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DECLARATION OF TRUST
OF THE
HARBORSIDE INN CONDOMINIUM TRUST

DECLARATION OF TRUST made this 25th day of April, 1990, by BENJAMIN J. BOLDT of Sudbury, Middlesex County, Massachusetts, LEO P. CONVERY of Edgartown, Dukes County, Massachusetts, and ARTHUR W. YOUNG, JR. of Edgartown, Dukes County, Massachusetts, (hereinafter called the "Board of Trustees" or "Trustees", which term and any pronoun referring thereto shall mean the Board of Trustees for the time being hereunder, wherever the context so permits).

ARTICLE I

The Trust, Its Purpose, By-Laws and Name

Section 1.1 Declaration of Trust and Purpose. The Trustees hereby declare that they hold all of the rights and power in and with respect to the common areas and facilities of the condominium established by the Master Deed, as hereinafter defined, which are by virtue of provisions of Chapter 183A of the Massachusetts General Laws conferred upon or exercisable by the organization of unit owners of said condominium, and all other rights, interests, powers, duties and responsibilities granted to them as Trustees hereunder or under the Master Deed, and all property, real or personal, tangible or intangible conveyed to the Board of Trustees, as joint tenants with right of survivorship, in trust to exercise, manage, administer and dispose of the same and to receive the income thereof for the benefit of the owners of record from time to time of the units of said condominium (said units being hereafter called the Units and said owners being hereafter called the Unit Owners), according to the schedule of undivided beneficial interest in the common areas and facilities (hereinafter referred to as the Beneficial Interests) set forth in Section 3.1 hereof and in accordance with the provisions of said Chapter 183A, this trust being the organization of the Unit Owners established pursuant to the provisions of Section 10 of said Chapter 183A for the purposes therein set forth. The trust created by this Declaration of Trust is hereinafter referred to as the "Trust".

Section 1.2 Trust Relationship. It is hereby expressly declared that the Trust is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership, joint venture, corporation or joint stock company and that the Unit Owners are cestuis que trustent (hereinafter called "Beneficiaries") and not partners or associates nor in any other relation whatever between themselves with respect to the trust estate, and hold no relation to the Trustees other than of Beneficiaries, with only such rights and liabilities as are conferred upon them as such Beneficiaries hereunder and under and pursuant to the provisions of said Chapter 183A.

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Section 1.3 By-Laws. This Declaration of Trust, as from time to time amended, shall be and comprise the By-Laws of the Trust.

Section 1.4 Name of Trust. The name of the Trust shall be the HARBORSIDE INN CONDOMINIUM TRUST and under that name, so far as legal, convenient and practicable, all business shall be carried on by the Trustees and all instruments shall be executed by the Trustees. Said name (and the word "Trust" whenever used in this Declaration of Trust, except where the context otherwise requires) shall refer to the Trustees in their capacity as trustees, and not individually or personally, and shall not refer to the officers, agents or employees of the Trust or to the Unit Owners.

ARTICLE II

Definitions

As used in this Declaration of Trust, the following terms shall have the following meanings unless the context hereof otherwise requires.

Section 2.1 "Appurtenant Interests" shall have the meaning set forth in Section 6.1 hereof.

Section 2.2 "Beneficial Interests" shall have the meaning set forth in Section 1.1 above.

Section 2.3 "Buildings" shall mean the buildings which contain the Units and "Building" shall mean any one of such buildings.

Section 2.4 "By-Laws" shall mean the provisions of this Trust as the same may be amended from time to time.

Section 2.5 "Chapter 183A" shall refer to Chapter 183A of the General Laws of Massachusetts as from time to time amended.

Section 2.6 "Common Charges" shall mean all charges hereinafter made by this Trust to the Unit Owners.

Section 2.7 "Common Elements" shall mean the common areas and facilities of the Condominium as so described and designated in the Master Deed.

Section 2.8 "Common Expenses" shall mean the expenses of administration, operation, maintenance, repair or replacement of the Common Elements, expenses declared Common Expenses herein or by Chapter 183A, and betterment and other assessments referred to in Chapter 183A which are assessed to the Trustees.

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Section 2.9 "Common Funds" shall mean all funds held by the Trustee.

Section 2.10 "Condominium" shall mean the Harborside Inn Condominium submitted to the provisions of Chapter 183A by the Master Deed.

Section 2.11 "Declaration of Trust" shall mean this declaration of trust as amended, restated or modified from time to time. References in this Declaration of Trust to "hereof", "herein", and "hereunder" shall be deemed to refer to the Declaration of Trust and shall not be limited to the particular text, article or section in which such words appear.

Section 2.12 "Master Deed" shall mean the master deed of the land and buildings executed by the Sponsor dated the date hereof and recorded contemporaneously herewith, which subjects the Condominium to Chapter 183A.

Section 2.13 "Person" or "persons" shall mean any person or persons, whether acting in an individual, representative or fiduciary capacity, and any firm or firms, corporation or corporations, partnership or partnerships, and any legal entity or entities whatsoever.

Section 2.14 "Property" shall mean the properties and assets subjected to Chapter 183A by the Master Deed and any addition or additions thereto.

Section 2.15 "Rules and Regulations" shall mean any rules and regulations for operation of the Condominium adopted pursuant to Section 5.13 hereof.

Section 2.16 "Sponsor" shall mean Jennie A. Fratto, Trustee of Inner Harbor Realty Trust u/d/t dated January 22, 1980, and recorded in the Dukes County Registry of Deeds, and its successors and assigns.

Section 2.17 "Trust" shall have the meaning set forth in Section 1.1 above.

Section 2.18 "Trust Estate" shall mean any and all property, whether real, personal or mixed, tangible or intangible, held by the Trustees under the terms and provisions of this Declaration of Trust on behalf of the Trust.

Section 2.19 "Trustees" shall have the meanings set forth at the beginning of this Declaration of Trust.

Section 2.20 Any definition contained in the Master Deed of words used herein shall have the same definition as in the Master Deed.

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Section 2.21 "Unit" shall have the meaning set forth in Section 1.1 above and shall specifically include any Unit Committed to Interval Ownership.

Section 2.22 "Unit Owner" shall have the meaning set forth in Section 1.1 above, and shall specifically include all Interval Owners within any Unit Committed to Interval Ownership, and shall specifically include each unit owner's heirs, devisees, successors, and assigns.

ARTICLE III

UNIT OWNERS

Section 3.1 Beneficial Interests. The beneficiaries shall be the Unit Owners for the time being. The total Beneficial Interests in the Trust shall be divided among the Unit Owners according to the Beneficial Interests appertaining to the Units as set forth in Exhibit "E" attached hereto and made a part hereof, and the owners of Unit Weeks in Units Committed to Interval Ownership each shall have an interest based upon one-thirtieth (1/30th) of the percentage of undivided Beneficial Interests appertaining to their Unit for each Unit Week owned.

Section 3.2 Beneficial Interest Held by One Person. Each Beneficial Interest shall be exercised as a Unit and shall not be divided among several owners of any Unit. To that end, whenever any Unit is owned of record by more than one person, the several owners of such Unit shall designate, by a notice in writing to the Trustees signed by all of the record owners of such Unit, one of such owners who shall be authorized and entitled to cast votes, execute instruments and otherwise exercise the rights appertaining to such Unit hereunder. Such designation shall take effect upon receipt of said notice by the Trustees and may be changed at any time from time to time by notice as aforesaid. In the absence of any such notice of designation, the Trustees may designate, by written notice to all such owners, any one such owner for such purposes. Notwithstanding the above, each Owner of an Interval in a Unit Committed to Interval Ownership shall be entitled to vote at meetings of the Trust and shall be entitled to one-thirtieth (1/30th) of the Beneficial Interests assigned to that Unit. The Trust shall not have a vote for any maintenance Periods conveyed to it.

Section 3.3 Annual Meeting. The annual meeting of the Unit Owners shall be held at 2:00 o'clock P.M. on the first Wednesday in December in each year, unless a different hour is fixed by the Trustees. If that day be a legal holiday at the place where the meeting is to be held, the meeting shall be held on the next succeeding day not a legal holiday at such place. Purposes for which an annual meeting is to be held, additional to those prescribed by law or by this Declaration of Trust, may be specified by the Trustees.

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Section 3.4 Special Meeting in Place of Annual Meeting. If no annual meeting has been held in accordance with the foregoing provisions, a special meeting of the Unit Owners may be held in place thereof, and any action taken at such special meeting shall have the same force and effect as if taken at the annual meeting, and in such case all references herein to the annual meeting of the Unit Owners shall be deemed to refer to such special meeting. Any such special meeting shall be called as provided in Section 3.5 hereof.

Section 3.5 Special Meetings. A special meeting of the Unit Owners may be called at any time by the Trustees. Upon written application of a majority of the Trustees or of Unit Owners holding at least thirty-three percent (33%) in interest of the Beneficial Interest, the Trustees shall call a special meeting. Each call of a meeting shall state the place, date, hour and purposes of the meeting.

Section 3.6 Place of Meetings. All meetings of the Unit Owners shall be held at such reasonable place as may be designated by the Trustees. Any adjourned session of any meeting of the Unit Owner shall be held at the same city or town as the initial session, or within Massachusetts, in either case at the place designated in the vote of adjournment.

Section 3.7 Notice of Meetings. A written notice of each meeting of the Unit Owners, stating the place, date and hour and the purposes of the meeting, shall be given at least ten days before the meeting (a) to each Unit Owner, by leaving such notice with him or at his residence or usual place of business, or by mailing it, postage prepaid, addressed to such Unit Owner at his address as it appears on the records of the Trust. Such notice shall be given by the Trustees. No notice of any meeting of Unit Owners need be given to a Unit Owner if a written waiver of notice, executed before or after the meeting by such Unit Owner or his attorney thereunto duly authorized, is filed with the records of the meeting.

Section 3.8 Quorum of Unit Owners. At any meeting of the Unit Owners, a quorum shall consist of a majority in interest of all Beneficial Interests, except when a larger quorum is required by law or by this Declaration of Trust. Any meeting may be adjourned from time to time by a majority in interest of the Beneficial Interests voting upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

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Section 3.9 Action by Vote. When a quorum is present at any meeting, a plurality in interests of the Beneficial Interests voting for election to any office shall elect to such office. In all other matters, a majority in interest of the Beneficial Interests voting upon any question shall decide the question except when a larger vote is required by law or by this Declaration of Trust. No ballot shall be required for any election unless requested by a Unit Owner present or represented at the meeting and entitled to vote in the election.

Section 3.10 Action by Writing. Any action to be taken by the Unit Owners may be taken without a meeting if all Unit Owners entitled to vote on the matter consent to the action by writings filed with the records of the meetings of the Unit Owners. Such consents shall be treated for all purposes as a vote at a meeting.

Section 3.11 Proxies. Unit Owners entitled to vote may vote either in person or by proxy in writing.

ARTICLE IV

Trustees and Officers

Section 4.1 Trustees.

Subsection 4.1.1 Number of Trustees. There shall at all times be Trustees consisting of such number, not less than three (3) nor more than seven (7), 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 Interests hereunder. Notwithstanding any other provisions hereof, (i) until the Sponsor is entitled to less than twenty-five percent (25%) of the Beneficial Interests hereunder or until four (4) years after the date of recording of the Master Deed, whichever occurs sooner, the Sponsor shall be entitled to designate a majority of the Trustees (who need not be Unit Owners), and (ii) until the Sponsor is entitled to less than ten percent (10%) of the Beneficial Interests hereunder or until five (5) years after the date of recording of the Master Deed, whichever occurs sooner, it shall be entitled to designate one-third of the Trustees (who need not be Unit Owners).

Subsection 4.1.2 Acceptance of Trust. Each person hereafter elected as a Trustee shall sign and acknowledge in the manner required in Massachusetts for the acknowledgement of deeds, an acceptance of such election which shall be recorded in the Dukes County Registry of Deeds. Notwithstanding any other provisions in this Declaration of Trust contained, the failure to record such acceptance in said Registry of Deeds shall in no way affect the validity of such Trustees' election.

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Subsection 4.1.3 Tenure. Except as otherwise provided by law or by this Declaration of Trust, the Trustees shall hold office until the next annual meeting of the Unit Owners and until their successors are elected and qualified, or until a Trustee sooner dies, resigns, is removed or becomes disqualified.

Subsection 4.1.4 Powers and Duties. The Trustees shall have all the powers and duties necessary for the administration of the offices of the Condominium and may do all things, subject to and in accordance with all applicable provisions of said Chapter 183A and the Master Deed, and, without limiting the generality of the foregoing the Trustees may, with full power and uncontrolled discretion, at any time and from time to time and without the necessity of applying to any court or to the Unit Owners for leave so to do:

(a) Retain the Trust property, or any part or parts thereof, in the same form or forms of investment in which received or acquired by them so far and so long as they shall think fit, without liability for any loss resulting therefrom;

(b) Sell, assign, convey, transfer, exchange and otherwise deal with or dispose of the Trust property, but not the whole thereof, free and discharged of any and all trusts, at public or private sale, to any person or persons for cash or on credit, and in such manner and on such restrictions, stipulations, agreements and reservations as they shall deem proper, including the power to take back mortgages to secure the whole or any part of the purchase price of any of the Trust property sold or transferred by them, and execute and deliver any deed or other instrument in connection with the foregoing;

(c) Purchase or otherwise acquire title to, and rent, lease or hire from others for terms which may extend beyond the termination of this Trust any property or rights to property, real or personal, and own, manage, use and hold such property and such rights;

(d) Borrow or in any other manner raise such sum or sums of money or other property as they shall deem advisable in any manner and on any terms, and evidence the same by notes, bonds, securities or other evidences of indebtedness, which may mature at a time or times, even beyond the possible duration of this Trust, and execute and deliver any mortgage, pledge or other instrument to secure any such borrowing;

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

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

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

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

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

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

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

(l) Employ, appoint and remove such agents, managers, officers, management company, brokers, engineers, architects, employees, servants, assistants and counsel (which counsel may be a firm of which one or more of the Trustees are members) as they shall deem proper for the purchase, sale, or management of the Trust property, or any parts thereof, or for conducting the business of the Trust, and may define their respective duties and fix and pay their compensation, and the Trustees shall not be answerable for the acts and defaults of any such person. The Trustees may delegate to any such agent, manager, officer, management company, broker, engineer, architect, employee, servant, assistant or counsel any or all of their powers (including discretionary powers, except that the power to join in amending, altering, adding to, terminating or changing this Declaration of Trust and the trust hereby created shall not be delegated) all for such times and purposes as they shall deem proper. Without hereby limiting the generality of the foregoing, the Trustees may designate from their number a Chairman, Treasurer, a Secretary, and such other officers as they deem fit, and may from time to time designate one or more of their own number to be the Managing Trustee or Managing Trustees for the management and administration of the Trust property and the business of the Trust, or any part or parts thereof;

(m) Generally, in all matters not herein otherwise specified, control and do each and every thing necessary, suitable, convenient, or proper for the accomplishment of any of the purposes of the Trust or incidental to the powers herein or in said Chapter 183A, manage and dispose of the Trust property as if the Trustees were the absolute owners thereof and do any and all acts, including the execution of any instruments, which by their performance thereof shall be shown to be in their judgment for the best interest of the Unit Owners.

Subsection 4.1.5 Managing Agent. The Trustees may, at their discretion, appoint a manager or management company to administer the Condominium, who shall perform such duties in the administration, management and operation of the Condominium, including the incurring of expenses, the making of disbursements and the keeping of accounts, as the Trustees shall from time to time determine. The Trustees or such manager or management company may appoint, employ and remove such additional agents, attorneys, accountants or employees as the Trustees may from time to time determine.

Subsection 4.1.6 Regular Meetings. Regular meetings of the Trustees may be held without call or notice at such places and at such times as the Trustees may from time to time determine, provided that notice of the first regular meeting following any such determination shall be given to absent Trustees. A regular meeting of the Trustees may be held without call or notice immediately after and at the same place as the annual meeting of the Unit Owners.

Subsection 4.1.7 Notice. It shall be sufficient notice to a Trustee to send notice by mail at least seventy-two (72) hours or by telegram at least forty-eight (48) hours before the meeting addressed to him at his usual or last known business or residence address or to give notice to him in person or by telephone at least twenty-four (24) hours before the meeting. Notice of a meeting need not be given to any Trustee if a written waiver of notice executed by him before or after the meeting is filed with the records of the meeting, or to any Trustee who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

Subsection 4.1.8 Special Meetings. Special Meetings of the Trustees may be held at any time and at any place designated in the call of the meeting, when called by two or more Trustees, reasonable notice thereof being given to each Trustee by one of the Trustees calling the meeting.

Subsection 4.1.9 Quorum. At any meeting of the Trustees a majority of the Trustees then in office shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

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Subsection 4.1.10 Action by Vote. When a quorum is present at any meeting, a majority of the Trustees present may take any action, except when a larger vote is required by law or by this Declaration of Trust.

Subsection 4.1.11 Action by Writing. Any action required or permitted to be taken at any meeting of the Trustees may be taken without a meeting if written consents thereto are signed by all the Trustees and such written consents are filed with the records of the meetings of the Trustees. Such consents shall be treated for all purposes as a vote at a meeting.

Subsection 4.1.12 Committees. The Trustees may, by vote of a majority of the Trustees then in office, elect from their number an executive committee and other committees and may by vote delegate to any such committee or committees some or all of the powers of the Trustees except those which by law or by this Declaration of Trust they are prohibited from delegating and except that no such committee shall have the powers to determine Common Expenses or Common Charges hereunder. Except as the Trustees may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Trustees or such rules, its business shall be conducted, as nearly as may be, in the same manner as is provided by this Declaration. Trustees may, by a vote of a majority of the Trustees then in office, designate one or more of their own number to be the Managing Trustee or Managing Trustees for the management of the Trust property and the business of the Trust property and the business of the Trust or any part or parts thereof.

Section 4.2 Officers and Agents.

Subsection 4.2.1 Enumeration; Qualification. The officers of the Trust shall be such officers, if any, as the Trustees from time to time, may in their discretion elect or appoint. The Trust may also have such agents, if any, as the Trustees from time to time, may in their discretion appoint. Any officer may be but none need be a Trustee or Unit Owner. Any two or more offices may be held by the same person.

Subsection 4.2.2 Powers. Subject to law and to the provisions of this Declaration of Trust, each officer shall have such duties and powers as the Trustees may from time to time designate.

Section 4.3 Resignation and Removals; Compensation. Any Trustee or officer may resign at any time by delivering his resignation in writing to a meeting of the Trustees. Such resignation shall be effective upon receipt unless specified to be effective at some other time. A Trustee (including persons elected by Trustees to fill vacancies but not including any of the three original trustees named at the beginning of this Declaration of Trust) may be removed from office (a) with or without cause by the vote of the holders of a majority in interest of the Beneficial Interests but such removal shall take effect only when approved by vote of a majority of the Trustees then in office exclusive of the Trustee or Trustees to be removed, or (b) for cause by vote of a

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majority of the Trustees then in office. A Trustee may be removed for cause only after reasonable notice and opportunity to be heard before the body proposing to remove him. Trustees and officers shall be entitled to be reimbursed for their reasonable expenses. No Trustee or officer shall receive any compensation for services rendered as such Trustee or officer but this shall not preclude any such person from performing any other service for the Trust, legal or otherwise, and receiving compensation therefor. The resignation of any Trustee, or in the case of removal of a Trustee a certificate of such removal signed by a majority of the remaining Trustees, in each case acknowledged in the manner required in Massachusetts for the acknowledgement of deed, shall be recorded with the Dukes County Registry of Deeds.

Section 4.4 Vacancies. Any vacancy in the Trustees may be filled by the appointment of a natural person to act as such Trustee, signed by any five (5) Unit Owners who shall certify under oath that Unit Owners not entitled to less than fifty-one percent (51%) of the Beneficial Interests hereunder have voted to make such appointment, or, in the absence of the Unit Owner action for a period of thirty (30) days, by the Trustees by vote of a majority of the Trustees then in office, subject to the right of the Sponsor to fill the vacancy of any Trustee appointed by it and to fill any vacancy created by an increase in the number of trustees so long as it is entitled to designate such Trustee as provided in Subsection 4.1.1. The Trustees shall have and may exercise all their powers notwithstanding the existence of one or more vacancies in their number. Such appointment shall become effective upon the recording with Dukes County Registry of Deeds of a Certificate of such appointment signed by a majority of the then remaining Trustees or by the sole remaining Trustee, or by the recording of a Certificate of appointment signed by said five (5) Unit Owners on behalf of Unit Owners holding at least fifty-one percent (51%) of the Beneficial Interests, together with acceptance by the Trustee.

Section 4.5 Indemnification. The Trust shall indemnify each of its Trustees and officers (including any person who serves at its request as a director, officer, partner, Trustee or the like of another organization in which it has any interest, as a shareholder, creditor or otherwise) against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceedings, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a Trustee or officer, except with respect to any matter as to which he shall have been adjudicated in any proceeding to have acted in bad faith or with wilful misconduct or reckless disregard of his duties or not to have acted in good faith in the reasonable belief that his action was in the best interests of the Trust. The right of indemnification hereby

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provided shall not be exclusive of or affect any other rights to which any Trustee or officer may be entitled herein or by contract or otherwise under law. As used in this Section, the terms "Trustee" and "officer" include their respective heirs, executors and administrators. Nothing contained in this Section shall affect any rights to indemnification to which personnel other than Trustees and officers may be entitled by contract or otherwise under law.

Section 4.6. No Personal Liability. No Trustee hereinbefore named or appointed as hereinbefore provided shall under any circumstances or in any event be held liable or accountable out of his personal assets or be deprived of compensation by reason of any action taken, suffered or omitted in good faith or be so liable, accountable or deprived by reason of honest errors of judgment or mistakes of fact or law or by reason of the existence of any personal or adverse interest or by reason of anything except his own personal and willful malfeasance and defaults.

Section 4.7 Bond or Surety. No Trustee named or appointed as hereinbefore provided, whether as original Trustee or as successor to or substitute for another, shall be obliged to give any bond or surety or other security for the performance of any of his duties hereunder, provided, however, that Unit Owners entitled to not less than fifty-one percent (51%) of the Beneficial Interest hereunder may at any time by instrument in writing signed by them and delivered to the Trustee or Trustees affected require that any one or more of the Trustees shall give bond in such amount and with such sureties as shall be specified in such instrument. All expenses incident to any such bond shall be charged as a common expense of the Condominium.

Section 4.8 Interest Not Disqualify - Trustees may deal with Condominium. No Trustee shall be disqualified by his/her office from contracting or dealing with the Trustees or with one or more Unit Owners (whether directly or indirectly because of his/her interest individually or the Trustee's interest or any Unit Owner's interest in any corporation, firm, trust or other organization connected with such contracting or dealing or because of any other reason), as vendor, purchaser or otherwise, nor shall any such dealing, contract or arrangement entered into in respect of this Trust in which any Trustee so dealing or contracting or being so interested be liable to account for any profit realized by any such dealing, contract or arrangement by reason of such Trustee's holding office or of the fiduciary relation hereby established, provided the Trustee shall act in good faith and shall disclose the nature of his interest before the dealing, contract or arrangement is entered into.

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ARTICLE V

Operation of the Property

Section 5.1 Determination of Common Expenses and Fixing of Common Charges. The Trustees shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Beneficial Interests. The Common Expenses may also include such amounts as the Trustees may deem proper for the operation and maintenance of the Property, including without limitation, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Trustees pursuant to the provisions of Section 5.8, an amount for working capital of the Condominium, for a general operating reserve, for a reserve for replacements, and to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Trustees, on behalf of all Unit Owners, pursuant to the terms of this Declaration of Trust, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale. The Trustees shall advise all Unit Owners, promptly in writing of the amount of the Common Charges payable by each of them, respectively, as determined by the Trustees, as aforesaid and shall furnish copies of each budget on which such Common Charges are based, to all Unit Owners. 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, the Trustees shall make a supplemental assessment or assessments and render statements therefore in the manner aforesaid, and such statements shall be payable and take effect as aforesaid.

Section 5.2 Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges assessed by the Trustees pursuant to the provisions of Section 5.1 in advance or at such other time or times as the Trustees shall determine. No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him of such Unit, together with the Appurtenant Interests (as defined in Section 6.1). Any lien on a Unit for payment of Common Charges shall be subordinate to the lien of the holder of a first mortgage on any Unit recorded prior to the date such Common Charge became due. Each holder of a first mortgage on a Unit who comes into possession of the Unit by virtue of foreclosure of the mortgage, or by deed in lieu of foreclosure, or any purchaser at foreclosure sale, will take the Unit free of any claims for unpaid Common Charges against the Unit which accrue prior to the time such holder comes into possession of the Unit.

Section 5.3.1 Maintenance Fee for Units Committed to Interval Ownership. Each Interval Owner of an Interval in a Unit Committed to Interval Ownership shall be responsible for and pay a "Maintenance Fee" as determined by the Trustees. Such Maintenance Fee shall be assessed by the Trustees and shall be payable in advance or at such other time or times as the Trustees shall determine. The Maintenance Fee shall include, without limiting the generality thereof, the following: the particular Interval Owner's percentage share of: (a) Common Expenses attributed and charged to the Condominium Unit in which the Interval Owner holds his interval; (b) costs of repair and upkeep of the interior of the Condominium Unit in which the Interval holds his interval for normal wear and tear (example - repainting interior wall); (c) costs of repair and replacement of furniture, fixtures, appliances and carpeting in the Condominium Unit in which the Interval Owner holds his interval; (d) costs of casualty and/or liability insurance for the Condominium Unit in which the Interval Owner holds his Interval; (e) costs of utility services for the Condominium Unit in which the Interval Owner holds his Interval; (f) the personal property, real estate and any other taxes applicable to the Condominium Unit for the entire yearly fiscal tax due with regard to the Condominium Unit in which the Interval Owner holds his Interval; (g) any expense incurred in the cleaning and servicing of the Condominium Unit in which the Interval Owner holds his Interval; (h) any and all other expenses incurred in the normal maintenance of the Condominium Unit in which the Interval Owner holds his Interval which cannot be attributed to a particular Interval Owner.

Section 5.3.2 Proration. The Maintenance Fee shall be prorated among all Interval Owners in a specific Unit by applying a fraction, the numerator of which is the number of Intervals owned by a specific Interval Owner, the denominator of which is thirty (30) days, to the total of all such expenses. The Maintenance Fee is applicable to the Maintenance Periods as more particularly set forth in the Master Deed.

Section 5.3.3 Supplemental Assessment of Maintenance Fees. In the event that the Trustees shall determine during any fiscal year that the Maintenance Fee so made is less than the maintenance costs actually incurred, or in the reasonable opinion of the Trustees likely to be incurred, the Trustees shall make a supplemental Maintenance Fee assessment or assessments, and render statements therefore in the manner aforesaid, and such statements shall be payable and take effect as aforesaid.

Section 5.4 Collection of Assessments. All assessments shall be due and payable within thirty (30) days after the same is rendered. The Trustees shall take prompt action to collect any Common Charge or Maintenance Fee due from any Unit Owner or Interval Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof.

Section 5.5 Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Trustees the Common Charges and/or Interval Maintenance Fee as determined by the Trustees, said Unit Owner shall be obligated to pay interest at a rate equal to the prime interest rate of the First National Bank of Boston at the

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time such payment was due and shall constitute a lien on the Unit of the Unit Owners assessed, together with all expenses, including attorney's fees, incurred by the Trustees in any proceeding brought to collect such unpaid Common Charges. The Trustees shall have the right and duty to attempt to recover such Common Charges and/or Interval Maintenance Fees, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit as provided in Section 6 of Chapter 183A. In the case of a lien against an Interval Owner, said lien shall be limited to the Interval(s) owned by said Interval Owner and shall not encumber the property, real or personal, of any other Interval Owner of Intervals in said Unit.

Section 5.6 Foreclosure of Liens for Unpaid Common Charges and/or Maintenance Fees. In any action brought by the Trustees to foreclose a lien on a Unit because of unpaid Common Charges and/or Maintenance Fees, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the Trustees in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Trustees, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not vote the Beneficial Interests appurtenant to), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges and/or Maintenance Fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 5.7 Statement of Common Charges and/or Maintenance Fees. The Trustees shall promptly provide any Unit Owner and potential purchaser of a Unit so requesting the same in writing, with a written statement in recordable form of all unpaid Common Charges and/or Maintenance Fees due from such Unit Owner.

Section 5.8.1 Insurance. The Trustees shall obtain and maintain, to the extent available at reasonable cost, master policies of insurance of the following kinds, insuring the interests of the Trust, the Trustees, all Unit Owners and their mortgagees as their interests may appear:

(a) Casualty or physical damage insurance on the buildings and all other insurable improvements forming part of the Condominium (including all of the Units but not including furniture, furnishings and other personal property of the Unit Owners therein), now existing or as they may from time to time be increased by amendment to the Master Deed, together with the service machinery, apparatus, equipment and installations located in the Condominium and existing for the provisions of central services or for common use, in an amount not less than 100% of their full replacement value (exclusive of foundations) as determined by the Trustees in their judgment, against (1) loss or damage by fire and other hazards covered by the standard extended

coverage endorsement, together with coverage for the payment of common expenses with respect to damaged Units during the period of reconstruction, and (2) such other hazards and risks as the Trustees from time to time in their discretion shall determine to be appropriate including but not limited to vandalism, malicious mischief, windstorm and water damage, boiler and machinery explosion or damage and plate glass damage. All policies of casualty or physical damage insurance shall provide (to the extent such clauses are so obtainable) (1) that such policies may not be cancelled or substantially modified without at least ten days' prior written notice to all of the insureds, including each Unit Mortgagee and (2) that the coverage thereof shall not be terminated for nonpayment of premiums without thirty days' notice to all of the insureds including each Unit Mortgagee. Certificates of such insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered by the Trustees to Unit Owners and their mortgagees upon request at least ten days prior to the expiration of the then current policies.

(b) Comprehensive public liability insurance in such amounts and forms as shall be determined by the Trustees, covering the Trust, the Trustees, the Unit Owners and any Management Corporation of the Condominium. Such public liability coverage shall also cover cross liability claims of one insured against another. The Trustees shall review such limits at least annually.

(c) Workman's compensation and employer's liability insurance covering any employees of the Trust.

(d) The Trustees shall obtain casualty and liability insurance as needed, on all Units Committed to Interval Ownership. Each such policy shall reflect the respective interests of the Trust and all Interval Owners in each such Unit. Casualty insurance shall be in an amount equal to the maximum insurable replacement value of the Condominium Unit and the personal property therein without deduction for depreciation as determined annually by the Trustees. The premiums shall be a part of the Maintenance Fee. All losses thereunder shall be payable to the Insurance Trustee hereinafter designated. All such proceeds shall be used in the event that such loss is not to be repaired or replaced, as determined elsewhere, to be divided among all Interval Owners in such Unit in accordance with their percentage interest. Any deficit or coverage in such proceeds, after repair or replacement, shall be divided among all such Interval Owners in that Unit in accordance with their percentage interest. Deficits shall be treated as part of the Maintenance Fee next due.

(e) The Trustees may in their sole discretion, purchase such other insurance as they shall determine.

(f) Flood Insurance if required, and to the extent required by the National Flood Insurance Act.

Section 5.8.2 Payment to Trustees in Case of Loss. Such master policies shall provide that all casualty loss proceeds thereunder shall be paid to the Trustees as insurance trustees under these By-Laws. The duty of the Trustees as such insurance trustees shall be to receive such proceeds as are paid and to hold, use and disburse the same for the purposes stated herein. If repair or restoration of the damaged portions of the Condominium is to be made, all insurance loss proceeds shall be held in shares for the Trust and the owners of damaged Units in proportion to the respective costs of repair or restoration of the damaged portions of the Common Areas and Facilities and of each damaged Unit, respectively, with each share to be disbursed to defray the respective costs of repair or restoration of the damaged Common Areas and Facilities and damaged Units, and with any excess of any such share of proceeds above such costs of repair or restoration to be paid to the Trust or Unit Owner for whom held upon completion of repair or restoration. If pursuant to the terms hereof, restoration or repair is not made, all insurance loss proceeds shall be held as common funds of the Trust and applied for the benefit of Unit Owners in proportion to their beneficial interests if the Condominium is totally destroyed, and, in the event of a partial destruction, to those Unit Owners who have suffered damage in proportion to the damage suffered by them. Such application for the benefit of Unit Owners shall include payment directly to a Unit Owner's mortgagee if the mortgage with respect to such Unit so requires.

Section 5.8.3 Other Provisions. In addition to the coverage and provisions set forth in Section 5.8.1 the Trustees shall make every effort to see that all policies of physical damage insurance provided shall: (1) contain waivers of subrogation by the insurer as to any claims against the Condominium Trust, the Trustees and their agents and employees, the Unit Owners, members of their families and their agents, employees and guests; (2) contain waivers of any defense of invalidity on account of the conduct of any insured; and (3) shall provide that in no event shall the insurance under said policies be brought into contribution with insurance purchased individually by Unit Owners or their mortgagees; and (4) shall exclude policies obtained by individual Unit Owners from consideration under any "no other insurance" clause.

Section 5.8.4 Unit Owner's Insurance and Responsibility for Increase in Premiums of Master Policy. Each Unit Owner or his or her mortgagee, may obtain additional insurance for his or her own benefit and at his or her own expense. No such policy shall be written so as to decrease the coverage under any of the policies obtained by the Trustees pursuant to the above, and in the event that such policy does in fact result in a decrease in such coverage, each Unit Owner hereby assigns said proceeds to be applied pursuant to the terms hereof as if produced by such coverage. Copies of all such policies (except policies covering only personal property, owned or supplied by individual Unit Owners) shall be filed with the Trustees.

Section 5.8.5 Notice of Owner's Improvements. Each Unit Owner, within twenty (20) days after the commencement of construction of such improvements, shall notify the Trustees of all improvements to his or her Unit (except personal property other than fixtures) which

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exceed a total value of One Thousand (\$1,000.00) Dollars and upon receipt of such notice the Trustees shall notify the insurer under any policy obtained pursuant to section 5.8.1 hereof of any such improvements.

Section 5.9 Maintenance and Alterations.

(a) The Trustees may enter into a Contract with any firm, person or corporation, or may join with other Condominium Associations and entities in contracting for the maintenance and repair of the Condominium Property and other type properties, and may contract for or may join with other Condominium Associations in contracting for the management of the Condominium Property and other type properties.

(b) Each Owner of a Unit not committed to Interval Ownership agrees as follows:

(1) To maintain in good condition and repair his Unit and all interior surfaces within or surrounding his Unit (such as the surfaces of the walls, ceilings, floors, whether or not a part of the Unit or Common Areas and Facilities) and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his Unit, and pay any and all personal property, real estate taxes or any other taxes attributed to his Unit;

(2) Not to make or cause to be made any structural addition, alteration, decoration, repair, replacement or change of the Common Areas and Facilities or to any outside or exterior portion of the building whether or not within a Unit without the prior written consent of the Board of Trustees.

(c) Each Owner of an Interval in a Unit Committed to Interval Ownership agrees:

(1) To pay his proportionate share of the cost of the maintenance and repair of all interior and exterior components of said Unit, the cost of maintenance, repair and replacement of all appliances, furniture, carpeting, fixtures, equipment, and other personal property within said Unit, and such other costs of repair, maintenance, upkeep and operation of the Unit as is necessary to the continued enjoyment of said Unit by all said Interval Owners.

(2) Not to make, cause, or allow to be made, any repairs, modifications, alterations, or replacements to the Common Areas and Facilities, outside or exterior portion of the buildings whether within a Unit or part of the Common Areas and Facilities, exterior or interior of his Unit, or of the furnishings, appliances, personal property, or decor thereof, without the prior written consent of the Board of Trustees and all other Interval Owners of said Condominium Unit.

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(3) Expenses of repairs or replacements to the Unit or its components, furnishings, carpeting, appliances, or other property, real, personal or mixed, occasioned by the specific use or abuse of any Interval Owner in any Unit, or any licensee or tenant of said Owner, shall be borne in their entirety by said Interval Owner.

(4) The Trustees shall determine the interior color scheme, decor and furnishings, of each such Condominium Unit committed to Interval Ownership, as well as the proper time for redecorating and replacements thereof.

(5) That the Trustees of the Harborside Inn Condominium Trust shall formulate and promulgate procedures which Interval Owners shall follow in possessing and vacating the Condominium Unit and moving their personal belongings in and out of the Condominium at the beginning and at the end of each Interval, so as to prevent a minimum of inconvenience and confusion.

(6) That the Trustees of the Harborside Inn Condominium shall be responsible for and determine when and to what extent any repair, maintenance, repainting, remodeling and refurnishing of the Condominium Unit or any part or parts thereof shall be effected; shall establish reserves for anticipated costs, including the acquisition and replacement of common furnishings, and shall acquire and pay for materials, supplies, furniture, furnishings, labor or services which the Trustees deem necessary or proper for the maintenance and operation of the Condominium Unit.

(d) All Owners of Units, including Interval Owners of Units Committed to Interval Ownership agree as follows:

(1) To allow the Trustees or the Management Firm, or the agents or employees of the Management Firm or the Trust, to enter into any Unit for the purpose of maintenance, inspection, repair, replacement of the improvements within the Units or the Common Areas and Facilities, or to determine in case of emergency circumstances threatening Units or the Common Areas and Facilities, or to determine compliance with the provisions of this Declaration of Trust.

(2) To show no signs, advertisements or Notices of any type on the Common Areas and Facilities or on his Unit, and to erect no exterior antennae or aerials, except as consented to by the Board of Trustees.

(e) In the event a Unit Owner fails to maintain the said Unit as required herein, or makes any alterations or additions without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Trustees shall have the right to proceed in a Court of competent jurisdiction for an injunction to

seek compliance with the provisions hereof. In lieu thereof and in addition thereto, the Trustees shall have the right to levy an assessment against the Unit Owner and the Unit, for such necessary sums to remove any unauthorized addition or alteration and to restore the property to good condition and repair. Where said failure, alteration, addition, or other violation is attributable to an Interval Owner in a Unit Committed to Interval Ownership, any such levy of an assessment shall be limited to the Interval(s) owned by said Interval Owner and shall be of no force and effect as to any other Interval Owner in said Unit.

Said assessment shall have the same force and effect as all other special assessments. The Trustees shall have the further right to have employees or agents, or any subcontractors appointed by the Trustees, enter a Unit at all reasonable times to do such work as is deemed necessary by the Trustees to enforce compliance with the provisions hereof.

(f) The Trustees shall determine the exterior color scheme of the buildings and all exteriors, and the interior color scheme of the Common Areas and Facilities, and shall be responsible for the maintenance thereof, and no Owner shall paint an exterior wall, door, window, or any exterior surface, or replace anything thereon or affixed thereto, without the written consent of the Trustees.

(g) The Trustees shall be responsible for the maintenance, repair and replacement of the Common Areas and Facilities, including but not limited to all recreation facilities, and all property not required to be maintained, repaired and/or replaced by the Unit Owners. Notwithstanding the Unit Owner's duty of maintenance, repair, replacement and the other responsibilities as to his Unit, as is provided in this Declaration of Trust, the Trustees may enter into an Agreement with such firms or companies as it may determine to provide certain services and/or maintenance for and on behalf of the Unit Owners whereby maintenance and service are provided on a regularly scheduled basis for air conditioning maintenance and service and appurtenances thereto, exterminating services and other types of maintenance and services as the Trustees deem advisable for such periods of time and on such basis as deemed appropriate. Said Agreements shall be on behalf of all Unit Owners and the monthly assessment due from each Unit Owner for Common Expenses shall be increased by such sum as the Trustees deem fair and equitable under the circumstances in relation to the monthly charge for said maintenance or service. Each Unit Owner shall be deemed a party to said Agreement with the same force and effect as though said Unit Owner had executed said Agreement and it is understood and agreed

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that the Trustees shall execute said Agreement as the Agent for the Unit Owners. The aforesaid assessment shall be deemed to be a Common Charge or Maintenance Fee assessment under the provisions of this Declaration of Trust.

Section 5.10 Rebuilding and Restoration.

Section 5.10.1 Determination of Scope of Loss. In the event of any casualty loss to the Trust Property, the Trustees shall determine in their reasonable discretion whether or not such loss exceeds ten percent of the value of the Condominium immediately prior to the casualty, and shall notify all Unit Owners of such determination. If such loss as so determined does not exceed ten percent of such value, the Trustees shall proceed with the necessary repairs, rebuilding or restoration in the manner provided in paragraph (a) of Section 17 of Chapter 183A. If such loss as so determined exceeds ten percent of such value, the Trustees shall forthwith submit to all Unit Owners (a) a form of agreement (which may be in several counterparts) among the Unit Owners authorizing the Trustees to proceed with the necessary repair, rebuilding or restoration, and (b) a copy of the provisions of Section 17; and the Trustees shall thereafter proceed in accordance with, and take further action as they may in their discretion deem advisable in order to implement the provisions of paragraph (b) of Section 17.

In the event that the total cost of repair or restoration as estimated on the basis of an independent appraisal, or as determined during the course of repair or restoration exceeds the total sum of available insurance proceeds, then the Trustees shall assess, levy or charge all Unit Owners, as a Common Expense, for the amount estimated to repair or restore the Common Elements and Units (Unit) in excess of the insurance proceeds available therefor.

Whenever the estimated cost of repair or restoration exceeds as to any one casualty or occurrence, on the basis of an independent appraisal, the sum of Fifty Thousand (\$50,000.00) Dollars with respect to the Common Elements and Five Thousand (\$5,000.00) Dollars with respect to any one Unit, then the Trustees shall retain a registered architect or registered engineer, who shall not be directly or indirectly a Unit Owner or an employee or agent of any Unit Owner or a member or an employee or agent of any member of the Trustees to supervise the work of repair or restoration, and no sums shall be paid by the Trustees on account of such repair or restoration except upon certification to it by such architect or engineer that the work for which payment is being made has been completed in a good and workmanlike manner in accordance with approved plans and specifications and that the estimated total cost of completion of said repair or restoration, less amounts theretofore advanced, does not exceed the undisbursed proceeds of insurance as augmented by funds obtained by any assessment or assessments levied or chargeable to the Unit Owners as a Common Expense.

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

If there shall have been a 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 added to the Trust's Common Funds or, at the option of the Trustees, divided among all the Unit Owners in proportion to their respective Beneficial Interests.

Section 5.10.2 Arbitration of Disputed Trustee Action. Notwithstanding the foregoing, in the event that any Unit Owner(s), by written notice to the Trustees shall dissent from any determination of the Trustees with respect to the value of the Condominium or any other determination or action of the Trustees under this Section 5.10.2 and such dispute shall not be resolved within thirty (30) days after such notice, then either the Trustees or the dissenting Unit Owner(s) shall submit the matter to arbitration. For that purpose, one arbitrator shall be designated by the Trustees, one by the dissenting Unit Owner(s) and a third by the two arbitrators so designated. Such arbitration shall be conducted in accordance with the rules and procedures of the American Arbitration Association and shall be binding upon all parties. The Trustees' decision that work constitutes a repair, rebuilding or restoration other than an improvement shall be conclusive unless shown to have been made in bad faith. The Trustees shall in no event be obliged to proceed with any repair, rebuilding or restoration, or any improvement, unless and until they have received funds in an amount equal to the Trustees' estimate of all costs thereof.

Section 5.11 Improvements to the Common Elements of the Condominium.

(a) Fifty per cent (50%) or more but less than seventy-five per cent (75%) in interest of the Unit Owners may agree to make an improvement to the Common Elements but the cost of such improvements shall be borne solely by the Unit Owners so agreeing.

(b) Seventy-five per cent (75%) or more in interest of the Unit Owners may agree to make an improvement to the Common Elements and assess the cost thereof to all Unit Owners as a Common Expense, but if such improvement shall cost in excess of ten per cent (10%) of the then value of the Condominium, any Unit Owner not so agreeing may apply to the Dukes County Superior Court, on such notice to the Trustees as the Court shall direct, for an order directing the purchase of his Unit by the Trustees at fair market value thereof as approved by the Court. The cost of any such purchase shall be a Common Expense.

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Section 5.12 Restriction on Use of Units and Common Elements.
In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be subject to the following provisions and restrictions:

(a) Each of the Units is intended to be used solely for residential purposes subject, in all events, to the restrictions set forth below in this Section 5.12, provided, however, that such Units may be used by the Sponsor for other purposes pursuant to provisions of subparagraph (d) of this Section 5.12, and certain Units may be used for commercial purposes pursuant to the provisions of subparagraph (c) of this Section 5.12.

(b) The parking area within the Common Elements is intended to be used for the parking of currently registered and licensed private passenger cars, in operating condition, of Owners of Units and their occupants, guests and invitees, and not for trucks, boats, trailers or other vehicles or items except in connection with the operation and maintenance of the Condominium, or as provided in the easements referred to in the Master Deed, or with the prior written permission of the Trustees; provided, however, that such parking spaces may be used by the Sponsor for other purposes pursuant to provisions of subparagraph (d) of this Section 5.12.

(c) The Units and the Common Elements shall be subject to the restrictions that, unless otherwise permitted by instruments in writing duly executed by the Trustees pursuant to provisions of the Trust: (1) no Unit shall be used for any purpose other than residential except as otherwise provided in this Section 5.12; (2) no business activities of any nature shall be conducted in any such Unit, except as provided in subparagraphs (a) and (d) of this Section 5.12 and except that the Units designated on the plans filed with the Master Deed as Commercial Units - "Stores" - may be used for commercial purposes; (3) the architectural integrity of the Buildings and the Units shall be preserved without modification, and to that end, without limiting the generality: no porch, patio, balcony, awning, screen, antenna, sign, banner or other device, and no exterior change, addition, structure, projection, decoration or other feature shall be erected or placed upon or attached to any such Unit or any part thereof; no addition to or change or replacement of any exterior light, door knocker or other exterior hardware shall be made; and no painting, attaching of decalomania or other decoration shall be done on any exterior part or surface of any Unit nor on the interior surface of any window. Provided that an owner of two (2) Units may, subject to the same conditions and approvals, remove all or part of an interior wall or ceiling or floors separating such Units; (d) all maintenance and use by Unit Owners of patios, terraces, deck-balconies,

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lights and other facilities shall be done so as to preserve the appearance and character of the same and of the Property without modification; (e) all use and maintenance of the Units shall be conducted in a manner consistent with the comfort and convenience of the occupants of other Units and in accordance with provisions of rules and regulations with respect thereto from time to time promulgated by the Trustees; (f) the Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units; (g) no nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents; (h) no immoral, improper, offensive, or unlawful use shall be made of the Property, or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of Laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any Unit shall be eliminated by and at the sole expense of the Owner of said Unit and relating to the Common Elements shall be eliminated by the Trustees; (i) a Unit Owner shall not place or cause to be placed in the lobbies, vestibules, stair halls, public halls, corridors, stairways or other Common Elements, other than the deck-balcony, to which such Unit Owner has exclusive rights, any furniture, packages, or objects of any kind. The public halls, corridors, stair halls, and stairways shall be used for no purpose other than normal transit through them. No clotheslines or other objects deemed objectionable by the Trustees, shall be placed in any of the Common Elements. There shall be no parking on the Property except in the parking area; and parking in said spaces shall be limited on a first come-first serve basis.

(d) No Unit Owner may exempt himself from liability for his contribution toward the Common Expenses and/or, in the case of an Interval Owner in a Condominium Unit Committed to Interval Ownership, the Maintenance Fee, by waiver of the use and enjoyment of any of the Common Elements or by the abandonment of his Condominium Unit.

(e) In the event any Interval Owner in a Unit Committed to Interval Ownership fails to vacate his Unit at the expiration of his Interval each year, or at such earlier time as may be fixed by the Rules and Regulations adopted by the Trustees from time to time, he shall be deemed a "Holdover Owner". It shall be the responsibility of the Trustees to take such steps as may be necessary to remove such Holdover Owner from the Unit, and

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to assist the Owner of any subsequent Interval, who may be affected by the Holdover Owner's failure to vacate, to find alternate accommodations during such holdover period.

In addition to such other remedies as may be available, the Trustees shall secure, at their expense, alternate accommodations for any Interval Owner who may not occupy his Unit due to the failure to vacate of any Holdover Owner. Such accommodations shall be as near in value to the Interval Owner's own Unit as possible. The Holdover Owner shall be charged for the cost of such alternate accommodations, plus any other costs incurred due to his failure to vacate, and an administrative fee of \$75.00 per day during his period of holding over. In the event it is necessary that the Trustees contract for a period greater than the actual period of holding over in order to secure alternate accommodations as set forth above, the entire period shall be the responsibility of the Holdover Owner, although the \$75.00 per day administrative fee shall cease upon actual vacating by the Holdover Owner. The Trustees shall submit a bill to the Holdover Owner in accordance with this paragraph. In the event the Holdover Owner fails to pay same within ten (10) days of the date of same, a lien shall be filed against said Holdover Owner's Interval in accordance with the provisions hereof.

The above provisions shall not abridge the Trustees' right to take such other action as is provided by law including, but not limited to, eviction proceedings.

(f) Use of Common Elements. The Trustees, the Beneficiaries, the Sponsor, and their heirs, successors and assigns, and all parties who own an interest in and to the Common Elements agree that they shall not have any right to bring any action for partition or division of the real property that constitutes said Common Elements except as otherwise specifically provided for herein and in the Master Deed, and said parties do hereby otherwise waive said rights of partition or division of said Common Elements.

(g) Said restrictions shall be for the benefit of the Unit Owners and the Trustees as the persons in charge of the Common Elements, may be waived in specific cases by the Trustees, and shall, insofar as permitted by law, be perpetual; and to that end may be extended by said Trustees at such time or times and in such manner as permitted or required by law for the continued enforceability thereof. The failure of any Unit Owner to comply with the provisions of said restrictions will give rise to a cause of action in the Trustees and any aggrieved Unit Owner for the recovery of damages, or for injunctive relief, or both. No Unit Owner shall be liable for any breach of the provisions of this paragraph except such as occur during his or her ownership thereof.

(h) Notwithstanding anything to the contrary contained herein, the Sponsor may, until all of said Units have been sold by said Sponsor, (i) use any Units owned by the Sponsor as models for display, as offices and/or as storage areas, or for any other uses which it deems necessary or desirable in connection with the construction, sale, management, or leasing of Units, and (ii) use any parking spaces for parking of trucks, for storage, or any other uses which it deems necessary or desirable in connection with the construction, sale, management or leasing of Units.

(i) A majority of the Trustees then in office may, by an instrument in writing and in accordance with the provisions of the Declaration of Trust, adopt such rules and regulations from time to time as they may determine to be necessary or appropriate (i) to ensure that the Buildings and Units and parking areas are used for the purposes set forth in subparagraph (a) and subparagraph (b) of this Section 5.12 and to protect the architectural integrity of the Buildings, and (ii) to govern the use of the Common Elements and the recreational facilities included therein.

Section 5.13 Right of Access. A Unit Owner shall grant a right of access to his Unit, at reasonable times and upon reasonable notice except in emergencies, to the manager, to the management corporation, and any other person authorized by the Trustees, the manager, or the management corporation, for the purpose of making inspections or for the purpose of correcting any conditions originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or to the electrical services or other Common Elements in his Unit or elsewhere in the Buildings. In case of an emergency such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 5.13, any costs for repairs shall be borne in accordance with the provisions of Section 5.9 above.

Section 5.14 Rules and Regulations. Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Trustees; provided, however, that any such Rules and Regulations shall not be promulgated and amended which will adversely affect the holder of any mortgage permitted pursuant to Section 6.3 without the consent of such holder. A vote of two-thirds (2/3) in interest of Unit Owners at a meeting may overrule and declare void any Rules and Regulations adopted by the Trustees. Copies of the Rules and Regulations shall be furnished by the Trustees to each Unit Owner and to the holder of any mortgage referred to herein, prior to the time when the same shall become effective. The Unit Owners hereby covenant and agree to be bound by all of such Rules and Regulations and said parties shall obey same and be responsible for their being obeyed by the said Unit Owners, their family, guests, invitees, lessees

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and servants. Should a Unit Owner fail to pay an assessment for Common Expenses and/or Maintenance Fees as required hereunder for the period of time specified herein whereby said assessment becomes delinquent, the Trustees may deny the Unit Owner and/or the authorized user of the facilities the use and enjoyment of same until such time as all assessments are paid. The Trustees shall further have the right in their sole discretion to suspend any Unit Owner and/or authorized user of said facilities from the use of same for a period not to exceed thirty (30) days for any infraction of the promulgated Rules and Regulations pertaining to said facilities, and in the case of a Unit Committed to Interval Ownership for a period not to exceed seven (7) days. Should the Unit Owner or the authorized user of said facilities rights to use same be suspended, there shall be no reduction in the assessments due and payable by said Unit Owner or authorized user. In the case of a Condominium Unit Committed to Interval Ownership, all sanctions, as outlined above, shall be limited to the delinquent Interval Owner and shall be of no force and effect against non-delinquent Interval Owners in such Condominium Unit Committed to Interval Ownership.

Any person who is a Unit Owner, together with members of his family, social guests, lessees, invitees and licensees, may use the said Common Elements. For any Interval Owner, together with members of his family, social guests, lessees, invitees and licensees, this right to use of the Common Elements shall only be for the term of his Interval.

Section 5.15 Condemnation. If more than ten per cent (10%) in value of the Condominium is taken under the power of eminent domain, the taking shall be treated as a "casualty loss", and the provisions of Section 17 of Chapter 183A shall apply. Where one or more Units have been substantially altered or rendered uninhabitable as a result of a partial taking, and the Unit Owners vote to restore and continue the Condominium pursuant to the provisions of Section 17 of said Chapter 183A, the Trustees shall have the authority to acquire the remaining portions of such Units, for such price as the Trustees shall determine, provided that any Unit Owner of such remaining portion who does not agree with such determination may apply to the Superior Court of Dukes County on such notice to the Trustees as the Court shall direct, for an order directing the purchase of such remaining portion at fair market value thereof as approved by the Court. Where as a result of a partial taking any Unit is decreased in size or where the number of Units is decreased by a partial taking, then the Trustees may make such provisions for realignment of the Beneficial Interests as shall be just and equitable.

In the event of total or partial taking under the powers of eminent domain, the Unit Owners shall be represented by the Trust acting through the Trustees. In the event of a partial taking, the award shall be allocated to the respective Unit Owners, according to their respective Beneficial Interests, except as to such portion or portions of the award which are attributable to the direct or consequential damages suffered by particular Units,

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which shall be payable to the Owners of such Units or their mortgagees, as their interests may appear. In the case of a total taking of all Units and the Common Elements, the entire award shall be payable to the Trustees to be distributed to the Unit Owners in accordance with their respective Beneficial Interests or their mortgagees, as their interests may appear.

No vote or consent required of a Unit Owner pursuant to this Section shall be deemed effective without the written consent of the holder of any mortgage permitted by Section 6.3.

If any Unit or portion thereof is taken under the power of eminent domain, the holder of any mortgages on such Unit shall be given notice by the Trustees of such taking. Mortgagees of Units will be entitled to priority with respect to any awards distributed to their Mortgagors.

ARTICLE VI

Sales and Mortgages of Units

Section 6.1 No Severance of Ownership. No Unit Owners shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the interest of such Unit Owner in the Common Elements and assets of the trust, including without limitation, the exclusive right and easement of such Unit Owner to use any deck-balcony which is granted by the first Unit Deed (hereinafter collectively called the "Appurtenant Interests"), it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 6.2 Payment of Assessments. No Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Trustees all unpaid Common Charges theretofore assessed by the Trustees against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages. Nothing herein shall be deemed to affect the validity of any permitted mortgage given by a Unit Owner in contravention of this Section.

Section 6.3 Mortgage of Units. A Unit Owner may grant any mortgage or mortgages of his Unit to any person or persons. All mortgages of a Unit shall be permitted by this Section 6.3 and shall be deemed Permitted Mortgages. A Unit Owner who mortgages his Unit, shall notify the Trustees of the name and address of his mortgagee and shall file a conformed copy of the mortgage with the Trustees; the Trustees shall maintain such information in a book entitled "Mortgages of Units". The failure of a Unit Owner

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to so notify the Trustees or to file a conformed copy with them shall not invalidate the mortgage or any of its provisions or the rights of any holder of such mortgage. The Trustees, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid Common Charges and/or Maintenance Fees due from, or any other default by, the owner of the mortgaged Unit. The Trustees, when giving notice to a Unit Owner of a default in paying Common Charges and/or Maintenance Fees or other defaults, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Trustees. In addition, the Trustees shall send written notice to all holders of mortgages of which the Trustees have notice, of any proposed amendment to this Declaration of Trust to be made pursuant to Section 9.1. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Trust and the books of account of any Management Company or Manager relating to the Condominium at reasonable times on business days.

If a mortgagee gives written notice to the Trustees that there is a default in a mortgage on a Unit held by it, or if a mortgagee gives written notice to the Trustees of an agreement or covenant by a Unit Owner that said mortgagee is to be the proxy of said Unit Owner, then such mortgagee shall be recognized as the proxy of the Unit Owner of such Unit for all matters concerning the Condominium until the mortgagee revokes the same by written notice to the Trustees, or such mortgage is discharged of record; provided, however, that if the mortgagee, who has received written notice of the meeting, is not represented at a meeting of Unit Owners, then the Unit Owner may, notwithstanding the foregoing, cast the vote attributable to his Unit. In the event two or more mortgagees of the same Unit give notice or seek to exercise rights hereunder, the mortgagee who in good faith determination of the Trustees holds the senior lien upon the Unit shall have the rights granted under this paragraph.

ARTICLE VII

Rights and Obligations of Third Parties Dealing with the Trustees

Section 7.1 Third Parties No Duty of Inquiry. No purchaser, mortgagee, lender or other person dealing with the Trustees as they then appear of record in the Dukes Registry of Deeds shall be bound to ascertain or inquire further as to the persons who are then Trustees hereunder, or be affected by any notice, implied or actual, otherwise than by a certificate thereof, and such record or certificate shall conclusively evidence the persons who are the Trustees. The receipts of the Trustees, or any one or more of them, for money or things paid or delivered to them or him 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 the application thereof. No purchaser, mortgagee, lender or other person dealing with the Trustees or with any real or personal property which then is or formerly was Trust

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estate shall be bound to ascertain or inquire as to the existence or occurrence of any event or purpose in or for which a sale, mortgage, pledge or charge is herein authorized or directed or otherwise, as to the purpose or regularity of any of the acts of the Trustees, or any one or more of them, purporting to be done in the pursuance of any of the provisions or powers herein contained, or as to the regularity of the resignation, removal, or election of any Trustee, and any records of the Trust purporting to be executed by persons herein required to execute the same, shall be conclusive evidence in favor of any such purchaser or other person dealing with the Trustees of the matters therein recited.

Section 7.2 No Recourse to Trustees. No recourse shall be had at any time 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 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 Estate for payment under such contract or claim, or for the payment of any debt, damage, judgment, or decree, or for any money that may otherwise become due and payable to them from the Trustees, so that neither the Trustees nor the Unit Owners, 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 provisions hereof or under provisions of Chapter 183A.

Section 7.3 All Instruments Subject to Terms Hereof. Every note, bond, contract, order, instrument, certificate, undertaking, obligation, covenant, or agreement, whether oral or written, made, issued, or executed by the Trustees, or by any agent or employee of the Trustees, shall be deemed to have been entered into subject to the terms, conditions, provisions and restrictions hereof, whether or not express reference shall have been made to this instrument.

Section 7.4 Recording in Registry. This declaration of Trust and any amendments hereto and any certificate herein required to be recorded and any other certificate or paper signed by said Trustees or any of them which it may be deemed desirable to record shall be recorded with Dukes County Registry of Deeds and such record shall be deemed conclusive evidence of the contents and effectiveness thereof according to the tenor thereof; and all persons dealing in any manner whatsoever with the Trustees, the Trust Estate or any Unit Owner thereunder shall be held to have notice of any alteration or amendment of this Declaration of Trust, or change of Trustee or Trustees, when the same shall be recorded with said Registry of Deeds. Any certificate signed by any two Trustees in office at the time (or by one Trustee if there is only one at the time), setting forth as facts any matters

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affecting the Trust, as to what action has been taken by the Unit Owners 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 any Trustee hereunder, or by a majority of the Trustees hereunder setting forth the existence of any facts, the existence of which is necessary to authorize the execution of any instrument or the taking of any action by such Trustee or majority, as the case may be, shall, as to all persons acting in good faith in reliance thereon be conclusive evidence of the truth of the statements made in such certificate and of the existence of the facts therein set forth.

Section 7.5 Application. All present and future owners, mortgagees, lessees, and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Master Deed, this Declaration of Trust and the Rules and Regulations. The acceptance of a deed or conveyance or the entering into a lease or the act of occupancy of a Unit shall constitute an agreement that the Master Deed, this Declaration of Trust and the Rules and Regulations, as they may be amended from time to time are accepted, ratified, and will be complied with.

ARTICLE VIII

Miscellaneous

Section 8.1 Records. The Trustees or the management corporation or manager shall keep detailed records of the actions of the Trustees and the management corporation and manager, and financial records and books of account of the Trust, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges and/or Maintenance Fees against such Unit, the date when due, the amounts paid thereon, and balance remaining unpaid. An annual report of the receipts and expenditures of the Trust shall be rendered by the Trustees to all Unit Owners reasonably after the end of each fiscal year. Copies of the Master Deed, Rules and Regulations, this Declaration of Trust and floor plans of the Building and Units, as the same may be amended from time to time, shall be maintained at the office of the Trustees and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 8.2 Fiscal Year. Except as from time to time otherwise provided by the Trustees, the fiscal year of the Trust shall end on the thirtieth day of November in each year.

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Section 8.3 Invalidity. The invalidity of any part of this Declaration of Trust shall not impair or affect in any manner the validity, enforceability or effect of the balance of this Declaration of Trust.

Section 8.4 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration of Trust, or the intent of any provision thereof.

Section 8.5 Gender. The use of the masculine gender in this Declaration of Trust shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 8.6 Waiver. No restriction, condition, obligation, or provisions contained in this Declaration of Trust 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 thereof which may occur.

ARTICLE IX

Amendments to This Declaration of Trust

Section 9.1 Amendments to This Declaration of Trust. Except as provided in the next sentence, this Declaration of Trust may be altered, amended or repealed at any annual or special meeting of the Unit Owners called for the purpose, of which the notice shall specify the subject matter of the proposed alteration, amendment or repeal or the sections to be affected thereby, by the affirmative vote of the Unit Owners holding at least 66 2/3% interest of the Beneficial Interests. Section 1.1, 1.2 and this section 9.1 may be amended only by affirmative vote of all Unit Owners and Section 7.2 may be amended only by affirmative vote of all Trustees and all Unit Owners. No amendment which purports to alter the Beneficial Interest of any Unit or the basis for allocation of Common Expenses, Common Charges or distributions to Unit Owners, shall be of any force and effect unless the same has been signed by all Unit Owners and recorded in the Dukes Registry of Deeds. For so long as the Sponsor owns more than five Units or more than Fifty (50%) percent of the beneficial interests of five Units, this Declaration of Trust may not be amended so as to adversely affect the Sponsor without Sponsor's consent. In addition, this Declaration of Trust may not be amended without the written consent of the holder of all first mortgages of which the Trustees have been given notice.

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ARTICLE X

Conflicts

Section 10.1 Conflicts. This Declaration of Trust is set forth in compliance with the requirements of Chapter 183A. In case any provision of this Declaration of Trust conflicts with the provisions of said Statute, or the Master Deed, the provisions of said Statute or the Master Deed, as the case may be, shall control. All the trusts, powers and provisions herein shall take effect and be construed according to the laws of the Commonwealth of Massachusetts.

ARTICLE XI

Duration

Section 11.1 Duration. The Trust hereby created shall terminate only upon the removal of the Harborside Inn Condominium from the provisions of said Chapter 183A in accordance with the procedure therefor set forth in Section 19 of said Chapter. The Unit Owners may remove all or a portion of the Condominium from the operation of Chapter 183A of the General Laws as amended from time to time at any annual or special meeting of the Unit Owners by the affirmative vote of seventy-five (75%) per cent in interest of the Unit Owners, provided that notice of such removal is given in the notice of the meeting and, provided, further, that the holders of all first mortgages consent to such removal by written instruments duly recorded with Dukes Registry of Deeds.

IN WITNESS WHEREOF, the undersigned, being all of the original Trustees, have signed and sealed these presents as such Trustees as of the date first set forth above, and hereby accept appointment as such Trustees and agree to be bound by and act in accordance with the foregoing provisions of the Trust and any duly enacted amendments thereof.


BENJAMIN J. BOLDT


LEO P. CONVERY


ARTHUR W. YOUNG, JR.

COMMONWEALTH OF MASSACHUSETTS

Hukes, ss.

April 28, 1980.

Then personally appeared the above-named Benjamin J. Boldt, Leo P. Convery, and Arthur W. Young, Jr. and acknowledged the foregoing instrument to be their free act and deed, before me,


Notary Public

My Commission Expires April 26, 1985

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RULES AND REGULATIONS

HARBORSIDE INN CONDOMINIUM

The following rules and regulations have been established for the benefit of all owners of condominium units and all interval week owners of time intervals of said condominium units (hereinafter collectively "Unit Owners" and "Units") in the Harborside Inn Condominium (hereinafter "Condominium"). They are intended to contribute to the attractive and orderly condition of the Condominium and to assure peaceful enjoyment of the common areas and facilities ("Common Area"). They are also intended to protect and enhance the value of the property of the Unit Owners. All residents of the Condominium and their guests are expected to abide by the following rules.

In these Rules and Regulations, unless the context otherwise indicates, words defined in the Master Deed of the Harborside Inn Condominium and in General Laws, Chapter 183A shall have the same meaning and effect herein. The word "Unit Owner" shall specifically include all owners of Unit Weeks within any Unit Committed to Interval Ownership unless a contrary intention is to be inferred from or required by the subject matter or context.

1. NOISE. No person shall make or permit any improper noise or disturbance of any kind within the Condominium, produce objectionable odors, nor permit anything to be done that will interfere with the rights, comforts or convenience of other persons within the Condominium. Owners and their guests will be expected to reduce noise levels after 11:00 P.M. (until 8:30 A.M.) so that neighbors are not disturbed. At no time are musical instruments, radios, phonographs or televisions to be so loud as to become a nuisance.

2. LITTERING AND TRASH DISPOSAL. There will be no littering. Paper, cans, bottles, cigarette butts, and other trash are to be deposited only in trash containers, and under no circumstances are such items to be dropped or left on the Common Areas. No garbage or refuse and/or waste matter shall be removed from a Unit except to such place and in such manner as the Trustees of the Harborside Inn Condominium Trust ("Trustees") or the manager employed by them ("Manager") shall direct.

3. OUTDOOR EQUIPMENT. Sporting goods, cooking equipment, lawn furniture, and other personal articles and equipment shall not be left outside, and when in use outside shall be maintained and used in such a fashion as to meet the standards established by the Trustees or Manager from time to time.

4. CLOTHES LINE. No clothes, linens or similar materials shall be hung or otherwise left or placed outside or on balconies or on any common area or facility. No such articles shall be placed in a Unit or on the balcony or the patio adjacent thereto, so

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as to be exposed to public view, and no linen, cloth, clothing, curtain, rug or mop shall be hung (or shaken) from any window, door, balcony or patio.

5. MEALS. All preparation, cooking and eating of foods and meals shall be permitted only within the "Community Kitchen" when same is constructed or in areas designated for such use by the Trustees and in no other common area and in no Unit.

6. OUTSIDE ACTIVITIES. There shall be no use of the Common Area which injures or scars the same or the plantings thereon, increases the maintenance thereof, or causes unreasonable embarrassment, disturbance or annoyance to the other Unit Owners and their guests. No group of children, adolescents, or adults will be allowed to congregate other than in those areas which are specifically designated as "recreational" by the Trustees or Manager. There shall be no organized sports activities, or picnicing or fires, except in those areas, if any, which are approved for such use by the Trustees or Manager. Under no circumstances may a fire of any kind be lighted or maintained and under no circumstances may a person do or permit anything within the Condominium which would be in violation of any regulation of the local Fire Department or fire law, ordinance, rule or regulation pertaining to the same, which now exists or is hereafter promulgated by any public authority or by the Board of Fire Underwriters, or which will increase or tend to increase the risk of fire or the rate of fire insurance. The sidewalks, parking areas, entries, and courts shall not be obstructed or encumbered for any other purposes than ingress and egress.

7. NO OFFENSIVE ACTIVITY. No noxious or offensive activity shall be carried on in any Unit, or in the Common Area, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises by himself, his family, servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other Unit Owners.

8. STRUCTURAL INTEGRITY. Nothing shall be done in any Unit or in, on or to the Common Area which will impair the structural integrity of the Building.

9. MAINTENANCE OF COMMON AREA. Improvements, maintenance and landscaping of the Common Area shall be done only by the Trustees, unless permission of the Trustees has been obtained.

10. GUESTS AND FAMILY MEMBERS. Unit Owners will be held responsible for the actions of their guests as well as members of their families. If occupancy by guests creates a nuisance to the Unit Owners, the Trustees will have the right to request that the guests leave. Responsibility for such supervision shall rest with the Owner who is the host of such guests or of whose families said person is a member.

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11. CANVASSING, PEDDLING OR SOLICITING. No person, including any Unit Owner, shall enter, or go through, the Condominium for the purpose of canvassing the residents, or for the purpose of vending, peddling or soliciting orders for any merchandise, book, periodical or circular of any kind or nature whatsoever; or for the purpose of soliciting donations or contributions for, or distributing any handbill, pamphlet, circular, tract, book notice or advertising matter; provided, however, that such canvassing, vending, peddling, soliciting or distribution may be made with the written consent of the Trustees and provided, further, that Sponsor, its agents and employees, may engage in such activities in connection with its sales.

12. NO OBSTRUCTION OF COMMON AREAS. Unit Owners shall not cause, nor shall they suffer, obstruction of Common Areas and facilities except for storage in any assigned storage areas or except as the Trustees may in specific instances expressly permit.

13. ABUSE OF MECHANICAL SYSTEM. The Trustees may charge to a Unit Owner any damage caused by such Unit Owner to the mechanical or electrical system of the Condominium by misuse of those systems by a Unit Owner.

14. ADDITIONS TO EXTERIOR OF BUILDINGS. Changes affecting the appearance of the exterior of any building, such as decorations, awnings, signs, sun shades, air conditioning equipment, fans, screens, decks and enclosures, or similar changes shall be made only with the consent of the Trustees. No exterior television and radio antennas shall be allowed without the consent of the Trustees.

15. BICYCLES. Bicycles shall not be permitted anywhere within the Condominium except in an area which may be specifically provided for by the Trustees for such storage.

16. PETS. No animals, reptiles or household pets of any kind will be permitted within the Condominium or any part thereof.

17. OCCUPANCY. The number of persons permitted to occupy or reside in any Unit at the same time shall be limited to that number specifically provided for by normal and customary usage of the standard sleeping facilities contained within the Unit and shall not in any event exceed three (3) occupants.

18. COMPLAINTS. Complaints of violations of these Rules should be made to the Manager, either verbally or in writing. If the Unit Owner does not receive satisfaction from such Manager, or if there is no Manager at that time, he or she should put the complaint in writing and forward it to the Trustees. If the Trustees feel that the complaint is justified, they will take whatever action they deem necessary. The complainant will be notified in writing by the Trustees as to what action has been taken.

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19. ADVERTISING. No sign, signal, illumination, advertisement, notice or any other lettering shall be exhibited, inscribed, painted, attached, affixed, installed or exposed on or at any window or on any part of the outside of the Unit or any building excepting those Units designated as commercial units, and then only with the prior approval of the Trustees; and signs, and other advertising by Sponsor, its agents and employees in connection with its sales.

20. SWIMMING POOL. Use of the swimming pool and all appurtenant facilities is restricted to Unit Owners, members of their families, guests and/or tenants. No guest or child will be allowed in the pool area unless accompanied by an Owner of a Unit or his tenant or adult member of his or her family. The Trust may impose charges for use of the swimming pool by guests. The Trust reserves the right to restrict the number of guests in the pool area at any one time.

21. PARKING. An area has been designated for parking of Unit Owners' vehicles, i.e., currently registered privately owned cars. No Unit Owner shall park more than one car within the Condominium except with the prior written consent of the Trustees. Parking shall be on a first arrival basis. The Trustees may assign particular parking spaces. All vehicles, when not in use, must be kept within the designated parking location. Any vehicles parked in unauthorized areas within the Condominium may be towed at the owner's expense. No motorcycles, motor or mini bikes, campers or trailers are allowed upon the Condominium premises.

22. INSURANCE. Nothing shall be done or kept in any Unit or in the Common Area which will increase the rate of insurance of the Condominium, or contents thereof, applicable for uses of the Condominium permitted by the Master Deed, without the prior written consent of the Trustees. No Unit Owner shall permit anything to be done, or kept in his or her Unit, or in the Common Area which will result in the cancellation of insurance on the Condominium, or contents thereof, or which would be in violation of any law. No waste shall be committed in the Common Area.

23. CARE. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

24. ACCESS TO UNITS. The agents of the Trustees or the Manager, and any contractor or workman authorized by the Trustees or the Manager, may enter any room or Unit in the Buildings at any reasonable hour of the day after notification (except in the case of an emergency) for the purpose of inspecting such Unit and for the purpose of taking such measures as may be necessary to control or exterminate vermin, insects or other pests, or to maintain, repair or replace common elements of the Condominium.

25. WASHING AND REPAIRING VEHICLES. No washing or repairing of automobiles shall take place within the Condominium nor shall the parking area be used for any purpose other than to park motor vehicles.

20. INFLAMMABLES. No Unit Owner or occupant or any of his agents, servants, employees, licensees, lessees or visitors shall at any time bring into or keep in his or her Unit any flammable, combustible or explosive fluid, material, chemical or substance, except such lighting and cleaning fluids as are customary for residential use.

27. PASS KEYS. The Trustees and Manager and their designated agent, may retain a pass key to each Unit. No Unit Owner shall alter any lock or install a new lock or a knocker on any door of a Unit without the written consent of the Trustees. In case such consent is given, the Unit Owner shall provide the Trustees or Manager and their agent with any additional key to permit exercise of their right of access to the Unit. It is not intended that a Unit Owner's privacy be intruded upon, and such key shall not be used except in a personal or property emergency, or for the maintenance or repair of same or of the Common Areas and Facilities.

28. DELEGATION OF POWERS. The Trustees, at their discretion, may delegate their powers and duties with respect to the granting of consents, approvals and permissions under these Rules and Regulations, to the manager, or to any other employee or agent of the Trustees.

29. OCCUPANCY AND VACATING. In order to properly and adequately provide for the necessary weekly maintenance tasks within each Unit Committed for Interval Ownership, the right to occupy such Unit on the first day of each Unit Week shall not commence until 2:00 P.M. The requirement to vacate such Unit shall be at least before 10:00 A.M. on the day ending such Unit Week. Any Unit Owner who fails to comply with this Rule and Regulation will be deemed a "Holdover Owner" and shall be subject to penalties therefore.

30. LEASE OR RENTAL. Any lease or rental of any Unit by the Unit Owner thereof shall require the Unit Owner to furnish in writing to the Trustees or to the Manager, the names of the lessee, type of instrument to be used to effectuate the lease or rental, and supply all information as may be required by the Trustees or by the Manager.

31. REMOVAL OF PERSONAL ITEMS. At the end of an Interval Week each Unit Owner, his lessees, tenants and guests shall remove from the Premises all clothing, luggage and personal effects brought upon the Premises. The Trustees and/or Manager and subsequent occupants shall not be liable in any manner whatsoever for any personal effects left on the Premises by an Owner or his lessees, tenants and guests. All clothing, luggage and personal property remaining upon the Premises after it has been vacated shall be removed by the Trustees or by the Manager who shall keep such property for thirty (30) days and if not claimed within said period, shall be deemed to have been abandoned and may be disposed by the Trustees or Manager without incurring any liability whatsoever.

32. APPLICATION OF RULES AND REGULATIONS. These Rules and Regulations shall apply to all Unit Owners, all Interval Owners, their families, servants, employees, agents, visitors, tenants and licensees. Each Unit Owner shall be and is responsible for any and all actions, or inaction as the case may be, of their own, and of their families, servants, employees, agents, visitors, tenants and licensees.

33. AMENDMENT. These Rules and Regulations can be revised in any way at any time by the Trustees.

34. SPONSOR. These Rules and Regulations, and any amendments hereof, shall not restrict or prohibit activities of Sponsor in maintaining, renovating and/or using the Common Area or the Units owned by it if such activities are reasonably related to its sales and (if any) leasing activities.

Edgartown, Mass. April 28 1970
at 5 o'clock and 10 minutes P.M.
Received and entered with Dukes County Deeds
book 373 Page 744

Attest

Deverly W. King
Register