

**THIRD AMENDMENT TO THE DECLARATION OF
ROYALE SANDS BEACH CLUB CONDOMINIUM ASSOCIATION
HAMPTON BEACH, ROCKINGHAM COUNTY, NEW HAMPSHIRE**

This is the Third Amendment to the Declaration of Royale Sands Beach Club Condominium Association. The Declaration of Royale Sands Beach Club Condominium is dated August 20, 1985, and is recorded in the Rockingham County Registry of Deeds in Book 2568, Page 1738. The First Amendment to the Declaration of Royale Sands Beach Club Condominium is dated October 19, 1998, and is recorded in the Rockingham County Registry of Deeds in Book 3337, Page 157. The Second Amendment to the Declaration of Royale Sands Beach Club Condominium is dated January 7, 2004, and is recorded in the Rockingham County Registry of Deeds at Book 4218, Page 2624. The Bylaws of Royale Sands Beach Club Condominium Association are dated August 20, 1985, and are recorded in the Rockingham County Registry of Deeds in Book 2568, Page 1761. The First Amendment to the Bylaws of Royale Sands Beach Club Condominium Association are dated November 28, 1997, and are recorded in the Rockingham County Registry of Deeds in Book 3257, Page 1374. The Second Amendment to the Bylaws of Royale Sands Beach Club Condominium Association are dated November 6, 2012, and are recorded in the Rockingham County Registry of Deeds in Book 5393, Page 2304.

NOW, WHEREFORE, pursuant to RSA 356-B:34, and having secured a quorum, as well as obtained the affirmative vote, approval and consent of the Owners of Units to which Two-Thirds (2/3) of the eligible voting power in the Royale Sands Beach Club Condominium Association appertain to support amendment of the Declaration to comply with RSA 356-B, do hereby amend the Declaration of Royale Sands Beach Club Condominium Association, as follows:

1. Delete Section 2 of Article VII of the Declaration and substitute therefore the following:
2. When a Unit is rented it shall be occupied by no more than eight (8) people. Any rental of a Unit shall be for a period of not less than six (6) months.
2. Delete Section 4 of Article VII of the Declaration and substitute therefore the following:
 4. Except as herein provided, no Unit shall be used for any purpose except residential purposes. Except as herein provided, no building shall be used for any commercial, professional or other such purpose which does not comply with the provisions of the Declaration. Special permission may be given by the Board of Directors for limited professional office use of a particular Unit upon application of the owner of such Unit and only upon a finding by the Board that such limited

professional use is not incompatible with the basic residential nature of the development as a whole. The Board of Directors may grant such permission for such periods of time and upon such further terms, conditions and restrictions as it shall deem to be in the best interest of the condominium Association, as a whole, in its sole discretion.

3. Delete Section 8 of Article VII of the Declaration and substitute therefore the following:

8. No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Unit, or in the Common Area or Limited Common Area, without the express written permission of the Board of Directors. The requirement to obtain written permission of the Board of Directors shall apply equally to owners and their guests. Tenants shall be restricted and prohibited at any time from raising, breeding, or keeping pets in any Unit, or in the Common Area or Limited Common Area of Royale Sands Beach Club. Unit Owners may obtain permission only by submitting the Association's form entitled, "Request for Household Pet Occupancy" to the Board of Directors for review at a regularly scheduled meeting. In the event that permission is granted for a household pet, the Board of Directors may revoke that permission, if it is determined that the Unit Owner is not in compliance with the Declaration, Bylaws, Rules and Regulations and/or the terms of the permission granted by the Board for keeping a household pet. In all circumstances, the only household pets that the Board may authorize is limited to one (1) dog per owneroccupied unit; one (1) dog of a guest of a Unit Owner for a period not to exceed fourteen (14) days, or two (2) domestic cats per owner-occupied Unit, or fish and small birds.

4. Delete Section 14 or Article VII of the Declaration and substitute therefore the following:

14. No Unit Owner shall make any alterations to his Unit, nor construct any new structure or appurtenance, or make any improvements to the building without the express consent of a vote of eighty-eight percent (88%) of the voting power of the Association. Provided however, that any Unit Owner shall have the right to make interior decorating improvements or any interior changes to his Unit, but only so

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long as they do not affect any facilities which are shared with other Units within the building or otherwise affect areas that constitute part of the Common Area.

5. Delete Article VIII of the Declaration in its entirety and substitute therefore the following:

VIII. MANNER OF DETERMINING APPROPRIATE ACTION FOLLOWING DAMAGE TO ANY PORTION OF THE CONDOMINIUM BY FIRE OR OTHER CASUALTY AS REQUIRED BY RSA 356-B:16 (i).

1. **When Repair and Reconstruction are Required.** In the event of damage to or destruction of all or part of the buildings in the Condominium as a result of fire or other casualty, the Board of Directors shall arrange for, and supervise the prompt repair and restoration of the damaged or destroyed portion of the buildings. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating work in his own Unit.
2. **Procedure for Reconstruction and Repair.** 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 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 provided that a casualty causing damage is limited to a single Unit, then it shall be the responsibility of that Unit Owner to obtain estimates of the cost of replacement as aforesaid. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.
3. **Loss Assessment.** If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, Assessments in sufficient amounts to provide payment of such costs shall be made against the Owners in proportion to the undivided share in the Common Area appurtenant to the Units, as set forth in Article VI hereof.
4. Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications under which the damaged building was originally constructed.
5. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon which 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.

6. **Disbursement of Construction Funds.** The funds for payment of costs of reconstruction and repair after casualty, which shall consist of the proceeds of insurance held by the Association, or Insurance Trustee appointed by the Association, and funds collected by the Association from assessments against Unit Owners shall be disbursed in payment of such costs pursuant to Article XI of the Bylaws of Royale Sands Beach Club, Condominium Association.

6. Delete Article XI of the Declaration in its entirety and substitute therefore the following:

XI. AMENDMENTS.

1. Except as may be otherwise provided by the New Hampshire Condominium Act, RSA 356-B, this Declaration 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. Any Amendment is subject to the following restrictions:

A. **Recording.** 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.

B. **Restrictions.** Except to the extent expressly permitted or expressly required by the provisions of the New Hampshire Condominium Act, RSA 356-B, no amendment to the condominium instruments shall change the boundaries of any unit, the undivided interest in the Common Areas appertaining thereto, the liability for Common Expenses or rights to common profits appertaining thereto, or the number of votes in the Unit Owners' Association appertaining thereto.

C. **Mortgage Security.** Except to the extent expressly permitted or expressly required by the provisions of the New Hampshire Condominium Act, RSA 356-B, no amendment to the Condominium Instruments affecting any Unit in a manner which impairs the security of a first mortgage of record thereon shall be of any force or effect against the mortgage holder unless the same has been assented to by such mortgage holder. No portion of any amendment which would in any manner disqualify mortgages of Units in the Condominium from sale to the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC) shall be of any force and effect.

7. Delete Article XII of the Declaration in its entirety and substitute therefore the following:

XII. MAINTENANCE, REPAIR, ALTERATION AND IMPROVEMENT:

Responsibility for the maintenance and repair of the condominium property and restrictions upon the alteration and improvements thereof shall be as follows:

(1) **By the Association:** Except as otherwise provided in Section 2 of this Article XII herein below, the Association shall be responsible for the maintenance, repair and replacement (unless necessitated by the negligence, misuse or neglect of an Owner, or of a person gaining access with said Owner's actual or implied consent, in which case such expenses shall be charged to such Owner) of all of the Common Area. Except as may be otherwise provided by the Condominium Instruments or the NH Condominium Act, RSA 356-B, the costs of all maintenance, repair and replacement of Common Area undertaken by the Association hereunder on behalf of the Association shall be charged to all Owners as a Common Expense. The Board of Directors shall have the right to grant permits, licenses and easements over the common area for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Condominium.

(2) **By the Unit Owner.** Each Owner shall be responsible for the maintenance, repair and replacement, at his own expense, of his Unit, and any part thereof, including but not limited to, the finished interior surfaces of walls, ceilings and floors; windows and doors; kitchen and bathroom fixtures and appliances, and those parts of the heating and air conditioning, plumbing and electrical systems which are wholly contained with his Unit and serve no other. In addition, each Owner shall be responsible at his or her own expense, for the maintenance, repair and replacement of Limited Common Area assigned only to his or her Unit. Adjoining Unit Owners shall be jointly responsible, at their joint expense, for the maintenance, repair and replacement (unless necessitated by the negligence, misuse, or neglect of an Owner, or of a person gaining access with said Owner's actual or implied consent, in which case such expense shall be charged to such Owner) of Limited Common Area assigned only to their adjoining Units. No Unit Owner, however, shall undertake to repair or replace Limited Common Area assigned only to two, or more, adjoining Units without the adjoining Unit Owner's agreement to undertake the same action at the same time. Any such agreement by adjoining Unit Owners that would change the appearance, structure or style of a building containing Units must be approved by the Board of Directors. If an adjoining Unit Owner will not agree to join in such proposed action, the Unit Owner proposing the action may petition the Board of Directors for authority to carry out the proposed work and for the Board of Directors to assess the other Unit Owner one-half of the cost of the proposed work. The petition shall describe the proposed work, the need for the proposed work, its cost and that the adjoining Unit Owner object to the proposal. The Board of Directors shall act upon such a petition by giving notice to the objecting Unit Owner to show cause why the adjoining Unit Owner's petition should not be granted. The Board of Directors shall grant such petitions unless the Board finds that the need for the proposed work is outweighed by the adjoining Unit Owner's reasons for objecting to the work. The decision of the Board of Directors shall be final and binding on the Unit Owners.

If the Limited Common Area assigned only to two adjoining Units requires emergency repairs or replacement, on Unit Owner may act unilaterally to take the needed action, after first giving notice to the other Unit Owner, if possible. The other Unit Owner will be liable for one-half of the expense. If there is disagreement over payment for work

performed, the Board of Directors, or its nominee(s), will make a final decision as to the matter, which decision shall be binding on the Unit Owners.

3. Unit Alteration and Improvement: Nothing shall be done to any Unit or in, on, or to the Common Area, including Limited Common Area, which may impair or change the structural or stylistic integrity of the Property, buildings or improvements thereon, except as provided in the Declaration or these By-Laws. Nothing shall be altered or constructed in or removed from the Common Area, including Limited Common Area, except upon the written consent of the Board of Directors at its sole discretion. Any work approved by the Board of Directors in accordance herewith shall conform to specifications and plans submitted to and approved by the Board, and must be as aesthetically close as possible to the existing design, coloring and materials as are currently existing. In addition, any such work approved by the Board must be performed by a contractor approved by the Board, and no such work shall be undertaken unless and until appropriate building permits and other requirements of governmental ordinances, regulations and laws have been met.

4. Additions, Alterations or Improvements by Unit Owners Association. Additions, alterations or improvements to the Common Area shall be governed by Article IX of the Bylaws.

8. Amend Article XIII of the Declaration by deleting it in its entirety and substitute therefore the following:

XIII. ASSESSMENTS:

The making and collection of assessments against the Unit Owners for common expenses shall be pursuant to the By-Laws and subject to the following provisions:

1. Share of Common Expense: Each Unit Owner shall be liable for a proportionate share of the common expenses and shall share in the common surplus, such shares being the same as the undivided share in the Common Area which is appurtenant to the Unit owned by him, as set forth in Article VI of this Declaration.

2. Interest, Late Fee Assessments, and Application of Payments:

Assessments paid on or before ten (10) days after the date when due shall not bear interest or late fee assessments, but all sums not paid on or before ten (10) days after the date when due, shall bear interest at the rate of up to eighteen percent (18%) per annum from the date when due until paid, as determined by Rules adopted by the Board, and be subject to a late fee assessment as provided by the Bylaws and Rules. All payments received from Unit Owners shall be applied to the oldest outstanding balance on the Unit Owner's Account for assessments and all other charges. Said payment application procedure shall be

applied to all payments received, regardless of any notation accompanying payments as to how each such payment is requested to be applied, unless otherwise agreed by the Board of Directors at its sole discretion, or as part of an Order issued by a Court of competent jurisdiction.

3. **Lien for Assessment:** The lien for unpaid Assessments as provided in New Hampshire Revised Statutes Annotated Chapter 356-B:46 shall also secure reasonable attorney's fees and costs of collection incurred by the Association incident to the collection of delinquent assessments and the enforcement of such lien.

9. Amend Article XV (erroneously delineated as Article XI) of the Declaration entitled "INSURANCE" by deleting it in its entirety and substitute therefore the following:

XV. INSURANCE

1. **Insurance Required.** Pursuant to Section 43 of the Condominium Act, the Board of Directors shall obtain (i) a master casualty policy affording fire and extended coverage in an amount equal to the full replacement value of the structures within the Condominium;(ii) a master liability policy covering the Association, the Board, the Manager and agents or employees of the foregoing with respect to the Condominium, and all Owners and other persons entitled to occupy any portion of the Condominium; and (iii) such other policies as specified in the Bylaws, which insurance shall be governed by the provisions of Article V, Section 2 (f) of the Bylaws.

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 I 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 date set forth in any agreed amount endorsement contained in said policy) in order to meet the coverage requirements of such paragraph.

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

prejudice by failure of the insured, or Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or Owners collectively, have no control; (iv) shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days written notice to all of the insureds thereunder and all mortgagees of Units in the Condominium; (v) shall provide that in no event shall the insurance under said policies be brought into contribution with insurance purchased individually by Owners or their mortgagees; (vi) shall exclude policies obtained by Individual Owners for consideration under any "no other insurance" clause; and thirty (30) days after the insurer gives notice in writing to the mortgagee of any Unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Owners, the Board of Directors, or any of their agents, employees or household members, nor cancelled for non-payment of premiums.

3. Individual Policies. Any Owner, and any mortgagee, may obtain at his own expense additional insurance (including a "condominium unit-owner's endorsement" for improvements and betterments to a Unit made or acquired at the expense of the Owner). Such insurance should contain the same waiver of subrogation provision as that set forth in Section 2(b) of this Article VI. Each Owner should obtain for the Owner's benefit and at the Owner's expense the following insurance coverage:

A. Unit Related Personal Property, Fixtures and Improvements:

Each Owner should obtain loss and casualty insurance at the Owner's cost insuring all personal property, fixtures and improvements made by the Owner and presently or hereafter located in the Owner's Unit or on the Limited or Common Area, including all Unit related items. Said Owner's insurance responsibility also includes the insuring by the Owner of the Unit's and Unit Related Items' contents, fixtures, appliances, decorations, heating, cooling, plumbing and electrical fixtures, window treatments, doors, windows, skylights, bulkheads, wall and floor covering, finished materials, furnishings, and all personal property items in or related to the Owner's Unit, for which such items are either: i.) Not insured by the Association's master insurance policies and ii.) Not covered from loss due to the amount of the Association's master insurance policy's deductible. All improvements made to a Unit in excess of One Thousand Dollars (\$1,000.00) must be reported in writing by the Unit Owner to the Association's insurance carrier and to the Board immediately when made for potential inclusion in the Association's master policy, assuming such improvement is insurable under the Association's policy.

B. Each owner should obtain liability insurance coverage with respect to his/her ownership and/or use of his/her Unit.

- C. **Owner's Deductible Liability:** Each Owner is liable for the payment of the cost of the Association's master insurance policy deductible related to each and every claim affecting the Owner, the Owner's Unit, the Condominium building and structure, and any Unit related items. In the event of property damage to a Unit, the Association shall not be responsible for payment of the deductible. In such case, the Unit owner shall be responsible for payment of the deductible, which deductible amount shall be assessed equally to the Unit(s) involved in the claim. Where property damage to a Unit is in an amount less than the Master Policy deductible, then the Unit Owner(s) shall be solely responsible for the associated claim and shall not file a claim with the Association's Master Policy. Each Owner should obtain the Owner's own insurance for the Owner's Unit equal to or greater than the deductible amount of the Association's master policy of insurance as it may relate to any and all claims affecting the Owner, the Owner's Unit, the Condominium Building and structure, and any Unit related items.

- D. **Loss Assessment:** Each Owner is encouraged to obtain insurance for the Owner's benefit and at the Owner's expense insuring adequate coverage in the event of any general loss assessment levied by the Association pursuant to Article VIII, 3 of this Declaration.

- E. **Owner's Policy Coverage:** No such Owner's policy shall be written so as to decrease the coverage under any of the master policies of the Association, and each Owner hereby assigns to the Board the proceeds of any such Owner's policy to the extent that if any such Owner's policy does in fact result in a decrease in the Association's master policy coverage, then said Owner's policy proceeds are to be applied pursuant to the terms hereof as if provided by such coverage. Copies of all policies of insurance obtained by Individual Unit Owners as outlined hereunder shall be filed with the Association.

4. **Notice to Unit Owners.** 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 clerk 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 Unit Owner may have designated to the clerk; or such notice may be hand delivered by the clerk or Manager.

Witnessed and executed this ____ day of _____, 2018.

, President
Royale Sands Beach Club Condominium Association

, Treasurer
Royale Sands Beach Club Condominium Association

Certification of Vote

I, _____, the Secretary of the Royale Sands Beach Club Condominium Association, hereby certify that all Unit Owners of record of the Royale Sands Beach Club Condominium Association were provided notice under date of _____, 2018, of the above Amendment and that of the _____ Units of the Association _____% were represented in person or through written proxy, this constituting the necessary quorum, and that the results of the voting were _____% of Unit Owners in favor of adopting and consenting to the Third Amendment to the Declaration of Royale Sands Beach Club Condominium Association, thus constituting more than the necessary two-third (2/3) vote of the Association to adopt the Amendment to the Declaration and that said Amendment has been duly adopted. I further certify that approval of eligible holders holding first mortgages on Units is not necessary pursuant to RSA 356-B:6-a, as these Amendments are being made to comply with the requirements of RSA 356-B and the changes do not affect any mortgagee's equity or security interest in the property.

Executed this ____ day of _____, 2018.

Duly Authorized Secretary, Royale
Sands Beach Club Condominium
Association

STATE OF NEW HAMPSHIRE COUNTY
OF ROCKINGHAM, SS:

On this the ____ day of _____ 2018, before me, the undersigned officer, personally appeared, _____, Secretary of Royale Sands Beach Club Condominium Association, known to be (or satisfactorily proven to be) the person whose name is subscribed to the foregoing instrument, and made oath that the statements subscribed by him/her are true to the best of his/her knowledge and belief.

Justice of the Peace/Notary Public

My Commission Expires: _____