

AMENDED AND RESTATED BY-LAWS
OF
ROYALE SANDS BEACH CLUB, CONDOMINIUM ASSOCIATION

ARTICLE I
NATURE OF BY-LAWS

SECTION 1. Purpose. These By-Laws are intended to govern the administration of Royale Sands Beach Club Condominium Association and provide for the management, administration, utilization and maintenance of the Common Elements described in the Condominium Declaration of the Royale Sands Beach Club, a condominium.

SECTION 2. Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the aforesaid Condominium Declaration or New Hampshire RSA 356-B as amended are incorporated herein by reference.

SECTION 3. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

SECTION 4. Principal Office. The principal office of the Condominium Association is located at 581 Ocean Boulevard, Town of Hampton, County of Rockingham, State of New Hampshire.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Members. Every person, firm, association, corporation or other legal entity who is a record Owner or Co-Owner of the fee simple title to any Unit shall be a Member of the Association; Provided however, that any person, firm, association, corporation, or legal entity who holds such title or interest merely as a security for the performance of an obligation (including but not limited to mortgages) shall not be a member of the Association.

SECTION 2. Change of Membership. Change of Membership shall be accomplished by recording in Rockingham County Registry of Deeds a deed or other instrument establishing record title to a Unit, and delivering to the Secretary of the Association, a certified copy of such instrument. The membership of the prior Unit Owner shall be thereby terminated.

SECTION 3. Rights of Membership. Every person who is entitled to membership in the Association, pursuant to the provisions of these By-Laws, shall be privileged to use and enjoy the General Common Elements, subject however to the Declaration, these Bylaws, any Rules and Regulations promulgated by the Association hereunder, the New Hampshire Condominium Act, RSA 356-B, and other applicable Law.

SECTION 4. Contribution to Capital. The Board may impose upon each Unit Owner, upon the acquisition of title to his Unit, a non-refundable contribution to the capital of the Association assessed in an amount equal to two (2) months assessments attributable to the Unit acquired. Any unpaid membership fee assessment shall be deemed a lien on the Unit in the same manner as any unpaid Common Expenses attributable to such Unit.

SECTION 5. Voting. At all meetings of the Association, the Owners of each Unit shall be entitled to cast a number of votes proportionate to the undivided interest in the common areas appertaining to each unit, as set forth in Article VI of the Declaration. Any Owner in good standing may attend and vote at such meeting in person, or by proxy conforming to RSA 356-B:39, IV. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Unit Owners' Association, that person shall be entitled to cast the votes appertaining to that Unit. But if more than one of such persons is present, it shall be necessary for said persons to act unanimously in order to cast the vote to which they are entitled and consent to such unanimous vote shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, which is, either alone or in conjunction with another person or persons, a unit owner.

SECTION 6. Proxies. The vote appertaining to any Unit may be cast pursuant to a proxy in compliance with the provisions of The Condominium Act, RSA 356-B:39, IV, as said Act may be amended from time to time.

ARTICLE III - MEETINGS OF UNIT OWNERS

SECTION 1. Annual Meeting. The Annual Meeting of the Association of Owners shall take place each year at such reasonable date, place and time as may be designated by the Board of Directors, but in all cases the Association shall meet at least once each year.

SECTION 2. Special Meetings. Subject to RSA 356-B:37, II, a special meeting of Unit Owners shall be held to address any matter affecting the Unit Owners or the Association if the President, a majority of the Board of Directors, or Unit Owners having not less than thirty-three percent (33%) of the votes in the Association request that the secretary call the meeting. To the extent required by the Condominium Act, if notification is not made by the Association within 30 days after the requisite percentage of Unit Owners request the secretary to do so, the requesting members may directly notify all the Unit Owners of an informational meeting, the purposes of which shall be limited to presentation of the issue for which the special meeting was requested to fellow residents and unit owners. In all instances, only matters described in the meeting notice required by RSA 356-B:37-a may be considered at a special meeting.

SECTION 3. Notice of Meetings. The Secretary of the Association shall, at least 21 days in advance of any annual or regularly scheduled meeting, and at least 7 days in advance of any other

meeting, provide to each Owner notice of the time, place, and purpose of such meeting in conformity with RSA 356-B:37-a. So long as allowed by RSA 356-B:37, the minimum time to give notice may be reduced or waived for a meeting called to deal with an emergency. The secretary, or other duly authorized officer of the Unit Owners' Association, shall prepare an affidavit which shall be accompanied by a list of the addresses of all Unit Owners currently on file with the Association and shall attest that notice of the Association meeting was provided to all Owners on that list in a manner conforming to RSA 356-B:37-a. A copy of the affidavit and Unit Owners list shall be available at the noticed meeting for inspection by all owners then in attendance and shall be retained with the minutes of that meeting. The affidavit required in this section shall be available for inspection by Unit Owners for at least 3 years after the date of the subject meeting.

SECTION 4. Quorum. The presence at the meeting of Owners in person, or by proxies compliant with RSA 356-B:39, IV, entitled to cast twenty-five percent (25%) of the total voting interest of the Unit Owners, shall constitute a quorum to start any special or annual meeting of the Owners. Owners not present who submit a proxy compliant with RSA 356-B:39, IV, which is received prior to the start of the meeting, shall be considered to be present for purposes of a quorum. If a quorum is not met for an annual meeting, the Board shall reschedule the meeting within 60 days and provide proper notice and proxies for said rescheduled meeting.

SECTION 5. Conduct of Meeting. The President, or in his/her absence, the Vice President, shall preside over all meetings of the Unit Owners' Association and the Secretary shall keep the minutes of the meeting and shall record all transactions occurring and all resolutions adopted at the meeting. Roberts Rules of Order Newly Revised may be used to govern the conduct of all meetings of the Unit Owners' Association, at the discretion of the person presiding over said meeting, when notice of the application of said Rules is provided at the beginning of said meeting, and so long as use of said rules are not in conflict with the Declaration, these Bylaws or the Condominium Act. Unit Owners shall be given reasonable opportunity at any meeting to comment regarding any matter affecting the association. Minutes of all meetings of the Association shall be made available to Unit Owners pursuant to RSA 356-B: 37, VI, as amended from time to time.

SECTION 6. Written Consent to Vote Without a Meeting. The Association may conduct a vote without a meeting, only in compliance with the requirements of The Condominium Act, RSA 356-B:39-a, as said Act may be amended from time to time.

SECTION 7. Voting. Except as otherwise required by the Condominium Instruments or any applicable law, a quorum being present, a majority of votes present, in person or by proxy, shall be sufficient on those matters which are to be voted on by the Unit Owners. The election of Directors shall be by ballot. Unless determined by a majority of the votes of the unit Owners present at such meeting, in person or by proxy, or determined by the chairperson of the meeting to be advisable, the vote on any other question need not be by ballot.

SECTION 8. Voting Eligibility. 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 Association if, and only if, he shall have fully paid all assessments made or levied and due against him and with all interest, costs,

attorneys' fees, penalties and other expenses, if any, properly chargeable to him and against his Unit, at least three days prior to the date fixed for such annual or special meeting.

SECTION 9. Order of Business. The order of business at the annual meeting of the Unit Owners, or at any special meetings, insofar as practicable shall be:

- (a) Calling of the roll and certifying the proxies.
- (b) Proof of notice of meeting and waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Appointment of Judges of Election, if appropriate.
- (e) Election of Directors, if appropriate.
- (f) Receiving reports of officers.
- (g) Receiving reports of committees
- (h) Old Business.
- (i) New Business.
- (j) Adjournment.

ARTICLE IV - BOARD OF DIRECTORS

SECTION 1. Express and Implied Powers and Duties. The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers granted to it by the Articles of Incorporation, the Condominium Declaration, these By-Laws, and by law.

SECTION 2. Number and Qualifications. The Board shall consist of three (3) persons elected by the Association, all of whom shall be an Owner of a Unit. In the case of partnership Unit Owners, Directors shall be members, agents, or employees of such partnership or of the partners therein; or in the case of corporate Unit Owners, Directors shall be officers, shareholders, employees or agents of such corporation; or in the case of fiduciary Unit Owners, Directors shall be fiduciaries or officers or employees of such fiduciaries. In all cases, the person holding the position of Board Member shall have authority to execute deeds on behalf of the Unit Owner.

SECTION 3. Election and Term of Office. At each annual meeting of the Association, one (1) Director shall be elected from among the Unit Owners, or other persons qualified under Section 2 of this Article IV, to serve a term of three (3) years. The Directors shall each serve staggered terms of three (3) years each.

Each Director shall be elected by a majority vote of the Unit Owners who vote for him. The Directors shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided herein.

SECTION 4. Removal of Members of the Board. A director may be removed by affirmative vote of the Association with, or without, cause pursuant to the provisions of RSA 356-B:40-b, as amended from time to time.

SECTION 5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Unit Owners of the Association shall be filled by a vote of the majority of the remaining Directors, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. If all the positions on the Board are vacant at the same time, the Owners shall fill said vacancies at a duly called meeting of the Association. Each person so elected shall be a director for the remainder of the term of the Director whose term he is filling and until his successor shall have been duly elected and qualified.

SECTION 6. Board Meetings: To the extent not inconsistent with The Condominium Act, as it may be amended from time to time, meetings of the Board shall be held and conducted in the following manner:

(a) **Annual Organizational Meeting:** The Board shall meet immediately after the adjournment of the regularly scheduled annual meeting of the Association, but in no case longer than ten (10) days after said Annual Meeting, for purposes of electing officers as provided in Article IV of these Bylaws and for such other matters as may be noticed pursuant to RSA 356-B:37-c.

(b) **Regular Meetings:** The Board shall hold meetings not less than once each quarter pursuant to a regular schedule to be determined at the discretion of the Board and published to the Association. It shall be the duty of the Secretary to give notice of all Board and committee meetings at least ten (10) days in advance of each meeting to members of the Board and Unit Owners stating the time, date, place and agenda of the meeting. Subject to the provisions of RSA 356-B:37-d, meetings shall be open to Unit Owners and, at least once each quarter, Unit Owners in attendance at a meeting designated in the notice of said meeting shall be provided a reasonable opportunity to comment on any matter affecting the Association. Subject to the Condominium Act, at the discretion of the Board, the Board and any committee may meet in a meeting not open to Unit Owners provided that the meeting is recorded and the recording of such meeting is made available to unit owners for up to thirty (30) days after the adjournment of the meeting upon request.

(c) **Special Meetings:** Special meetings of the Board may be called by the President. Unless the special meeting is called to deal with an emergency requiring immediate attention by the Board, the Secretary shall give notice of the meeting to each Board member and to the Unit Owners ten (10) days in advance of said meeting stating the time, date, place and agenda of the meeting. The conduct of any special meeting shall comply with RSA 356-B:37-c, RSA 356-B:37-d and the Condominium Instruments.

(d) Conduct of Meetings. The President, or in the President's absence, the president *pro tem* elected by the Board, shall preside over all meetings of the Board. The Secretary shall keep minutes of the meetings of the Board, including recording all resolutions adopted by the Board, all transactions, and all proceedings occurring at such meetings. The minutes shall be filed in the Record Book of the Association and shall be made available to Unit Owners as required by The Condominium Act, RSA 356-B:37, VI. The Board may enter executive session only during a regular or special meeting of the Board to discuss matters expressly allowed under RSA 356-B:37-d. Unless allowed by The Condominium Act, no vote or action may be taken during an executive session.

(e) Compensation. No director shall receive any salary or compensation from the Association for the performance of duties as an officer or director and shall not in any other way benefit financially from service to the association, unless such compensation is annually approved in advance by a 2/3 majority of the voting interests present at a properly called meeting of the association as required by RSA 356-B:40, II-a and II-b.

(f) Meetings by Telephonic, Video or Other Conferencing Process. The Board of Directors, or any member thereof, may participate in meetings of the Board by means of telephonic, video, or other electronic conferencing process, provided that the requirements of RSA 356-B:37-c, and other provisions of the Condominium Act and Condominium Instruments are also met.

(g) Board Quorum: A quorum shall be deemed to be present throughout any meeting of the Board of Directors if persons entitled to cast more than one-half ($\frac{1}{2}$) of the votes in the Board are present at the beginning of such meeting. The acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board.

SECTION 7. 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 Association, a full and clear statement of the business and condition of the Condominium.

SECTION 8. Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder, or hereafter granted, shall not preclude its exercise in the future, nor shall any custom bind the Board.

ARTICLE V - POWERS AND DUTIES OF BOARD OF DIRECTORS

SECTION 1. General Powers and Privileges. The Board shall have those powers which include, but which are not necessarily limited to the following, together with such other powers as may be granted herein or by law, or in the Condominium Declaration, or which may be necessarily implied:

- (a) Employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and follow out the responsibilities of the Board. Said manager or said independent contractor shall be compensated upon such terms as the Board deems necessary and proper; and
- (b) To employ any person, firm or corporation to repair, maintain or renovate the Common Elements of the Condominium; lay pipes or culverts; to bury utilities; to put up lights or poles; to erect signs and traffic and safety controls of various sorts on said Property; and
- (c) To employ professional counsel and obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants; and
- (d) To employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna television; and
- (e) To employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder; and
- (f) **Rules.** The Board shall adopt Rules and Regulations concerning the use, maintenance, alteration, improvement, and management of the Condominium including, but not limited to, rules and regulations concerning: the assessment and collection of payment responsibilities, use of amenities, signs, public view restrictions, refuse, pets, nuisance and restricting nuisance (including noise and light restrictions), recreational equipment, vehicles, storage, Common area use, passkeys, condominium employees, outside activities, roads and driveways, Units, Limited Common Area, guests, tenants, invitees, violations and enforcement penalties, fines, maintenance requirements of Owners, and parking, including towing of vehicles in violation and assessment of costs related thereto to the subject Unit Owner. Prior to being effective, all Owners shall receive notice of any new or amended Rules through the Association's newsletter, mailings, or other forms of communication to the Owners from the Board or the Association's Manager. The Board may by Rule impose reasonable fines, monetary penalties, and other appropriate remedies, such as towing of vehicles, for violation of said rules and provisions of the Condominium Instruments. Any such fine or penalty shall be assessed upon the affected unit, which

Assessment shall become a lien that may be perfected and enforced in accordance with RSA 356-B:46, or other relevant provision of the Condominium Act and the applicable Condominium Instruments, as they may be amended from time to time; and

(g) Secure full performance by Unit Owners or occupants of all items of maintenance for which they are responsible; and

(h) Set minimum standards for floor coverings installed by all Unit Owners in Buildings, with the exception of Declarant; and

(i) Coordinate the plans of Unit Owners and occupants of Units for moving their personal effects or property into the Unit or out of it, with a view towards scheduling such movements so that there shall be a minimum of inconvenience to others; and

(j) Establish and enforce Rules and Regulations for parking by, and the assignment of parking spaces to, Unit Owners, subject to the provisions of the Condominium Declaration, Articles of Incorporation and these By-Laws; and

(k) Arrange for security protection as necessary; and

(l) Enforce obligations of the Unit Owners and do anything and everything else necessary and proper for the sound management of the Condominium, including the right to bring or defend lawsuits to enforce the terms, conditions and restrictions contained in the Condominium Declaration, these By-Laws or the Rules and Regulations.

(m) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary; and

(n) Invest and reinvest monies, sue and be sued; collect interest, dividends, and capital gains; exercise rights, pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto; and

(o) Grant and obtain easements, licenses and other property rights with respect to contiguous lands; and

(p) Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners within the Condominium, Units offered for sale or lease or surrendered by their Owners to the Board; and

- (q) Purchase Units within the Condominium at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners; and
- (r) Sell, lease, mortgage (but not vote the votes appurtenant thereto, or otherwise deal with Units acquired by the Association, and sublease any such Units leased by the Association or its designees, on behalf of all Unit Owners; and
- (s) Bring and defend actions against or by one or more Unit Owner (s) which are pertinent to the operation of the Condominium, the health, safety or general welfare of the Unit Owners, or any other legal action to which the Unit Owners may consent in accordance with these By-Laws.
- (t) Appoint an Insurance Trustee, who shall not be a member of the Association, an employee of the Declarant, or the Manager, who shall discharge his duties in accordance with these By-Laws. In the absence of such an appointment, the Board shall be responsible for the disposition of all insurance proceeds.
- (u) In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restriction and conditions on the use thereof as the Board deems appropriate.
- (v) Create, appoint members to, and disband such committees as shall from time to time be deemed appropriate or necessary by the Board to aid it in the discharge of its duties, functions and powers.

SECTION 2. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following:

- (a) Cause the General and Limited Common Elements to be maintained according to accepted standards and as set forth in the Condominium Declaration, including, but not limited to such maintenance, painting, replacement and repair work as may be necessary, lawn maintenance and clearing of snow from roadways and walkways as the Board may deem appropriate. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first class quality.
- (b) To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Common Elements. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association.
- (c) Cause to be kept a complete record of all its acts and business

affairs and to present a summary report thereof to the members at the annual meeting or at any special meeting when requested in writing at least twenty-one (21) days in advance by Members entitled to cast at least twenty-five (25%) percent of the total votes of the Association.

(d) Allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Elements in accordance with the provisions of these By-Laws and the Condominium Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(e) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any Federal, State, County or Municipal authority having jurisdiction thereover, and order of the Board of Fire Underwriters or other similar bodies.

(f) Place and keep in force all insurance coverages required to be maintained by the Association, applicable to its property and members including, but not limited to:

(i) **Physical Damage Insurance.** Broad form insurance pursuant to RSA 365-B:43, against loss by fire and against loss by lightning, windstorm and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring all improvements to individual units and the Common Elements, together with all service machinery appurtenant thereto, and covering the interest of the Association, the Board, the Declarant, and all Unit Owners and Institutional Lenders as their respective interests may appear, in an amount equal to the full replacement value of such improvements (exclusive of foundations and footings), without deduction for depreciation. Each policy shall contain a standard mortgage clause in favor of each Institutional Lender, which shall provide that the proceeds, if any, thereunder, shall be payable to each Institutional Lender as its interest may appear, subject to the loss payment provisions set forth in Article X of these By-Laws. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board shall obtain a qualified appraisal of the full replacement value of the Units and Common Elements and the Improvements located thereon, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to the Sub-paragraph.

(ii) **Public Liability Insurance.** Pursuant to RSA 356-B:43, to the extent obtainable, public liability insurance for personal injury and death from accidents occurring within the entire Condominium, including the Common Elements and individual Units, and the defense of any actions brought by injury or death of a person or damage to property, occurring within such Common Elements. Said insurance shall be in such limits as the Board may, from time to time, determine, covering each Member of the Board, the

managing agent, the manager, and each Member, and shall also cover cross liability claims of one insured against another. Such Public Liability Insurance shall be in an amount determined annually by the Board in consultation with the Association's insurance broker, covering all claims for personal injury or property damage arising out of any one occurrence. The Board shall review such limits once a year.

(iii) Directors and Officers Liability Insurance. Liability insurance indemnifying the Directors and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, shall be obtained by the Board in an amount determined annually by the Board of Directors in consultation with the Association's insurance broker, with any deductible amount to be in the sole discretion of the Board.

(iv) Workers Compensation Insurance. Workers compensation and New Hampshire disability benefits insurance as required by law.

(v) Motor Vehicle Liability Insurance. Automobile liability insurance to cover all motor vehicles owned and operated by the Association.

(vi) Water Damages. Water damage legal liability insurance.

(vii) Other Insurance. Such other insurance as the Board may determine.

All policies shall: (i) provide that adjustment or loss shall be made by the Board of Directors with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, if \$25,000.00 or less shall be payable to the Board, and if more than \$25,000.00 shall be payable to the Insurance Trustee, if any; (ii) require that the proceeds of physical damage insurance be applied to the restoration of such Common Elements and structural portions and service machinery as is required by the Condominium Declaration and these By-Laws; (viii) to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured; and (iv) provide that such policies may not be cancelled without at least thirty (30) days prior written notice to all the named insureds, including all Unit Owners and Institutional Lenders.

Any insurance maintained by the Board may provide for such deductible amount as the Board may provide for such deductible amount as the Board may determine.

Unit Owners shall not be prohibited from carrying additional insurance for their own benefit provided that all such policies shall contain waivers of subrogation; and, further provided that liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Subject to Article VI, Section 1(g) of these Bylaws, the premiums for all insurance and fidelity bonds carried by the Association shall be a Common Expense and shall be borne by the Unit Owners in equitable proportions among them, with due consideration to the respective risks, liability and replacement values applicable to each Unit (as determined by the respective insurance carriers thereof or their agents, brokers or such other parties designated by the Board).

(g) To manage the fiscal affairs of the Association as hereinafter provided in article VI.

ARTICLE VI - FISCAL MANAGEMENT

SECTION 1. Association Budget and Assessment. The Board of Directors shall prepare a proposed Budget for ratification and adoption by the Association pursuant to RSA 356-B:40-c and this Section. Said budget shall be the basis for determining the estimated cash requirement for operation of the Association, which shall be assessed to the Unit Owners as provided by the Condominium Instruments and the Condominium Act.

(a) **Preparation and Approval of Budget.** In advance of each fiscal year, the Board shall adopt a proposed 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 which are the responsibility of the Association to maintain, repair and replace, the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by The Condominium Act, RSA 356-B, the Declaration, Bylaws, Rules, or a resolution of the Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the property and the rendering of the Owners of all related services. Such proposed Budget shall also include any previous year's operating deficit from the maintenance of the Condominium, as well as such reasonable reserves for an opening working capital reserve, insurance deductible reserve, capital replacement reserve, an operating contingency reserve, and any other reserve as the Board considers necessary. Not later than thirty (30) days after the adoption of a proposed Budget, the Board shall provide to all Unit Owners a summary of the budget, including any reserves, and a statement of the basis on which any reserves are calculated and funded. Simultaneously, the Board shall set a date not less than ten (10) days, or more than sixty (60) days, after providing the summary for a meeting of the Unit Owners to consider ratification of the budget. Unless at that meeting 2/3 of all Unit Owners reject the Budget proposed by the Board, the Budget shall be ratified, whether or not a quorum is present at said meeting. If a proposed Budget is rejected, the Budget last ratified by the Unit Owners continues until the Unit Owners ratify a subsequent Budget.

The Budget adopted by the Association shall be the basis for determining each Owner's contribution toward the Common Expenses and assessments of the Condominium.

(b) Assessment and payment of Common Expenses and Other Expenses. The Budget for the fiscal year adopted by the Association, shall be assessed against each Owner of a Unit as provided in Article XIII of the Declaration and these Bylaws, and shall be a lien against each Owner's Unit in accordance with The Condominium Act. Each Owner shall be obligated to pay Assessments made pursuant to this Paragraph and the Bylaws to the Board in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board shall designate. Within sixty (60) days after the end of each fiscal year, the Board shall provide to all Owners a balance sheet, and an itemized income and expense statement comparing actual expenses to that of the annual Budget. The amount accumulated in excess of the amount required for actual expense and budgeted reserves shall, in the discretion of the Board, either be: ; rebated to the Owners in accordance with each Owner's percentage of the undivided interest in the Common Area, ii) added to the next successive fiscal year's Budget, or iii) added to the Association's existing reserves. If required by the IRS, the Association shall vote on the Board's application of the excess income accumulation. Any net shortage of the Common Expenses and Common Area Assessments must be budgeted according to each Owner's percentage of undivided interest in the Common Area and added to the following year's proposed Budget for ratification by the Association.

(c) Capital Reserves. The Association shall maintain an adequate capital reserve account for replacement of the Common Area, which shall be funded by regular monthly condominium fee payments. At the end of each fiscal year, all funds accumulated during such year for reserves for replacement of the Common Area shall be placed in a separate account, segregated from the general operating funds, and used only for such purposes. Such capital reserve funds must be kept in interest bearing accounts with the manager if any, and the Association's President and Treasurer being the joint signatories for all reserve accounts. Such reserves and accrued interest must be 100% secured, protected, or insured at all times. If for any reason, including nonpayment of any Owner's assessment, the capital reserves are inadequate, the Board may at any time levy a further special assessment, pursuant to RSA 356-B:40-c, which shall be assessed against the Owners according to their respective undivided interest (and votes appertaining to same) in the Unit Owners' Association and which may be payable in a lump sum or in installments as the Board may determine. All Owners shall be obligated to pay the further assessment. All capital reserve accounts are to be held in an escrow account by the Association in trust for the Unit Owners as a whole with Ownership of the reserve accounts vested in the Owners as a whole in proportion to the undivided interests in the Common Area. Said capital reserve accounts are not to be subject to attachment by any creditors of the Association or of any of the individual Unit Owners. Said capital reserve escrow account funds may only be applied and used by the board and the Association for the repair, replacement,

and immediate maintenance of the Common Area.

(d) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Association to adopt the annual Budget for any fiscal year shall not constitute a waiver of release in any manner of an Owner's obligation to pay the Owner's allocable share of the Common Expenses as herein provided, whenever the same shall be determined, and in the absence of any annual Budget or adjusted Budget, each Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until a new budget is adopted by the Association.

(e) Collection of Assessments. The Board shall take, or cause to be taken, prompt action to collect any and all delinquent and/or past due Assessments from any Owner which are more than ten (10) days late, and may promulgate collection policies and procedures in the Association's Rules to be enforced against the Owner pursuant to the Condominium Act, and the enforcement provisions of the Declaration, the Bylaws, and the Rules.

(f) Special Assessments. The Board, at any time, may propose a special assessment. Except as otherwise provided by The Condominium Act and this Section, the Assessment is effective only if the board of directors follows the procedures for ratification of a Budget described in this Section, and the Unit Owners do not reject the proposed Assessment. Except as may be provided by The Condominium Act, if the Board determines by a 2/3 vote that a special assessment is necessary to respond to an emergency:

(i) The special assessment becomes effective immediately in accordance with the terms of the vote;

(ii) Notice of the special assessment shall be provided promptly to all unit owners; and

(iii) The Board may spend the funds paid on account of the special assessment only for the purposes described in the vote.

(g) Liability for Assessments Benefitting, or Caused by the Conduct of, Less than all Owners. Pursuant to RSA 356-B:45, II, any Common Expenses benefitting less than all of the Condominium Units, or caused by the conduct of less than all those entitled to occupy the same, or by their licensees or invitees, shall be specially assessed against the Condominium Unit, or Units involved, in proportion to the benefit conferred, or allocable cost caused by such conduct, as determined by the Board of Directors in its sole discretion.

SECTION 2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article VI. No Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Area or by abandonment of his

Unit. The purchaser of a Condominium Unit or other acquiring Owner by virtue of any transfer or other conveyance shall be jointly and severally liable with the transferring Owner for all unpaid Assessments against the latter for his proportionate share of the Common Expenses up to the time of the conveyance without prejudice to the acquiring Owner's right to recover from the transferring Owner the amounts paid by the acquirer therefor; provided, however, that any such acquiring Owner or transferring Owner shall be entitled to a recordable statement from the Board of Directors or the Manager setting forth the amount of the unpaid Assessments against the transferring Owner and such acquiring Owner shall not be liable for, nor shall the Condominium Unit conveyed be subject to a lien for, any unpaid Assessments in excess of the amount therein set forth, and failure to furnish or make available such a statement within seven (7) days from receipt of such request shall extinguish the lien for unpaid Assessments. Payment of a fee of Ten Dollars (\$10.00) or the maximum allowable under the Condominium Act, whichever is greater, shall be required as a prerequisite for issuance of such a statement. If a mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of a first mortgage, or through the enforcement of any other remedies provided for in the mortgage, or by virtue of a deed in lieu of foreclosure, such mortgagee or purchaser, his successors and assigns, shall not be liable for the payment of any Common Expenses assessed prior to the acquisition of title to said Unit by said mortgagee or purchaser pursuant to the aforesaid remedies, and the Condominium Unit shall not be subject to a lien for same. The unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such mortgagee or purchaser pursuant to the aforesaid remedies shall be collectible from all Owners, including the purchaser of first mortgagee, in proportion to their respective votes in the Unit Owners' Association.

SECTION 3. Acceleration of Assessment Installment Upon Default. If a Unit Owner shall be in default in the payment of an installment upon a Common Expense Assessment, the Board may accelerate the remaining installments of the Assessment and file a lien for such accelerated amount upon notice to the Unit Owner, and if the delinquent installment is not paid by the date set forth in the notice, the then unpaid balance of the Common Expense Assessment shall come due upon such date, but not less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If no such notice has been given and default continues the Board shall, between thirty and ninety days after the default first occurs, accelerate the remaining installments of the Assessment, upon similar notice to the Unit Owner, and file a lien for such accelerated Assessment as permitted by law if the delinquent installment is not paid by the date set forth in this notice. In the event that such a notice is filed, the Board may notify any Institutional Lender holding a mortgage which encumbers the Unit affected by such default or publish appropriate notice of such delinquency to the membership of the Association. If said default continues for a period of sixty days, then the Board shall foreclose the foregoing lien pursuant to law, or commence a suit against the appropriate parties to collect said Assessment.

At the option of the Board of Directors, each monthly Assessment and each special Assessment may be considered to be separate distinct and personal debts and obligations of the unit owner against whom the same are assessed at the time the Assessment is made and shall be collectable as such. Suit to recover a money judgement for unpaid Common Expenses shall be maintainable without foreclosures or waiving the lien securing the same. The Board of Directors, on behalf of the Association, shall have the authority to effect the lien procedures provided for in RSA

Chapter 356-B:46, with regard to any unpaid assessments.

SECTION 4. Annual Audit. The Board shall submit the books, records, and memoranda of the Association to an annual audit by two volunteer Unit Owners, to be named at the Annual Meeting, who shall audit the same and render a report thereon in writing to the Board and in summary form to the Unit Owners and such Institutional Lenders or other persons, firms or corporations as may be entitled to same. Current, newly elected and outgoing members of the Board of Directors and their spouses are not eligible to perform the audit. If two volunteers do not step forward at the Annual Meeting, the Board shall hire an Independent Certified Public Accountant to complete the task and assess the Unit Owners equally for the cost of the audit.

SECTION 5. Examination of Books. Each Unit Owner shall be permitted to examine the books of account of the Board by appointment at a reasonable time during normal business hours on business days; provided, however, that the Treasurer has been given at least 10 days prior written notice of the Unit Owner's desire to make such an examination.

SECTION 6. Fidelity Bonds. Fidelity bonds may be required by the Board from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board. The premiums on such bonds shall be paid by the Association.

ARTICLE VII - OFFICERS

SECTION 1. Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall also be a Director. The Board may also appoint such other Officers as in its judgment may be necessary. The offices of President, Secretary, and Treasurer shall be held by different persons.

SECTION 2. Election of Officers. The Officers of the Association shall be elected annually by the Board at the first Board of Directors meeting following each annual meeting of the Association pursuant to Article IV, Section 6 (a) of these Bylaws, and such Officers shall hold office at the pleasure of the Board.

SECTION 3. Removal of Officers. Each Officer appointed by the Board of Directors serves at the pleasure of the Board of Directors. Any vacancy in an office shall be filled by the Board at a monthly meeting or special meeting called for such purpose. The officers shall remain in office until their respective successors are chosen and qualify in their stead. An officer may be removed with, or without cause, pursuant to the provisions of Article IV, Section 4 of these Bylaws and RSA 356-B:40-b.

SECTION 4. Duties and Responsibilities of Officers.

- (a) The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the

general powers and duties which are usually vested in the Office of President of an Association.

(b) The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the members of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of the Secretary.

(c) The Treasurer shall have the responsibility for the custody of Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories may from time to time be authorized by the Board.

SECTION 5. Other Duties and Powers. The Officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board.

ARTICLE VIII - COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS

SECTION 1. Compensation. No Director or Officer shall receive any salary or compensation from the Association for the performance of duties as an officer or director and shall not in any other way benefit financially from service to the association, unless such compensation is annually approved in advance by a 2/3 majority of the voting interests present at a properly called meeting of the association as required by RSA 356-B:40, II-a and II-b.

SECTION 2. Conflict of Interest. No Director or Officer shall be hired or retained by the Association to simultaneously perform services for the Association for compensation, such as Property Manager, Accountant, Bookkeeper, or any other position for which compensation is provided by the Association.

No Director, Officer, or Committee Member shall take, or seek to take, advantage of their position for private gain, unfair financial benefit or preferential treatment or advantage distinct from the common interest of all Unit Owners. No Director, Officer or Committee Member shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan, or any other thing of monetary value or benefit made with the intent of influencing decisions or actions on any official matter, or from a person who is seeking business or financial relations with the Association.

SECTION 3. Indemnification. Each Director, Officer or Committee Member of the Association shall be indemnified by the Association against the actual amount of net loss, including counsel fees, reasonably incurred by or imposed upon him in connection with any action, suit or

proceeding to which he may be a party by reason of his being or having been a Director, Officer or Committee Member of the Association, or delagee, except as to matters as to which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

SECTION 4. Exculpability. Unless acting in bad faith, neither the Board as a body nor any Director, Officer or Committee Member of the Association, shall be personally liable to any Unit Owner in any respect for any action or lack of action arising out of the execution of his office. Each Unit Owner shall be bound by the good faith actions of the Board, Officers and Committee Members of the Association, in the execution of the duties of said Directors, Officers and Committee Members.

ARTICLE IX - ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION

Whenever in the judgment of the Board of Directors the Common Area shall require additions, alterations or improvements costing in excess of Twenty Thousand Dollars (\$20,000.00) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by fifty-one percent (51%) of the Owners, the Board of Directors shall proceed with such additions, alterations and improvements and shall assess all Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Twenty Thousand Dollars (\$20,000.00) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Owners and the cost thereof shall constitute part of the Common Expense. Notwithstanding the foregoing, if, in the opinion of not less than two-thirds (2/3) 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 such benefitting Owners shall be assessed therefor in such proportion as they jointly approve, or, if they are not able agree thereon, as determined by the Board of Directors.

Notwithstanding any of the foregoing, in the event of any emergency which could cause damage to the Building or any part(s) thereof, the Board may expend such sums as are necessary to protect the Building or part(s) thereof. The judgement of the Board in exercising its discretion hereunder shall be final.

ARTICLE X - DAMAGE OR DESTRUCTION

If the Building, any improvement, or Common Element or any part thereof is damaged or destroyed by fire or casualty, the repair, restoration or ultimate disposition of any insurance proceeds

shall be in accordance with the following:

(a) If the insurance proceeds derived from such loss amount to \$25,000.00 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the Property in conformance with the original plans and specifications and in accordance with all applicable building codes, or if adherence to such original plans and specifications is impracticable in the Board's opinion, then in conformance with revised plans and specifications provided that all such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction and in accordance with all applicable building codes. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

(b) If the insurance proceeds derived from such loss exceed \$25,000.00, all such insurance proceeds shall be paid directly to an Insurance Trustee as may be designated by the Board, as Trustee for all Institutional Lenders holding first mortgages on the Property and for all Unit Owners, as their respective interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board.

I. Upon notification of the receipt of insurance proceeds by the Insurance Trustee, the Board shall enter into a contract for a specific dollar amount with a licensed contractor or contractors for the repair or rebuilding of all of the damaged or destroyed portions of the property. The repair or rebuilding for which the Board contracts shall be as near as practicable to the original plans and specifications and shall be in accordance with all applicable building codes.

ii. The Board shall enter into said contract with a licensed contractor or contractors, and the contract shall have provision for periodic disbursements of funds by the Trustee. Disbursements to the contractor shall be made subject to the prior presentation of an architect's certificate containing such provisions as may be appropriate in the circumstances and deemed suitable by the Board.

iii. The Board shall employ a licensed architect to supervise the repair and rebuilding to insure that such work, services and supplies are of proper quality, and to insure that construction is completed in a workmanlike manner according to all plans and specifications.

(c) If the damage is only to those parts of a Unit for which the responsibility for maintenance and repair is that of the Owner, then that Owner shall be responsible for reconstruction and repair, but the proceeds of any insurance that may have been obtained by the Association shall be made available to the Owner for that purpose.

Subject to the provisions of the Condominium Declaration, in all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

(d) If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if at any time during reconstruction and repair, the funds for payment of the costs thereof are insufficient, Assessments shall be made against all Owners whose Units were damaged or destroyed in amounts which are sufficient to provide funds for the payment of such costs. Anything to the contrary in the Condominium Declaration or these By-Laws notwithstanding, such assessments shall be in proportion to the affected Unit Owners relative percentage interests in the Common Elements. The foregoing provisions of this subparagraph are applicable to the repairs And reconstruction to be undertaken by the Association and do not cover damages to those portions of the Unit for which the responsibility of maintenance repair is that of the Unit Owner for which the costs and expenses must be borne by each Owner as provided in Article VIII of the Condominium Declaration; provided, however, that any portion of the insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an individual Unit Owner shall be paid to said Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and mortgagee jointly.

(e) If the amount of available insurance proceeds should exceed the cost of any such reconstruction or repair, the excess shall be retained by the Association and applied by it to reduce the Common Expense.

(f) In the event the Association determines not to repair or restore the damaged property in accordance with the N.H. RSA 356-B:46, any insurance proceeds payable to a Unit Owner as a result of damage or destruction to his Unit and/or interest in the Common Elements are hereby assigned and shall be paid to any appropriate Institutional Lender (s), as their interests may appear, for application to the appropriate mortgage indebtedness. The excess, if any, shall be paid to the appropriate Unit Owners.

ARTICLE XI - EMINENT DOMAIN

If any Building, improvement or Common Element or any part thereof shall be taken, injured or destroyed by eminent domain, each Unit Owner affected shall be entitled to notice of such taking and to participate through the Association in the proceeding incident thereto. Any awards made in connection with such proceedings shall be collected by the Association and applied or distributed by it in accordance with the following, unless the award or decree provides to the contrary:

(a) If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically

or lawfully be used for any purpose permitted by the Condominium Declaration, the award must compensate the Unit Owner for his unit and its percentage interest in the Common Elements, based upon the qualified appraisal acceptable to the Board of the relative value of the Unit (s) taken ("Qualified Appraisal") whether or not any portion of the Common Elements is acquired. Upon acquisition by the condemning authority, unless the decree provides otherwise, each affected Unit's entire percentage interest and its Common Expense liability shall be automatically reallocated to the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units before the taking, and the Association shall promptly prepare, execute and record an amendment to the Condominium Declaration reflecting the reallocation. Any remnant of a Unit remaining after a part of a Unit is taken under this subsection shall thereafter be a Common Element.

(b) If part of a Unit is acquired by eminent domain, other than under the circumstances contemplated by subsection (a) the award must compensate the Unit Owner (s) for the reduction in value of the Unit and its percentage interest in the Common Elements. Upon acquisition by the condemning authority, (1) each affected percentage interest, and its Common Element liability shall be reduced in proportion to the reduction in value of each such Unit, based upon a Qualified Appraisal, and (2) the portion of its percentage interest and Common Expenses Liability divested from the partially acquired Unit shall be automatically reallocated to each such Unit and the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units before the taking, with the partially acquired Unit(s) participating in the reallocation on the basis of their reduced percentage interest and liabilities.

(c) If a portion of the Common Elements is acquired by eminent domain, the award must be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the affected Unit Owners in proportion to their respective percentage interests in the Common Elements before the taking, but the portion of the award attributable to the acquisition of any Limited Common Element must be equally divided among the owners of the Units to which that Limited Common Element was allocated at the time of acquisition based upon a Qualified Appraisal.

(d) In no event shall the aggregate amount distributed to the affected Unit Owner(s) exceed the total amount of any award paid with respect to any taking by eminent domain.

ARTICLE XII **COMPLIANCE AND DEFAULT**

SECTION 1. Default by Owner. Each Owner shall be governed by, and shall comply with, all of the terms of the Declaration, Bylaws, and Rules, as amended from time to time. A

default by an Owner shall entitle the Association acting through the Board or the Board's authorized agent, including its Manager, to the following relief:

A. Legal Proceedings. Failure to comply with any of the terms of the Declaration, Bylaws, and Rules are grounds for an action by the Association, the Board, the Manager, or other Owners to recover any sums due, for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, the payment of the Association's legal fees and costs, or any other relief in law or equity afforded by a court of competent jurisdiction in the State of New Hampshire, including the bringing of any small claims actions on behalf of the Association by the Manager against any Owner. The Association shall be entitled to all costs and attorneys' fees incurred in any proceeding under The Condominium Act (RSA 356-B), and/or as otherwise provided in the Declaration, the Bylaws, and the Rules. However, if litigation is filed by the Association against the Unit Owner, then the Association in any such litigation shall be entitled to the reimbursement from the other party of its reasonable litigation costs, collection costs, and attorneys' fees.

B. Additional Liability. Each owner shall be liable for the expenses of all maintenance, repair, or replacement to the Condominium rendered necessary by the Owner's acts, neglect, or carelessness as well as from the acts, neglect, or carelessness of any member of the Owner's family or the Owner's tenant's, guests, employees, agents, or invitees (collectively referred to herein as the **Owner's Negligence**), but only to the extent that such expense is not covered by the proceeds of insurance carried by the Association. As stated in Article XV, Section 3, C of the Declaration, the Owner shall be responsible for the payment of the deductible amount of the Association's master policy in the event of an insurable claim, which shall constitute part of the Owner's additional liability assessment hereunder. All additional liability expenses as a result of Owner's Negligence may be assessed directly to the Owner by the Board of Directors based on the actual expenses incurred by the Association, or based on reasonable estimates received by the Association (with an adjustment back to or from the Owner once the actual work has been completed based on the actual costs incurred by the Association). Such expense which may be charged to an Owner for the Owner's Negligence shall also include any increase in the insurance rates occasioned by the 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 right of subrogation.

C. Removal, Abatement, and Enjoining of Violations. The Association, through its Manager or authorized agent, may seek to correct any violation or breach of the Declaration, Bylaws, Rules and/or of any zoning or governmental regulations or laws (collectively referred to as the Applicable Covenants and Laws) of an Owner, the Owner's family, tenants, guests, invitees, and licensees by taking any and all action to abate, enjoin, or remove at the Owner's cost and expense (to be billed back to the Owner as a specific Owner assessment) any structure, thing, condition, or

action which is in violation or in breach of the Applicable Covenants and Laws, but only after the Owner has been provided prior written notice from the Board, the Manager, or the Board's authorized agent requesting that any such breach of violation be remedied within a defined period of time. For most cases of a non-emergency basis, twenty (20) days shall be deemed to be a reasonable time to remedy any such breach or violation, unless the time frame is otherwise determined by the Board. During any such breach or violation of any Applicable Covenants and Laws, the Board, Manager, or the Board's authorized agent may suspend or limit the right of the Owner to use any part of the Common Area during the continuance of any such violation or breach.

D. Termination of Association Supplied or Paid for Services and Suspension of the Use of the Common Area. The Board is authorized, after thirty (30) days prior written notice to an Owner and the Owner's first mortgagee of record of the nonpayment of the Owner's assessments, to terminate the delinquent Unit's common privileges and cease supplying a delinquent Unit with any and all services normally supplied or paid for by the Association. Any terminated services and privileges shall be restored upon payment of all assessments, including all costs of termination and of reconnecting any terminated service. The Board is authorized from time to time to establish and adopt Rules regarding: i) the termination and suspension of any and all services normally supplied or paid for by the Association; and ii) the termination and suspension of the use of the Common Area, including the right of the Association to tow and remove vehicles from the Common and Limited Common Areas, with or without notice, at the Unit Owner's Expense, which costs shall be assessed to the affected Unit Owner's Unit account. If the Owner has not notified the Board in writing as to the identity and address of the first mortgagee of record, then the Board may research and identify the mortgagee's name and address and charge all such expenses to the Owner.

E. Interest Charges, Late fees, and Fines. The Board may establish, from time to time, Rules regarding the amount of interest charges, late fees, administrative fees, and/or fines required to be paid by defaulting and/or delinquent Owners, or from Owners who violate any term, provision, or requirement of the Declaration, Bylaws, and Rules. The interest charges, late fees, administrative fees, and fine schedule, as adopted and revised by the Board from time to time, shall be documented in the Rules and shall constitute Assessments enforceable pursuant to RSA 356-B:46.

F. Attorneys' Fees and Costs of Collection/Litigation. In the event the Association is required to take collection action against an Owner or otherwise seek to enforce the lawful provisions of the Condominium Instruments and/or the Condominium Act, RSA 356-B, due to any alleged default or lack of compliance by an Owner (and/or all those entitled to occupy Units), with any such default including: i) the failure to pay Assessments when due, or ii) the breach of, or the lack of compliance with the lawful provisions of The Condominium Act and the

Condominium Instruments (which include the Declaration, the Bylaws, and Rules), the Association is entitled to the reimbursement of all of its costs and attorneys' fees incurred as a result of pursuing collection/enforcement pre-suit and in the context of any legal proceeding or review of the matter in controversy. In any action of the Board, Manager, or the Board's authorized agent on behalf of the Association in collection of delinquent assessments against any Owner and/or Unit, including the foreclosing of the Association's lien, and in settlement of any action by the Board, Manager or the Board's authorized agent, the Association shall be reimbursed for all of its legal fees, litigation and collection costs by the Owner and/or from the Unit, which collection costs shall be Assessed to the Unit and become a lien against such unit pursuant to the Condominium Instruments and RSA 356-B.

SECTION 2. No Waiver of Rights Cumulative Remedies. The failure of the Unit Owners' Association, the Board of Directors, or of an Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these 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 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.

SECTION 3. Non-Compliance by the Association. Failure by the Association to comply with the provisions and terms of the Declaration, Bylaws, and Rules may be grounds by any Owner for complaint against the Association, but only after the Association has been provided at least thirty (30) days prior written notice of the violation and breach, and where such failure concerns a substantive matter, and where the Association has reasonably failed to take action on the Owner's complaint. The Association shall not be liable for breaches or violations stemming from a reasonable interpretation of the Declaration, Bylaws, Rules, the Condominium Act, or of any other applicable laws or ordinances. In no case shall the Board members or officers be liable to the Owners for any of their mistakes of judgment or for any unintentional negligence. Notice under this section shall require notice to the Association's President, with a copy of such notice being provided by the Unit Owner to the Association's Manager and Treasurer.

SECTION 4. Owner Complaints. All complaints by the Owners, whatever the subject matter, shall be made to the President of the Association and to the Manager in writing and signed by the complainant, unless as more specifically required in Section 3 above.

SECTION 5. Lien for Assessments.

(a) The total annual Assessment of each owner for the Common Expense, any special Assessment, and all other Assessments levied pursuant to the Condominium Instruments, applicable Rules, and RSA 356-B, are hereby declared to be a lien levied against the Unit of such Owner as provided in (including without limitation the Priority provisions) set forth in Section 46 thereof) the Condominium Act, 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 installment, upon a default by such Owner in the payment of any single installment, which continues for ten (10) days after written notice of such default has been sent to the Owner, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, pursuant to Article VI, Section 3 of these Bylaws.

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

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

ARTICLE XIII - AMENDMENTS

Except as may be otherwise provided by the New Hampshire Condominium Act, RSA 356-B, these Bylaws may only be amended by the agreement of Owners of units to which at least Two-Thirds (2/3) of the votes in the Association appertain, by votes cast in person or by proxy at a meeting duly held pursuant to the provisions of the Bylaws, or by written consent signed by the Owners. No such amendment shall be effective until the amendment has been duly executed as required by RSA 356-B:34 and recorded at the Rockingham County Registry of Deeds.

ARTICLE XIV - CONFLICT; INVALIDITY

SECTION 1. Conflict. Anything to the contrary herein notwithstanding, if any provision of these By-Laws is in conflict with or in contradiction to the Condominium Declaration, the Articles of Incorporation or with the requirements of any law, then the requirements of said Condominium Declaration or law shall be deemed controlling.

SECTION 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or affect the remaining provisions of the By-Laws.

ARTICLE XV - NOTICE

SECTION 1. Notices and Service of Process. All notice, demands, bills, statements or other communications provided for or required under the Declaration and Bylaws shall be in writing and shall be deemed to have been duly given as follows:

A. Notice to Owners: Unless otherwise allowed by The Condominium Act, the Association shall deliver any notice required to be given by the Association to any mailing or electronic mail address a Unit Owner designates. If the Unit Owner does not designate an address, the Association shall deliver notices by hand delivery, United States mail postage paid, or by other commercially reasonable delivery service to the address of the Unit.

B. Notice to Association: Any Notice to the Association shall be delivered by hand, or to the mailing or electronic mail address of the President of the Association or Manager, if any.

C. Service of Process: Unless otherwise specified by The Condominium Act, any Officer of the Association is a suitable person to receive services of process in any proceeding against the Association.

ARTICLE XVI - RENTAL OF UNITS OR TENANCY BY OTHER THAN OWNER

Subject to Article VII, Section 2 of the Declaration as provided herein, any Unit Owner shall have the right to rent his Unit. The Unit Owner shall notify the Secretary of the Board of Directors, in writing of any such rental or tenancy and include in that notice the names of the tenants and the period of the tenancy. Any such tenant shall be bound by the provisions of the Condominium Declaration, the By-Laws and any Rules and Regulations established by the Board of Directors with regard to the use of the property and amenities. The rental of a Unit in violation of the Declaration, Bylaws and Rules adopted by the Board of Directors, shall, in addition to all other available remedies, result in a fine Assessment pursuant to Article XII, Section 1, E of these Bylaws, which shall constitute a special assessment against that Unit.