

APPENDIX B
BY-LAWS OF LAKEVIEW OF HOMEOWNERS ASSOCIATION

ARTICLE I
PURPOSE AND DEFINITIONS

Section 1. Purpose. The administration of Lakeview Condominium shall be governed by these By-Laws which are annexed to the Declaration of Lakeview Condominium and are made a part hereof, and all present and future holders of any interest in any condominium in Lakeview Condominium shall be members of the Lakeview Homeowners Association (herein referred to as the "Association") which is a "Condominium Management Association" organized and operated to provide for the acquisition, construction, management, maintenance and care of "Association Property" as those terms are defined in Section 528 of the Internal Revenue Code.

Section 2. Definitions. The term "quorum" wherever used herein shall have the same meaning provided for such term in Section 356-B:38 of the Condominium Act.

Section 3. Applicability of By-Laws. The provisions of these By-Laws are applicable to all of the property which constitutes Lakeview Condominium and to the use and occupancy thereof. All present and future owners, visitors, tenants and occupants of units and any other persons who may use the facilities of Lakeview Condominium in any manner are subject to these By-Laws, and the Declaration. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that these By-Laws and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE II
CONTROL BY DECLARANT

The Declarant, or a managing agent or some other person or persons selected or to be selected by the Declarant, shall have the right to exercise the powers and responsibilities otherwise assigned by the Condominium Instruments and the Condominium Act to the Association, its officers and Board of Directors. If not previously relinquished by the Declarant, control shall pass from the Declarant to the Association at such time as three-fourths of the total units of the Condominium have been conveyed or the expiration of five years from the date of the conveyance of the first unit in the condominium, whichever shall first occur.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Number. After control] passes from the Declarant, the direction and administration of one property shall be vested in a Board of Directors (herein referred to as the "Board"), consisting of not less than three nor more than seven Directors. The exact number of Directors shall be

determined at the first election and thereafter may be changed at any annual meeting.

Section 2. Qualification. After control passes from the Declarant to the unit owners, the unit owners shall hold a meeting for the purpose of election of Directors. Each member of the Board shall be one of the unit owners or a spouse of a unit owner; provided, however, that in the event a legal owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or Director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity; shall be eligible to serve as a member of the Board.

Section 3. Election and Term. At the first meeting of the Association the unit owners shall, by a vote of majority of the unit owners present at such meeting, elect not less than three or more than seven members of the Board and each member shall hold office for a term of one year. If such election occurs at a special meeting rather than an annual meeting of the Association, then each of the said terms shall also include the period between the date of said special meeting and the date of the next annual meeting of the Association. At the expiration of each of the aforementioned initial terms of office, a successor shall be elected as provided above. A person may succeed himself as Director.

Section 4. Resignation and Removal; Vacancies. Any member of the Board may resign at any time by written notice by him or by his legal representative to the President, and any member may be removed for cause from such position by two-thirds vote of the unit owners' total voting power at any annual or special meeting. members of the Board shall serve until their respective successors have been elected, or until death, resignation or removal; provided that if any member (or any member's corporation, partnership, trust, or other legal entity) ceases to be a unit owner, or the spouse of a unit owner, his membership on the Board shall thereupon terminate. Whenever a vacancy on the Board occurs due to any cause, the remaining members of the Board shall fill the vacancy by appointment until the next annual meeting of the Association at which time the position shall be filled by the unit owners by election. If all positions on the Board are vacant at the same time, the unit owners shall fill said vacancies.

Section 5. Meetings. A regular annual meeting of the Board shall be held immediately after, and at the same place as the annual meeting of the unit owners. Other meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may, from time to time, adopt.

Section 6. Voting. The Board shall act by the vote of the majority of those members present at a meeting of the Board when a quorum is present.

Section 7. Powers and Responsibilities. The Board shall have the powers and duties specifically conferred upon it by the Condominium Act, the Declaration

and these By-Laws, and all other powers and duties necessary for the administration of the affairs of Lakeview Condominium (except as otherwise provided by law, the Declaration or these By-Laws) including, without limiting the generality of the foregoing, the following powers, the cost of all of which items shall be Common Expenses:

- a. To engage the services of any persons deemed necessary by the Board at such compensation deemed reasonable by the Board, in the operation, repair, maintenance and management of the property, and to remove, at any time, any such personnel; and further to engage the services of a manager or managing agent, to the extent deemed advisable by the Board, to whom the Board, in its discretion, may delegate such of its powers and responsibilities as relate to the operation, maintenance, repair and management of the property.
- b. To establish or maintain one or more bank accounts for the deposit of any funds paid to, or received by the Board.
- c. To purchase a fidelity bond or bonds, or other security, for officers, members of the Board, agents, contractors, officers, employees or associates, as the Board may deem expedient.
- d. To make arrangements for water, waste removal, electricity and telephone and other necessary utility services for the common elements and such services to the units as are separately metered or charged to the owners thereof.
- e. To make arrangements for landscaping, gardening, snow removal, painting, cleaning, maintenance, decorating, repair and replacement, of the common elements and such furnishings and equipment for the common elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the common elements.
- f. To acquire and make arrangements for any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments which the Board deems necessary or proper for the maintenance and operation of the property or for the enforcement of any restrictions or provisions contained herein.
- g. To acquire and make arrangements for such insurance as the Board is required to obtain under the provisions of these By-Laws and such other insurance as the Board deems advisable in the operation, and for the protection, of the property and the units. Any losses under such policies of insurance shall be payable and all insurance proceeds recovered thereunder shall be applied and disbursed in accordance with the provision of the Declaration and the Condominium Act.
- h. The maintenance and repair of any unit or any other portion of

the property which a unit owner is obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Board, to protect the common elements, or any other portion of the property, and the owner or owners of said unit have failed or refused to perform said maintenance or repair after 30 days written notice of the necessity of said maintenance or repair delivered by the Board to said unit owner or owners; provided that the Board shall levy a special assessment against such unit for the cost of said maintenance or repair and the amount of such special assessment shall constitute a lien on the interest of such unit owner or owners in the property, which lien may be perfected and enforced in the manner provided in Section 356-B:46 of the Condominium Act with respect to liens for failure to pay a share of the common expenses.

- i. To make such emergency repairs to any unit necessary to prevent damage to other parts of the property; and any damage caused thereby or expenses in connection therewith shall be repaid or satisfied by the Board out of the Common Expense fund unless such emergency repairs are necessitated by the negligence of one or more owners in which case the negligent owner or owners shall bear the expense of such repairs.

ARTICLE IV ASSOCIATION MEETINGS

Section 1. Annual and Special Meetings. The first meeting of the Association shall occur when control of the Condominium passes from the Declarant. Thereafter an annual meeting of the homeowners shall be held on the first Tuesday in October in each year for the purpose of electing members of the Board and such other business as may come before the meeting. Special meetings of the homeowners may be called, for any reasonable purpose, either by the President, or not less than 33 1/3% of the unit owners, the notice of which shall specify the matters to be considered at such special meeting.

Section 2. Notice. All meetings of the unit owners shall take place at such reasonable place and time designated by the Board. Written notice of holding of any regular or special meeting of the unit owners, stating the date, hour and place of such meeting shall be sent, by United States registered mail, return receipt requested, in accordance with RSA 356-B:37, to each unit owner in care of his unit at least twenty-one (21) days before a regular meeting and seven (7) days before the date of a special meeting.

Section 3. Voting. One equal vote shall be assigned to each unit of the Condominium. The Declarant shall be entitled to vote with respect to any unit owned by the Declarant. Any unit owner may attend and vote at such meeting in person, or by proxy. Where there is more than one record unit owner of the same unit, any or all of such persons may attend any such

meeting, but it shall be necessary for said persons to act unanimously in order to cast the votes to which they are entitled. Where only one of such persons attends any such meeting, he may vote for himself and as agent for any absent owner of his unit without proxy designation. Where none of such person attends such meeting, any designation of proxy must be signed by all such persons. Any proxy shall be void if it is not dated, if it purports to be revocable without actual notice by the unit owner to the person presiding over the meeting, or if the signature of anyone executing such proxy is not acknowledged. Any proxy shall terminate upon the adjournment of the first meeting held on or after the date of that proxy.

ARTICLE V OFFICERS OF THE ASSOCIATION

Section 1. General. A president, one or more vice presidents, a secretary and a treasurer, shall be elected at each annual meeting of the Board from among its members. Any two or more offices may be held by the same person, except the offices of president and secretary. Any such officer may be removed by the vote of a majority of the Board at any time. A vacancy in any office may be filled by the Board for the unexpired term. The Board may delegate such of the powers, duties or responsibilities of any of said officers to the manager or managing agent as it deems to be advisable.

Section 2. President. The president shall preside at meetings of the Association and meetings of the Board and the president shall have such other powers and duties as are provided in the Declaration, these By Laws or by law, as are ordinarily exercised by the presiding officer of an association and as may be delegated to him by the Board or the Association from time to time, including the appointment of committees from among the unit owners, and the signing, together with any other officer designated by the Board, of any contracts, checks, drafts, or other instruments designated or approved by the Board. In the absence of the president, or in the event of his inability to act, the vice presidents (in the order elected) shall perform the duties of the president.

Section 3. Secretary. The secretary shall, in addition to the duties provided by law, see that all notices are duly given as herein provided.

Section 4. Treasurer. The treasurer shall be responsible for the funds of the Association and shall be responsible for keeping or having kept full and accurate financial records and books of account showing all receipts and disbursements of the Association and any other financial data required by the Board or by the Association. He shall be responsible for the deposit of all funds in the name of the Board or the Association in such depositories as may be designated by the Board from time to time and shall have such other powers and duties as may be delegated to him by the Board from time to time. All expenses, charges and costs of the maintenance, repair or replacement of the common elements, and any other expenses, charges or costs which the Board may incur or expend pursuant hereto, shall be approved by the Board, and a written memorandum thereof prepared and

signed by the treasurer.

ARTICLE VI INSURANCE

Section 1. Master Property Liability Policy. The Board shall obtain and maintain on behalf of the Association a master property liability policy covering all of the insurable common elements and limited common elements of the Condominium (except land, foundation, excavation and other items normally excluded from coverage) including without limitation all such portions of the interior of the Condominium buildings as are for insurance purposes normally deemed to constitute part of the building and customarily covered by such insurance, such as heating and air conditioning and other service machinery, interior walls, all finished wall surfaces, ceiling and floor surfaces including any wall-to-wall floor coverings, bathroom and kitchen cabinets and fixtures, including appliances which are affixed to the buildings, and heating and lighting fixtures, except for improvements made by an individual owner which are not reported to the insurer, such insurance to be in an amount at least equal to the replacement value of the insured property and to be payable to the Board as Trustee for the owners and their Mortgagees as their respective interests may appear.

- a. The master property insurance policy shall afford, as a minimum, protection against the following:
 - (i) Loss or damage by fire and other perils normally covered by the standard extended coverage endorsement and
 - (ii) All other perils which are customarily covered with respect to projects similar in constructing, location and use, including all perils normally covered by the standard "all risk" endorsement to the extent that such endorsement is available.
- b. The name of the insured under the master property insurance policy shall be set forth therein substantially as follows:

"Association of Owners of the Lakeview Condominium for the use and benefit of the individual owners."
- c. The master property insurance policy shall contain the standard mortgage clause or equivalent endorsement which is commonly accepted by private institutional mortgage investors appropriately naming the eligible mortgage holders, their successors and assigns.
- d. To the extent applicable and obtainable, the master property insurance policy shall contain the following endorsements:
 - (i) Agreed amount and inflation guard endorsement.

- (ii) Construction code endorsements (where there is a construction code provision that requires changes to undamaged portions of buildings in the event of partial destruction).
 - (iii) Steam boiler and machinery coverage endorsement, which provides that the insurers minimum liability per accident at least equals the lesser of \$2 million or the insurable value of the buildings housing the boilers or machinery.
- e. The master property insurance policy shall provide that it may not be cancelled or substantially modified without at least ten days prior written notice to the Association and to the Eligible Mortgage Holders.
 - f. The master property insurance policy shall provide for the following which are generally provided by the insurer in the form of a "special condominium endorsement":

A waiver of the right of subrogation against unit owners individually; the insurance is not prejudiced by any act or neglect of individual unit owners which is not in the control of such owners collectively, the policy is primary in the event the unit owner has other insurance covering the same loss; and any insurance trust agreement will be recognized.

Section 2. Liability Policy. The Board Shall obtain and maintain on behalf of the Association a master property liability policy covering all of the Common Areas of the Condominium. The coverage limits shall be at least \$1 million for bodily injury, and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas and legal liability arising out of lawsuits related to employment contracts of the Association. The policy shall provide that the insurer may not deny the claim of any unit owner because of the negligent acts of the Association or other unit owners.

- a. Such policies must provide that they may not be cancelled or substantially modified by any party without at least ten days prior written notice to the Association and to the Eligible Mortgage Holders.
- b. The master liability policy shall cover the Association, the Board, the managing agent, if any, all persons acting or who may come to act as agents or employees of the foregoing with respect to the Condominium and all unit owners and other persons entitled to occupy any unit or other portion of the Condominium.

Section 3. Fidelity Bond. The Board shall obtain and maintain on behalf of the Association a fidelity bond for all officers, Directors, Trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. The amount of the fidelity bonds shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserved funds, in the custody of the Association at any given time during the term of each bond provided that in no event may the aggregate amount of such bonds be less than a sum equal to three months aggregate assessments on all units plus the Association's reserve funds.

The fidelity bonds shall meet the following requirements:

- a. Fidelity bonds shall name the Owners Association as an obligee.
- b. The bonds shall contain waivers by the insurers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.
- c. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten days prior written notice to the Association and to the Eligible Mortgage Holders.

Section 4. Use of Proceeds. Unless the owners and Eligible Mortgage Holders vote to terminate the Condominium as provided in the Condominium Declaration, the proceeds of the master property liability policy shall be used to repair, replace or restore the structure or Common Area damaged by casualty.

ARTICLE VII COMMON EXPENSES

Section 1. Annual Budget. Each year, on or before October 1, the Board shall determine the annual budget of common expenses (the "annual budget"). The annual budget shall include any amount necessary to pay for the items obtained pursuant to Article VI hereof, any amounts necessary to make up any deficit for said fiscal year just ending, an adequate reserve for the periodic maintenance, repair and replacement of improvements to the Common Areas and those Limited Common Areas which the Association may be obligated to maintain and any other amounts required or authorized by the terms of the Declaration, these By-Laws or the Condominium Act. On or before October 1 the Board shall notify each unit owner in writing as to the amount of such estimate with reasonable itemization thereof.

Section 2. Assessment. The aforesaid annual budget shall be assessed to the owner of each unit in proportion to the number of votes in the Association appertaining to each such unit. Commencing October 1 of the ensuing year, and the first of each and every month of said year, each unit

owner shall be obligated to pay to the Board; or as it may direct, 1/12th of the assessment made pursuant to this paragraph. On or before the 10th day of October of each ensuing calendar year, the Board shall supply to all unit owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimate provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited equally to each owner and applied to the next monthly installments due from owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each unit owner's percentage of ownership in the common elements to the installments due in the succeeding six months after rendering of the accounting. The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserve. If any annual budget proves inadequate for any reason, including nonpayment of any owner's assessment, the Board may at any time levy a further assessment, which shall be assessed to the unit owners equally. The Board shall serve notice of such further assessment on all unit owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment unless otherwise determined by the Board. All unit owners shall be obligated to pay the adjusted monthly amount.

An initial working capital fund shall be established for the Association. With regard to each legal phase of the Condominium the Declarant shall pay into a segregated account for the use and benefit of the Association a sum equal to two months estimated assessment for common expenses for each unit within such phase. The Declarant shall collect the share of the working capital fund attributable to each unit at the time of the closing of the sale of such unit and shall thereupon transfer such amount to the Association to be maintained in a segregated account for the use and benefit of the Association. The contribution to the working capital fund for each unsold unit shall be paid by the Declarant to the Association within sixty days after the date of closing of the sale of the first unit in that legal phase of the project. The purpose of this initial working capital fund is to insure that the Board will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board. Amounts paid into the initial working capital fund shall not be considered as advance payment of regular assessments for common expenses.

The Declarant shall prepare an initial annual budget for the Association and assessments according to such budget shall commence at the time of the closing on the sale of the first unit in the Condominium. No assessments shall be due on any units in any Additional Land until such time as the

units are committed by the Declarant to the Condominium by amendment of the Declaration. The Declarant shall pay assessments attributable to units owned by the Declarant except that, for a period of sixty (60) days from the date of sale of the first unit in any phase of the Condominium, the Declarant shall be entitled to a reasonable reduction of assessments with regard to any incomplete, unoccupied or unsold units located in that phase. The assessment for each new unit owner shall be prorated as of the date of passage of title to the unit from the Declarant.

When the first Board elected hereunder takes office, it shall determine the estimated budget, as hereinabove defined, for the period commencing thirty (30) days after said election and ending on September 30 of the calendar year in which said election occurs. Assessments shall be levied against the unit owners during the said period as provided in this paragraph.

The failure or delay of the Board to prepare or serve the annual or adjusted budget on the unit owners shall not constitute a waiver or release in any manner of the unit owner's obligation to pay the maintenance and other costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, the unit owners shall continue to pay the monthly assessment charges at the then existing monthly rate established for the previous period until the monthly assessment payment which is due more than ten (10) days after such new annual-or adjusted budget shall have been mailed or delivered.

Section 3. Records. The treasurer or the designate of the Board shall keep full and correct books of account and the same shall be open for inspection by any unit owner or any representative of a unit owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the unit owner. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the unit owners and for such special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the unit owners.

Section 4. Statement of Unpaid Assessments. Any unit owner or purchaser of a unit having executed a contract of purchase and sale for the same, shall be entitled upon request to a recordable statement setting forth the amount of unpaid assessments currently levied against that unit. Such request shall be in writing, directed to the President of the Association and shall be accompanied by a check payable to the Association in the amount of \$10.00. The President of the Association shall, within ten business days of receipt of such request and fee, provide to such unit owner or purchaser a recordable statement setting forth the amount of unpaid assessments currently levied against that unit. Failure of the President to furnish or make available such statement within ten business days from the receipt of such request and fee shall extinguish the lien for such-assessments as to the unit involved. Such statement shall be binding

upon the Association, the Directors and every unit owner.

ARTICLE VIII
ADDITIONAL ADMINISTRATIVE PROVISIONS

Section 1. Liability of Board and Officers. The members of the Board and the officers thereof shall not be liable to the unit owners for any mistake of judgment, or any acts or omissions made in good faith as such members or officers. The unit owners shall indemnify and hold harmless each of such members or officers against all contractual liability to others arising out of contracts made by such members or officers on behalf of the unit owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or the By-Laws. The liability of any unit owner arising out of any contract made by such members or officers or out of the aforesaid indemnity shall be limited to such proportion of the total liability thereunder as his percentage interest in the common elements bears to the total percentage interest of all the unit owners in the common element. Each agreement made by such members or officers shall be executed by such members or officers, as agents for the unit owners.

Section 2. Access to Information.

- a. Each unit owner and each holder, insurer or guarantor of any first mortgage on a condominium unit shall have the right to inspect, upon request, during normal business hours of the Association, current copies of the Declaration of Condominium, the By-Laws of the Association, all rules enacted by the Association and the books, records and financial statements of the Association.
- b. Any holder of a first mortgage on a condominium unit shall be allowed to have an audited statement of the operations of the Association prepared at its own expense and the Association shall cooperate with such a request. In addition, at such time as the project contains 50 or more units, the Association shall provide an audited statement for the preceding fiscal year to any holder, insurer or guarantor of any first mortgage that is secured by a unit in the Condominium, upon receipt of a written request.

Section 3. Resale by Purchaser. Within ten days of receipt of a written request of a prospective purchaser of a Unit under contract with the Owner addressed to the President of the Association, the President shall furnish to such purchaser the following information which shall be in addition to any information provided pursuant to Article VII, Section 4 of these By-Laws.

- a. A statement of any capital expenditures and major maintenance expenditures anticipated by the Association within the current or succeeding two fiscal years;
- b. A statement of the status and amount of any reserve for the major maintenance or replacement fund and any portion of such fund earmarked for any specified project by the Board;

- c. A copy of the income statement and balance sheet of the Association for the last fiscal year for which such statement is available;
- d. A statement of the status of any pending suits or judgments in which the Association is a party defendant;
- e. A statement setting forth what insurance coverage is provided for all Unit Owners by the Association and what additional insurance coverage would normally be secured by each individual Unit Owner; and
- f. A statement that any improvements or alterations made to the Unit, or the Limited Common Areas assigned thereto by the prior Unit Owner are not known to be in violation of the Condominium Instruments.

Section 4. Disputes. In the event of any dispute or disagreement between any unit owners relating to the property, or any question of interpretation or application of the provisions of the Declaration, the determination thereof by the Board shall be final and binding on each and all of such owners.

Section 5. Adoption and Change of Regulations. The Board may, from time to time, adopt or amend such rules and regulations governing the operation, maintenance, beautification and use of the common elements and the units, not inconsistent with the terms of these condominium documents, as it sees fit, and the unit owners shall conform to, and abide by, such rules and regulations. Written notice of such rules and regulations shall be given to all unit owners and occupants. A violation of such rules or regulations shall be deemed a violation of the terms of these condominium documents.

Section 6. Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of the Declaration or By-Laws, a waiver thereof in writing by the person or persons entitled to such notice, whether before or at the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 7. Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the unit owners or any of them.

ARTICLE IX MAINTENANCE AND REPAIR

Section 1. By Board of Directors. Except as otherwise provided below, the Board 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 Owner's actual or implied consent, in which case such expense shall be charged to such owner, or all of the common area, whether located within or outside of the units, the cost of which shall be charged to all owners as a common expense.

Section 2. By The Owner. Except for portions of his unit required to be maintained, repaired and replaced by the Board, 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, any interior walls, finished interior surface of ceiling and floors, kitchen and bathroom fixtures and appliances, and those parts of the heating and air conditioning, plumbing and electrical systems which are wholly contained within his unit and serve no other unit. Each owner shall be responsible for performing the normal maintenance for any limited common area which is appurtenant to his unit, including keeping it in a clean and sanitary condition, and shall make, at his own expense, all repairs thereto, beyond normal maintenance, caused or necessitated by his negligence, misuse or neglect. Each owner shall keep the interior of his unit and its equipment and appurtenances in good order and condition and shall do all redecorating, painting and revarnishing which may at any time be necessary to maintain the good appearance and condition of his unit. In addition, each owner shall be responsible for all damage to any and all other units and to the common area resulting from his failure to make any of the repairs required to be made by him by this Section or resulting from his negligence, misuse or neglect. Each owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other owners. Each owner shall promptly report to the Board, or the manager, any defects or need for repairs for which the Board is responsible.

Section 3. Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation, and shall be of first class quality.

ARTICLE X REGULATIONS ON USE OF UNITS

Section 1. Use of the units and the property shall be subject to the following regulations and such other regulations as the Board may enact from time to time. Violation of the following enumerated regulations shall not be permitted and the Board is hereby authorized to take all steps necessary to prevent or discontinue any violations thereof, and to collect the expense thereof from the violator where possible:

- a. No clothing, laundry, rugs or wash shall be hung from or spread upon or from any window or exterior portion of a unit or in or upon any common area. All refuse and trash shall be placed in locations specifically designated by the Board and no garbage or wash shall be permitted to remain in public view.

- b. Owners, tenants and guests shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, television and amplifiers which may disturb others.
- c. No nuisance shall be allowed on the Property nor shall any use or practice be allowed which is an annoyance or which interferes with the peaceful possession or proper use of the Condominium by others.
- d. No owner, tenant or guest shall allow the installation of wiring for electrical or telephone use, television antennae, air conditioning unit or other machine or equipment which protrudes through the walls or the roof of any building or is otherwise visible on the exterior of a building except as presently installed or as authorized by the Board.
- e. No unit or common area of the Condominium may be used for any unlawful purpose.
- f. Nothing shall be done in any unit or in, on or to the common area which may impair the structural integrity of the Property or which would structurally change a building or improvements thereon, except as provided in the Declaration or these By-Laws. Nothing shall be altered or constructed in or removed from the common area except upon the written consent of the Board of Directors.
- g. No activity shall be done or maintained in any unit or any portion of the common area which will increase the rate of insurance on any such unit or the common area or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board. No waste shall be committed in the common area.
- h. The common area shall be used only for the furnishing of such services and facilities and for such uses for which they are reasonably suited and which are incident to the use and occupancy of the units.

ARTICLE XI MORTGAGEE'S RIGHT TO NOTICE

The holder of a first mortgage on a unit may become an Eligible mortgage holder by delivering written notification to the President of the Association identifying the holder of the mortgage, the holder's mailing address and identifying the number or address of the unit encumbered by the mortgage. Eligible Mortgage Holders and the insurers or guarantors of any first mortgage on a unit who give similar notice to the President of the Association, shall be entitled thereafter to timely written notice from the

Association of the following:

- a. Any condemnation loss or casualty loss which affects a material portion of the Condominium or the unit identified.
- b. Any delinquency in the payment of assessments or charges owed by the owner of the unit specified which remains uncured for a period of sixty days.
- c. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- d. Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as specified in the Condominium instruments.

ARTICLE XII

REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

Section 1. When Repair and Reconstruction are Required. In the event of damage to or destruction of all or part of the structures 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 damage or destroyed portion of the buildings unless the owners and the mortgagees shall vote to terminate the Condominium pursuant to the Declaration and the Condominium Act. Notwithstanding the foregoing, each owner shall have the right to supervise the redecorating work in his own unit.

Section 2. Procedure for Reconstruction and Repair.

- a. Immediately after a fire or other casualty causing damage to a building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the damage to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.
- b. If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments in sufficient amounts to provide payment of such costs shall be made against the owners in proportion to their respective votes in the Unit Owners Association.
- c. Any such reconstruction or repair shall be substantially in accordance with the original plan and specifications under which the damaged building was originally constructed.

Section 3. Disbursements of Construction Funds.

- a. The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Directors from assessments against owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair by the Board of Directors.
- b. The construction fund shall be paid by the Board of Directors in appropriate progress payments, to such contractors, suppliers and personnel engaged in performing the work or supplying materials or services for the repair and reconstruction of the building as are designated by the Board of Directors.
- c. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after the payment of all of the cost of the reconstruction and repair for which the fund is established, such balance shall be distributed to the owners.
- d. When the damage is to both common area and units, the insurance proceeds shall, to the extent practical, be applied first to the cost of repairing the common area and the balance to the cost of repairing the units.

ARTICLE XIII EMINENT DOMAIN

Section 1. Condemnation Proceedings, Common Area. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Areas or part thereof. Each Unit Owner hereby appoints the Board as the Owner's attorney-in-fact for such purposes.

In the event of a taking or acquisition of part or all of the Common Area by a condemning authority, the award or proceeds of settlement shall be payable to the Association for the use and benefit of the Unit Owners and the Mortgagees as their interests may appear.

Section 2. Condemnation Proceedings, Condominium Units. In the event of a taking or acquisition of any Unit or portion thereof by a condemning authority, the amount of the award and the distribution thereof and any reallocation of the interests of the Unit Owners as a result of such taking shall be, according to the provisions of the Condominium Act, RSA 356-B:6, relating -to Eminent Domain.

ARTICLE XIV AMENDMENTS TO BY- LAWS

Section 1. Amendments. Except as otherwise provided in paragraph 14 of the Declaration of Condominium, the Condominium Act and herein, these

By-Laws may be modified or amended either (i) by a vote of at least 66 2/3% of the owners cast in person or by proxy at a meeting duly held in accordance with the provisions hereof, provided that notice of the proposed amendment shall have been given to each owner simultaneously with the notice of such meeting, or (ii) pursuant to a written instrument duly executed by at least 66 2/3% of the owners; provided, however, that so long as the Declarant shall have control over the Condominium and shall exercise the functions of the Board and the Association, then these By-Laws may not be amended without the consent in writing of the Declarant. Furthermore, no amendment to the By-Laws may be adopted which could interfere with the construction, display, sale, lease or other disposition of any unit or units in the Condominium by the Declarant or with the development and submission of the Additional Lands by the Declarant.

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

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

ARTICLE XV COMPLIANCE AND DEFAULT

Section 1. Compliance. The Association and each owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-Laws, the Rules and the Condominium Act and any amendments of the same. A default by an owner shall entitle the Association, acting through the Board, or any aggrieved owner, to relief as hereinafter set forth. A default by the Association, acting through its Directors and/or officers, shall entitle any aggrieved owner to relief as hereinafter set forth. Default by an owner shall not give the Association or any other owner any right of action against a successor in title to the defaulting owner.

Section 2. Relief on Default. Failure to comply with any of the terms of the Condominium Act, the Declaration, these By-Laws, and the rules shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in the Condominium Instruments, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board, the manager, or, if appropriate, by any aggrieved owner.

Section 3. Additional Liability . Each owner shall be liable for the expenses of all maintenance, repair or replacement rendered necessary by

his acts, neglect or carelessness or the act, neglect or carelessness of any member of his family or his tenants, guests, employees, agents or invitees. Such liability shall include any increases in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances.

Section 4. Costs and Attorney's Fees. In any proceeding arising out of any alleged default by an owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the court.

Section 5. No Waiver of Rights. The failure of the Association, the Board, or of an owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these By-Laws or the rules shall not constitute a waiver of the right of the Association, the Board, 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, 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 By-Laws or the rules, or at law or in equity.

Section 6. Interest. In the event of a default by any owner which continues for a period in excess of thirty (30) days, such owner shall be obligated to pay interest in the amounts due at the highest rate permitted by law, or at twelve percent (12%), whichever is less, per annum from the due date thereof. In addition, the Board shall have the authority to impose a late payment charge on such defaulting owners in an amount not to exceed \$15.00, or six cents (\$.06) per dollar on any amount so overdue, whichever is greater.

Section 7. Abatement and Enjoinment of Violations by Owners. The violation of any rule or regulation adopted by the Board, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board or the manager or their designated agent the right, in addition to any other rights set forth in these By-Laws:

- a. To enter the unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of provisions hereof, and the Board or manager or their agent shall not thereby be deemed guilty in any manner of trespass; or
- b. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 8. Lien for Assessments. The Association shall have a lien on every unit for unpaid assessments levied against that unit including any fees, late charges, fines or interest which may be levied by the Association according to the terms of this Article in connection with such unpaid expenses. Liens shall be perfected by the Association in accordance with the provisions of the Condominium Act. Upon the foreclosure of the said lien against any owner, the owner shall immediately vacate the Condominium and if he fails to do so he shall be liable for a reasonable rental while he remains in possession thereof. The Board shall have the power to purchase the unit at foreclosure or other sale and to hold, lease, mortgage and convey the unit thereafter.

Section 9. Subordination of Lien. The lien of the Association for assessments, including fees, late charges, fines or interest, once perfected, shall be prior to all other liens and encumbrances except that such liens shall be expressly subordinate to the following:

- a. Real estate tax liens on that unit.
- b. Liens and encumbrances recorded prior to the recordation of this Declaration, and
- c. Loans paid on any first mortgages encumbering that condominium unit and securing institutional lenders.

Section 10. Binding Effect of Lien. The lien for assessments if perfected as provided by the Condominium Act, shall be binding upon the owner of the unit to which the lien attaches and to any purchaser of such unit except that a transfer of such unit by foreclosure sale under a first mortgage on such unit securing an institutional lender, shall extinguish the subordinate lien for assessments which became payable prior to such sale or transfer. However, in the event that any lien is extinguished as provided in the preceding sentence, the delinquent assessment secured by such lien may be reallocated and assessed to all unit owners as a common expense. Nothing contained herein shall relieve the purchaser or transferee of a unit at foreclosure sale for liability for any assessments made thereafter.

ARTICLE XVI MISCELLANEOUS PROVISIONS

Section 1. Severability. These By-Laws are set forth to comply with the requirements of the Condominium Act. In case any of the By-Laws are in conflict with the provisions of the Condominium Act, the provisions of the Condominium Act will apply. If any provisions of these By-Laws or any Section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these By-Laws shall not be affected thereby, and to this end, the provisions hereof are declared to be severable.

Section 2. Waiver. No restriction, condition, obligation or provision of

these By-Laws shall deem to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 3. Captions. The captions contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

AMENDMENT TO BY-LAWS
LAKEVIEW CONDOMINIUM

The By-Laws of Lakeview Condominium as recorded in the Grafton County Registry of Deeds at Book 1579, Page 100, are amended as follows:

Amend Article X of the By-Laws by adding the following paragraphs:

- i. The waterfront land of the Condominium shall not be used by any owner or the owner's family, tenants or guests for any of the following purposes:

(a) Launching of any motorized boats

(b) Crossing the waterfront land in a pedestrian manner for access to any boats moored offshore from the Condominium waterfront land

j. Use of the parking areas of the Condominium shall be limited to two motor vehicles per unit located at the designated spot for such unit. Parking shall be limited to cars, vans, pickup trucks or motorcycles and no mobile home, trailer home, camper vehicle, boat trailer or utility trailer shall be parked in any parking spot.

k. No firewood for any unit shall be stacked or otherwise placed on the common areas of the Condominium except that firewood for a unit may be stacked on the outside limited common areas of such unit provided that the wood is stacked in an orderly fashion.

SIGNED this 27th day of March, 1987.

Property Rehabilitation & Development Agent

Vice President