

THE NOTCH VIEW CONDOMINIUM

TABLE OF CONTENTS

	<u>Page</u>
1. Submission of Property	1
2. Definitions	2
3. Statutory Requirements	4
(a) Name	4
(b) Location	4
(c) Description of Land	4
(d) Description of Units	4
i. Buildings	4
ii. Units	4
iii. Unit Boundries	5
(e) Maintenance Responsibilities	6
(f) Relocation of Unit Boundries & Subdivision of Units	6
(g) Description of Common Areas & Limited Common Area	6
i. Common Area	6
ii. Limited Common Area	8
iii. Use	8
iv. Subsequent Assignment of Limited Common Area	8
(h) Allocation of Percentage Interest	8
(i) Statement of Purposes and Restrictions of Use	9
i. Residential Use	9
ii. Easement to Facilitate Completion and Sales	9
iii. Easements for Structural Encroachments & Support	10
iv. Easements for Ingress and Egress	11
v. Easements and Restrictions of Record	11
vi. Units Subject to Declaration, By-Laws & Rules and Regulations	12
(j) Determination of Action Following Casualty Damage	13
4. Amendment of Declaration	14
5. No Revocation or Partition	14
6. Consent of First Mortgagees	15
7. Priority of First Mortgagees	15
8. Invalidity	16
9. Condominium Act Incorporated Herein	16
10. Waiver	16

See Book 1757 Page 224
 " " 2014 " 232, 233
 See Condo's Subdivision Used Book 1637, Page 417
 Condo's Deeds Book 1654 Page 327, 328, 329, 330, 331 & 332.
 " " 1661 Page 211

1599

550

Appendix A	Legal Description of Submitted Property
Appendix B	Limited Common Area
Appendix C	Unit Areas and Undivided Percentage Interest
Appendix D	Withdrawable Land
Appendix E	By-laws

	<u>Page</u>
<u>ARTICLE I. PLAN OF UNIT OWNERSHIP</u>	
1. Purpose	1
2. Definitions	1
3. By-Laws Applicability	1
4. Office	1
	2
<u>ARTICLE II. UNIT OWNERS ASSOCIATION</u>	
1. Composition	2
2. Voting	2
3. Place of Meeting	2
4. Annual Meeting	3
5. Special Meetings	3
6. Notice of Meeting	4
7. Voting Requirements	4
8. Proxies	4
9. Quorum	4
10. Order of Business	5
11. Conduct of Meetings	5
	5
<u>ARTICLE III. BOARD OF DIRECTORS</u>	
1. Powers and Duties	5
2. Managing Agent	5
3. Number of Directors & Initial Selection of Board	7
4. Election and Term of Office	8
5. Organization Meeting	8
6. Regular Meetings	9
7. Special Meetings	9
8. Waiver of Notice	9
9. Board of Directors Quorum	9
10. Vacancies	10
11. Removal of Directors	10
12. Compensation	10
13. Conduct of Meetings	11
14. Report of Board of Directors	11
15. Fidelity Bonds	11
16. Dispensing with Vote	11
17. Liability of the Board of Directors	11
	12
<u>ARTICLE IV. OFFICERS</u>	
1. Designation	13
2. Election of Officers	13
3. Removal of Officers	13
4. President	13
5. Secretary	13
6. Treasurer	14
7. Agreements, Contracts, Deeds, Checks, Etc.	14
8. Compensation of Officers	15
	15
<u>ARTICLE V. OPERATION OF THE PROPERTY</u>	
1. Determination of Common Expenses and Assessments Against Owners	15
(a) Fiscal Year	15
(b) Preparation and Approval of Budget	15
(c) Assessment and Payment of Common Expenses	15
	15

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(d) Reserves	17
(e) Initial Assessment	17
(f) Effect of Failure to Prepare or Adopt Budget	17
2. Payment of Common Expenses	18
3. Collection of Assessments	19
4. Maintenance and Repair	19
(a) By the Board of Directors	19
(b) By the Owner	20
(c) Manner of Repair and Replacement	21
5. Additions, Alterations or Improvements by Board of Directors	21
6. Additions, Alterations or Improvements by Owner	21
7. Restrictions on Use of Units	22
8. Right of Access	24
9. Rules	24
<u>ARTICLE VI. INSURANCE</u>	25
1. Insurance Required	25
2. General Insurance Provisions	26
3. Individual Policies	27
4. Notice to Unit Owners	28
<u>ARTICLE VII. REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY</u>	29
1. When Repair and Reconstruction Required	29
2. Procedure for Reconstruction and Repair	29
3. Disbursements of Construction Funds	30
<u>ARTICLE VIII. SALES, LEASES & ALIENATION OF UNITS</u>	30
1. No Severance of Ownership	30
2. Payment of Assessments	31
<u>ARTICLE IX. AMENDMENT TO BY-LAWS</u>	32
1. Amendments	32
2. Recording	32
3. Conflicts	32
4. Approval of Mortgages	33
<u>ARTICLE X. MORTGAGES</u>	33
1. Notice to Board	33
2. Notice of Unpaid Assessments For Common Expenses	33
3. Notice of Default	34
4. Notice of Damage	34
5. Examination of Books	34
<u>ARTICLE XI. NOTICE</u>	34
1. Manner of Notice	34
2. Waiver of Notice	35
<u>ARTICLE XII. COMPLIANCE AND DEFAULT</u>	35
1. Relief	35
(a) Legal Proceedings	35
(b) Additional Liability	35
(c) Costs and Attorneys' Fees	36
(d) No Waiver of Rights	36
(e) Interest	36
(f) Abatement and Enjoinment of Violations by Owners	37
2. Lien for Assessments	37
<u>ARTICLE XIII. COMPLIANCE, CONFLICT AND MISCELLANEOUS PROVISIONS</u>	38
1. Compliance	38
2. Severability	38
3. Waiver	39
4. Captions	39
5. Gender, etc.	39

1599

554

DECLARATION OF CONDOMINIUM
OF THE
NOTCH VIEW CONDOMINIUM

By CONDOS EAST CORP.
LINCOLN, N. H.

KNOW ALL MEN BY THESE PRESENTS, that Condos East Corp. of Lincoln, in the County of Grafton and State of New Hampshire, mailing address: P.O. Box 601, Lincoln, New Hampshire, owner of record of a certain real property situated on the westerly side of Route 3, Lincoln, County of Grafton and State of New Hampshire, together with certain buildings and certain other improvements heretofore constructed of hereafter to be constructed thereon, pursuant to the provisions of the New Hampshire Condominium Act RSA 356-B, intends to sell and convey the same to various purchasers, subject to the mutually beneficial covenants, conditions and restrictions herein set forth and in accordance with site plan entitled "Land of Condos East Corp. in Lincoln, N.H.", by Roy A. Sabourn LLS, dated February 3, 1986, hereinafter referred to as the "Site Plan" which has been recorded as Plan #3412 of the Grafton Registry of Deeds and a set of floor plans of the buildings constructed or to be constructed in the project, which have been recorded as Plan numbers 3412, _____, and _____ of the Grafton County Registry of Deeds.

1. Submission of Property. The Declarant hereby submits the land located in Lincoln, County of Grafton and State of New Hampshire, on the westerly side of Route 3, more particularly described in Appendix A, attached hereto and incorporated herein by reference (hereinafter referred to as "Land"), together with the buildings, all improvements thereon and all easements, rights and appurtenances thereto, if any, described in said Appendix A (hereinafter referred to as "Property"), all of which are owned by the Declarant in fee simple, to the provisions of the Condominium Act of the State of

Page Two

New Hampshire, New Hampshire Revised Statutes Annotated, Chapter 356-B in order to create a plan of condominium ownership in such property.

2. Definitions. As provided in Section 12(I) of said Condominium Act, capitalized terms not otherwise defined herein, or in the By-Laws attached hereto as Appendix D as the same may be amended from time to time (hereinafter referred to as "By-Laws") shall have the meaning specified in Section 3 of said Condominium Act. The following terms are expressly defined herein:

- (a) "By-Laws" means the By-Laws providing for self-government of the Condominium, attached hereto, as amended from time to time.
- (b) "Common Areas" means all parts of the property other than the Units, as more fully set forth in Paragraph 3 of this Declaration, and excludes the Limited Common Area.
- (c) "Condominium" means the Notch View Condominium, the Condominium established by this Declaration.
- (d) "Common Expenses". In addition to the statutory meaning and where appropriate to the context hereafter, common expenses shall also mean and include those assessments and expenses for the maintenance, repair and improvements of the Limited Common Area which is the responsibility of the Board of Directors to assess in the first instance even though an individual Unit Owner may be entirely liable therefore.
- (e) "Condominium Act" means Chapter 356-B of the New Hampshire Revised Statutes Annotated, as amended.
- (f) "Land" shall have the meaning set forth hereinabove, in paragraph 1.
- (g) "Majority of the Owners" means the Owners of the Units to which more than fifty per cent (50%) of the votes in the Association of Owners appertain. Any specified percentage of the owners means the Owners

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Page Three

of Units to which the specified percentage of the votes in the Unit Owners' Association appertain. See By-Laws, Article II, Section 2.

- (h) "Owner" or "Unit Owner" means any person or persons who holds or hold fee simple title to a Condominium Unit. No mortgagee shall be deemed to be an Owner until such mortgagee has acquired such title pursuant to foreclosure or any procedure in lieu of foreclosure.
- (i) "Percentage Interest" or "Undivided Percentage Interest" means the percentage undivided interest of each Unit in the Common Area as set forth in Appendix C, attached hereto.
- (j) "Site Plan and Floor Plans" or "Plans" means the plat of the entire property described in this Declaration, and all floor plans or "as built" plans attached thereto or recorded simultaneously with this Declaration in the Grafton County Registry of Deeds or all floor plans or "as built" plans recorded subsequently.
- (k) "Property" means the land and buildings and all other improvements heretofore or hereafter constructed thereon, and all easements, rights and appurtenances thereto, if any, and all articles of personal property, if any, intended for common use in connection therewith.
- (l) "Rules" means those rules and regulations adopted from time to time by the Board of Directors relative to the use of the Condominium, provided they are not in conflict with the Condominium Act, the Declaration, or the By-Laws.
- (m) "Unit" means a unit as defined by the Condominium Act, which is bounded and described in accordance with the Plans of the Condominium and the provisions of Paragraph 3(d) hereof.

Page Four

- (n) "Unit Owners' Association" or "Association" means all of the Owners as defined in subparagraph (h) acting as a group in accordance with this Declaration and/or the By-Laws.

3. Statutory Requirements. The following information is provided pursuant to the provisions of Section 16 of said Condominium Act:

- (a) Name. The name of the Condominium shall be the Notch View Condominium.
- (b) Location. The Condominium is located in the Town of Lincoln, New Hampshire on the westerly side of Route 3.
- (c) Description of Land. A legal description by metes and bounds of the land hereby submitted to the condominium structure and ownership is contained in Appendix A, attached hereto and incorporated herein by reference.
- (d) Description of Units.
- (1) Buildings. The Condominium includes three buildings: Building A1 containing eight (8) units, Building A2 containing eight (8) units and Building A3 containing eight (8) units. The location and dimensions of the buildings and the Common and Limited Common Areas are as shown and depicted on certain site plans and floor plans, to be recorded contemporaneously with this Declaration, or "asbuilt" plans, to be recorded subsequently.
- (11) Units. Each of the designated Units is hereby declared to be held in fee simple and may be retained, occupied, conveyed, transferred, encumbered, inherited, or devised in the same manner as any other parcel of real property independent of the other individual Units. Annexed hereto as Exhibit C is a list of all units, their respective identifying numbers, or unit designations, and locations.

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556

Page Five

(III) Unit Boundaries. The boundaries of each Unit with respect to floors, ceilings, walls, doors, and windows are as follows:

Floors: The unfinished interior surface of the lowermost floors.

Ceilings: The unfinished interior surface of the uppermost ceilings.

Perimeter Walls and Door Frames: The unfinished interior surface thereof.

Windows and Doors: As to the entrance doors, the unfinished exterior surface thereof; and as to the windows and window frames, the exterior surface of the glass and unfinished exterior surface of the window frames.

Each Unit shall include the portions of the building within said boundaries, and the space enclosed by said boundaries, except any Common Area described in paragraph (g) hereinbelow which may be located therein. The finished interior surfaces of the perimeter walls, door frames, lowermost floor and uppermost ceiling of the Unit, consisting of, among other things, and as appropriate, all paint, lath, wallboard, drywall, plasterboard, plaster, paneling, wallpaper, finished flooring, carpeting, tiles and any other materials constituting any part of the finished surfaces thereof, shall be deemed a part of such Unit. The Unit Owner shall be deemed to own the aforesaid finished interior surfaces, the interior walls and partitions which are contained in said Owners' Unit, and shall also be deemed to own the window glass and glass vents of this Unit, the entrance doors and window frames (to the unfinished exterior surface thereof), and any glass doors, and

Page 6

the sinks, bathtubs, and other plumbing facilities, refrigerators, ovens and other appliances, heating, air conditioning, plumbing fixtures, duct work, fireplace and heating flues, if any (even if located outside the boundaries of the Unit) which serve solely that Unit. The Owner of the Unit shall be deemed not to own any pipes, wires, cables, chutes, flues, conduits, other public utility lines, ventilation or other duct bearing walls, bearing columns, or structural portions of the building running through said Unit or partially within or without said Unit which are utilized for or serve more than one Unit or any portion of the Common Area, which items are by these presents hereby made a part of the Common Area. Nor shall such boundaries include any balconies or patios serving any individual Unit having direct access thereto which such balconies and/or patios shall be and are hereby deemed Limited Common Area appurtenant to such Unit having direct access thereto.

- (e) Maintenance Responsibilities. The provisions of the By-Laws shall govern the division of maintenance and repair responsibilities between the Unit Owner and the Unit Owners' Association of the Notch View Condominium ("Unit Owners' Association").
- (f) Relocation of Unit Boundries and Subdivision of Units. Relocation of boundaries between Units and subdivision of Units will be permitted subject to compliance with the provisions of said Condominium Act.
- (g) Description of Common Area and Limited Common Area.
 - (1) Common Area. The Common Area consists of the entire Property other than the Units and Limited Common Area, and includes, but not by way of limitation;

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558

Page Seven

- (a) The land, and the walks, shrubbery and other plantings, if any, road parking areas and other land and interest in land, included and as described in Appendix A, attached hereto and incorporated hereby in reference;
- (b) The water supply, sewage disposal, electrical and telephone systems serving the Condominium to the extent said systems are located within the Property and are not owned by the supplier of the utility service (but not including any portions thereof contained within and serving solely a single Unit);
- (c) The roofs, foundations, columns and supports of the buildings; the perimeter walls, ceilings and floors of each building in each Unit to the unfinished interior surfaces thereof and other walls which are not within any particular Unit;
- (d) The pipes, ducts, fireplaces, flues, chutes, conduits, plumbing, wires, meters, meter housings and other facilities for the furnishing of utility services or waste removal not located within a particular Unit and such facilities located within a particular Unit or Units which serve other parts of the Condominium in addition to the Unit or Units within which they are located; and,
- (e) All other parts of the Condominium, including personal property acquired by the Association, necessary or convenient to its existence, maintenance and safety, or normally in common use, and including any other easements, if any, set forth in Appendix A hereto.

Page Eight

(II) Limited Common Area. Entrance ways, steps, decks, stairways, not part of the Unit, but which serve less than all Units are Limited Common Areas. Each Limited Common Area is owned in common by the Owners, but is restricted to the use and benefit of the Units which it serves directly. See Floor Plans, recorded herewith.

(III) Use. The use of the Common Area shall be limited to the Owners in residence and to their tenants in residence, and to their guests, invitees and licensees. The use of each Limited Common Area shall be further restricted to the Owners of the Unit to which it is appurtenant, to his or her tenants in residence, and to his or her guests, invitees and licensees. The use, including responsibilities for maintenance and repair, of the Common Area, shall be governed by the By-Laws and the Rules as initially established by Declarant and as adopted and amended from time to time by the Board of Directors of the Unit Owners' Association.

(IV) Subsequent Assignment of Limited Common Area. The only Common Area which may be delineated for subsequent assignment as Limited Common Area shall consist of such Common Area as the Board may in the future assign for parking or storage of vehicles on a "first come-first serve" basis to unit owners who contract for same, in accordance with the provisions of Sections 16 I(F) and 19 of the Condominium Act and shall be reflected in an Amendment to this Declaration.

(h) Allocation of Percentage Interest. Each unit has an equal Undivided Percentage Interest in the Common Area. See Appendix C.

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560

Page Nine

(i) Statement of Purposes and Restrictions of Use. The Condominium and each of the Units are primarily intended for residential use and the following provisions, together with the provisions of the By-Laws and the Rules of the Condominium, are in furtherance of this purpose:

(I) Residential Use. Each Unit, during which time the Declarant shall own or use the same, shall be occupied or used only for residential purposes by the Owner of said Unit and his or her family, or by tenants, guests, invitees or licensees of the Owner, except for such limited professional use as the Board of Directors, upon application of the Owner, from time to time, may authorize as not being inconsistent or incompatible with the residential character of the Condominium. This restriction shall not be construed to prohibit Owners from leasing their Units so long as the Lessees thereof occupy and use the leased premises in accordance with the provisions hereof. Lessees are prohibited from sub-leasing any Unit despite a provision for the same in any lease between any Owner and such Lessee. Motel-type use, time-sharing or interval ownership arrangements are prohibited.

(II) Easement to Facilitate Completion and Sales. Declarant shall be deemed to be the Owner of any Units so long as they are not sold by Declarant after execution and recording of this Declaration and their duly authorized agents, representatives, and assigns may make such reasonable use of the Condominium as may be necessary to facilitate the sale of any individual Condominium Unit, including without limitation; the right to enter all Units and

Page Ten

Common Areas for the purposes of showing the property and displaying signs. In addition, the Declarant and his duly authorized agents, representatives and employees shall have the right to use any and all unsold Units as model units, and/or sales offices. Such Units shall be Units within the meaning of this Declaration and the Condominium Act, and no part of the Common Area. The Declarant shall have the absolute right to convey or lease such Units.

(III) Easements for Structural Encroachments and Support. None of the rights and obligations of the Owners, created herein, or in any deed conveying a Condominium from the Declarant to a purchaser thereof, shall be altered in any way by encroachments as a result of construction of any structures or due to settling or shifting of structures. There shall be valid easements for the maintenance of such encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful conduct of said Owner or Owners. Further, each Unit, common interest or limited common interest shall have an easement for lateral and subjacent support from every other Unit, Common Area or Limited Common Area. Further, each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Areas located in any of the other Units serving his or her Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the said pipes,

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Page Eleven

562

ducts, cables, wires, conduits, public utility lines and other Common Areas serving such other Units and located in such Unit. The Board of Directors of the Condominium Owners' Association shall have a right of access to each such Unit and Common Area to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Area contained therein or elsewhere in said buildings. Every portion of a Unit which contributes to the structural support of a building shall be burdened by an easement of structural support for the benefit of all other Units and the Common Area and Limited Common Area.

(IV) Easements for Ingress and Egress. Each Unit Owner is hereby granted an easement in common with each other Unit Owner for ingress and egress through all common elements, subject to such reasonable rules, regulations and restrictions as may be established by the Unit Owners' Association. Each Condominium Unit is hereby burdened with and subjected to an easement for ingress and egress through all common elements by persons lawfully using or entitled to the same. The Fire Department or departments for the Town in which the Condominium is situated or for such Towns that serve as mutual aid in the event of a fire disaster as well as any Town authority for water or sewage or any public utility, including without limitation, employees and other agents of the same in the performance of their duties are hereby granted an easement for reasonable emergency acts as to the Condominium Property, Units, Common Areas and Limited Common Areas for the limited purpose of properly conducting their public safety and service responsibilities.

Page Twelve

(V) Easements and Restrictions of Record. The submission of the subject Property under this Declaration is hereby deemed subject to all covenants, conditions, easements and restrictions of record, if any, including the obligation of each Unit Owner to become and continue membership in good standing in the Notch View Condominium Owners Association which has the power to promulgate and enforce certain rules and regulations and to assess and collect certain assessments of its members.

(VI) Units Subject to Declaration, By-Laws, and Rules and Regulations. This Declaration, the By-Laws, the Rules and Regulations adopted hereunder or to be adopted by the Board of Directors or as amended by either the Declarant or the Board of Directors on behalf of the Unit Owners' Association and the decisions and resolutions of the Board of Directors or its representatives, all contained or will contain, certain restrictions as to the use of the Units or other parts of the Condominium. Each Owner shall comply therewith and failure to comply with such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages or injunctive relief. All such actions at law or in equity shall be authorized by the Declarant or by resolution of the Board of Directors and the Condominium shall be entitled to recover all reasonable costs and expenses of such action, including reasonable attorney's fees. All present or future Owners, tenants, invitees, guests or licensees and occupants of the Units, or any other person who

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564

Page Thirteen

might use the facilities of the property in any manner whatever are subject to the provisions of this Declaration, the By-Laws, and the Rules and Regulations. The acceptance or the entering into occupancy of any Unit or use of the Property shall constitute an agreement that the provisions of this Declaration, the By-Laws, and the Rules and Regulations, as they may lawfully appear from time to time, are accepted and ratified by such Owner, tenant, invitee, guest, licensee, or occupant, and all such provisions shall be deemed and taken to be enforceable servitudes and covenants running with the land and shall bind any person having at any time any interest or estate or right to use such Unit or the Condominium Property, as though such provisions were recited and stipulated at length in each and every deed of conveyance, lease, or other instrument affecting the use and occupancy of the Condominium Property.

(j) Determination of Action Following Casualty Damage.

In the event of damage to any portion of the Condominium by fire or other casualty, the proceeds of the master casualty policy shall, pursuant to Section 43(III) of the Condominium Act, be used to repair, replace, or restore the structure, structures, or Common Area damaged, unless the Unit Owners vote to terminate the Condominium pursuant to Section 34 of the Condominium Act. The Board of Directors is hereby irrevocably appointed the agent for each Owner of any other interest in the Condominium to adjust all claims arising under such policy, or otherwise resulting from such damage and to execute and deliver releases upon payment of the claims.

Page Fourteen

(a) For insurance purposes, the Building including all common and limited common elements. It also includes installed fixtures, interior walls, alterations, appliances and additions, including those within a portion of the premises and used exclusively by an individual unit owner. Installed items include carpeting, domestic appliances, wall coverings, cabinetry and plumbing fixtures. Building does not include cloth awnings or window air conditioners.

4. Amendment of Declaration. Except as otherwise provided in the Condominium Act and herein, this Declaration may be amended by the vote of at least seventy-five per cent (75%) of the Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws; provided, however, that

(i) any such amendment shall have been approved in writing by the institutional mortgagee of mortgages constituting first liens on seventy-five per cent (75%) or more of the Condominium Units subject to institutional mortgages recorded at the Grafton County Registry of Deeds;

(ii) no such amendment shall be effective until evidence thereof has been duly recorded at said Registry of Deeds pursuant to Section 34(IV) of the Condominium Act;

(iii) so long as the Declarant owns one or more Units, no amendment to the Declaration shall be adopted that could interfere with the sale, lease or other disposition of such Unit(s);

(iv) no such amendment shall be contrary to the provisions of the rights reserved pursuant to Paragraphs 4 and 5 hereof without the written consent of the Declarant.

5. No Revocation or Partition. The Common Area and Limited Common Area shall remain undivided and no Unit Owner or any other person shall

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Page Fifteen

bring any action for partition or division thereof, nor shall the Common Area be abandoned by act or omission unless the Condominium is terminated pursuant to Section 34 of the Condominium Act.

6. Consent of First Mortgagees. Notwithstanding any other provision of this Declaration, these By-Laws, or the Rules and Regulations, unless at least seventy-five per cent (75%) of the mortgagees holding mortgages recorded at the Grafton County Registry of Deeds, constituting first liens on the Condominium Units subject to such mortgages (based upon one vote for each mortgage owned) have given their prior written approval, the Unit Owners' Association and Board of Directors shall not be entitled to:

- (a) By act or omission seek to abandon or terminate the condominium form of ownership;
- (b) Change the prorata interest or obligations of any Unit, (i) for the purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) for determining the prorata share of each Unit in the Common Area.
- (c) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common or Limited Common Area. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Condominium shall not be deemed a transfer within the meaning of this clause); or,
- (d) Use hazard insurance proceeds for losses to the property (whether to Units or to Common Area) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units and/or Common Area and/or Limited Common Area.

7. Priority of First Mortgages. No provision of this Declaration the By-Laws, or Rules and Regulations shall be

Page Sixteen

construed to grant to any Unit Owner, the Unit Owners' Association, or to any other party, any priority over any rights of first mortgagees of the Condominium Units pursuant to their first mortgages in the case of distribution to Unit Owners of insurance proceeds or condemnation awards for losses thereto, or a taking of Units and/or Common Area or any portions thereof and no lien imposed for levying of assessments or charges which now or hereafter may be imposed by the Unit Owners' Association on the individual Units pursuant to their power and authority under the By-Laws and Articles of Association shall have priority over said first mortgages.

8. Invalidity. It is the intention of the Declarant that the provisions of this Declaration are severable so that if any provision, condition, covenant, or restriction hereof shall be invalid or void under any applicable federal, state, or local law or ordinance, the remainder shall be unaffected thereby. In the event that any provision, condition, covenant, or restriction hereof is, at the time of recording this Declaration, void, voidable or unenforceable as being contrary to any applicable law or ordinance, the Declarant, its successors and assigns and all persons claiming by, through, or under this Declaration, covenant and agree that any future amendments or supplements to the said laws having the effect of removing said invalidity, voidability, or unenforceability, shall be deemed to apply retrospectively to this Declaration, thereby operating to validate the provisions of this instrument, which otherwise might be invalid, and it is covenanted and agreed that any such amendments and supplements to the said laws shall have the effect herein declared as fully as if they had been in effect at the time of this instrument.

9. Condominium Act Incorporated Herein. The Condominium Act, R.S.A. 356-B, to the extent it is applicable, pertinent, controlling, or not contradictory to this Declaration, is incorporated herein by reference.

10. Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of

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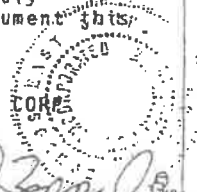
568

Page Seventeen

any failure to enforce the same irrespective of the number of violations or breaches which may occur.

IN WITNESS WHEREOF, Condos East Corp., by its duly authorized officer, has executed the foregoing instrument this 29th day of May, 1986.

CONDOS EAST CORP



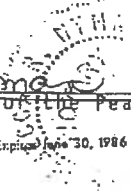
Rebecca R. Wyman
Witness

Daniel M. Zappala
Daniel M. Zappala

STATE OF NEW HAMPSHIRE
COUNTY OF:

Personally appeared Daniel M. Zappala, a duly authorized officer of Condos East Corp., and acknowledged the foregoing instrument to be his voluntary act and deed on behalf of the corporation.

Rebecca R. Wyman
Notary Public/Justice of the Peace
My commission expires: June 30, 1986



APPENDIX A

LEGAL DESCRIPTION OF SUBMITTED PROPERTY

Notch View Condominium

A certain parcel of land with the buildings thereon, situate on the westerly side of Route 3 in the Town of Lincoln, County of Grafton, and State of New Hampshire, more particularly described as follows:

BEGINNING at an iron pin on the easterly shore of Mill Brook and being the southwesterly corner of said premises; thence running south 74 58'50" east along land now or formerly of Clermont one hundred fifty-seven and eighty-six hundredths (157.86) feet to an iron pipe; thence running south 75 21'20" east along land of Clermont and Dempsey two hundred (200) feet to a point; thence turning and running north 09 24'45" east ninety-eight and eighty-seven hundredths (98.87) feet to a point; thence running north 14 37'55" east two hundred (200.00) feet to a point; thence turning and running north 68 35'55" west one hundred and thirty-eight hundredths (100.38) feet to a round concrete monument with drill hole; thence running north 68 35'55" west one hundred ninety-four and thirty hundredths (194.30) feet along land now or formerly of Parker-Young Company to an iron pin set in the easterly shore of Mill Brook; thence running in a southerly direction down the easterly bank of Mill Brook as it meanders to the point of beginning. This parcel of land contains 2.27 acres, more or less.

The above-described parcel of land is shown on a certain plan entitled "Land of William R. and Paraskavoula Walter in Lincoln, N.H.", surveyed by Roy A. Sabourn, L.L.S., July 5, 1985, revised November 1985, to be recorded in the Grafton County Registry of Deeds.

EXCEPTING and RESERVING from the above-described property, any rights of way or easements hereto granted to the State of New Hampshire, the Town of Lincoln, any public utility, or any other person.

EXCEPTING and RESERVING to Martin A. Brown, his heirs and assigns, all riparian rights of every kind and nature in and to the waters of Mill Brook and the use thereof.

SUBJECT TO any and all rights of way or easements formerly owned by Martin A. Brown over and across the premises, described in the following deeds viz:

1. Deed from the Parker-Young Company to Donald F. Salem, dated November 19, 1945 and recorded in the Grafton County Registry of Deeds at Volume 732, Page 58.
2. Deed from the Parker-Young Company to Ralph F. Salem, dated November 19, 1945, and recorded in the Grafton County Registry of Deeds at Volume 732, Page 59.
3. Deed from Martin A. Brown to Ralph B. Salem and Sheila Salem dated November 24, 1947 and recorded in Liber 762, Page 513 of the Grafton County Registry of Deeds.

See deed of Martin A. Brown to Arthur Salem dated September 9, 1955 and recorded in the Grafton County Registry of Deeds at Volume 876, Page 190.

MEANING and INTENDING to describe and convey all and the same premises as conveyed by Timbers Restaurant, Inc. to William R. Walter and Paraskavoula Walter by Warranty Deed dated June 3, 1982, and recorded in the Grafton County Registry of Deeds at Volume 1446, Page 182.

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APPENDIX B
LIMITED COMMON AREAS
NOTCH VIEW CONDOMINIUM

Limited Common Areas are defined and described as:

Entranceways, steps, decks and stairways, not part of the Unit, but which serve less than all the units are Limited Common Areas. Each Limited Common Area is owned in common by the owners, but is restricted to the use and benefit of the units which it serves directly. Limited Common Areas are depicted on the floor plans.

The Board of Directors may, in the future, assign as Limited Common Area such area(s) for the parking or storage of vehicles on a "First Come - First Serve" basis to unit owners who contact for same. See 3 (G) (IV) of the Declaration of Condominium and Sections 16 I(F) and 19 of the Condominium Act.

APPENDIX C
 UNIT AREA AND UNDIVIDED PERCENTAGE INTEREST

Notch View Condominium

<u>Unit Designation</u>	<u>Building</u>	<u>Floor</u>	<u>Area in Square Feet</u>	<u>Undivided Percentage Interest Common Area</u>
1	A1	First Floor		4.1667%
2	A1	First Floor		4.1667%
3	A1	First Floor		4.1667%
4	A1	First Floor		4.1667%
5	A1	Second Floor		4.1667%
6	A1	Second Floor		4.1667%
7	A1	Second Floor		4.1667%
8	A1	Second Floor		4.1667%
9	A2	First Floor		4.1667%
10	A2	First Floor		4.1667%
11	A2	First Floor		4.1667%
12	A2	First Floor		4.1667%
13	A2	Second Floor		4.1667%
14	A2	Second Floor		4.1667%
15	A2	Second Floor		4.1667%
16	A2	Second Floor		4.1667%
17	A3	First Floor		4.1667%
18	A3	First Floor		4.1667%
19	A3	First Floor		4.1667%
20	A3	First Floor		4.1667%
21	A3	Second Floor		4.1667%
22	A3	Second Floor		4.1667%
23	A3	Second Floor		4.1667%
24	A3	Second Floor		4.1667%
TOTAL 24 Units				100.00%

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572

APPENDIX D
WITHDRAWABLE LAND
NOTCH VIEW CONDOMINIUM

There is no land which may be withdrawn from the
Condominium Project.

APPENDIX E
BY-LAWS
NOTCH VIEW CONDOMINIUM

ARTICLE I
PLAN OF UNIT OWNERSHIP

1. Purpose. The administration of the Condominium shall be governed by these By-Laws which are annexed to the Declaration of this Condominium and are made a part thereof, and all present and future holders of any interest in the Condominium shall be members of the Association which is a "condominium management association" organized and operated to provide for the acquisition, construction, management, maintenance and care of "association property" as those terms are defined in Section 528 of the Internal Revenue Code, as may be amended. No part of the said earnings of said Association shall inure (other than by acquiring, constructing, or providing maintenance and care of "association property" and other than by a rebate of excess assessments pursuant to Article V, Section 1(c) hereof) to the benefit of any unit owner.

2. Definitions. Capitalized terms not otherwise defined in these By-Laws or in the Declaration shall have the meaning specified in Section 3 of the Condominium Act.

3. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property, and the use, occupancy, sale, lease, or other transfer thereof. All present and future Owners, tenants, future tenants, their guests, licensees, servants, agents, employees and any other Person who shall use the facilities of the Condominium, shall be subject to these By-Laws and to the Rules of the Condominium. The acceptance of a deed of conveyance or the entering into a lease or the act of occupancy of a Unit or any other portion of the Condominium shall constitute an acknowledgement that such Owner, tenant or occupant has completely accepted and ratified these By-Laws, the provisions of the Declaration and the Rules, and will fully comply with them.

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Page Two

4. Office. The office of the Condominium and of the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II

UNIT OWNERS' ASSOCIATION

1. Composition. All of the Unit Owners, acting as a group in accordance with the Condominium Act, the Declaration and these By-Laws, shall constitute the "Unit Owners' Association", which shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the assessments for Common Expenses, arranging for the management of the Condominium, and performing all of the acts that may be required to be performed by the Unit Owners' Association by the Condominium Act. Except as to those matters which the Act, the Declaration or these By-Laws specifically require to be performed by the vote of the Unit Owners, the administration of the Condominium shall be performed by the Board of Directors (as more particularly set forth in Article III).

2. Voting. Each Unit which has been conveyed or rented by the Declarant shall be entitled to the number of votes equal to the Percentage Interest assigned to such Unit in the Declaration. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Association, that person shall be entitled to cast the votes appertaining to that Unit. But if more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. As applied to a person which is a not a natural person, the word "person" shall be

Page Three

deemed for the purposes of this Section to include, without limitation, any one natural person having authority to execute deeds on behalf of such person which is not a natural person and which is, either alone or in conjunction with another person or persons, a Unit Owner. Except where a greater number is required by the Condominium Act, the Declaration, or these By-Laws, an affirmative majority of the votes cast at an Unit Owners' Association shall be sufficient to undertake action. If the Declarant owns or holds title to one or more Condominium Units, the Declarant shall have the right at any meeting of the Unit Owners' Association to cast the votes to which such Unit is entitled.

3. Place of Meeting. Meetings of the Unit Owners' Association shall be held at the principal office of the Condominium or at such other suitable place as may be designated by the Board of Directors and stated in the notice of the meeting.

4. Annual Meeting. The first annual meeting of the Unit Owners' Association shall be held on a date to be determined by the Declarant, which date shall be within one year after the formation of the Association by the recordation of the Declaration thereof. Notice of such meeting shall be given in accordance with the provisions of Section 6 of this Article II. At such meeting the persons designated by the Declarant shall resign as members of the Board of Directors, and all of the Owners, including the Declarant if the Declarant owns any Unit or Units, shall elect a new Board of Directors. Thereafter, the annual meetings of the Association shall be held on the same date as each succeeding year, or on such other date within a thirty (30) day period prior to such date, as may be designated by the Board of Directors and reflected in the said notice. At such annual meetings the Board of Directors shall be elected by ballot of the Owners in accordance with the requirements of Section 3 and 4 of Article III. The Association may transact such other business as may properly come before them at such meetings.

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576

Page Four

5. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners' Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Owners having not less than 30% of the votes of all Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

6. Notice of Meeting. It shall be the duty of the Secretary to mail, by United States mail, return receipt requested, a notice of each annual meeting or special meeting of the Owners, at least twenty-one (21) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units and at such other address as each Owner may have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

7. Voting Requirements. An Owner shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Unit Owners' Association if, and only if, he shall have fully paid all assessments made or levied and due against him and his Condominium Unit by the Board of Directors as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Condominium Unit, at least three days prior to the date fixed for such annual or special meeting.

8. Proxies. The votes appertaining to any Unit may be cast pursuant to a proxy or proxies in accordance with the provisions of Section 39 IV of the Condominium Act where the Unit Owner is more than one Person, by or on behalf of all such Persons.

Page Five

9. Quorum. As provided in Section 38 of the Act, a quorum shall be 33 1/3 percent of the Unit Owners present in person or by proxy at an Association meeting or 50 percent of the Directors present at any meeting of the Board of Directors.

10. Order of Business. The order of business at all meetings of the Unit Owners' Association may be as follows: (a) roll call; (b) recitation of proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) report of Board of Directors; (f) reports of committees; (g) election of directors, if applicable; (h) unfinished business; and (i) new business, any of which may be waived.

11. Conduct of Meetings. The President, or his designate, shall preside over all meetings of the Unit Owners' Association and the Secretary shall keep the minutes of the meeting and record in a Record Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat.

ARTICLE III

BOARD OF DIRECTORS

1. Powers and Duties. The affairs and business of the Condominium shall be managed by a Board of Directors (sometimes hereinafter referred to as the "Board") which shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Condominium Act or by these By-Laws directed to be exercised and done by the Unit Owners' Association. The Board of Directors shall have the power, from time to time, to adopt any Rules deemed necessary for the enjoyment of the Condominium provided that such Rules shall not be in conflict with the Condominium Act, the Declaration, or these By-Laws. The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters which might arise between meetings of the Board of Directors. In addition to the general duties imposed by these By-Laws, the Board of Directors shall have the power to, and be responsible for, the following:

SCHROEDER
& MCLETOCHE
ATTORNEYS AT LAW
OSSPEE,
NEW HAMPSHIRE 03864
603-530-2280

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577

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578

Page Six

(a) Preparation of an annual budget, in which there shall be established the assessment of each Owner for the Common Expenses;

(b) Making assessments against Owners to defray the Common Expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, collecting said assessments, depositing the proceed thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property. Unless otherwise determined by the Board of Directors, the annual assessments against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.

(c) Providing for the operation, care, upkeep, replacement and maintenance of all of the ^{and Limited Common Area} Common Area and services of the Condominium.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the ^{and Limited Common Area,} Common Area and providing services for the Property, and, where appropriate, providing for the compensation of such personnel and for the purchase or use of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment, if purchased, shall be deemed the common property of the Owners.

(e) Making and amending Rules respecting the use of the Property and enforcing by legal means the provisions of the Declaration, these By-Laws and such Rules, and bringing any proceedings which may be instituted on behalf of the Owners.

(f) Obtaining and carrying insurance against casualties and liabilities, as provided in Article VI of these By-Laws, and paying the premium cost thereof and making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and

Page Seven

restoration of, the Property, in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty.

(g) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Condominium. The said books shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices, and the same shall be audited at least once a year by an outside auditor employed by the Board of Directors who shall not be a resident of the Condominium, or an Owner therein. The cost of such audit shall be a Common Expense. A copy of the annual audit report shall be supplied to any first mortgagee of any Unit in the Condominium who requests the same in writing to the Secretary.

(h) To do such other things and acts not inconsistent with the Condominium Act and with the Declaration which it may be authorized to do by a resolution of the Unit Owners' Association.

2. Managing Agent. The Board of Directors may employ, or contract with, a professional manager or management firm ("Manager") for a fee or compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 1 of this Article III. The Board of Directors may delegate to the Manager all of the powers granted to the Board of Directors by these By-Laws; provided that any action by the Manager with respect to the powers set forth in Paragraphs (b) and (f) of Section 1 of this Article III shall require the written consent of the Board of Directors. The term of any employment contract for a Manager may not exceed two (2) years, and any such employment contract

1599

580

Page Eight

shall provide that such agreement may be terminated for cause upon no more than thirty (30) days written notice.

3. Number of Directors and Initial Selection of Board.

The Board of Directors shall be composed of not less than three nor more than five persons. Until the election of the Board of Directors takes place at the first annual meeting of the Unit Owners' Association as provided in Section 4 of Article III the Board of Directors shall consist of such persons as shall have been designated by the Declarant. Thereafter, anything in these By-Laws to the contrary notwithstanding, until two (2) years after the date of recordation of this Declaration at the Grafton County Registry of Deeds, or until Units representing three-fourths of the Percentage Interest appertaining to the ten Units contemplated have been conveyed by the Declarant, whichever first occurs, a majority of the members of the Board of Directors shall be selected and designated by the Declarant. The Declarant shall have the right in his sole discretion to replace such Directors as may be so selected and designated by it, and to select and designate their successors. The Declarant may relinquish his rights hereunder at any prior time. When elected by Unit Owners, the Directors shall consist only of Owners or spouses of Owners or, where a Person which is an Owner is not a natural person, any natural person having authority to execute deeds in behalf of such Person.

4. Election and Term of Office. At the first annual meeting of the Unit Owners' Association, directors shall be elected on staggered terms. The term of office of one director shall be fixed at one year and the term of office of a second director shall be fixed at two years, and the term of office of a third director shall be fixed at three years. Subject to the provisions of Section 3 above, at the expiration of the initial term of office of each respective director; each successor shall be elected at subsequent annual meetings of the Unit Owners' Association to serve a term of three years. The

Page Nine

directors shall hold office until their respective successors have been elected and hold their first meeting.

5. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the Unit Owners' Association shall be held within ten days after the annual meeting at such places as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present thereat.

6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two (2) such meetings shall be held during each twelve month period after the annual meeting of the Unit Owners' Association. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least five (5) business days prior to the day named for such meeting, except that no notice shall be required for a regular meeting held immediately after, and at the same place, the annual meeting of the Association.

7. Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) business days' notice to each director. Such notice shall be given personally or by mail, telephone or telegraph, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

8. Waiver of Notice. Before or within ten (10) days after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance

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582

Page Ten

by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

9. Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

10. Vacancies. Vacancies in the Board of Directors caused by any reason other than removal of a director by a vote of the Unit Owners' Association shall be filled by vote of the majority of the remaining directors, at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than quorum of the Board; and each person elected shall be a director for the remainder of the term of the director so replaced; provided, however, that the vacancy of any director designated by the Declarant pursuant to a right of the Declarant to make such designation shall be filled by the Declarant.

11. Removal of Directors. A director may be removed with or without cause and his successor elected, at any duly called regular or special meeting of the Unit Owners' Association at which a quorum is present, by an affirmative vote of a majority of the votes represented and voting. Any director whose removal has been proposed by the Owners shall be given at least

Page Eleven

ten (10) days' notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Notwithstanding anything in this section to the contrary, no person selected and designated by the Declarant as a member of the Board of Directors may be removed without the consent of the Declarant and in such event the Declarant shall select and designate his successor.

12. Compensation. No director shall receive any compensation from the Condominium for acting as such.

13. Conduct of Meetings. The President or, in his absence, a president pro tem elected by the Board, shall preside over all meetings of the Board of Directors and the Secretary shall keep minutes of the meetings of the Board of Directors recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings, which minutes shall be filed in the Record Book of the Condominium.

14. Report of Board of Directors. The Board of Directors shall present at each annual meeting, and when called for by vote of the Unit Owners' Association at any special meeting of the Unit Owners' Association, a full and clear statement of the business and condition of the Condominium.

15. Fidelity Bonds. The Board of Directors may require that all officers, agents (including the Manager) and employees of the Unit Owners' Association handling or responsible for funds furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Common Expense.

16. Dispensing with Vote. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

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584

Page Twelve

17. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith or actions which are contrary to the provisions of the Declaration or of these By-Laws. The Owners shall indemnify and hold harmless each of the Directors from and against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Owners unless any such contract shall have been made in bad faith, result from willful misconduct or be contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability (except as Owners) with respect to any contract made by them on behalf of the Owners, unless made in bad faith, due to willful misconduct or contrary to such provisions. It is also intended that the liability of any Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all of the Owners. Every written agreement made by the Board of Directors or by the Manager on behalf of the Owners shall, if obtainable, provide that the members of the Board of Directors or the Manager, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all Owners. If timely notice is given to the Owners of the commencement of any suit and the Owners are given the opportunity to designate a defense attorney, the Owners shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or

Page Thirteen

completed action, suit or proceeding, whether or not based in contract, by reason of the fact that he is or was a Director, or officer, against expenses of investigation and defense (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding unless he acted in bad faith or was guilty of willful misconduct or acted contrary to the provisions of the Declaration or these By-Laws.

ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Condominium shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may appoint such other officers as in its judgment may be necessary. With the exception of the President, no officer need be a member of the Board. The offices of Treasurer and Secretary may be held by the same person.
2. Election of Officers. The officers of the Condominium shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any vacancy in an office shall be filled by the Board at a regular meeting or special meeting called for such purpose.
3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.
4. President. The President shall be the chief executive officer; he, or his designate, shall preside at meetings of the Unit Owners' Association and, if present at meetings of the

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Page Fourteen

Board of Directors and shall be an ex officio member of all committees; he shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the office of president of a stock corporation organized under the laws of the State of New Hampshire.

5. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Unit Owners' Association, shall record the minutes of all proceedings in the record book of the Condominium and shall perform like duties for committees when required. He shall keep the record book current and in his custody. He shall give, or cause to be given, notice of all meetings of the Unit Owners' Association, the Board and committees and shall perform such other duties as may be prescribed by the Board or President. He shall compile and keep current at the principal office of the Condominium, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days.

6. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Manager and, with the assistance of the Manager, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all moneys and other valuable effects in such depositories as may be designated by the Board. He shall disburse funds as ordered by the Board, where possible taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Condominium.

Page Fifteen

7. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium for expenditures or obligations shall be executed by any officer of the Condominium or by such other person or persons as may be designated by the Board of Directors.

8. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

OPERATION OF THE PROPERTY

1. Determination of Common Expenses and Assessments Against Owners.

(a) Fiscal Year. The fiscal year of the Condominium shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year shall begin at the date of organization and terminate on December 31. The fiscal year herein established shall be subject to change by the Board of Directors should practice subsequently dictate.

(b) Preparation and Approval of Budget. Each year the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Area and any parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, the Declaration, these By-Laws or a resolution of the Unit Owners' Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Owners of all related services. Such budget shall also include such reasonable reserves as the Board of

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588

Page Sixteen

Directors considers necessary to provide a general operating reserve, and reserves for contingencies and replacements. The Board of Directors shall make reasonable efforts to send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the Common Expenses payable by each Owner, at least fifteen days in advance of the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Owner's contribution for the Common Expenses of the Condominium.

(c) Assessment and Payment of Common Expenses. The total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed against each Owner of a Unit which has been conveyed or rented by the Declarant in proportion to the number of votes in the Unit Owners' Association appertaining to his Unit, and shall be a lien against each Owner's Condominium Unit in accordance with the Condominium Act. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each Owner shall be obligated to pay to the Association one-twelfth of the assessment for such fiscal year made pursuant to the foregoing provisions. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall supply to all Owners an itemized income and expense statement. Any amount accumulated in excess of the amount required for actual expenses and budgeted reserves shall, in the discretion of the Board of Directors, either be rebated to the Owners in accordance with each Owner's votes in the Association by crediting same to the next successive monthly installments due from Owners under the then current fiscal year's budget, until exhausted, or shall be added to reserves. Any net shortage shall, if the Board of Directors deems it advisable, be added according to each Owner's votes in the Unit Owners' Association to the installments due in the succeeding six months after the rendering of the accounting.

Page Seventeen

(d) Reserves. The Board of Directors shall build up and maintain an adequate operating reserve and reserve for replacement of the Common Area, which shall be funded by regular monthly payments, as provided for in subsection (c). At the end of each fiscal year, all funds accumulated during such year for reserves for replacement of Common Area shall be placed in a separate bank account, segregated from the general operating funds, and used only for such purposes. If for any reason, including nonpayment of any Owner's assessment, the reserves are inadequate, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Owners according to their respective votes in the Unit Owners' Association, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessments.

(e) Initial Assessment. When the first Board of Directors takes office, it shall determine the budget, as defined in this section, for the period commencing upon the recordation of the Declaration at the Grafton County Registry of Deeds and ending on the last day of the fiscal year in which their election occurs. Assessments shall be levied against the Owners during said period as provided in paragraph (c) of this Section. The Board of Directors may establish an initial operating reserve through special assessment of each Owner upon purchase of his Condominium Unit from the Declarant.

(f) Effect of Failure to Prepare or Adopt Budget.
The failure or delay of the Board of Directors to prepare or

1599

590

Page Eighteen

adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of any Owner's obligation to pay his allocable share of the Common Expenses as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Owner shall continue to pay the monthly charge at the then-existing monthly rate established for the previous fiscal period until 10 days after a statement has been mailed or delivered showing the monthly payment which is due under the new annual or adjusted budget.

2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V. No Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Area or by abandonment of his Unit. No Owner shall be liable for the payment of any part of the Common Expenses assessed or accrued against his Condominium Unit subsequent to a sale, transfer or other conveyance by him of such Condominium Unit. The purchaser of a Condominium Unit or other acquiring Owner by virtue of any transfer or other conveyance shall be jointly and severally liable with the transferring Owner for all accrued and unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the conveyance, without prejudice to the acquiring Owner's right to recover from the transferring Owner the amounts paid by the acquirer therefor provided, however, that any such acquiring Owner or transferring Owner shall be entitled to a recordable statement from the Board of Directors or the Manager setting forth the amount of the unpaid assessments against the transferring Owner and such acquiring Owner shall not be liable for, nor shall the Condominium Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; failure to furnish or

Page Nineteen

make available such a statement within seven days from receipt of such request by the Board or Manager, shall extinguish the lien for unpaid assessments. Payment of a fee of Ten Dollars or the maximum allowable under the Condominium Act, whichever is greater, shall be required as a prerequisite for issuance of such a statement. If a mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of a first mortgage, or through the enforcement of any other remedies provided for in the mortgage, or by virtue of a deed in lieu of foreclosure, such mortgagee or purchaser, its successors and assigns, shall not be liable for the payment of Common Expenses assessed prior to the acquisition of title to such Unit by such mortgagee or purchaser pursuant to the aforesaid remedies, and the Condominium Unit shall not be subject to a lien for same, except for any Common Expenses assessed against such Unit prior to the execution of the mortgage by the Owner which were not paid or waived pursuant to Section 2 of Article VIII. Such unpaid shares of Common Expenses assessed prior to the acquisition of title to such Unit by such mortgagee or purchaser pursuant to the aforesaid remedies shall be collectible from all Owners, including the purchaser or first mortgagee, in proportion to their respective votes in the Unit Owners' Association.

3. Collection of Assessments. The Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Owner which remain unpaid for more than sixty days from the due date for payment thereof.

4. Maintenance and Repair.

(a) By the Board of Directors. Except as otherwise provided in Section 4(b) below, the Board of Directors shall be responsible for the maintenance, repair and replacement (unless necessitated by the negligence, misuse or neglect of an Owner, or of a person gaining access with said Owner's actual or implied consent, in which case such expense shall be charged to

1599

592

Page Twenty

such Owner), of all of the Common Area and similarly shall have overall responsibility, in the first instance, but subject to reimbursement of the expense thereof by an adjoining Unit Owner, of the Limited Common Area appurtenant to such unit, and whether located inside or outside of the Units, and whether presently existing or hereafter constructed, the cost of which shall be charged to all Owners as a Common Expense.

(b) By the Owner. Except for the portions of his Unit required to be maintained, repaired and replaced by the Board of Directors, each Owner shall be responsible for the maintenance, repair and replacement, at his expense, of his Unit, and any part thereof, including but not limited to, exterior glass and doors, any interior walls, finished interior surface of ceiling and floors; kitchen and bathroom fixtures and appliances and those parts of the heating and air conditioning, plumbing and electrical systems which are wholly contained within his Unit and serve no other. Each Owner shall be responsible for performing the normal maintenance for any Limited Common Area which is appurtenant to his Unit, including keeping it in a clean, safe and sanitary condition and free and clear of snow, ice and any accumulation of water, and shall make, at his own expense, but subject to the supervision of the Directors, all repairs thereto, beyond normal maintenance, caused or necessitated by his negligence, misuse or neglect. Each Owner shall keep the interior of his Unit and its equipment and appurtenances in good order, condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Owner shall be responsible for all damage to any and all other Units or to the Common Area resulting from his failure to make any of the repairs required to be made by him by this section. Each Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall

Page Twenty-One

promptly report to the Board of Directors, or the Manager, any defects or need for repairs for which the Board of Directors is responsible.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation, and shall be of first class quality. The method of approving payment vouchers for all repairs and replacement shall be determined by the Board of Directors.

5. Additions, Alterations or Improvements by Board of Directors. Whenever, in the judgment of the Board of Directors, the Common Area shall require additions, alterations or improvements costing in excess of Five Thousand Dollars (\$5,000) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by a majority of the Owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Five Thousand Dollars (\$5,000) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Owners and the cost thereof shall constitute part of the Common Expenses. Notwithstanding the foregoing, if, in the opinion of not less than 75% of the members of the Board of Directors, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of a limited number of Owner or Owners requesting the same, such requesting Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

6. Additions, Alterations or Improvements by Owners. No Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Board of Directors. No Owner shall paint,

1599

594

Page Twenty-Two

decorate or otherwise change the external appearance of his Unit, including the doors and windows, or of any fence, or of any exterior surface of the Building, without the prior written consent thereto of the Board of Directors. The Board of Directors shall be obligated to answer any written request by an Owner for approval of such proposed structural addition, alteration or improvement or such external change within thirty (30) days after such request, and its failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvements or change. The provisions of this Section 6 shall not apply to Condominium Units owned by the Declarant until such Units have been initially conveyed by the Declarant.

7. Restrictions on Use of Units. To assist the Condominium in providing for congenial occupancy and the protection of the value of the Units, it is necessary that the Board of Directors have the right and authority to exercise reasonable controls over the use of the Units. Violation of the following enumerated prohibitions shall not be permitted, and the Board of Directors is hereby authorized to take all steps necessary to prevent or discontinue any violations thereof, all at the expense of the violator:

(a) No advertisements, signs or posters of any kind shall be posted in or on the Property except as authorized by the Board. This restriction shall not apply to advertisements, signs or posters utilized by the Declarant, or its agents, in selling or renting the Units.

(b) No clothing, laundry, rugs, or other objects shall be hung, shaken or thrown from any window or exterior portion of a Unit or otherwise left or placed in such a way as to be exposed to public view or the exterior view of any Unit Owner. All refuse and trash shall be placed in locations specifically designated by the Board, and no garbage or trash

Page Twenty-Three

shall be permitted to remain in public view or the exterior view of any Unit Owner. No campers, ski mobiles, boats, tools, equipment or materials of any nature may be kept or stored outside of any building or in open view except in such spaces, if any, as may be expressly designated in writing by the Board of Directors. Not more than two motor vehicles for each Unit shall be permitted to park on the condominium premise.

(c) Not more than two common household pets shall be kept or maintained on the Property. No pet shall be tied or caged outside of the Condominium on the Common Area nor shall such pet be allowed to roam free on the Common Area.

(d) 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 Condominium by others.

(e) No Owner, tenant or guest shall allow the installation of wiring for electrical or telephone use, television antennae, air conditioning unit or other machine or equipment, which protrudes through the walls or the roof of any building or is otherwise visible on the exterior of a building except as presently installed or as authorized by the Board.

(f) No Unit or Common Area of the Condominium may be used for any unlawful, immoral or improper purpose.

(g) Nothing shall be done in any Unit or in, or to the Common Area which may impair the structural integrity of the Property, or which would structurally change a building or improvements thereon except as provided in the Declaration or these By-Laws. Nothing shall be altered or constructed in or removed from the Common Area, except upon the written consent of the Board of Directors.

(h) No Owner, tenant or guest shall direct or engage any employee of the Condominium on any private business, nor shall he direct, supervise or in any manner attempt to assert

1599

596

Page Twenty-Four

control over any such Condominium employee.

(1) No activity shall be done or maintained in any Unit or upon any Common Area which will increase the rate of insurance on any Unit or the Common Area or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board of Directors. No waste shall be committed in the Common Area.

In the use of the Units and the Common Area of the Condominium, Owners shall obey and abide by all valid laws, ordinances and zoning and other governmental regulations affecting the same and all applicable Rules adopted by the Board. The Common Area 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 the Units.

8. Right of Access. An Owner shall grant a right of access to his Unit to the Board of Directors or the Manager, or to any other person authorized by the Board for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or Common Area, or for the purpose of performing installation, alterations or repairs to the mechanical or electrical services or other Common Area in his Unit or elsewhere in the building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of any emergency, such right of entry shall be immediate whether the Owner is present at the time or not.

9. Rules. Rules concerning the operation and use of the Common Area may be promulgated and amended by the Board of Directors, provided that such Rules are not contrary to or inconsistent with the Condominium Act, the Declaration or these By-Laws. Copies of the Rules shall be furnished by the Board

Page Twenty-Five

of Directors to each Owner prior to the time when the same shall become effective.

ARTICLE VI

INSURANCE

1. Insurance Required. Pursuant to Section 43 of the Condominium Act, the Board of Directors shall obtain (i) a master casualty policy affording fire and extended coverage in an amount equal to the full replacement value of the structures within the Condominium; (ii) a master liability policy covering the Association, the Board, the Manager and agents or employees of the foregoing with respect to the Condominium, and all Owners and other persons entitled to occupy any portion of the Condominium; and (iii) such other policies as specified hereinbelow, which insurance shall be governed by the following provisions to the extent obtainable or possible.

(a) Fire insurance with standard extended coverage endorsement, vandalism and malicious mischief endorsements insuring all the buildings in the Condominium including without limitation all such portions of the interior of such buildings as are for insurance purposes normally deemed to constitute a part of the building and customarily covered by such insurance, such as heating and air conditioning and other service machinery, interior walls, all finished wall surfaces, ceiling and floor surfaces including any wall to wall floor coverings, bathroom and kitchen cabinets and fixtures, including appliances which are affixed to the buildings, and heating and lighting fixtures, except for improvements made by individual Owners which exceed a total value of One Thousand Dollars (\$1,000) and are not reported to the insurer, such insurance to be in an amount at least equal to the replacement value of the buildings and to be payable to the Board as trustee for the Owners and their mortgagees as their respective interests may appear.

(b) Public liability insurance in such amounts as the Board may from time to time determine, but in no event shall

1599

598

Page Twenty-Six

the limits of liability be less than \$1,000,000 for bodily injury and \$100,000 for property damage per occurrence, insuring the Association and all individuals referred to in Section 1 above, against any liability to anyone, and with cross liability coverage with respect to liability claims of any one insured thereunder against any other insured thereunder. This insurance, however, shall not insure against individual liability for negligence occurring within a Unit or within the Limited Common Area to which a Unit has exclusive use.

(c) Workmen's compensation insurance as required by law.

(d) Such other insurance as the Board may determine.

2. General Insurance Provisions.

(a) The Board shall deal with the insurer or insurance agent in connection with the adjusting of all claims covered by insurance policies provided for under Paragraph 1 above and shall review with the insurer or insurance agent, at least annually, the coverage under said policies, said review to include an appraisal of improvements within the Condominium, and shall make any necessary changes in the policy provided for under Paragraph 1(a) above (prior to the expiration set forth in any agreed amount endorsement contained in said policy) in order to meet the coverage requirements of such Paragraph.

(b) The Board shall be required to make every effort to see that all policies of physical damage insurance provided for under Paragraph 1 above: (i) shall contain waivers of subrogation by the insurer as to claims against the Association, its employees and agents, members of the Board, the Manager, Owners and members of the family of any Owner who reside with said Owner, except in cases of arson and fraud; (ii) shall contain a waiver of defense of invalidity or prejudice on account of the conduct of any of the Owners over which the Association has "no control"; (iii) shall contain a waiver of defense of invalidity or prejudice by failure of the

Page Twenty-Seven

insured, or Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or Owners collectively, have no control; (iv) shall provide that such policies may not be cancelled or substantially modified without at least thirty days written notice to all of the insureds thereunder and all mortgagees of Units in the Condominium; (v) shall provide that in no event shall the insurance under said policies be brought into contribution with insurance purchased individually by Owners or their mortgagees; (vi) shall exclude policies obtained by individual Owners for consideration under any "no other insurance" clause; and (vii) shall provide that until the expiration of thirty days after the insurer gives notice in writing to the mortgagee of any Unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Owners, the Board of Directors, or any of their agents, employees or household members, nor cancelled for non-payment of premiums.

3. Individual Policies. Any Owner and any mortgagee may obtain at his own expense additional insurance (including a "condominium unit-owner's endorsement" for improvements and betterments to a Unit made or acquired at the expense of the Owner). Such insurance should contain the same waiver of subrogation provision as that set forth in Section 2(b) of this Article VI. It is recommended that each Owner obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a "Tenant's Homeowners Policy", or equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the Unit, additional living expense, vandalism or malicious mischief, theft, personal liability and the like.

(a) Each Owner may obtain additional insurance for his own benefit and at his own expense. No such policy shall be written so as to decrease the coverage under any of the policies obtained by the Board pursuant to Paragraph 1(a)

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600

Page Twenty-Eight

above, and each Owner hereby assigns to the Board the proceeds of any such policy to the extent that any such policy does in fact result in a decrease in such coverage, said proceeds to be applied pursuant to the terms hereof as if produced by such coverage. Copies of all such policies (except policies covering only personal property, owned or supplied by individual Owners) shall be filed with the Association.

(b) Each Owner should obtain insurance for his own benefit and at his own expense insuring all personal property presently or hereafter located in his Unit or Limited Common Area, any floor coverings, appliances and other personal property not covered in the master policy, and all improvements to his Unit which exceed a total value of \$1,000 and which are not reported to the Board.

(c) Each Owner, prior to commencement of construction of such improvements, shall notify the Board of all improvements to his Unit (except personal property other than fixtures) which exceed a total value of \$1,000 and upon receipt of such notice, the Board shall notify the insurer under any policy obtained pursuant to Paragraph 1(a) hereof, of any such improvements to the real estate for inclusion on the master policy.

(d) Each Owner should obtain liability insurance with respect to his ownership and/or use of his Unit.

4. Notice to Unit Owners. Excepting such policies as are obtained in behalf of the Association prior to the conveyance of the first Unit in the Condominium, when any policy of insurance has been obtained on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or in such initial policies, or termination thereof shall be promptly furnished to each Unit Owner by the Secretary of the Association. Such notice shall be sent to all Unit Owners of record at the address of their respective Units and to such other addresses as any of them may have designated to the Secretary; or such notice may be hand delivered by the Secretary or Manager.

Page Twenty-Nine

ARTICLE VII

REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

1. When Repair and Reconstruction are Required. Subject to the provisions of Paragraph 3(i) of the Declaration, in the event of damage to or destruction of all or part of the buildings in the Condominium as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the damaged or destroyed portion of the buildings. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating work in his own Unit.

2. Procedure for Reconstruction and Repair.

(a) Immediately after a fire or other casualty causing damage to a building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the damage to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments in sufficient amounts to provide payment of such costs shall be made against the Owners in proportion to their respective votes in the Unit Owners' Association.

(c) Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications under which the damaged building was originally constructed.

(d) Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in

1599

602

Page Thirty

accordance with original plans and specifications under which the damaged building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building (as reconstructed) shall stand.

3. Disbursements of Construction Funds.

(a) The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Directors from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair by the Board of Directors.

(b) The construction fund shall be paid by the Board of Directors in appropriate progress payments, to such contractors, suppliers and personnel engaged in performing the work or supplying materials or services for the repair and reconstruction of the building as are designated by the Board of Directors.

(c) It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after the payment of all of the cost of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Owners.

(d) When the damage is to both Common Area and Units, the insurance proceeds shall, to the extent practical, be applied first to the cost of repairing the Common Area and the balance to the cost of repairing the Units.

ARTICLE VIII

SALES, LEASES, AND ALIENATION OF UNITS

1. No Severance of Ownership. No Owner shall execute any deed, lease, mortgage or instrument conveying or mortgaging the title to his Unit without including therein the Limited Common Area and the undivided interest of such Unit in the Common Area, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, lease, mortgage, or

Page Thirty-One

other instrument purporting to affect one or more of 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 herein. Except to the extent otherwise expressly provided by the Declaration, these By-Laws or the Condominium Act, the undivided interest in the Common Area^{and Limited Common Area} allocated to any Unit shall not be altered, and any purported transfer, encumbrance, or other disposition of that interest without the Unit to which it appertains shall be void.

2. Payment of Assessments. No Owner shall be permitted to convey, mortgage, sell, lease, give or devise his Unit unless and until he (or his personal representative) shall have paid in full to the Board of Directors all unpaid Common Expenses theretofore assessed by the Board of Directors with respect to this Unit, and shall have satisfied all unpaid liens with respect to his Unit, except mortgages. Where this provision is satisfied at the time of execution of a mortgage, there shall be no requirement that it again be satisfied at the time of a subsequent foreclosure of such mortgage, or deed in lieu of such foreclosure. The Board of Directors shall promptly furnish to any Owner (or his devisee or personal representative) requesting the same in writing pursuant to this Section, a recordable statement certifying whether or not such Owner is then obligated for any outstanding assessments previously levied against that Owner's Unit and the amount, if any, then outstanding. In the event that the Unit is subject to outstanding expenses previously levied against such Unit, the statement shall certify any waiver of, or failure of refusal to exercise, the right of the Unit Owners' Association to prevent the disposition of such Unit, in all cases where the Association allows such disposition. Failure or refusal to furnish in the manner in which notices are provided pursuant to Section 1 of Article XII, within seven days of receipt of such request by the Board or Manager, such a statement shall

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604

Page Thirty-Two

constitute a waiver of such assessment and make the above-mentioned prohibition inapplicable to any such disposition of the Unit. Any such statement shall be binding on the Association, the Board of Directors and every Owner. Payment of a fee not exceeding the maximum amount allowable under the Condominium Act may be required as a prerequisite to the issuance of such a statement.

ARTICLE IX

AMENDMENT TO BY-LAWS

1. Amendments. Except as otherwise provided in the Condominium Act and herein, these By-Laws may be modified or amended either (i) by a vote of at least sixty-six and two-thirds percent of the Owners cast in person or by proxy at meeting duly held in accordance with the provisions hereof, provided that Notice of the proposed amendment shall have been given to each Owner simultaneously with the notice of such meeting, or (ii) pursuant to written instrument or instruments duly executed by of at least sixty-six and two-thirds percent of the Owners; provided, however, that (a) Section 4 of Article II and Section 3 of Article III, insofar as they relate to the selection of members of the Board of Directors by the Declarant, (b) Section 2 of Article II, insofar as it provides that the Declarant, so long as it is the Owner of one or more Units, may vote the votes appurtenant thereto, and (c) this Section 1 of Article X may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be an Owner. Furthermore, notwithstanding the foregoing, so long as the Declarant is the Owner of one or more Units, no amendment to the By-Laws or Rules may be adopted which could interfere with the construction, display, sale, lease or other disposition of such Unit or Units.

2. Recording. A modification or amendment of these By-Laws shall become effective only when it has been duly evidenced in accordance with the provisions of Section 34 IV of the Condominium Act.

Page Thirty-Three

3. Conflicts. No modification or amendment of these By-Laws may be adopted which shall be inconsistent with the provisions of the Condominium Act or with the provisions of the Declaration. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official By-Laws of the Condominium and all Owners shall be bound to abide by such modification or amendment.

4. Approval of Mortgagees. These By-Laws contain provisions concerning various rights, priorities, remedies and interests of the mortgagees of Units. Such provisions in these By-Laws are to be construed as covenants for the protection of the mortgagees on which they may rely in making loans secured by mortgages on the Units. Accordingly, all mortgagees with respect to which the Board has received notice pursuant to Article XI below shall be given thirty days notice of all proposed amendments, and no amendment or modification of these By-Laws impairing or affecting the rights, priorities, remedies or interests of a mortgagee (including the mortgagee's use of a secondary mortgage market, i.e., the saleability of mortgages to Mortgage Guaranty Insurance Corporation, Federal National Mortgage Corporation, Federal Home Loan Mortgage Corporation, etc.) shall be adopted without the prior written consent of such mortgagee. If there is more than one mortgagee holding mortgages on the Units, it shall be sufficient for this purpose to obtain the written consent of the mortgagee or mortgagees holding mortgages on 75% or more of the Units encumbered by mortgages.

ARTICLE X

MORTGAGES

1. Notice to Board. An Owner who mortgages his Condominium Unit shall notify the Board of the name and address of his mortgagee, and shall file a conformed copy of the mortgage with the Board. The Board shall maintain suitable records pertaining to such mortgages.

2. Notice of Unpaid Assessments for Common Expenses. The Board whenever so requested in writing by a mortgagee of a

1599

606

Page Thirty-Four

Condominium Unit shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Owner of the mortgaged Condominium Unit.

3. Notice of Default. The Board shall give written notice to an Owner of any default by the Owner in the performance of any obligations under the Act, Declaration or By-Laws, and if such default is not cured within thirty (30) days, 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 Board. No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Declaration or these By-Laws except after ten (10) days written notice to the holder of the first mortgage on the Unit which is the subject matter of such suit or proceeding.

4. Notice of Damage. The Board of Directors shall notify: (i) the mortgagee of a Unit whenever damage to the Unit covered by the mortgage exceeds \$1,000 and the Board is made aware of such damage; and (ii) all mortgagees whenever damage or loss to, or taking of, the Common Area exceeds \$10,000.

5. Examination of Books. Each Owner and each mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but, with respect to Owners, not more often than once a month.

ARTICLE XI

NOTICE

1. Manner of Notice. All notices, demands, bills, statements or other communications provided for or required under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U. S. mail, return receipt requested, first class postage prepaid, (i) if to an Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Secretary, or (ii) if to the Unit Owners' Association, the Board of Directors or the Manager at the

Page Thirty-Five

principal office of the Manager or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Condominium Act.

ARTICLE XII

COMPLIANCE AND DEFAULT

1. Relief. Each Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-Laws and the Rules, and any amendments of the same. A default by an Owner shall entitle the Unit Owners' Association acting through the Board of Directors or the Manager, to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these By-Laws, and the Rules shall be grounds for relief which may include without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these By-Laws, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Unit Owners' Association, the Board of Directors, the Manager, or, if appropriate, by an aggrieved Owner.

(b) Additional Liability. Each Owner shall be liable for the expenses of all maintenance, repair or replacement rendered necessary by his acts, neglect or carelessness or the act, neglect or carelessness of any member of his family or his tenants, guests, employees, agents or invitees. Such liability shall include any increase in fire or casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit

or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company of its rights of subrogation.

(c) Costs and Attorneys' Fees. In any proceeding taken to enforce the provisions of the Declaration or these By-Laws or to remedy an alleged default by an Owner or others responsible hereunder, the prevailing party shall be entitled to recover the costs and expenses of such action including such reasonable attorneys' fees as may be incurred in connection therewith and regardless of whether actual litigation is either instituted or concluded in court.

(d) No Waiver of Rights. The failure of the Unit Owners' Association, the Board of Directors, or of an Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these By-Laws or the Rules shall not constitute a waiver of the right of the Association, the Board of Directors, or any Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors, or any Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors, or any Owner pursuant to any term, provision, covenant or condition or the Declaration or the Rules shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same or from exercising such privileges as may be granted to such party by the Declaration, these By-Laws or the Rules, or at law or in equity.

(e) Interest. In the event of a default by an Owner against him which continues for a period in excess of thirty days after written notice given, such Owner shall be obligated to pay interest on the amounts due at the highest rate permitted by law, or at twelve percent (12%), whichever is less, per annum from the due date thereof. In addition, the Board of Directors shall have the authority to impose a late

Page Thirty-Seven

payment charge on such defaulting Owners in an amount not to exceed \$15, or six cents (\$.06) per dollar on any amount so overdue, whichever is greater.

(f) Abatement and Enjoinment of Violations by Owners.

The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors or the Manager the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of provisions hereof and the Board of Directors or Manager shall not thereby be deemed guilty of trespass or otherwise liable in any manner; (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or (c) to suspend or limit the right of the Owner committing the violation to use any part of the Common Area during the continuance of such violation.

2. Lien for Assessments.

(a) The total annual assessment of each Owner for the Common Expenses or any special assessment levied pursuant to these By-Laws is hereby declared to be a lien levied against the Unit of such Owner as provided in the Condominium Act, (including without limitation the priority provisions set forth in Section 46 thereof) which lien shall be effective when perfected in accordance with said Act.

(b) In any case where an assessment against an Owner is payable in installments, upon a default by such Owner in the payment of any single installment, which continues for ten days after written notice of such default has been sent to the Owner, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the then balance owing may be declared due and payable in full by the service of

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610

Page Thirty-Eight

notice to such effect upon the defaulting Owner by the Board of Directors or Manager. The Association, in order to perfect such lien, shall file before the expiration of six months from the time that the delinquent assessment (or installment, where such assessment is payable in installments) became due and payable, a memorandum in the Grafton County Registry of Deeds in form and manner prescribed in said Act. Said notice of lien, however, may on its terms provide for continuing and future defaults.

(c) The lien for assessments shall include provision for interest, costs and attorneys' fees as provided in Section 1 of this Article XII and may be foreclosed in the manner provided by the laws of the State of New Hampshire for the foreclosure of power of sale mortgages or by suit brought in the name of the Board of Directors, acting on behalf of the Unit Owners' Association. During the pendency of such proceedings or suit, any Owner, holding over, shall be required to pay a reasonable rental for the Unit for any period prior to and thereafter sale pursuant to any judgment or order of any court having jurisdiction over such sale until actual vacancy or desertion occurs.

(d) Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be available without bringing suit to recover a money judgment.

ARTICLE XIII

COMPLIANCE, CONFLICT AND MISCELLANEOUS PROVISIONS

1. Compliance. These By-Laws are set forth in compliance with the requirements of the Condominium Act (herein sometimes referred to as the "Act").

2. Severability. These By-Laws are set forth to comply with the requirements of the State of New Hampshire. In case any of the By-Laws are in conflict with the provisions of any of its statutes, the provisions of the statutes will apply. If any provisions of these By-Laws or any section, sentence, clause, phrase or word, or the application thereof in any

Page Thirty-Nine

circumstance is held invalid, the validity of the remainder of these By-Laws, shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

3. Waiver. No restriction, condition, obligation, or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

4. Captions. The captions contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

5. Gender, ect. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, Declarant has caused these By-Laws to be executed this 29th day of May, 1986

Witness:

DECLARANT
CONDOS EAST CORP.

Peter H. Hagen

By: Daniel M. Zappala
Daniel M. Zappala,
Its President

Received and recorded: May 29, 1986 3:45 P.M.

Charles A. Wood, Register