. Upon the occurrence of the "takeover event," which shall be no later than four months after the last Unit has been conveyed to a unit purchaser for value or two years from the date of the first Unit Deed is recorded, whichever first occurs, the term of office of the original Trustee or his 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 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 two (2) years or until their successors have been elected or appointed and qualified.

3.2 Election of Trustees. The Owner(s) of the Units shall elect the Trustee(s) at any annual or special meeting of the Unit Owners. Upon such election, a certificate of election setting forth the name(s) of the New Trustee(s) and reciting that they have been duly elected shall be recorded at the Registry of Deeds; such certificate shall be signed either by a majority in beneficial interest of the Unit Owners or any person then appearing in the records of the Registry of Deeds to be a current

Trustee of the Trust. In this Trust, the meaning of "Registry of Deeds" shall be limited to Dukes County Registry of Deeds.

3.3 Vacancies. Except in the case of the original Trustee hereunder or any successor Trustee or Trustees as designated by the Declarant, if and whenever the number of Trustees shall become less than two or 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 designated by the Unit Owner(s) entitled to not less than fifty-one percent (51%) of the beneficial interests hereunder. Each appointment to fill a vacancy shall become effective upon recording with the Registry of Deeds of an instrument in writing signed by such successor and a certificate in the form set-forth in section 3.2, above. 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.

3.4 Quorum and Action by Trustees. 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 two-thirds of the Trustees then in office.

3.5 Bond by Trustees. Any Trustee elected or appointed as hereinafter provided, who is vested with authority or responsibility for handling funds belonging to or administered by the Trust, upon vote of a majority in beneficial interest of the Unit Owners, may 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 of Trustee. Any Trustee may resign by notice in writing given to the other Trustee of the Trust, or if none, by written notice to all Unit Owners. A certificate of such written resignation shall be recorded at the Registry of Deeds.

3.7 Compensation for Trustees. No Trustee shall receive compensation for their services.

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 by reason of honest errors or 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 all of the Unit Owners, nor shall any such dealing, contract or arrangement entered into with 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 both out of the Trust's 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's 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 this Trust 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, as it may be amended from time to time pursuant to the terms and provisions 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 shall 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 any 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 the Unit as set forth in Exhibit B 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 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. Assessments for common expenses shall commence upon conveyance of the first Unit.

5.1.3 To do all things necessary to operate, maintain, repair, improve, alter and otherwise administer and care for the Common Areas and Facilities (herein referred to as "common elements") but not Limited Common Areas, and, to the extent provided in the Master Deed and these By-Laws, maintain, repair and care for the Units and Limited Common Areas.

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 other 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, engineers and other advisors hired by them and shall be protected in so doing.

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 Common Areas and Facilities 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 their acts and affairs of the Trust.

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 and/or the intended use of the Common Areas and Facilities, without the prior authorization of all Unit Owners, and of all of the institutional first mortgage lenders holding mortgages on the individual Units of the Condominium.

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.

5.1.10 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 any 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.

5.1.11 To grant easements and rights with respect to utilities to be installed in, under or over the Common Areas and Facilities and to enter into such agreements and undertakings as shall be necessary therefor.

5.1.12 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.

5.1.13 To, acting as a Design Review Committee, establish, pursuant to Section 5.10 hereof, and review and approve (a) certain modifications to the building 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. Except as specifically provided in the Master Deed, no Unit Owner shall make any addition to his/her Unit which would encroach upon the Common Areas without the prior written consent of all Unit Owners.

5.1.14 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.

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

5.1.16 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 expense or special assessments.
- (c) The power and duties described in Section 5.1.9, 5.1.10, 5.1.11, 5.1.12 and 5.1.13 above.

5.2 Reserve and Working Capital.

5.3 The Trustees shall be required to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacements 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 and as may be approved by the Unit Owners at an annual or special meeting of Unit Owners.

5.4 Maintenance and Repair of Units.

5.4.1 Each Unit Owner shall be responsible for the proper maintenance, repair and replacement of his Unit and Limited Common Areas appurtenant to such 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 frames, 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.

5.4.2 If the Trustees shall, at any time in their reasonable judgment, determine that a Unit is in such need for maintenance or repair that the market value of another Unit is being adversely affected or that the condition of a Unit or any fixtures, furnishings, facility or equipment therein is hazardous to another 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 therefor shall be personally liable therefor.

5.5 Maintenance, Repair and Replacement of Common Areas and Facilities and Assessments of Common Expense.

5.6 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. Any two Trustees or any other specific person who may be so designated by the Trustees may approve payment of vouchers for such work, and the expenses of such maintenance, repair and replacement shall be assessed to the Unit Owners as common expenses of the Condominium at such times and in such amounts as provided in Section 5.5; provided, however, that if the maintenance, repair or replacement of the Common Areas and Facilities is necessitated by the negligence or misuse of a Unit Owner, either directly or by virtue of his failure to properly maintain, repair or replace his Unit, the expenses of such maintenance, repair and replacement may be assessed to the particular Unit Owner by the Trustees and the Unit Owner shall be liable therefor.

5.7 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, as it may be amended from time to time pursuant to the terms and provisions 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.

Notwithstanding the foregoing, prior to the sale of all units, common expenses, first reduced by common profits, if any, shall be due and payable as follows: a Unit Owner, other than the Declarant, shall pay by the first day of each month a common expense assessment equal to 40 cents (\$0.40) per month per square foot of the area of such Owner's Unit and the Declarant shall pay the balance of the common expense. For purposes of this clause only, the area of a Unit shall be as set forth on Exhibit B to the Master Deed.

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 or unexpended common assessments 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. In the event that the Trustees shall determine during any 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.

5.7.1 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 by such Unit Owner. 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 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. Nothing herein shall limit the rights, claims or actions of the Trustees to payment for unpaid common expense assessments as provided for in Chapter 183A, including, without limitation, priorities provided under Section 6 of Chapter 183A.

5.7.2 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.

5.7.3 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, be required to pay rent for the use of the Unit. A suit to recover a money judgment for

unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

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

5.7.5 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 Twenty-five Dollars (\$25.00), 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 by at least one Trustee who then appears to be serving according to the records of said Registry of Deeds and who does not own such Unit, the Unit involved shall be discharged from any lien for unpaid common expenses which do not appear in said certificate.

5.7.6 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 to held in escrow.

5.7.7 In the event the Trustees should fail to enforce the provisions of Section 5.5 of the Trust, any Unit Owner, at their option, may pay the outstanding obligations of a defaulting Unit Owner, whether to the Association or, with the consent of the Trustees, directly to a creditor of the Association, and may recover any such payments made, along with interest, expenses, and reasonable attorney's fees, in an action brought against such defaulting Unit Owner.

5.8 Insurance

5.8.1 Insurance Coverage to be Obtained. The Trustees shall obtain and maintain, to the extent obtainable, the following insurance:

- (a) A Master Policy covering all of the common elements (except land and other items normally excluded from coverage), including fixtures and building service equipment to the extent that they are part of the common elements of the Condominium, as well as common personal property belonging to the Trust; the Master Policy shall also include any fixtures, equipment or other property within the Units which are customarily considered a part of the Unit for mortgage purposes,

excluding wall coverings and floor coverings (regardless of whether such property is a part of the common elements).

The Master Policy shall afford protection at least against the following:

- (1) Loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;
- (2) All other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement.

The policy shall be in an amount equal to one hundred percent (100%) of then current replacement cost of the Condominium, exclusive of land and other items normally excluded from coverage, and shall include a so-called Replacement Costs Endorsement, if available.

The named insured shall be the Association of Owners "for the use and benefit of the individual owners" or in the name of an authorized representative of the Association "for the use and benefit of individual owners". And each first mortgagee, its successors and assigns shall be named in the standard mortgagee clause for each Unit on which there is such a mortgage.

The policy shall contain a clause which provides that it may not be cancelled or substantially modified without at least ten (10) days prior written notice to the Trust and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

In addition to the foregoing, the policy shall provide for the following:

- (1) recognition of any Insurance Trust Agreement (if any there be); (2) a waiver of the right of subrogation against any Unit Owner individually; (3) the insurance shall not be prejudiced by any act or neglect of individual Unit Owners which is not in the control of such owners collectively; (4) the policy is primary in the event the Unit Owner has other insurance covering the same loss. (The foregoing is generally referred to as "Special Condominium Endorsement"); and (5) the policy shall provide, in the case of fire and other hazard insurance, that, where the provisions of the policy give the insurance company the option of restoring the damage in lieu of making a cash settlement, said option may not be exercised without the approval of the Trustees and/or the servicer(s) for the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or like entity which may have a loan with respect to the Condominium, nor may such option be exercised where it would conflict with applicable requirements of law.

An Agreed Amount and Inflation Guard Endorsement shall be a part of the policy, if available.

- (b) Liability Insurance for comprehensive general liability insurance coverage covering all of the Common Areas owned by the Trust. Such coverage shall be for not less than One Million Dollars (\$1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence, and shall include, without limitation, legal liability of the insured for property, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas, legal liability arising out of law suits related to employment contracts of the Trust, and shall provide further that such policy or policies may not be cancelled or substantially modified by any party without at least ten (10) days' prior written notice to the Trust and/or to the holders of mortgages which are listed as scheduled holders of mortgages in the insurance policy.
- (c) Construction Code Endorsement (such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Loans Endorsement, and an Increased Cost of Construction Endorsement) if the Condominium is or becomes subject to a construction code provision which would become operative and require changes to undamaged portions of the building.
- (d) Workmen's Compensation Insurance as required by law.
- (e) A fidelity bond or bonds in blanket form for all officers, directors, trustees and employees of the Trust and all other persons handling or responsible for funds of or administered by the Trust and if the Trust has delegated some or all of the responsibility for the handling of funds to a management agent, then such bonds shall cover the officers, employees and agents handling or responsible for funds of, or administered on behalf of the Trust. The total amount of fidelity bond coverage shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Trust or the management agent, as the case may be, at any given time during the term of such bond, and in any event the aggregate amount shall not be less than a sum equal to three months aggregate assessments on all units plus reserve funds. If, however, any mortgagee requires compliance with Federal Home Loan Mortgage Corporation guidelines, then the aggregate amount shall not be less than a sum equal to one and one-half times the estimated annual operating expenses plus reserve funds.
 - (i) The fidelity bonds shall name the Trust as an obligee;
 - (ii) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving

without compensation from the definition of “employees” or similar terms or expressions, and

- (iii) The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days’ prior written notice to the Trust and to the holders of mortgages which are listed as scheduled holders of mortgages in the insurance policy.
- (f) Such other insurance as the Trustees may from time to time determine or as may be required by law or by any mortgagee, its successors and assigns.

5.8.2 General Insurance Provisions.

- (a) The Trustees shall deal with the insurer or insurance agent in connection with the adjusting of all claims covered by insurance policies provided for under Section 5.6.1 above and shall review with the insurer or insurance agent, periodically, the coverage under said policies, and shall make any necessary changes in the policies provided for under Section 5.6.1 above in order to meet the coverage requirements thereof.
- (b) Each Unit Owner may obtain additional insurance for his own benefit and at his own expense. No such policy shall be written so as to decrease the coverage under any of the 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 hereof as if produced by such coverage obtained by the Trustees. Copies of all such policies (except policies covering only personal property owned or supplied by individual Unit Owners) shall be filed with the Trustees.
- (c) Each Unit Owner shall obtain insurance for his own benefit and at his own expense insuring all personal property presently or hereafter located in his Unit and/or its appurtenant Common Areas and Facilities and all improvements to his Unit which exceed a total value of One Thousand Dollars (\$1,000) and which are not reported in writing to the Trustees. Each such policy of insurance obtained by a Unit Owner must contain waivers of subrogation by the insurer as to claims against the Trustees, the manager (if any), all the Unit Owners, and other portions of the Condominium and each of their respective agents and employees.

- (d) Each Unit Owner, at the time of the commencement of construction of improvements to his Unit, which exceed a total value of One Thousand Dollars (\$1,000), shall notify the Trustees of such construction, and, upon receipt of such notice, the Trustee shall notify the insurer under any policy obtained pursuant to Section 5.6.1 hereof of any such improvements and shall increase the coverage under such policies accordingly. Unless otherwise determined by the Trustees, the cost of such additional coverage on account of a Unit Owner's improvements shall constitute a common expense attributable to the Unit involved and shall be payable to the Trustees on demand at such intervals as the Trustees shall establish, so that they shall have the money available to pay to the insurance company(ies).

5.8.3 The Trustees, as Insurance Trustees, shall collect and receive all casualty loss insurance proceeds and shall hold, use, apply and disburse the same in accordance with applicable provisions of Section 5.7 hereof. With respect to losses covered by such insurance which affects portions or elements of a Unit or of more than one Unit to substantially the same or to different extent, the proceeds relating thereto shall be used, applied and disbursed by the Trustees in a fair and equitable manner.

5.8.4 The cost of all such insurance obtained and maintained by the Trustees pursuant to provisions of this Section 5.6 shall be a common expense.

5.8.5 Certificates of insurance with proper mortgagee endorsements, when requested, shall be issued to each Unit Owner and his mortgagee(s).

5.8.6 Notwithstanding anything in this Trust and the By-Laws to the contrary, if a Unit Owner, by virtue of any activities she or he conducts in her or his Unit, causes an increase in the premises for any insurance obtained by the Trustees, she or he shall pay the amount of all such increases to the Trustees on demand as an additional common expense attributable to her or his Unit.

5.8.7 Each Unit Owner hereby waives, discharges and releases all claims and rights to recovery against the Trustees, the manager (if any), all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium and each of their respective agents and employees on account of any loss or damage, whether to person or property, insured against under the policies of insurance obtained by each Unit Owner for their own benefit. This waiver shall constitute a waiver of subrogation for purposes of such policies.

5.9 Rebuilding, Restoration and Condemnation.

5.9.1 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 and restoration in appropriate progress payments and with appropriate retainage.
- (b) If such loss 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%) 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 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 any 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 mortgages of 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%) of the Unit Owners agree to make the necessary repair or restoration, the Trustees shall arrange for the 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 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.

5.9.2 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, the Trustees shall assess all 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 and 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 5.6.29d) 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 the 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.

5.9.3 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.

5.9.4 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 repairs 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.

5.9.5 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 the 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 its 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 to 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 a 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 by 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 divided 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.

5.10 Improvements to Common Areas and Facilities.

5.10.1 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 any one of the Unit Owners to make any such improvement, excluding only the Development Improvements provided for under Section 5.2, above or as otherwise related to rights reserved to the Declarant in the Master Deed, 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 seventy-five percent (75%) 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 the Unit Owners who have signed such agreement. If such percentage 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. 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.

5.10.2 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, may, but shall not be obligated to, authorize such improvement to be made at the sole expense of the Unit Owner proposing such improvement, as the Trustees in their reasonable discretion deem to be necessary or desirable in the circumstances.

5.11 Determination of Trustees Subject to Arbitration.

Notwithstanding anything contained in Section 5.7 or Section 5.8, (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, then such disputes shall be resolved under Article IX of this Trust.

5.12 Design Review Committee and Procedures.

No Unit Owner shall make any addition, alteration or improvement in or to the attic space of a Unit or other addition, alteration or improvement in or to the Unit which could affect the structural integrity of the Building or cause any dislocation or impairment of, encroachment upon or interruption to the Common Areas and Facilities, unless the same shall have been approved by the Trustees acting as a Design Review Committee and are otherwise authorized by the Trust and/or the Master Deed.

5.13 Rules and Regulations. 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 administrative rules and regulations governing the details of the operation and use of the Common Facilities. The Trustees shall have the power to levy fines against the Unit Owners for violations thereof. No fine may exceed Fifty Dollars (\$50) for any one violation, but each day a violation continues after notice shall be considered a separate violation. Fines may be enforced against the Unit Owner or Unit Owners involved as common expenses owed by the particular Unit Owner or Unit Owners. In the case of persistent violation of the rules and regulations by a Unit Owner, the Trustees, in addition to any other remedy that may be available to them, shall have the power to require such Unit Owner to post a bond to secure adherence to the rules and regulations.

5.14 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 be delegable. Any 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.

5.15 Meetings.

5.15.1 The Trustees shall meet annually on the date of the general meeting of the Unit Owners and at such meeting may elect the Chairperson, Treasurer and Secretary as hereinafter provided for and any other officer they deem expedient. Other meetings of the Trustees may be called by the written request of any one (1) Trustee, 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 the other Trustee.

5.15.2 There shall be an annual meeting of the Unit Owners on the last Wednesday in October of each year, commencing with the year 2005, at 7:30 p.m. at the Condominium or at other reasonable places and times as may be designated by the

Trustees. Special meetings of the Unit Owners may be called at any time by any one Trustee or any one Unit Owner.

5.16 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 proceedings, 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.

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

- (a) Reading or minutes of preceding meeting.
- (b) Report of the Trustees.
- (c) Election of Trustees (when required).
- (d) Unfinished business.
- (e) New business.

5.18 Officers.

5.18.1 Designation. The Officers of the Trust shall be a Chairperson and a Secretary/Treasurer.

5.18.2 Election and Qualification. The officers shall be the original Trustee 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 or decrease of an officer, at any special meeting of the Trustees. All officers shall be Trustees.

5.18.3 Term of Office. All officers, other than said original Trustee or his successors as appointed by the Declarant, shall hold office until their successors are elected and qualified or until such officer is no longer a Trustee.

5.18.4 Resignation. Any officer may resign at any time, by written notice to each Trustee, 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.

5.18.5 Vacancies. A vacancy in any office may be filled in the manner prescribed in Section 5.17.2 hereof. The officer selected to fill such a vacancy shall serve for the remainder of the term of the officer he or she replaces.

5.18.6 Chairperson. The Chairperson shall preside at all meetings of the Trustees and 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.

5.18.7 Secretary/Treasurer. The Secretary/Treasurer shall record all votes and keep the minutes of all meetings of the Trustees and of the Unit Owners, and shall be responsible for the funds of the Trust. He or she is 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.

5.19 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 institutional mortgage holders of the Units at all reasonable times.

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

5.21 Fiscal Year. The fiscal year of the Trust shall commence on the first (1st) day of January of each year, or at such other time as the Trustees may determine from time to time.

5.22 Removal from Condominium Law. 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.

5.23 Sale or lease of Units. Subject to such restrictions as may otherwise be set forth in the Rules and Regulations, 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 sale, lease, transfer or other disposition of such part of all Units. Fee in Units may not be fractionalized through ownership in the form of time-sharing, quartering, interval ownership or any similar form of ownership of the Units.

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 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 of 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 resource 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, 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 entered in to 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 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 the initial Trustee while he is a Trustee hereunder, and thereafter by any two Trustees in office at the time, setting forth as facts any matters affecting the Trust, including statements as to who are 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 both 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 Unit Owners entitled to not less than sixty-seven percent (67%) 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 and required, from time to time, in the Master Deed; or

7.1.2 It would, without the consent of the Declarant, alter or affect the Declarant's rights hereof to act as the Design Review Committee; 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; or

7.2 Necessity for Recording Amendments, Alterations, Additions or Changes. Any amendment, alteration, addition or change, pursuant to the foregoing provisions of ARTICLE VII, shall become effective upon the recording with the said 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 all 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 or 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 5.20 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 to returning 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 be 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 including females, words denoting females including 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 laws 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 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.

ARTICLE IX

Resolution of Disputes

9.1 In the event of a dispute (a) among the Owners of the Units or (b) among the Trustees as to any matter involving this Trust, the Master Deed or the Condominium generally, the disputing parties may jointly agree:

- (a) Refer the matter to binding arbitration by sending written notice requesting arbitration to all other parties, which notice shall name one arbitrator who shall be an attorney licensed to practice law in the Commonwealth of Massachusetts. Within fourteen (14) calendar days after receiving such notice, the other party shall be written notice to

the requesting party name a second arbitrator who shall likewise be an attorney licensed to practice law in the Commonwealth of Massachusetts, failing which, the first arbitrator appointed shall appoint such second arbitrator. If the two arbitrators thus appointed are unable, within fourteen (14) calendar days after the date of the appointment of the second arbitrator to be appointed, to agree upon a settlement to the dispute, they shall then appoint an impartial third arbitrator within twenty (20) calendar days after the said date of appointment of the second arbitrator. The third arbitrator need not be an attorney, but he shall be someone who is qualified by his profession to deal with the matter in dispute. If the two arbitrators cannot agree on a third arbitrator and if they fail to act to appoint him within said twenty (20) day period, then either party may apply to the Superior Court of Dukes County for the appointment of the third arbitrator. The third arbitrator shall within fourteen (14) calendar days after his appointment render his decision in the dispute. The decision of the arbitrators, whether it be by agreement of the first two arbitrators or, failing which, by the decision of the third arbitrator, shall be conclusive and binding upon all parties to the dispute, and any such decision shall be enforceable by any court of competent jurisdiction. Each party shall pay for the fees and other costs of the arbitrator appointed by him and for him (should he fail to duly make the appointment), and the fees and costs of the third arbitrator shall be shared equally by the parties. Except as otherwise herein provided, the arbitration shall be conducted in accordance with the rules then pertaining to the American Arbitration Association.

- (b) Commence an action in either the District or the Superior Court of the applicable district or county wherein the Condominium lies to decide the matter, with such notice being given to the other party as the court may order. The fees and costs associated with bringing the matter to court and prosecuting the court proceedings shall be paid as the court orders, and in the absence of such an order, shall be borne equally by the parties.

IN WITNESS WHEREOF, the aforesaid named Trustee has hereunto set its hand and seal the day and year first above written.

DUNN FAMILY LLC

By: Reid A. Dunn. Managing Member

COMMONWEALTH OF MASSACHUSETTS

County of Dukes County, ss

On this ____ day of May, 2005, before me, the undersigned notary public, personally appeared Reid A. Dunn to me personally known to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily, as Authorized Signatory as aforesaid and as Manager and Authorized Signatory of Dunn Family, L.L.C., as Manager and Authorized Signatory as aforesaid, for its stated purpose.

Notary Public
My Commission Expires:

Old Stone Bank Condominium Rules and Regulations

The condominium Trustees can add to, amend or repeal these rules with the assent of owners holding more than 50% of the ownership in the condominium . All owners must be notified in writing of any proposed change in rules 30 days in advance of the intended effective date of the rule change

RULES AND REGULATIONS

These rules and regulations are designed to ensure that the condominium is a quiet and serene place, free of barking dogs, loud music, trash, late night partying, loud or ostentatious visual displays and other impediments to the peaceful enjoyment of the premises.

1. NUISANCE AND NOISE

No use or practice shall be allowed which is an unreasonable source of annoyance to the owners and residents of the condominium, or which unreasonably interferes with the peaceful occupancy of the condominium.

Owners and their guests will be expected to keep noise levels emanating from their unit to a minimum. At no time should musical instruments, recorded music, televisions, cell phone conversations, or other noises on the porches and decks become a nuisance to neighbors.

2. LITTERING AND TRASH DISPOSAL

All garbage and recyclable material shall be deposited in designated trash collection areas. No dog waste, garbage, trash, or recyclable materials shall be permitted to remain on porches, patios, decks, common areas or any other space that is not within the owner's unit.

3. PARKING

Each unit is allocated dedicated parking space(s) on the property. The maximum number of vehicles kept on the property by owners and /or their guests shall not exceed the number of allocated spaces. Any unit owner may lease or license the use of parking spaces to third parties with copies of leases or licenses submitted to the Trustees.

4. VEHICLES

No snowmobiles, mobile homes, campers, boats, trailers or other miscellaneous vehicles can be parked within the condominium complex. Temporary parking of such vehicles may be approved by the Board of Directors. The request can be done in writing and may be granted under extenuating circumstances on a temporary basis only.

5. ADDITIONS TO EXTERIOR OF BUILDINGS

Changes affecting the appearance of the buildings, such as decorations, screens, sunshades, air conditioners, or similar changes, cannot be made without the consent of the Board of Trustees in writing.

Any damages resulting from the displaying of exterior holiday or other decorations will be the responsibility of the owner.

6. GUESTS AND TENANTS

Owners will be responsible for the actions of their guests and/or tenants. Owners will be deemed responsible for any damage caused by their guests and/or tenants and rules violated by them shall be deemed violations by the owner.

7. PETS

Up to two dogs and/or cats may live in any unit. Owners are responsible for the actions of their pets and will restrain them from excessive barking, damage to common landscaping and other activities affecting the quiet enjoyment of the condominium.

No pets may be kept, bred or maintained for any commercial purpose.

Pets shall not be permitted outside the unit on the common area of the association unless accompanied by a responsible individual and kept on a leash.

8. OUTDOOR GRILLS

Each unit may contain one gas grill in an outdoor limited common area only.

9. RENTALS

Units may be leased, but for not less than one week's duration. A unit may be leased for a maximum of three times in a calendar year. In the case of special circumstances caused by financial distress, illness, change in employment or other unforeseen matters a unit owner may appeal to the Trustees for a waiver to this rental provision for additional specific rental periods. A two thirds vote of the Trustees shall be required to allow such additional rental periods.

Copies of leases must be filed with the Trustees prior to occupancy by any tenant.

10. SMOKING AND VAPING

All common and limited common areas are smoke free.

