

PINE HARBOR CONDOMINIUM DECLARATION

Revised and Amended through February 25, 2003

Wolfeboro, New Hampshire

On the 15th day of July, 1983, witnesseth that RICHARD G. HAMMER, as Trustee of Pine Harbor Realty Trust, under Declaration of Trust dated July 17, 1981, (hereinafter referred to as "Declarant") as the owner of certain real property located on the westerly side of Route 109 in Wolfeboro, together with buildings and certain other improvements heretofore constructed or hereinafter 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 a site plan entitled "Pine Harbor, A Condominium Development For Pine Harbor Realty Trust, Wolfeboro, N.H." prepared by White Mountain Survey & Engineering on June 11, 1982, and approved by the Wolfeboro Planning Board on July 6, 1982 hereinafter referred to as the "Site Plan" which has been recorded at Plan Book 59, Page 9, and a set of the floor plans by W. D. Flierl dated July 1982 of the buildings constructed, or to be constructed in the project, is similarly filed of record at the Carroll County Registry of Deeds, herewith, on the 18th day of July, 1983 at Plan Book 63, Page 53-56.

1. Submission of Property: The Declarant does hereby publish and declare that all of the property described in Exhibit A is submitted to the condominium form of ownership and use and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, uses, limitations, and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into a Condominium, and which shall be deemed to run with the land and shall be burden and benefit to the Declarant, its successors and assigns, and any person acquiring or owning interest in the real property and improvements, their grantees, successors and assigns.

2. Definitions: As provided in Section 12 I of the Condominium Act, capitalized terms not otherwise expressly defined below or in the Bylaws attached hereto as Exhibit F, as amended from time to time, shall have the meaning specified in Section 3 of the Condominium Act.

(2a) "Bylaws" mean the Bylaws providing for the self government of the Condominium attached hereto as Exhibit F, as amended from time to time.

(2b) "Common Area" means those parts of the Property other than the Units and Limited Common area, as more fully set forth in Paragraph (3e) of this Declaration.

(2c) "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 operation, maintenance and replacement of the sewage and waste disposal systems as may be needed in the future, as well as similar expenses for the condominium buildings, docks and similar systems or activities benefiting the condominium project as a whole, including payment of real estate taxes and insurance on the Common Areas, all of which shall be the joint and several responsibility of the members of the Unit Owners Associations. It shall also mean taxes, maintenance, repair, and improvement of Limited Common Area which are the responsibility of the Board of Directors to assess in the first instance even though an individual Unit Owner ultimately may be entirely liable therefore.

(2d) "Condominium" means the Pine Harbor Condominium established by this Declaration.

(2e) "Condominium Act" means Chapter 356-B of the New Hampshire Revised Statutes Annotated, as amended.

(2f) "Condominium Land" means that area designated on the Site Plan within the Common Area, reserved for future optional building of condominium units, garages, recreational and the creation of Limited Common Area in connection therewith.

(2g) "Land" means the geographical area submitted to the form of condominium ownership as shown on the Site Plan.

(2h) "Majority of the Owners" means the Owners of the Units to which more than 50% of the votes in the Association of Owners of Units appertain. Any specified percentage of the votes in the Unit Owners' Association appertain.

(2i) "Owner" or "Unit Owner" means any person who holds fee simple title to a Condominium Unit. No mortgagee shall be deemed to be an Owner until such mortgage has acquired such title pursuant to foreclosure or any procedure in lieu of foreclosure.

(2j) "Percentage Interest" or "Undivided Percentage Interest" means the percentage undivided interest of each Unit in the Common Area as set forth in Exhibit C attached hereto.

(2k) "Site Plan and Floor Plans" or "Plans" means the plat of the entire property described in this Declaration, and all floor plans attached thereto, recorded simultaneously with this Declaration.

(2l) "Property" means the land and the buildings and all other improvements heretofore or hereafter constructed thereon, and all easements, rights, and appurtenances thereto, and all articles of personal property intended for common use in connection therewith.

(2m) "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, and the Declaration or the Bylaws.

(2n) "Unit" means a unit as defined by the Condominium Act, which is bounded and described as shown on the Plans of the Condominium and as provided in Paragraph (3d) hereof.

(2o) "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 Bylaws.

3. Statutory Requirements: The following information is provided pursuant to the provisions of RSA 356-B:16:

(3a) Name: The name of the Condominium is Pine Harbor Condominium.

(3b) Location: The Condominium is located on Route 109 in the Town of Wolfeboro, County of Carroll and State of New Hampshire.

(3c) Description of Land: A legal description by metes and bounds of the land submitted to the Condominium is contained in Exhibit A.

(3d) Description of Units:

(i) Buildings: The Condominium presently consists of one residential building designated on the Site Plan as that building containing Units 1, 2, 3, and 4 to be presently constructed on the Land. The Building is of poured concrete slab foundation and wood frame construction.

(ii) Units: Each of the 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 and made a part hereof as Exhibit B is a list of all Units, their respective identifying numbers or Unit designations, locations (all shown more fully on the Plan) and the Limited Common Area appurtenant thereto.

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

Floors: The unfinished interior surface of the lowermost floor.

Ceilings: The unfinished interior surface of the uppermost ceiling.

Perimeter walls and door frames: The unfinished interior surface thereof.

Windows and doors: As to entrance doors, the unfinished exterior surface thereof; and as to windows and window frames, the 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 3 (e) hereinbelow which may be located therein. The finished interior surfaces of the perimeter walls, door frames, lowermost floor and uppermost ceiling of a Unit, consisting of, 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 Owner of the Unit 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 his Units, the entrance doors and window frames (to the unfinished exterior surface thereof), any glass doors connecting his Unit with Limited Common Area reserved for his unit, and the sinks, bathtubs, and other plumbing facilities, refrigerator, oven, and other appliances, located in his Unit and serving solely his Unit. The Owner of a Unit shall be deemed not to own any water or sewer pipes, wires, cables, other public utility lines, chutes, flues, conduits, ventilation, or other ducts, bearing walls, bearing columns, or structural portions of the building running through said Unit, which are utilized for or serve more than one Unit or serve 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 terraces, balconies or patios serving the Units, which terraces, balconies or patios shall be Limited Common Areas.

(3e) Description of Common Area and Limited Common Area

(f) Common Area consists of the entire property other than the Units and Limited Common Areas and includes, but not by way of limitations:

the land, and the walks, shrubbery and other plantings, road area, that portion of the parking area and access ways not designated as Limited Common Area and other land and interests in land included and described in Appendix A hereto;

the water supply pipes, sewage and waste disposal pipes and systems, ducts, fireplace flues and chimneys, chutes, vents, wires, conduits, and water, electrical, telephone and similar 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 therefore contained within and serving only a single Unit);

the roofs, foundations, columns and supports of the residential building: the perimeter walls, ceilings and floors

bounding each Unit to the unfinished interior surfaces thereof and other walls which are not within a Unit;

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 set forth in Appendix hereto.

Reserved to the Board is the right to assign or reassign from time to time and for limited periods in the Board's discretion, designated parking areas for the use of particular Units or for guest parking in the Common Area.

Similarly, the existing docks or as they may be altered in the future, shall be assigned or reassigned in the future by the Board in its discretion and upon such terms as it may deem reasonable including appropriate charges therefore.

(ii) Limited Common Area In addition to the statutory definitions of Limited Common Area, the lakeside yard areas designated "LC" on the Site Plan and as shown on the floor plans are Limited Common Area to the Units immediately adjoining to the southeast. Designations of the aforementioned Limited Common Area or of any other Limited Common Area are shown in Exhibit B hereto.

(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 Owner of the Unit to which it is appurtenant, and to his tenants, guests, invitees, and licensees. The use, including responsibilities for maintenance and repair of the Common Area and Limited Common Area, to the extent not provided herein, shall be governed by the Bylaws and the Rules as adopted and amended from time to time by the Board of Directors.

(3f) Subsequent Assignment of Limited Common Area: The Declarant or Board may from time to time in the future assign as Limited Common Area portions of Common Area or Convertible Land for garages, parking, or storage of vehicles and equipment on a "first come - first served" basis to Unit Purchasers who contact for same, in accordance with the provisions of Section 16 I (f) and 19 of the Condominium Act, which shall be reflected in an amendment to the Declaration as provided therein.

Any increased expenses of maintenance including such real estate taxes assessed by the Town of Wolfboro or insurance premiums resulting from the addition of said garage units or other Limited Common Area appurtenances shall be allocable to the particular Unit Owner to which such are designated now or hereafter as Limited Common Area and the expenses thereof shall be subject to the lien provisions and other applicable provisions of the Declaration and Bylaws.

Declarant reserves the right in his sole discretion to, from time to time in the future, assign from Convertible Land portions thereof as Limited Common Area to particular Units in the Condominium, not necessarily restricted to Units located within that Convertible Land.

(3g) Allocation of Percentage Interests: The Undivided Percentage Interest in the Common Area is allocated equally between the Units constructed within the Condominium subject to the re-allocation as additional units are constructed. However, the construction of garages or similar buildings or units and the subsequent assignment of them as Limited Common Area to a particular dwelling Unit shall not affect or change the Undivided Percentage Interest allocated hereunder.

(3h) Statement 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 Bylaws and the Rules, are in furtherance of this purpose.

(i) Residential Use: Each Unit shall be occupied and used only for residential purposes by the Owner and his family, or by the tenants, guests, invitees and licensees of the Owner and his family, or by tenants, guests, invitees and 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 incompatible with the residential character of the Condominium. This restriction shall not be constructed 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.

However, a Unit may be leased not more often than once every sixty (60) days, for a period of not less than thirty (30) days. Unless the written approval is obtained from the Board of Directors due to hardship Failure to comply with this restriction will result in a One Thousand Dollar (\$1,000.00) fine to the unit owner. The intent of this restriction being to prohibit motel-like, shorter term or time sharing lease arrangements. No Unit shall be subdivided or apportioned so as to permit a sub-lease of anything less than the entire Unit. In order to protect the health and safety of all residents, occupancy of any unit is limited to a total of no more than two(2) persons per bedroom. (Amended Book 1940, Page 842)

(ii) Easement to Facilitate Completion and Sales: Declarant shall be deemed to be the Owner of any Units which have been completely constructed, but not sold and its duly authorized agents, representatives an assigns may make such reasonable use of the Condominium as may facilitate the completion of the construction and such sale, including, without limiting the generality of the foregoing, the right to enter all Units and Common Area for

construction purposes, and the right to store materials, the maintenance of a sales office and a rental office, the showing of property and the displaying of signs. The Declarant is fully obligated to complete improvements on any portion of the submitted land, except as to that contained within the boundaries of Convertible Land reserved for possible construction at Declarant's option as shown on the Site Plan recorded pursuant to the requirements of the Condominium Act. In addition, the Declarant and its fully authorized agents, representatives and employees shall have the right to use any and all unsold Unit or Units as sales offices and/or model units. Such Units shall be Units within the meaning of this Declaration and the Condominium (3h cont.) Act, and not parts of the Common Area. The Declarant shall have the absolute and unrestricted right to convey or lease such Units. Further, the Declarant reserves the right to enter into certain agreements with other Unit Owners who may agree to lease their units to the Declarant for use by the Declarant as model units and/or sales offices.

(iii) Easements For Structural Encroachments: 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 be valid easement for encroachment be created in favor of an Owner if said encroachment occurred due to the willful conduct of said Owner or Owners.

(iv) Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines, and Other Common Area Located Inside of Units; Support. 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 Area located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, conduits, public utility lines and other Common Area serving such other Units and located in such Unit. The Board of Director shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Area contained therein or elsewhere in the buildings. Every portion of a Unit which contributes to the structural support for the benefit of all other Units and the Common Area.

(v) Units Subject to Declaration, Bylaws and Rules and Regulations The Declaration, the Bylaws, the Rules to be adopted

by the Board of Directors, and decisions and resolutions of the Board of Directors or its representatives, as lawfully amended from time to time, all contain, or will contain, certain restrictions as to use of the Units or other parts of the Condominium. Each Owner shall comply therewith and failure to comply with any such provisions, decisions or resolution shall be grounds for an action to recover sums due, for damages or for injunctive relief. All such actions in law or at equity shall be authorized by resolution of the Board of Directors and the Condominium shall be entitled to recover from non-complying Owners and occupants all reasonable costs and expenses of such actions, including preliminary investigation, (3h cont.) preparation and attorney's fees, whether the dispute is settled voluntarily prior to or after initiating suit. All present or further Owners, tenants, and occupants of Units, or any other person who might use the facilities of the Property in any manner are subject to the provisions of this Declaration, the Bylaws and the Rules. The acceptance of a deed or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Bylaws and the Rules, as they may be lawfully amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be enforceable servitudes and covenants running with the land and shall bind any person at any time having any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed of conveyance or lease thereof, or other agreement pertaining thereto.

(vi) Condominium Subject to Easements For Ingress and Egress and Use Each Unit Owner shall have a reciprocal easement in common with the Owners of all other Units for ingress and egress through, and use and enjoyment of, all Common Area by persons lawfully using or entitled to the same.

(vii) Property Subject To Covenants, Easements and Restrictions of Record The submission of the Property is subject to all covenants, conditions, easements, and restrictions of record.

(viii) Easements to Facilitate Conversions: The Declarant reserves a transferable easement over, under and on the Common Area for its employees, other agents and its independent contractors for the purposes of doing all things reasonably necessary and proper to convert any Convertible Land. However, to the extent that damage is inflicted on any part of the Condominium by any person utilizing such easement, the person so causing the same shall be liable for the prompt repair thereof and for the restoration of the same to a condition compatible with the remainder of the Condominium.

The Declarant further reserves the right in his sole discretion to create permanent easements in any Common Area or convertible Land for purposes of access or egress for other Unit Owners in the Condominium or for the installation and maintenance of roads, utilities, docks, recreation facilities, septic systems and similar matters.

(ix) 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 or Common Area damaged, unless the 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 the payment of claims.

4. Conversion of Convertible Land The Declaration hereby expressly reserves the right to be exercised within five years of recording this Declaration, but in this sole discretion, to create up to 24 additional Units in 6 buildings or otherwise and accessory buildings for garages, storage, utility, or structures for recreational use, and Limited Common Area, or both, on any part of the Convertible Land designated as "Convertible Area A" and "Convertible Area B" on the site plan but not in excess of one unit per acre. Declarant shall have a reasonable time to complete construction after electing to construct said Units or buildings, regardless of whether the actual construction extends beyond the five-year period in which the election can be made. No assurances are given, however, that all or any additional Units will be actually constructed. Declarant also reserves the unrestricted right to convert any portion of the Convertible Land into Limited Common Area whether or not new Units are constructed therein. Any conversion right shall be affected by amendment to this Declaration executed by Declarant alone, no consent of any Unit owner being required, in the manner provided by Section 23 of the Condominium Act subject to the following:

(4a) Legal Description: A legal description by metes and bounds of Convertible Land or area within the Condominium is set forth in Exhibit D attached hereto.

(4b) Building Use Restriction: All buildings to be created on the Convertible Land shall be related to residential use pursuant to the terms of Paragraph 3 (h) (i) of this Declaration.

(4c) Compatibility of Structures: Any structure erected on the Convertible Land will be generally compatible with the residential use of other portions of the submitted land.

(4d) Other Improvements: Certain improvements, including roads, parking areas, utility services, landscaping and like

improvements which are incidental to the residential use of the Convertible Land may be created on any Convertible Land.

(4e) Right To Create Limited Common Area The Declarant shall have the right, exercisable in his sole discretion, to create Limited Common Area within any Convertible Land or to designate Common Area therein which may subsequently be assigned as Limited Common Area.

(4f) Limitation to Option There are no limitations on the option to convert except as provided in this Paragraph 4 or in the Condominium Act. No consent of any Unit Owner or mortgages of a Unit Owner shall be required in connection with the exercise of such Option.

(4g) Portions of Convertible Land Portions of Convertible Land may be converted at different times, in any order subject only to the limitations provided in this Paragraph 4 or in the Condominium Act.

(4h) Financing of Construction The Declarant reserves the right to mortgage or cause a deed of trust to be placed on any portion of Convertible Land which has not therefore been converted, for the purpose of financing construction thereon, and until discharge, any such mortgage or deed of trust shall have priority over the interests of Unit Owners in such portion of the Convertible Land.

5. Option to Expand Condominium The Declarant expressly reserves the right to expand the Condominium within his sole discretion and without consent of any unit owners, to be exercised within 7 years from recording the Declaration, and to create on the Additional Land up to six units, not necessarily contained within a single building, together with accessory buildings or structures for garages, storage, utility or recreational use or Limited Common Area on Lot 2 as shown on the Site Plan. Declarant shall have a reasonable time to complete construction after electing to expand the Condominium and construct said units or buildings regardless of whether the actual construction extends beyond the 7-year period in which the election can be made. The exercise of this option shall be affected by Amendment to this Declaration, execute by Declarant alone, subject to the following:

(5a) Legal description by metes and bounds of Additional Land is set forth in Exhibit E attached hereto.

(5b) There are no limitations as to whether all or any portion of the Additional Land must be added to the Condominium.

(5c) The Declarant may add portions of the Additional Land to the Condominium at different times without limitation.

(5d) No assurances are made as to the location of any improvements that may be made on any portion of the Additional Land.

(5e) The maximum number of units that may be created on the Additional Land is six, but in any event, the number of units shall not exceed one unit per acre for the portion of Additional Land added to the Condominium from time to time and such additions shall, unless otherwise permitted by law, be subject to the approval of the Wolfeboro Planning Board.

(5f) Any Additional Land added to the Condominium will be restricted to residential use and the usual collateral activities associated therewith for this kind of development.

(5g) No assurances are made as to the structures to be created any portion of the Additional Land in terms of quality of construction, principal materials to be used and architectural styles.

(5h) No assurances are made as to any other improvements that may be made on any portion of the Additional Land.

(5i) No assurances are made that any units to be created on any portion of the Additional Land will be substantially identical to units on the submitted land.

(5j) The Declarant reserves the unrestricted right to create Limited Common Area within any portion of the Additional Land or to designate Common Area therein which may subsequently be assigned as Limited Common Area, which may in whole or in any part, at any time, and assigned to any unit within the Condominium, whether or not constructed on the Additional Land, no assurances to the contrary being made herein.

6. Amendment of Declaration Except as otherwise provided in the Condominium Act and herein, this Declaration may be amended by a percentage vote of at least 66 2/3% of the ownership interest in all Units cast by the owners in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws, provided, however, that ~~(i) any such amendment shall be approved in writing by the institutional mortgagee or mortgagees holding mortgages constituting first liens on 75% or more of the Condominium Units subject to institutional mortgages recorded at Carroll 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 Condominium Act; (v) no such amendment shall affect the rights reserved pursuant to Paragraph 4 hereof nor those rights applicable to Limited Common Area or otherwise without the written consent of the Declarant. (Amended Book 1357, Page 160)~~

7. No Revocation or Partition The Common Area not subject to conversion shall remain undivided and no Unit Owner or any other person shall bring any action 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.

8. Consent of First Mortgagees Notwithstanding any other provision of this Declaration, the Bylaws or the Rules, unless at least 75% of the mortgages holding mortgage recorded at the Carroll 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 the prior written approval, the Units Owners' Association and Board of Directors shall be entitled to:

(8a) By act or omission seek to obtain or terminate the condominium concept.

(8b) Change the pro rata interest or obligations or any Unit for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (i) for determining the pro rata share of each Unit in the Common Area;

(8c) Partition or subdivided any Unit:

(8d) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. (The granting of easements for public utilities or for other 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

(8e) Use hazard insurance proceeds for losses to the property (whether to Units or to Common Area) for other than repair, replacement, or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units and/or Common Area.

This Paragraph 8 shall not apply to, or in any way be construed as a limitation upon, the right of Declarant pursuant to Paragraph 4 to designate and convert Convertible Land, including without limitation action by the Declarant incidental to its exercise of such rights, which might otherwise be improvements and the encumbering of all or portions of the Convertible Land to finance such construction, with a resulting change in the Undivided Percentage Interests allocated to existing Units pursuant to the provisions of the Condominium Act and of this Declaration or withdrawing land.

9. Priority of First Mortgagees No provision of this Declaration, the Bylaws, or the Rules shall be constructed to grant to any Unit Owner, or to any other party, any priority over any rights of first mortgages of the Condominium Units, or subsequent and subordinate mortgages, in the case of the distribution to Unit

Owners of insurance proceeds or condemnation awards for losses to, or taking of, Units and/or the Common Area or any portions thereof.

10. Reservation of Right To Declare Public and Other Easements Reserved to the Declarant during the construction period or periods provided herein, and thereafter to the Board of Directors is the right to dedicate to public use or convey to the Town, free and clear of any claim of the Unit owners for compensation or otherwise, the roadways in the condominium and also right to grant utility easements for water, sewer, electricity, telephone and others involved in servicing the Units in the Condominium. The Declarant also reserves the exclusive right to create additional easements for access, or egress or other use benefiting any Unit or Units or Additional Land provided, however, that such easements shall not substantially impair the use and enjoyment of any other Unit in the Condominium.

11. 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 applicable federal, state or local law or ordinance, the remainder shall 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 instrument which otherwise might be invalid and it is covenanted and agreed that any such amendments and supplements to the said law have the effect herein declared as fully as if they had been effect at the time of this instrument.

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

13. Gender The use of the neutral or masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this 15th day of July 1983.

Richard G. Hammer Trustee
Pine Harbor Realty Trust

EXHIBIT A
Pine Harbor Condominium

Legal Description of Land

Submitted To Condominium Form of Ownership

Lot 1 as shown on a plan entitled "Pine Harbor, A Condominium Development for Pine Harbor Realty Trust, Wolfeboro, N.H." dated July 11, 1982 and prepared by White Mountain Survey and Engineering, approved by the Wolfeboro Planning Board on July 6, 1982 and recorded at Plan Book 59, Page 9, bounded and described as follows:

Beginning at a drill hole set in a stone wall on the southwesterly sideline of N.H. Route 109 and proceeding along said stone wall in a southeasterly direction approximately 384.34 feet to an iron pipe set in the stone wall; thence turning to the right and proceeding approximately perpendicularly to the highway S 39° 47' 54" W 559.35 feet to drill hole set in stone wall; thence turning to the right and proceeding along the stone wall N 64° 13' 53" W 245.94 feet to an iron pipe at the corner of stone walls; thence turning slightly to the right and proceeding by the stone wall N 47° 05' 45" W 441.82 feet to a drill hole set in the stone wall; thence continuing by the stone wall N 46° 21' 33" W 698.65 feet to a drill hole set in the stone wall; thence continuing by the stone wall N 47° 32' 28" W 334.18 feet to a drill hole set in the stone wall; thence continuing by the barbed wire fence N 47° 15' 54" W 356.18 feet to an iron pipe; thence continuing by a barbed wire fence N 47° 12' 11" W 66.53 feet to a drill hole set in the stone wall; thence by the stone wall N 48° 26' 15" W 227.66 feet to a drill hole set in a stone wall; thence continuing by the stone wall N 45° 23' 48" W 101.49 feet to a drill hole set in a stone wall; thence continuing on the same course approximately 3 ½ feet to the shore of Lake Winnepesaukee; thence turning to the right and proceeding northeasterly along the shore line as it trends approximately 703 feet to a point on the shore opposite an iron pipe; thence turning to the right and proceeding S 54° 00' 43" E approximately 3 feet to turning to said iron pipe; thence continuing along the same course by a barbed wire fence 285.88 feet to an axle; thence continuing by the barbed wire fence S 53° 49' 29" E 154.13 feet to a point; thence turning to the right and running S 36° 12' 54" W 171.07 feet to a point; thence S 46° 45' 53" W 252.56 feet to a point; thence turning slightly to the right and proceeding S 27° 37' 59" E 302.94 feet to a point; thence turning to the left and running N 39° 31' 44" W 82.30 feet to an iron pipe; thence turning to the right and proceeding in part by a stone wall S 40° 20' 46" E 302.86 feet to an iron pipe set in a stone wall; thence S 71° 06' 50" E 124.18 feet to a disc set in the ground; thence turning to the left and proceeding N 51° 25' 14" E 261.03 feet to a drill hole set in a stone wall and the

southwesterly side of Route 109, being the point of beginning. Containing 28.35 acres, more or less.

The Condominium property is subject to a right to pass and repass, over a location to be designated by the Declarant, from that property adjoining to the northeast and shown on the Site Plan as owned by Philip C. & Helen J. Lindsey in order to provide Lindsey access to and use of the existing shore facilities and any facilities installed thereafter as reserved in the source deed Philip C. Lindsey and Helen J. Lindsey to the Declarant, Richard G. Hammer, dated June 30, 1981, recorded at Book 824, Page 309, Carroll County Registry of Deeds in the following language:

"GRANTORS reserve for themselves, their heirs and assigns a right of way to pass and repass over Lot 2 at a location to be designated by the GRANTEE in order to provide access to and use of the existing shore facilities and any facilities installed thereafter."

Also, said Lindsey's reserve a permanent right of way in common from Route 109 to their retained property over the presently existing driveway as depicted on the Site Plan over the northeasterly portion of the Convertible Area "B".

The Declarant, for the benefit of the Condominium, also submits herewith in the form of a grant a common right in perpetuity to use the 50-foot wide right of way for all purposes, including access and egress, for Unit Owners and others, and the installation and maintenance of utilities, to and from that portion extending over Lot 2 of 6 acres as shown on said Site Plan. See Exhibit E hereafter*.

See also deed from Richard G. Hammer to Richard G. Hammer, Trustee of Pine Harbor Realty Trust dated July 17, 1981 and recorded at Book 831, Page 492 at said Registry.

*See history and chronology per separate documentation and deed.

Exhibit B
Pine Harbor Condominium

Limited Common Area

<u>Units</u>	<u>Parking Space</u>	<u>Additional</u>
#1	#1	----- Main Level Floor: Main Level deck adjoining Unit to the northwest Main level steps and entryway giving access is Limited Common Area to Units 1 & 2 Lower (basement) Level Area: Entryway and patio giving access to the northwest and including that area extending to the northwest 40 feet in length 20 feet in width.
#2	#2	----- Main Level Floor: Main level deck adjoining Unit to the northwest Main level steps and entryway giving access is Limited Common Area Units 1 & 2 Lower (basement) Level Area: Entryway and patio giving access to the northwest and including that area extending to the northwest 40 feet in length and 20 feet in width.
#3	#3 & 5	----- Main Level Floor: Main level deck adjoining Unit to the northwest Main level steps and entryway giving access is Limited Common Area to Units 3 & 4 Lower (basement) Level Area: Entryway and patio giving access to the northwest and including that area extending to the northwest 40 feet in length and 20 feet in width
#4	#4	----- Main Level Floor: Main level deck adjoining Unit to the northwest Main level steps and entryway giving access is Limited Common Area to Units 3 & 4 Lower (basement) Level Area: Entryway and patio giving access to the northwest and including that area extending to the northwest 40 feet in length and 20 feet in width

<u>Unit</u>	<u>Parking Space</u>	<u>Terrace Area</u>	<u>Access</u>
#5	#9 & 10	Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck.	Front entryway opening southwesterly to give access to parking area.
#6	#6	Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck.	Front entryway opening southeasterly to give access to parking area.
#7	#7	Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck.	Front entryway opening southeasterly to give access to parking area.
#8	#8	Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck.	Front entryway opening southwesterly to give access to parking area.
#9	#11	Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck.	Front entryway opening westerly to give access to parking area.
#10	#12 & 15	Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck.	Front entryway opening southerly to give access to parking area.
#11	#13 & 16	Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck.	Front entryway opening southerly to give access to parking area.
#12	#14	Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck.	Front entryway opening westerly to give access to parking area.

- #13 #17 ----- Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southwestwardly to give access to parking area.
- #14 #18 ----- Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #15 #19 ----- Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #16 #20 ----- Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southwestwardly to give access to parking area.
- #17 #21 ----- Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southwestwardly to give access to parking area.
- #18 #22 ----- Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #19 #23 ----- Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #20 #24 ----- Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southwestwardly to give access to parking area.
- #21 #25 ----- Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.

- #22, #26 ————— Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #23, #27 ————— Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #24, #28 ————— Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #25, #29 & 30 ————— Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #26, #31 ————— Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #27, #32 & 33 ————— Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #28, #34 & 34a ————— Ground level lakeside terrace area, adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #29, #35 ————— Ground level terrace area adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.
- #30, #36 ————— Ground level terrace area adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. Front entryway opening southeasterly to give access to parking area.

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|-----|----------|-------|---|--|
| #31 | #37 & 38 | ————— | Ground level terrace area adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. | Front entryway opening southeasterly to give access to parking area. |
| #32 | #39 | ————— | Ground level terrace area adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. | Front entryway opening southeasterly to give access to parking area. |
| #33 | #40 | ————— | Ground level terrace area adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. | Front entryway opening southeasterly to give access to parking area. |
| #34 | #41 | ————— | Ground level terrace area adjoining 40 feet northwesterly to Unit, within which are located the patio & deck. | Front entryway opening southeasterly to give access to parking area. |

The above Limited Common Area are shown on the floor plans by W.D. Flierl, Architect Pine Harbor, July 1982, revised through August 1982, consisting of 3 pages: Lower Level, Main Level and Upper Level.

The Assignment of Limited Common Area was assigned as each unit was created and reflects the Declaration and site plans as amended. See Amendments at Book 940, Page 309, Book 1038 Page 108 and Book 1126, Page 302.

The Garage Assignments were revised and amended in March 1997 at Book 1692 Page 767, amended at Book 1702, Page 624.

Exhibit C

Pine Harbor Condominium

Unit Area and Undivided Percentage Interest

Pursuant to RSA 356-B:17, II, each Unit shall have an equal undivided interest in the Common Areas subject to re-allocation, on the same basis, as additional Units are constructed in the Condominium.

Exhibit D

Pine Harbor Condominium
Convertible Land

Declarant reserves the option to construct additional condominium Units or storage, utility or recreational structures and uses on either or both Convertible Land areas "A" and "B" as shown on the recorded site plan, and to create Limited Common Area therein and assign the same to any Unit in the Condominium, said option to be exercised within five years of the date of recording this Declaration in accordance with its provisions including paragraph 4 herein, said convertible lands being described as follows:

Convertible Land Area "A": as shown on plan entitled "Pine Harbor, A Condominium Development for Pine Harbor Realty Trust, Wolfeboro, N.H." dated June 11, 1982 and prepared by White Mountain Survey and Engineering, approved by the Wolfeboro Planning Board on July 6, 1982, recorded at Plan Book 59, Page 9 at the Carroll County Registry of Deeds, bounded and described as follows:

Beginning at a point on the southeasterly corner of the within lot at a drill hole set in a stone wall and proceeding along a barbed wire fence N 47° 15' 54" W 356.18 feet to an iron pipe; thence continuing N 47° 12' 11" W 46.53 feet to a point; thence turning to the left and proceeding N 44° 57' 54" E 176.63 feet to a point; thence turning to the right and proceeding N 24° 40' 28" E 163 feet to a point; thence turning to the right and proceeding N 65° 50' 24" E 423.04 feet to a barbed wire fence; thence turning to the right and proceeding S 54° 00' 43" E 160.88 feet to an axle set in the ground; thence continuing by the barbed wire fence S 53° 49' 29" E 154.13 feet to a point; thence turning to the right and proceeding S 36° 12' 54" W 171.07 feet to a point; thence turning slightly to the left and proceeding S 19° 44' 49" E 207.18 feet to a point; thence turning to the right and proceeding S 61° 31' 05" W 421.53 feet to a drill hole set in a stone wall, being the point beginning; containing 7.12 acres, more or less.

Also included is a perpetual easement to install and maintain a septic system and leach field in that portion of Common Area 1 for the benefit of Units 5 through 8 as shown on a plan entitled "Pine Harbor, A Condominium Development for Pine Harbor Realty Trust, White Mountain Survey and Engineering" revised May 27, 1983, to be recorded herewith.

Convertible Land Area "B": as shown on said plan, bounded and described as follows:

Beginning at a drill hole set in a stone wall on the southwesterly sideline of N.H. Route 109 and proceeding along said stone wall in a southeasterly direction approximately 384.34 feet to an iron pipe set in the stone wall, thence turning to the right and proceeding approximately perpendicularly to the highway S 39° 47' 54" W 559.35 feet to a drill hole set in a stone wall; thence turning to the right and proceeding along the stone wall N 64° 13' 53" W 245.94 feet to an iron pipe at the corner of stone walls; thence turning slightly to the right and proceeding by the stone wall N 47° 05' 45" W 441.82 feet to a drill hole set in the stone wall; thence continuing by the stone wall N 46° 21' 33" W 698.65 feet to a drill hole set in the stone wall; thence continuing by the stone wall N 47° 32' 28" W 334.18 feet to a drill hole set in the stone wall; thence turning to the right N 61° 31' 05" E 421 feet to a point; thence turning to the right and proceeding S 64° 26' 24" E 178.47 feet to a point; thence S 46° 45' 53" W 252.56 feet to a point; thence turning slightly to the right and proceeding S 27° 37' 59" E 302.94 feet to a point; thence turning to the left and running N 39° 31' 44" W 82.30 feet to an iron pipe; thence turning to the right and proceeding in part by a stone wall S 40° 20' 46" E 302.86 feet to an iron pipe set in a stone wall; thence S 71° 06' 50" E 124.18 feet to a disc set in the ground; thence turning to the left and proceeding N 51° 25' 14" E 261.30 feet to a drill hole set in a stone wall and the southwesterly side of Route 109, being the point of beginning. Containing 17.95 acres, more or less.

Exhibit E

Pine Harbor Condominium
Additional Land

Pursuant to RSA 356-B:16 III and subject to appropriate municipal approval, the Declarant reserves the unrestricted option to expand the Condominium within 7 years from the date of recording the Declaration. A description of the Additional Land which may be added to the Condominium is as follows:

Lot 2 as shown on the Site Plan dated June 11, 1982 and recorded at Book 59, Page 9, Carroll County Registry of Deeds and bounded and described as follows:

Beginning at a point marking the southwesterly corner of the parcel herein described; thence running N 27° 37' 59" W 302.94 feet to a point; thence continuing N 46° 45' 53" W 252.56 feet to a point; thence continuing N 64° 26' 24" W 178.47 feet to a point; thence aligning to the right N 19° 44' 49" W 207.18 feet to a point; thence turning to the right and running S 36° 12' 54" 171.07 feet to a barbed wire fence; thence turning to the right and running by the barbed wire fence S 53° 17' 23" E 237.70 feet to a drill hole set in the stone wall and continuing by said stone wall S 54° 33' 41" E 383.03 feet to a drill hole and continuing by said stone wall S 63° 00' 46" E 16.32 feet to a drill hole in a corner of the stone wall; thence running N 27° 46' 05" E 4.2 feet to a corner in the stone wall; thence running by the stone turning to the right and running by land of Lindsey S 39° 31' 44" W 457.16 feet closing Pine Harbor Drive, to the point of beginning, containing approximately 6 acres.

Subject to a "view easement" reserved in the Lindsey to Hammer deed dated June 30, 1981, recorded at Book 824, Page 309 as follows:

"Grantors reserve the right to cut trees on Lot 2 in order to maintain the view from the main house, said view easement being restricted and being limited to that area situated to the northerly side of a line depicted on a plan entitled "Plan of Proposed Subdivision of Land of Phillip C. & Helen J. Lindsey, Wolfeboro, New Hampshire", said line being depicted on said Plan as 'proposed limits of view rights easements'."

The location of said view easement is also depicted on Lot 2 of 6 acres on the above-referenced Site Plan of June 1, 1982 for this Condominium.

Said Lot 2 is subject to a common right in perpetuity for the benefit of the Condominium and its Unit owners to use the 50-foot wide right of way for

all purposes, including access and egress and the installation and maintenance of utilities including the extension of Town water, to and from Route 109 and to various points on the Condominium property shown as Lot 1 depicted on said Site Plan as may be determined by Declarant in the future*.

*See history and chronology per separate documentation and deed.

Exhibit F

Pine Harbor Condominium

BYLAWS

PLAN OF UNIT OWNERSHIP

1. **Purpose** These Bylaws shall govern the administration of the Condominium and 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 52B of the Internal Revenue Code, as may be amended. No part of the net earnings of said Association shall inure (other than by acquiring, constructing or providing maintenance and care of "association property" and other than be 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 Bylaws or in the Declaration shall have the meaning specified in New Hampshire RSA 356-B:3.

3. **Bylaws Applicability** The provisions of these Bylaws 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 Bylaws 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 acknowledgment that such Owner, tenant or occupant has completely accepted these Bylaws, the provisions of the Declaration and the Rules, and will fully comply with them.

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 Bylaws, 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 Bylaws

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 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 partnership, corporation or other entity which is not a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any one natural person having authority to execute deeds on behalf of such entity 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 Bylaws, an affirmative majority of the votes cast at a 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 Unit Owners Association shall meet at least once a year at a time and place to be determined by the Board of Directors. Notice of the meetings shall be sent to the Owners in accordance with Section 6 of Article II. At such meetings, the Board of Directors shall be elected by ballot of the Owners in accordance with the requirements of Sections 3 and 4 of Article III. The Association may transact such other business as may properly come before such meetings. (Amended Book 1336 Page 001, Book 1342 Page 289 and Book 1940, Page 843)

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 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 the Meeting It shall be the duty of the Secretary to mail, by the United States Mail, return receipt requested, a notice of each annual meeting or special meeting of the Owners' at least 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 the 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.

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 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 transaction 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 Bylaws 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 conduct of the Condominium provided that such Rules shall not be in conflict with the Condominium Act, the Declaration, or these Bylaws. 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 Bylaws, the Board of Directors shall have the power to, and be responsible for the following:

(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 proceeds 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 Common Area and services of the Condominium.

(d) Designating, hiring and dismissing the personnel necessary for maintenance, operation, repair and replacement of the Common Area, and providing services for the Property, and, where appropriate, where 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 Bylaws 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 Articles VI of these Bylaws, and paying 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 restoration of, the Property, in accordance with the other provisions of these Bylaws, 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 time 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 unless unanimously waived by the owners, the same shall be audited at least once a year. (1) if the bookkeeping is done by an Owner or resident of the Condominium, the audit shall be by an outside auditor employed by the Board of Directors who shall not be a resident or an Owner therein, and the cost of such audit shall be a common expense. (2) If the bookkeeping is done

by a non-owner non-resident bookkeeper, the audit may be done as above, or by an Audit Committee appointed by the Directors, consisting of the Treasurer (non-voting) and at least 3 other Owners who will elect their own chairman. (Amended Book 1376, Page 336) 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 Bylaws; provided that any action by the Manager with respect to the powers set forth in Paragraph (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 2 years, and any such employment contract shall provide such an agreement may be terminated for good cause amounting to a substantial breach of the employment contract without notice.

3. Number of Directors and Initial Selection of Board The Board of Directors shall be composed of not less than 4 nor more than 7 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 or Article III, the Board of Directors shall consist of such persons as shall have been designated by the Declarant. Thereafter, anything in these Bylaws to the contrary notwithstanding, until 3 years after the date of recordation of this Declaration at the Carroll County Registry of Deeds, or until Units representing three-fourths of the Percentage Interests appertaining to the Units constructed or contemplating 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, or the Declarant may elect to solely exercise the powers of the Board of Directors. 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 or in lieu of the above may elect to exercise the powers of the Board as provided in RSA 356-B:36. 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 the 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 office of at least one director shall be fixed at one year and the term of office of another director shall be fixed for 2 year, and the term of office of other directors 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 directors shall hold office until their respective successors have been elected and hold their first meeting. If the interval between the first and second annual meeting is shortened substantially, initial one-year terms shall be shortened to that interval, and longer initial terms shall be lengthened by that interval. In this case, the new terms voted as initial terms with respect to successor terms. (Amended Book 1295 Page 249 and Book 1336, Page 001)

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 thereafter.

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 2 such meetings shall be held during each 12-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 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 as, the annual meeting of the Association.

7. Special Meetings Special meetings of the Board of Directors may be called by the President on 5 business days' notice to each director. Such notice shall be given personally or by mail, telephone or telegraph, and such notice shall state 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 2 directors.

8. Waiver of Notice Before or within 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 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 acts of at least four Directors present at a meeting at which 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 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.
(Amended Book 1295, Page 247 and Book 1336 Page 004)

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 quorum is present, by 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 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 Secretary shall keep minutes of the meetings of the Board of Directors recording therein all resolution 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 furnished 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.

17. Liability of the Board of Directors The members of the Board of Directors shall not be liable to the Owners for any mistakes 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 Bylaws. 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 Bylaws. It is intended that the members of the Board of Directors shall have no personnel 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 a 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 proportions of the total liability 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 personnel liability there under (except as Owners), and that each Owner's liability there under as his Percentage Interest bears to the Percentage Interest of the Owners. If timely notice is given to the Owners of the commencement of any 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 completed action, suit proceeding, Director, or officer, against expenses of investigation and defense (including attorney's fees), judgment, fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding unless he acted in bad faith of the Declaration or these Bylaws.

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 officers 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 of Directors 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 or special meeting called for such purpose.

3. Removal of Officers The officer 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 designated, shall preside at meetings of the Unit Owners' Association and at the Board of Directors meetings; he shall be an ex officio voting 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 the 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 opened 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 Manger, 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.

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 Expense and Assessment Against Owners

(a) Fiscal Year. The fiscal year of the Condominium shall consist of the twelve month period commencing 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, replace, and the costs 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 Bylaws 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 Directors considers necessary to provide general operating reserves, 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 reasonable itemized form which sets forth the amount of the Common Expense 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 Owners contribution for the Common Expense 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 Unit Owner's Condominium Unit in accordance with the Condominium Act. On or before the first day of each fiscal year, the first day of each of the succeeding eleven months in such fiscal year, each Unit 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 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 each Owner's votes in the Association by crediting same to the next successive monthly installments due from Owners under the 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

Owner's Association to the installments due in the succeeding six months after the rendering of the accounting.

(d) Reserves The Board of Directors shall build up and maintain in 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, segregate from the general operating funds, and used only for such purposes. If for any reason, including nonpayment of any Owner's assessments, the reserves are inadequate, the Board of Directors may at any time levy further assessment, which shall be assessed against the Owners according their respective votes in the Unit Owners Association, and which may be payable in a lump sum or 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 reason therefore, 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 Carroll 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 © of this Section. The Board of Directors may establish an initial operating reserve through special assessment of each Owner upon purchases 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 adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of any Owners' obligation to pay his allocable share of the Common Expense 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 Expense 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 except himself from liability for his contribution toward Common Expense 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 the Unit or other acquiring Owner by virtue of any transfer or other

conveyance shall be jointly and severally liable with the transferring of Owners for all accrued and unpaid assessments against the latter of his proportionate share of the Common Expense up to the time of the conveyance, without prejudice to the acquiring Owners' right to recover from the transferring Owner the amounts paid by the acquirer therefore 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 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 the 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 (except for proportionate real estate taxes on Common Area or Limited Common Area) 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 said real estate taxes and 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. Any unpaid shares of Common Expenses not assessable against such mortgagee or purchaser pursuant to the aforesaid provisions shall be collected 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 therefore.

4. Maintenance and Repair

(a) By the Board. 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 the Owner, or of a person gaining access with said Owner's actual or implied consent, in which case such expense shall be charged to such Owner) all of the Common Area (and cost of replacement of the Limited Common Area decks) 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; plumbing fixtures and electrical appliances and those parts of the heating and air conditioning and similar 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. 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 damages 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 Owner. Each Owner having knowledge thereof shall promptly report to the Board of Directors, or the Manager, any defects or need for repairs for which the Board of Directors is responsible. Each owner shall diligently discharge any lien which may hereafter be filed against his Unit and in general comply with the provisions set forth in RSA 356-B:45 and 46 on payment and liens for assessments.

(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 \$5,000 during any period of 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. 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 Owners requesting the same, such requesting Owners shall be assessed

therefore in such proportions 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. Prohibition Against Structural Additions or Alterations by Owner No Owner shall make any structural addition, alteration or improvement in or to his Unit without prior written consent thereto of the Board of Directors. No Owner shall change the color of the paint, 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 which shall not be unreasonably withheld. The Board of Directors shall be obligated to answer in writing any written request by an Owner for approval of such proposed structural addition, alteration or improvement or such external change within 30 days after receipt of such request, and his failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration, or improvement 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. Restriction 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 prohibition 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 shall be permitted to remain in public view or the exterior view of any Unit Owner. No vehicle, campers, skimobiles, 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. The two parking spaces nearest each unit are reserved for the use of that unit, and shall not be used by vehicles for other units. Vehicles in excess of two per unit must be parked in a garage for that unit or in "Visitor Parking" areas designated by the Directors. (Amended Book 1295, Page 250 and Book 1336, Page 001)

(c) No animal or bird, including common or other household pets, shall be kept or maintained within a Unit or on the Condominium property. The Owner of a Unit where a animal or bird is kept or maintained in violation of this provision shall be responsible, and shall be assessed by the Board of Directors, for all costs incurred in enforcing this Rule. The Declarant and thereafter the Board of Directors when elected, shall have the authority to waive this provision, in writing, for a period not to exceed three years at a time.

(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 occupant 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 exterior 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 other area of the Condominium may be used for any unlawful or immoral purpose.

(g) No Owner, tenant or occupant 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 control over any such Condominium employee. 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 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 other areas of the Condominium, Owners shall obey and abide by all valid laws, ordinance and zoning and other governmental regulation affecting the same and all applicable Rules adopted by the Board.

8. Right of Access An Owner shall accede to the 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 Bylaws. Copies of the Rules shall be furnished by the Board 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 structure 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 herein below, 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 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 that are affixed to the buildings, and heating and lighting fixtures, except for improvements made by individual Owners which exceed a total value of \$1,000 and are not reported to the insurer, such insurance to be in an amount reasonably equal to the replacement value of the buildings and to be payable to the Board as trustee for the Owners and their mortgages 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 the limits of liability be less than the present equivalent of \$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 there under against any other insured there under. This insurance, however, shall not insure against an Owner's individual liability for negligence occurring within a Unit or within the Limited Common Area to which a Unit has exclusively 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 make every reasonable 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 by failure of the insured, or Owners collectively, have no control; (iv) shall provide that such policies may not be canceled or substantially modified without at least thirty days written notice to all of the insured's there under and all mortgages 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 mortgages; (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 its own expense additional insurance (including a "condominium unit-owners 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. Each Owner should endeavor to obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, an individual policy to insure him against loss or damage to personal property used or 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) 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 the improvements to his Unit which exceed a total 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, 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 Owner Excepting such policies as are obtained on 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.

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 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 damages 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 premium for such bonds as the Board of Directors determine 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 and any deductible are insufficient, assessments in sufficient amounts to provide payment of such costs shall be made against the owner or owners suffering the loss in proportion to the costs of repairs to the unit or units. (Amended Book 1940 Page 843)

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

(d) Encroachment 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 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 dispersed in payment of the costs 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 costs 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 the 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 costs 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 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 therein. Except to the extent otherwise expressly provided by the Declaration, these Bylaws or the Condominium Act, the undivided interest in the 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 personnel 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 his 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 personnel 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 or 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 such a statement 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 of Directors or Manager, shall 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

RIGHT OF FIRST REFUSAL

1. Procedure In the event that an Owner receives a bona fide offer for the sale of a Condominium Unit or a bona fide offer for a lease of his Condominium Unit for a term or more than 6 months including any potential renewal period, which he desires to accept, said Owner shall give notice of such offer to the Board of Directors, together with an executed copy of said offer including the name and address of the purposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Directors may reasonable require, which notice shall constitute an offer to sell or lease such Condominium Unit, as the case may be, to the Association, through the Board of Directors, or to its designee, on the same terms and conditions as contained in said offer. The Board of Directors may elect, by mailing notice to such Owner within 15 days after its receipt of the aforementioned notice from said Owner, to purchase or to lease such Condominium Unit, as the case may be (or to cause the same to be purchased or leases by its designee), on the same terms and conditions as contained in said offer. In the event the Board of Directors shall elect to purchase such Condominium Unit or to cause the same to be purchased by the Association, or its designee, a further period of 60 days shall be allowed to conclude financing and the said Owner shall convey the same to the Association, or to its designee, in accordance with said terms and conditions, and, in the event the Board of Directors shall elect to lease such Condominium Unit, or to cause the same to be leased by its designee, the said Owner shall execute and deliver to the Board of Directors or its designee, a lease between said Owner, as landlord and the Association, or its designee, as tenant, covering such Condominium Unit in accordance with said terms and conditions.

2. Violation, Release, Transfer of Right Any purported sale or lease of a Condominium Unit in violation of this Article IX shall be voidable at the election of the Board of Directors. The right of first refusal set forth in this Article IX may be released or waived by the Board of Directors in which event the Condominium Unit may be sold, conveyed or leased, free and clear of the provisions of such Article IX. However, the Board of Directors shall not elect to purchase or lease on behalf of the Association any Condominium Unit hereunder without the prior approval of 75% of the Unit Owners' total voting power.

3. Evidence of Compliance A certificate of the Declarant or the Board as the case may be, stating that the provisions of this Article IX have been met by an Owner, or have been duly released or waived as set forth hereinabove, shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Owner who has in fact complied with the provision of this Article IX in respect to whom the provisions of such Article have been released or waived, upon request, at a reasonable fee, not to exceed the present equivalent of \$25.

Acquisition of Condominium Units by the Association may be from the Common Expense fund in the hands of the Board, or if such funds is insufficient, the Board may levy an assessment against each Owner in proportion to his Percentage Interest and/or the Board, in its discretion, may borrow money to finance the acquisition of such Condominium Unit, provided, however, that no financing may be secured by an encumbrance of any property other than the Condominium Unit so to be acquired by the Association.

The provisions of this Article IX shall not apply with respect to any first mortgage of any Condominium Unit or to any foreclosure sale pursuant to the terms of such mortgage or to any conveyance to a first mortgage in lieu of foreclosure or, in the event a first mortgage purchases said Condominium Unit at such foreclosure sale, (or in lieu of foreclosure) to the subsequent sale of said Unit by said first mortgage. However, said provisions shall not apply where it is established to the reasonable satisfaction of the Declarant or the Board, as the case may be, that a transfer is by gift, devise, intestate succession, death or a joint tenant or by other means which is not a sale or lease.

ARTICLE X

AMENDMENT TO BYLAWS

1. Amendments Except as otherwise provided in the Condominium Act and herein, these Bylaws may be modified or amended either (i) by a vote of at least 66 2/3% 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 at least 66 2/3% 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 or the exercise of the powers 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 of 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 Bylaws 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 Bylaws shall become effective only when it has been duly evidenced in accordance with the provisions of Section 34 IV of the Condominium Act.

3. Conflicts No modification or amendment of these Bylaws 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 Bylaws of the Condominium and all Owners shall be bound to abide by such modification or amendment.

4. Approval of Mortgagees These Bylaws contain provisions concerning various rights, priorities, remedies and interests of the mortgages of Units. Such provisions in these Bylaws are to be construed as covenants for the protection of the mortgages on which it may rely in making loans secured by mortgages on the Units. Accordingly, all mortgages 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 Bylaws impairing or affecting the rights, priorities, remedies or interests of a mortgagee (including the mortgage's use of a secondary mortgage market, i.e. the salability 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 XI

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 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 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 Bylaws, and if such default is not cured within 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 Bylaws except after 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 a 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 XII

NOTICE

1. Manner of Notice All notices, demands, bills, statements or other communications provided for or required under these Bylaws 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 Owner's Association, the Board of Directors or the Manager at the 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 Bylaws, 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 XIII

COMPLIANCE AND DEFAULT

1. Relief Each Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, and the Rules, and any amendment 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 Bylaws, 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 Bylaws, 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 any aggrieved Owner.

(b) Additional Liability Each Owner shall be liable for the expenses of all maintenance, repair or replacement rendered necessary by his act, 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 Attorney's Fees In any proceeding taken to enforce the provisions of the Declaration, these Bylaws or Rules promulgated hereunder, 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 attorney's fees as may be incurred in connection therewith and regardless of whether foreclosure or 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 any Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws 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 pursuant to any term, provision, covenant or condition of 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 Bylaws or the Rules. Or at law or in equity.

(e) Interest In the event of a default by an Owner which continues for a period in excess of thirty days after written notice given to him, 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 greater, per annum from the due date of the default. In addition, the Board of Directors shall have the authority to impose a late payment charge on such defaulting Owners in an amount not to exceed \$15, or six cents per dollar on any amount so overdue, whichever is greater.

(f) Abatement and Enjoyment of Violation by Owners The violation of any rule of regulation adopted by the Board of Directors, or the breach of any Bylaw contained herein, or the breach of any provisions of the Declaration, shall give the Board of Directors or the Manager the right, in addition to any other rights set forth in these Bylaws; (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; of (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.

(g) Fines. In addition to other relief provided herein, the Directors shall assess fines against the owner of any unit for violation of the rules, these Bylaws or the Declaration by himself, his family, guests, tenants, employees, agents or invitees. The amounts of such fines shall be set forth in the Rules for various categories of violations covered. Fines shall be assessed only after written notice of violations are sent to the owner by the Directors. The owner shall have two weeks following sending of the notice in which to respond to the Directors. Fines so assessed shall be a lien against the unit in the same manner as for assessments set forth in paragraph 2 below. (Amended Book 1342 Page 289)

2. Lien of Assessments

(a) The total annual assessment of each Owner for the Common Expenses or any special assessment levied pursuant to these Bylaws 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 default has been sent to the Owner in the payment of any single 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 notice to such effect upon the defaulting of the Owner by the Board of Directors or the 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 Carroll County Registry of Deeds in form and manner prescribed in said Act. Said notice of lien, however, may on its terms provided for continuing and future defaults, without requiring a new filing.

(c) The lien for assessments shall include provisions for interest, costs and attorney's fee as provided in RSA 356-B:46 and Section 1 of this Article XIII.

ARTICLE XIV

COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Compliance These Bylaws are set forth in compliance with the requirements of New Hampshire RSA 356-B.

2. Severability In case any of the Bylaws are in conflict with the provisions of any of its statutes, the provisions of the statutes will apply. If any provisions of these Bylaws or any section, sentence, clause, phrase or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these Bylaws, shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

3. Waiver No restrictions, condition, obligation or provision of these Bylaws 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 Bylaws are for convenience only and are not part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

5. Gender Whenever in these Bylaws the context so requires, the singular gender 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 Bylaws to be executed this 15th day of July, 1983.

Richard G. Hammer, Trustee
Pine Harbor Realty Trust