

EXHIBIT C

BY- LAWS OF GRANITE HEIGHTS, A CONDOMINIUM

ARTICLE I

PLAN OF UNIT OWNERSHIP

1. Purpose. The administration of the Condominium shall be governed by these Bylaws which are annexed to the Declaration of the Condominium and are made a part thereof, and all present and future holders of any interest in the Condominium shall be members of the Condominium 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. No part of the net earnings of said Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of "association property" and other than by a rebate of excess assessments pursuant to Article V, Section 1 (c) hereof) to the benefit of any Unit Owner.
2. Definitions. Capitalized terms not otherwise defined in these Bylaws shall have the meaning specified in the Declaration and in Section 3 of the Condominium Act.
3. Applicability of the Bylaws. The provisions of these Bylaws are applicable to the Property, and the use, occupancy, sale, lease or other transfer thereof. All present and future Owners, tenants, future tenants, their guests, licensees, servants, agents, employees and any other person who shall use the facilities of the Condominium, shall be subject to these Bylaws and to the Rules of the Condominium. The acceptance of a deed of conveyance or the entering into a lease or the act of occupancy of a Unit or any other portion of the Condominium shall constitute an acknowledgment that such Owner, tenant or occupant has accepted and ratified these Bylaws, the provisions of the Declaration, and the Rules and will comply with them.
4. Office. The office of the Condominium and of the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II

UNIT OWNERS' ASSOCIATION

1. Composition. All of the Unit Owners, acting as a group in accordance with the Condominium Act, the Declaration and these Bylaws, shall constitute the "Granite Heights Condominium Association" or the "Unit Owners' Association" or the "Association," which shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the assessments for Common Expenses, arranging for the management of the

Condominium, and performing all of the acts that may be required to be performed by the Association by the Condominium Act. Except as to those matters which the Act, the Declaration or these Bylaws specifically require to be performed by the vote of the Unit Owners, the administration of the Condominium shall be performed by the Board of Directors (as more particularly set forth in Article III) .

2. Voting. Each Unit depicted on Plans recorded in the Registry shall be entitled to the number of votes equal to the Undivided Percentage Interest appurtenant to that Unit as set forth in the Declaration. The Declarant shall be deemed the Owner of all Units depicted on such recorded Plans which have not been conveyed by Declarant to any other party. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Association, that person shall be entitled to cast the vote (s) appertaining to that Unit. But if more than one of such persons is present, the vote(s) appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. As applied to a person which is not a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any one natural person having authority to execute deeds on behalf of such person which is not a natural person and which is, either alone or in conjunction with another person or persons, a Unit Owner. Except where a greater number is required by the Condominium Act, the Declaration, or these Bylaws, a majority of the votes of Unit Owners, in good standing and entitled to vote, voting in person or by proxy, is required to adopt decisions at any meeting of the Association, except for election of directors which may be accomplished by a plurality of the votes. The foregoing notwithstanding, until three (3) years after the conveyance of the first Unit by the Declarant or until Units representing three-fourths (3/4) of the Percentage Interests have been legally conveyed by the Declarant, or until Declarant relinquishes its right to so elect, whichever first occurs (the "Transition Date"), the Declarant shall be allocated and entitled to cast a deciding number (be it a majority or otherwise) of votes of the Unit Owners. If the Declarant owns or holds title to one or more completed Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit is entitled.

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

4. Annual Meeting. The first annual meeting of the Association shall be held on a date to be determined by the Declarant, which date shall be within one (1) year after the formation of the Association by the recording of the Declaration. Notice of such meeting shall be given in accordance with the provisions of Section 6 of this Article II. Thereafter, the annual meetings of the Association shall be held on the same date of each succeeding year, or on such other date within a thirty (30) day period prior to or subsequent to such date (so long as such meeting is held at least once each calendar year), as may be designated by the Board of Directors and reflected in the said notice. At such annual meetings the Board of Directors shall be elected by

ballot of the owners in accordance with the requirements of Section 4 of Article III. The foregoing notwithstanding, until the Transition Date, the Declarant shall be entitled to elect a majority of the members of the Board of Directors. The Association may transact such other business as may properly come before them at such meetings.

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

6. Notice of Meeting. It shall be the duty of the Secretary to mail, by first class United States mail, a notice of each annual meeting or special meeting of the Owners, at least twenty-one (21) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units or at such other address as each Owner may have designated by notice in writing to the Secretary. Written notice may also be given personally.

7. Voting Requirements. An Owner shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all assessments made or levied and due against him and his Condominium Unit by the Board of Directors as hereinafter provided, together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to him and against his Condominium Unit at least three (3) days prior to the date fixed for such annual or special meeting.

8. Proxies. The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid, or if the signature of any of those executing the same has not been duly acknowledged. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

9. Quorum. A quorum shall be deemed to be present throughout any meeting of the Unit Owners Association until adjourned if persons entitled to cast more than twenty five percent (25%) of the votes are present at the beginning of such meeting. A quorum shall be deemed to be present throughout any meeting of the Board of Directors if persons entitled to cast one-half (½) of the votes in that body are present at the beginning of such meeting.

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

11. Conduct of Meeting. The President, or his designee, shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a record book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Roberts Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Condominium Act.

ARTICLE III

BOARD OF DIRECTORS

1. Powers and Responsibilities. The affairs and business of the Condominium shall be managed by a Board of Directors (sometimes herein referred to as the "Board") which shall have all of the powers and responsibilities necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Condominium Act or by these Bylaws directed to be exercised and done exclusively by the Association. The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters which might arise between meetings of the Board of Directors. In addition to the general duties imposed by these Bylaws, the Board of Directors shall have the power to perform, and shall be responsible for, the following:

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

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

(c) Providing for the operation, repair, replacement and maintenance of all of the Common Area including designating, hiring and dismissing the personnel necessary therefor, and, where appropriate, providing for the compensation of such personnel and for the purchase or use of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(d) Making and amending Rules regarding the operation, use and enjoyment of the Property (subject to the provisions of Section 11 of Article V hereof) and enforcing by legal means the provisions of the Declaration, these Bylaws and such Rules, and bringing any proceedings which may be instituted on behalf of the Association or all the Owners;

(e) Obtaining and carrying insurance against property damage and liability, as provided in Article VI of these Bylaws, and paying the premium cost thereof and making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs, to, and restoration of, the Property, in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty;

(f) Opening of bank accounts on behalf of the Association and designating signatories required therefor, and keeping books with detailed accounts of the receipts and expenditures affecting the property, and the administration of the Condominium. The said books shall be available for examination by the owners, and their duly authorized agents, at reasonable times and places. All books and records shall be kept in accordance with generally accepted accounting practices;

(g) Leasing, managing and otherwise dealing with the Common Areas or other properties or facilities for which easements or rights are conveyed to the Association; and

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

2. Managing Agent. The Board of Directors may employ, or contract with, a professional manager or management firm ("Manager") for a fee or compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 1 of this Article III. The Board of Directors may delegate to the Manager all of the powers granted to the Board of Directors by these Bylaws; provided that any actions by the Manager with respect to the powers set forth in paragraphs (b) and (c), of Section 1 of this Article III shall require the written consent of the Board of Directors. The term of any employment contract for a Manager may not exceed two (2) years, and any such employment contract shall provide, *inter alia*, that such agreement may be terminated by the Board of Directors without cause upon no more than ninety (90) days written notice and without payment of a termination fee.

3. Number of Directors and Initial Selection of Board. The Board of Directors shall be composed of five (5) persons. Until the election of the Board of Directors takes place at the first annual meeting of the Association as provided in Section 4 of Article II, the Board of Directors shall consist entirely of such persons as designated by the Declarant. Thereafter, until the Transition Date, a majority of the members of the Board of Directors shall be designated by the Declarant. The Declarant shall have the right in its sole discretion to replace such Directors as may be so selected and designated by it, and to select and designate their successors. The

Declarant may relinquish its rights hereunder at any prior time. Directors, except for those designated by the Declarant, shall consist only of Owners or spouses of owners, or, where a Person which is an Owner is not a natural person, any natural person having authority to execute deeds in behalf of such Person.

4. Election and Term of Office. Subject to Declarant's right to designate set forth herein, at the first annual meeting of the Association five (5) directors shall be elected. The term of office of two (2) directors shall be fixed at one (1) year, the term of two (2) other directors shall be fixed at two (2) years and the term of office of one (1) director shall be fixed at three (3) years. Prior to the Transition Date the Declarant may select which positions shall be subject to designation by Declarant and which positions shall be filled by election as provided herein. Subject to Declarant's right to designate set forth herein, at the expiration of the initial term of office of each respective director, each successor shall be elected at subsequent annual meetings of the Association to serve a term of three (3) years. The directors shall hold office until their respective successors have been elected.

5. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the Association shall be held immediately after, and at the same place as, the annual meeting of the Association, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present thereat.

6. Regular Meetings. Regular meetings of the Board of Directors may be held without call or notice at such time and place as shall be determined, from time to time, by a majority of the directors, provided that notice of the first regular meeting following any such determination shall be given to absent Directors. At least two (2) such meetings shall be held during each twelve month period after the annual meeting of the Association.

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

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

9. Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned

meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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

11. Removal of Directors. A director may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Association at which a quorum is present, by an affirmative vote of a majority of the votes represented and voting. Any director whose removal has been proposed by the owners shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, no person selected and designated by the Declarant as a member of the Board of Directors may be removed without the consent of the Declarant and in such event the Declarant shall select and designate his successor.

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

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

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

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

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

17. Liability of the Board of Directors. No member of the Board of Directors shall be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for his own individual willful misconduct or bad faith or actions which are contrary to the provisions of the Declaration or of these Bylaws or the rules set forth in Article V (9) below, as lawfully amended from time to time ("Rules"). The Owners shall indemnify and hold harmless each of the Directors from and against (i) all contract or negligence liability to others arising out of contracts made by, and action taken or omitted by, the Board of Directors on behalf of the owners unless any such contract, or action shall have been made, taken or omitted in bad faith, due to willful misconduct or contrary to the provisions of the Declaration or of these Bylaws or the Rules, and (ii) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such Director in connection with any threatened, pending or completed action, suit or proceeding unless he acted in bad faith or was guilty of willful misconduct or acted contrary to the provisions of the Declaration or these Bylaws or the Rules. It is intended that the members of the Board of Directors shall have no personal liability (except as Owners) with respect to any contract made or action taken or omitted by them on behalf of the Owners, unless made, taken or omitted in bad faith, due to willful misconduct or contrary to such provisions. It is also intended that the liability of any owner arising out of any contract, action or omission made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all of the Owners. Every written agreement made by the Board of Directors or by the Manager on behalf of the Owners shall, if obtainable, provide that the members of the Board of Directors or the Manager, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all Owners.

ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Association shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by the Board. The Board may appoint such other officers as in its judgment may be necessary. With the exception of the President, no officer need be a member of the Board. The offices of Treasurer and Secretary may be held by the same person.

2. Election of Officers. The officers of the Association shall be elected initially by the Board at a Special Meeting held on or near the date on which the Declaration is recorded at the Registry, and thereafter annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any vacancy in an office shall be filled by the Board at a regular meeting or special meeting called for such purpose.

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and accept such office. Any officer elected or appointed by the Board of Directors may be

removed at any time by the affirmative vote of a majority of the whole Board, and his successor may be elected at any meeting of the Board of Directors.

4. President. The President shall be the chief executive officer. He, or his designee, shall preside at meetings of the Association and, if present, at meetings of the Board of Directors, and shall be an ex officio member of all committees. He shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the office of president of a business corporation organized under the laws of the State of New Hampshire.
5. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Association, shall record the minutes of all proceedings in the record book of the Association and shall perform like duties for committees when required. He shall keep the record book current and in his custody. He shall give, or cause to be given, notice of all meetings of the Association, special meetings of the Board and meetings of the committees and shall perform such other duties as may be prescribed by the Board or President. The Secretary shall compile and keep current at the principal office of the Association, (i) a complete list of the Owners and their last known post office addresses, (ii) a complete list of names and addresses of Unit mortgagees, together with conformed copies of mortgages, filed pursuant to Paragraph 8(g) of the Declaration and (iii) copies of the Condominium Instruments. These lists and Condominium Instruments shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days.
6. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Directors or Manager, if any, and, with the assistance of the Directors or Manager, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all money and other valuable effects in such depositories as may be designated by the Board. Such records shall include, without limitation, chronological listings of all assessments and Common Expenses on account of the Common Area and each Unit, and the amounts paid and the amounts due on such assessments by each Owner. He shall disburse funds as ordered by the Board, where possible taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Association. Owners shall have the right to examine the books of the Association at reasonable times and places.
7. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations shall be executed by any officer of the Association, or by such other person or persons as may be designated by the Board of Directors.
8. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V

OPERATION OF THE PROPERTY

1. Determination of Common Expenses and Assessments Against Owners.

(a) Fiscal Year. The fiscal year of the Association shall consist of the twelve (12) month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year shall begin at the date of organization and terminate on the next succeeding December 31. The fiscal year herein established shall be subject to change by the Board of Directors should the Board in its sole discretion deem such change to be in the best interest of the Association.

(b) Preparation and Approval of Budget. Each year the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary during the ensuing fiscal year for the cost of maintenance, management, operation, repair and replacement of the Common Area and any parts of the Limited Common Area and Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, including the cost of compensation, materials, insurance premiums, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, the Declaration, these Bylaws or the Association. In the case of insurance premiums the Association shall obtain from its insurance carrier an annual statement of premiums for the master property damage coverage required herein allocated to each Unit according to its valuation. Such budget shall also include such reasonable reserves as the Board of Directors considers necessary to provide a general operating reserve, and reserves for contingencies and replacements. The Board of Directors shall make reasonable efforts to send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the Common Expenses payable by each Owner, at least fifteen (15) days in advance of the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each owner's assessment for the Common Expenses of the Condominium.

(c) Assessment and Payment of Common Expenses. The total amount of the estimated funds set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed against each Owner of a completed Unit which has been conveyed or rented by the Declarant in proportion to the Percentage Interest as defined in the Declaration appertaining to such Unit, and shall be a lien against each Owner's Unit in accordance with the Condominium Act. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Owner shall be obligated to pay to the Association one twelfth (1/12th) of the assessment for such fiscal year made pursuant to the foregoing provisions. It is expressly provided, however, that the Association may, in its discretion, specially assess each Unit Owner annually in advance on or before the first day of the fiscal year for said Unit's allocated insurance premium for master fire, property damage and/or liability coverage for the fiscal year. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall supply to all owners an accounting consisting of an itemized income and expense statement.

Any amount accumulated in excess of the amount required for actual expenses and budgeted reserves shall, in the discretion of the Board of Directors, either be rebated to the Owners in accordance with each Owner's Percentage Interest in the Association, by crediting same to the next successive monthly installments due from Owners under the then current fiscal year's budget until exhausted, or shall be added to reserves. Any net shortage shall be assessed against the Owners as a Common Expense to be paid in a manner determined by the Board.

(d) Reserves. The Board of Directors shall build up and maintain both an adequate operating reserve and an adequate reserve for contingencies and replacements of the Common and Limited Common Area, which shall be funded by regular monthly payments, as provided hereinabove. At the end of each fiscal year, all funds accumulated during such year for reserves for contingencies and replacement of Common and Limited Common Area shall be placed in a separate bank account segregated from the general operating funds, and used only for such purposes. If for any reason, including nonpayment of any owner's assessment, the reserves are inadequate, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Owners according to their respective Percentage Interests, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall notify the Owners of any such further assessment by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which shall be due not more than ten (10) days after the delivery or mailing of such notice. All Owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment.

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

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of an owner's obligation to pay his allocable share of the Common Expenses as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until ten (10) days after a statement has been mailed or delivered showing the monthly payment which is due under the new annual or adjusted budget.

2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V. No Owner shall be exempt from liability for the appropriate share of Common

Expenses by waiver of the use or enjoyment of all or any portion of the Common Area or Limited Common Area or by abandonment of a Unit. All such payments shall be paid when due, without offset or reduction. No Owner shall be liable for the payment of Common Expenses assessed against his Unit for any period following the conveyance of such Unit via the recording of a deed therefor in the Registry or via operation of law. The purchaser or other acquiring Owner by virtue of conveyance or other transfer of a Unit shall be jointly and severally responsible with the transferring Owner for all unpaid assessments against the latter for unpaid assessments for Common Expenses against said Unit up to the time of conveyance or transfer, without prejudice to the acquiring Owner's right to recover from the transferring Owner any amount which said transferring Owner shall have failed to pay the Association; subject to, however, the provisions of Section 3 of this Article V relative to recordable statements of unpaid assessments and to the provisions of the Declaration regarding the rights of first mortgagees.

3. Recordable Statement of Unpaid Assessments. Any prospective 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 Unit to be conveyed or transferred Owner and the acquiring Owner shall not be liable for, nor shall the Unit conveyed, be subject to a lien for, any unpaid assessments in excess of the amount therein set forth. Failure to furnish in the manner in which notices are provided pursuant to Section 1 of Article XI or make available such a statement within ten (10) business days from receipt of such request by the Board or Manager, shall, extinguish the lien for unpaid assessments. Payment of a fee not exceeding the maximum allowable under the Condominium Act may be required as a prerequisite for issuance of such a statement.

4. Collection of Assessments. The Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Owner sixty (60) days from the due date for payment thereof.

5. Uncollectible Assessments. Any assessments which are not collectible due to waiver or limitation imposed by the provisions of Section 3 above or due to the provisions of Paragraph 7 (b) of the Declaration relative to certain first mortgagees shall be collectible from all Owners, including the purchaser or first mortgagee, in proportion to their respective Percentage Interests as defined in the Declaration.

6. Maintenance and Repair.

(a) By the Association. Except as otherwise provided in Section 6(b) 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 expense shall be charged to such Owner), of all of the Common Area, whether presently existing or hereafter added or constructed, the cost of which shall be charged to all Owners as a Common Expense. Notwithstanding any other provision of the Declaration or Bylaws, in connection with its watering of gardens, shrubs and lawns the Association may use the closest exterior water faucet

regardless of to whom such faucet might be metered.

(b) By the Owner. Except for the portions of his Unit required to be maintained, repaired and replaced by the Association, and except as provided in Article VII hereof relating to repair and reconstruction after fire or other casualty, each owner shall be responsible for the maintenance, repair, or replacement, at his own expense, of his Unit, and any part thereof, including but not limited to, all walls, finished interior surface of perimeter walls, ceiling and floors, glass, entrance doors and window frames (including exterior surface thereof), 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 or serve no other. Each Owner shall be responsible for landscaping and 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. Repairs to Limited Common Area, which are beyond normal maintenance and which are not caused or necessitated by the negligence, misuse or neglect of any individual Owner shall be the responsibility of the Association. Maintenance of the landscaping installed by the Declarant or the Association (but not landscaping installed by the Unit Owner) and snowplowing of driveways and walks, shall be the responsibility of the Association. Each owner shall keep his Unit and its equipment and appurtenances in good order, and condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit including maintaining landscaping installed by him, except, however, the Association shall be responsible for painting the exterior surface of the Units and maintaining, repairing and replacing the exterior siding and roofs of the Units. In addition, each Owner shall be responsible for all damage to any Units or to the Common or Limited Common Areas resulting from his negligence, misuse or neglect or by his failure to make any of the repairs required to be made by him by this Section. Each Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall promptly report to the Board of Directors, or the Manager, any defects or need for repairs for which the Association is responsible.

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

7. Additions, Alterations or Improvements by Association. Whenever in the judgment of the Board the Common or Limited Common Areas shall require additions, alterations or improvements costing in excess of Twenty Thousand Dollars (\$20,000) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by a Majority of the Owners, the Board shall proceed with such additions, alterations or improvements and shall assess all Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Twenty Thousand Dollars (\$20,000) or less during any period of twelve (12) consecutive months may be made by

the Board 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 eighty percent (80%) of the members of the Board such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of a limited number of Owners requesting the same, such requesting owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board.

8. Additions, Alterations or Improvements by Owners. No owner shall make any structural addition, alteration or improvement in or to his Unit or Limited Common Area without the prior written consent thereto of the Board of Directors. No Owner shall paint, decorate or otherwise change the external appearance of his Unit or Limited Common Area, including the doors, windows and landscaping, without the prior written consent thereto of the Board of Directors. If any application to any governmental authority for a permit to make any structural addition, alteration or improvement in or to any Unit or Limited Common Area requires execution by the Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Association by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors or any of them to anyone on account of such addition, alteration or improvement. Subject to the approval of the mortgagees of such affected Units, the Board of Directors and any Unit Owners affected, and subject to obtaining any governmental approvals required by law, any Unit may be subdivided or may be altered so as to relocate the boundaries between such Unit and any adjoining Units. The Secretary shall record any necessary amendment to the Declaration to effect such action as provided in Section 31 and 32 of the Condominium Act. Provided, however, that until Units owned by the Declarant shall have been completed and initial deeds of conveyance of such Units shall have been recorded, the Declarant shall have the right to make such alterations or subdivision with the consent of the Board of Directors, and the Board of Directors shall execute any such application required.

9. Restrictions on Use of Units. To assist the Association in providing for congenial occupancy and the protection of the value of the Units, it is necessary that the Board of Directors have the right and authority to exercise reasonable controls over the use of the Units. The Board of Directors is, therefore, authorized to make Rules from time to time. Until amended, the following Rules shall be in effect; violation of the following enumerated prohibitions shall not be permitted, and the Board of Directors is hereby authorized to take all steps necessary to prevent or discontinue any violations thereof, all at the expense of the violator:

These restrictions and Rules are adopted for the benefit of Owners of condominiums at the Condominium. They are intended to assist in preserving a clean and attractive environment, assuring the peaceful enjoyment of the Condominium, and protecting and enhancing the value of the Owners' property. They are not designed to unduly restrict or burden the use of the property.

All Owners and their families, tenants, guests, invitees and licensees are bound by the following:

(a) No decorations, awnings, sun shades or covers, air conditioning equipment, fans, advertisements, signs or posters of any kind shall be affixed to the exterior of a building or otherwise placed, posted in or on the Property so as to be visible from the outside of a Unit except as authorized by the Board. This restriction shall not apply to advertisements, signs or posters utilized by the Declarant, or its agents, in selling or renting the Units, the display of which may be governed by the Rules.

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

(c) No animal, other than usual and customary household pets, specifically limited to one dog and two cats, shall be kept or maintained on the Property nor shall any pets be bred or maintained for commercial purposes on the Property. Pets shall not be permitted outside of Units unless they are on a leash or in a container accompanied by a responsible person. The Board of Directors may make further provisions in the Rules for the control and regulation of household pets in the Condominium. The Owner of a Unit where a dog is kept or maintained shall be responsible and may be assessed by the Board of Directors for all damages to the Property resulting from the maintenance of said dog, and any costs incurred by the Association in enforcing the Rules prescribed by the Board of Directors for the control and regulation of pets in the Condominium and each such Owner shall be deemed to indemnify and hold the Board harmless against such loss or liability resulting from said pet.

(d) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is an unreasonable source of annoyance or which unreasonably interferes with the peaceful possession or proper use of the Condominium.

(e) No Owner, tenant or guest shall allow the installation of wiring for electrical or telephone use, antenna, air conditioning unit or other machine or equipment, which protrudes through the perimeter 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. No electrical devices for the control of insects or other pests may be installed or used in or about the Unit.

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

(g) Unless authorized by the Board of Directors, no Owner, tenant or guest shall direct or engage any employee of the Condominium on any private business, nor shall he direct, supervise or in any manner attempt to assert control over any such employee((

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

(i) In the use of the Units and the Common and Limited Common Areas of the Condominium, Owners shall obey and abide by all valid laws, ordinances and zoning and other governmental regulations affecting the same and all applicable Rules adopted by the Board. The Common and Limited Common Areas shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of the Units.

(j) No motorbikes, minibikes or snowmobiles shall be operated within the Condominium. No motorbikes, minibikes, snowmobiles, trucks, motorized boats, trailers, campers or terrain vehicles shall be parked or allowed to remain within the Condominium except in a protected area or areas designated by the Board of Directors.

(k) Owners shall not be entitled to maintain more than two (2) automobiles, including not more than one 3/4-ton pick-up truck, within the Condominium at one time.

(l) Owners shall not commit any violation of applicable statutes, ordinances or regulations, including, but not limited to restrictions on the storage, use or disposal of toxic or hazardous substances.

(m) Changes affecting the appearance of the exterior of buildings are to be made only with the consent of the Board of Directors pursuant to Sections 8, 9 (a) and 9 (e) of Article V of the Bylaws.

(n) Everyone will be expected to exercise extreme care to avoid unnecessary noise and at no time are equipment, musical instruments, radios, TV or similar equipment be so loud as to disturb others.

(o) There will be no littering. Paper, cans, bottles, cigarette butts, food and other trash are to be disposed only in appropriate trash containers and under no circumstances are such items to be dropped or left on the grounds or other Common Area.

(p) There shall be no use of Common or Limited Common Area which injures or scars the Common or Limited Common Area or the trees or plantings thereon, increases the maintenance thereof, or causes unreasonable embarrassment, disturbance or annoyance to other Owners in their enjoyment of the Condominium..

(q) Owners and tenants shall be held responsible for the actions of their family, guests, invitees and licensees. If occupancy by tenants or guests creates a nuisance to other

Owners, the Board shall have the right to require that the offensive tenants or guests leave.

(r) The Board may retain a passkey to each Unit and the Owner shall supply the Board and/or the Manager with all current alarm codes and passwords. No Owner may alter any lock or install a new lock on any door leading into the Unit of such Owner, or change said codes or passwords without the prior consent of the Board. If such consent is given, the owner shall provide the Board and/or the Manager with a key and said codes and passwords for its use. It is not intended that an Owner's privacy be intruded upon, and neither the Board nor the Manager may have access to a Unit except in a personal or property emergency.

(s) All assessments for Common Expenses are due and payable by check or money order on the first day of each month. Payment shall be mailed to the Treasurer of the Condominium Unit Owners Association at the address designated for that purpose.

(t) Any consent or approval of the Board or its authorized agent given under these Rules shall be revocable at any time.

(u) Complaints of violation of these Rules and restrictions should be made to the Board or its authorized agent, either orally or in writing. If the Owner does not receive satisfaction from such authorized agent, or if there is no authorized agent at that time, he should submit his complaint in writing to the Board. If the Board feels that the complaint is justified, it will take whatever action it deems necessary. The complainant will be notified in writing by the Board as to what action has been taken.

(v) The Condominium Rules may be revised in any way at any time by the Board as conditions warrant, and a written communication will be sent to each Owner advising him of the change.

(w) The Board, in its discretion, may delegate its powers and duties with respect to the granting of consents, approvals and permissions under these Rules, to any person or other agent.

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

11. Rules. The Rules may be promulgated and amended by the Board of Directors, provided that such Rules are not contrary to or inconsistent with the Condominium Act, the Declaration or these Bylaws. Copies of the Rules shall be furnished by the Board of Directors

to each owner prior to the time when the same shall become effective. A vote of the majority of Owners present in person or by proxy at a meeting of the Association may overrule and declare void any Rule adopted by the Board; provided that notice of the proposal to overrule shall be included in the notice of such meeting.

ARTICLE VI

INSURANCE

1. Insurance Required. Pursuant to Section 43 of the Condominium Act, the Board of Directors shall obtain (i) a master property damage policy affording all risk coverage with the usual exclusions written on an agreed amount basis 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) "officers' and directors' liability" insurance coverage; and (iv) such other policies as specified hereinbelow, which insurance shall be governed by the following provisions to the extent obtainable or possible.

(a) Property damage and fire insurance with standard all risk coverage with the usual exclusions written on an agreed amount basis, vandalism and malicious mischief endorsements insuring all the buildings in the Condominium including without limitation all such portions of the interior of such buildings as are for insurance purposes normally deemed to constitute part of the building and customarily covered by such insurance, such as heating and air conditioning and other service machinery, interior walls, all finished wall surfaces, ceiling and floor surfaces including any wall to wall floor coverings, bathroom and kitchen cabinets and fixtures, including appliances 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 buildings and to be payable to the Board as trustee for the Owners and their mortgagees as their respective interests may appear. The Association shall obtain from its insurance carrier an annual statement of premiums for master property damage coverage allocated to each unit in accordance with each Unit's valuation. The Association may, in its discretion, specially assess each Unit Owner annually in advance on or before the first day of the fiscal year for said Unit's allocated insurance premium for master property damage coverage for the fiscal year.

(b) Comprehensive general liability including "broad form general liability" endorsement or its equivalent insurance in such amounts as the Board may from time to time determine, but in no event shall the limits of liability be less than One Million Dollars (\$1, 000, 000) for bodily injury and property damage per occurrence, insuring the Association and all individuals referred to in Section 1 above, against any liability to anyone, and with cross liability coverage with respect to liability claims of any one insured thereunder. This insurance, however, shall not insure against individual liability for negligence occurring within a Unit.

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

(d) A fidelity bond covering the Treasurer of the Board and other Board officers, directors, employees, or volunteers.

(e) Such other insurance as the Board may determine desirable.

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 Section 1 above and shall review with the insurer or insurance agent, at least annually, the coverage under said policies, said review to include a valuation of the Units and of improvements within the Common Area 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 Section.

(b) The Board shall be required to make every effort to see that all policies of property damage insurance provided for under Section 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; (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 canceled (including cancellation for non-payment), jeopardized 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; and (vi) shall exclude policies obtained by individual Owners for consideration under any "no other insurance" clause.

3. Individual Policies.

(a) Any Owner or any mortgagee may obtain, at his own expense additional insurance (including without limitation "condominium unit-owner's coverage" written on an "all risk" or loss basis for improvements and betterments to a Unit made or acquired at the expense of the Owner and not covered under the master casualty policy referred to in Section 1(a) above). Such insurance should contain the same waiver of subrogation provision as set forth in Section 2(b) of this Article VI. Such policy should insure against loss or damage to personal property used or incidental to the occupancy of his Unit or Limited Common Area, additional living expense, vandalism or malicious mischief, theft, personal liability and the like. Any such insurance should cover any loss, injury or damage to persons or to floor coverings, appliances and other personal property, not covered in the master policy, and all improvements to his Unit which are not reported to the Board.

(b) In addition to the other requirements of law or imposed by the Declaration or these Bylaws, each Owner, prior to commencement of construction of any improvements, shall for insurance purposes notify the Board of all proposed improvements to his Unit (except personal property other than fixtures) exceeding One Thousand Dollars (\$1,000.00) and upon receipt of such notice, the Board shall notify the insurer under any policy obtained pursuant to Section 1 (a) hereof, of any such improvements.

(c) No policy described in this Section 3 shall be written to decrease the coverage under any of the policies obtained by the Board pursuant to Section 1(a) above, and each Owner hereby assigns to the Board, as trustee for the owners and their mortgagees, the proceeds of any such policies to the extent that such policies in fact result in a decrease in such coverage, such proceeds to be applied pursuant to the terms hereof as if produced by said coverage. Copies of all such policies (except policies covering only personal property, owned or supplied by individual owners) 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 thereof and of any subsequent changes therein or in such initial policies, or of termination thereof shall be promptly furnished to each Unit Owner by the Secretary of the Association. Such notice shall be sent to all Unit owners of record at the address of their respective Units and to such other addresses as any of them may have designated to the Secretary; or such notice may be hand-delivered by the Secretary or Manager.

ARTICLE VII

REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

1. When Repair and Reconstruction are Required. Subject to the provisions of Section 3(i) of the Declaration, in the event of damage to or destruction of all or part of any Unit or other buildings or improvements 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 portions of the Units, buildings or improvements. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating work in his own Unit.

2. Procedure for Reconstruction and Repair.

(a) Immediately after a fire or other casualty causing damage to a Unit or improvement within the Common or Limited Common Area, 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. The Board shall contract for such repair and restoration and in doing so shall exercise its sole discretion in

selecting from among said estimates.

(b) Improvements in Common and/or Limited Common Area. If the proceeds of insurance, paid to the Board as trustee for the owners and their mortgagees pursuant to Sections 1 and 3 of Article VI hereof, 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 additional amounts to provide payment of such costs shall be made against the owners in proportion to their respective Percentage Interest as defined in the Declaration. If all or any portion of such assessments are not available to the Board prior to the time that the amounts thereof are needed to provide payment of such costs, the Board may borrow such amounts, on behalf of the Association, and may secure such borrowing by assignment of the liens relative thereto arising pursuant to Section 2 of Article XII of these Bylaws.

(c) Improvements in Units. If the proceeds of insurance, paid to the Board as Trustee for the Owners and their mortgagees pursuant to Section 3 of Article VI. hereof, are not sufficient to defray the estimated costs of reconstruction and repair a Unit, or upon completion of reconstruction and repair of a Unit, the funds for the payment of the costs thereof are insufficient, the Owner of said Unit shall be required to provide the Board with such additional amounts necessary to pay said costs prior to commencement of reconstruction and repair of the Unit. If said payment is not forthcoming by the Owner within thirty (30) days of notice by the Board of said insufficiency, an assessment as provided in Declaration may be made against the owner in a sufficient additional amount to provide payment of such costs related to said Owner's Unit.

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

(e) Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in accordance with original plans and specifications under which the damaged building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building (as reconstructed) shall stand.

3. Disbursements of Construction Funds.

(a) The net proceeds of insurance collected on account of a casualty and any additional amounts collected by the Board of Directors from assessments against Owners on account of such casualty (or borrowed by the Board as provided in Section 2(b)(1) above) 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 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 the cost of the reconstruction and repair for which the fund is established, such balance shall first be applied to any improvements pursuant to Section 2(b) (1) above, and the remainder, if any; shall be distributed to the Owners in accordance with their respective Percentage Interests.

(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, second the Limited Common Area and the balance to the cost of repairing the Units.

ARTICLE VIII

SALES, LEASES, AND ALIENATION OF UNITS

1. No Severance of Ownership. No Owner shall execute any deed, lease, mortgage, or instrument conveying or mortgaging the title to his Unit without including therein the Percentage Interest of such Unit in the Common Area, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, lease, mortgage, or other instrument purporting to affect such title or one or more of such interests, without including all such title or interests, shall be deemed and taken to include the title or interests so omitted, even though the latter shall not be expressly mentioned or described therein. Except to the extent otherwise expressly provided by the Declaration, these Bylaws or the Condominium Act, the Percentage Interest in the Common Area allocated to any Unit shall not be altered and any purported transfer, encumbrance, or other disposition of that interest without the Unit to which it appertains shall be void.

2. Payment of Assessments. No Owner shall be permitted to convey, mortgage, sell, lease, give, or devise his Unit unless and until he (or his personal representative) shall have paid in full to the Board of Directors all unpaid Common Expense theretofore assessed by the Board of Directors with respect to his Unit, and shall have satisfied all unpaid liens with respect to his Unit, except mortgages. Where this provision is satisfied at the time of execution of a mortgage, there shall be no requirement that it again be satisfied at the time of a subsequent foreclosure of such mortgage, or deed in lieu of such foreclosure. In the event that the Unit is subject to outstanding assessments previously levied against such Unit, and the acquiring Owner or the transferring Owner requests a recordable statement pursuant to Section 3 of Article V, the statement shall expressly state any waiver of, or failure or refusal to exercise, the right of the Association to prevent the disposition of such Unit, in any case where such waiver, failure or refusal may exist. Failure or refusal to furnish such a statement as provided in said Section 3 shall not only constitute a waiver of such assessment but also make the above-mentioned prohibition inapplicable to any such disposition of the Unit.

ARTICLE IX

AMENDMENT TO BYLAWS

1. Amendments. Except as otherwise provided in the Condominium Act and herein, these Bylaws may be modified or amended by the procedure set forth in Paragraph 6 of the Declaration; provided, however, that Sections 2 and 4 of Article II, and Section 3 of Article III, insofar as they relate to voting rights, the selection of members of the Board of Directors by the Declarant, and this Section 1 of Article IX, may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be an Owner. Furthermore, notwithstanding the foregoing, so long as the Declarant is the owner of one or more Units, no amendment to the Bylaws or Rules may be adopted which could interfere with the construction, display, sale, lease, or other disposition of such Unit or Units.

ARTICLE X

MORTGAGES

1. Notice of Default. The Board shall give written notice to an Owner of any default by the Owner in the performance of any obligations under the Act, Declaration or Bylaws. No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Declaration or these Bylaws except after ten (10) days' written notice to the holder of the first mortgage on the unit which is the subject matter of such suit or proceeding provided the Board has been given notice of such mortgage in the manner set forth in Paragraph 8(g) of the Declaration.

ARTICLE XI

NOTICE

1. Manner of Notice. Except as otherwise provided in the Declaration and these Bylaws, all notices, demands, bills, statements or other communications provided for or required under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U. S. Mail, first class postage prepaid, (i) if to an Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Secretary, or (ii) if to the Association, the Board of Directors or the Manager, at the Condominium or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

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

ARTICLE XII

COMPLIANCE AND DEFAULT

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

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

(b) Additional Liability. Each Owner shall be liable for the expenses of all maintenance, repair or replacement rendered necessary by his acts, neglect or carelessness or the act, neglect or carelessness of any member of his family or his tenants, guests, employees, agents or invitees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company of its rights of subrogation.

(c) Costs and Attorneys Fees. In any proceeding 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 attorneys' fees as may be determined by the court.

(d) No Waiver of Rights. The failure of the 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, these Bylaws 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.

(e) Interest. In the event of a default by any owner against him 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 eighteen percent (18 %), whichever is less, per

annum from the due date thereof. In addition, the Board of Directors shall have the authority to impose a late payment charge on such defaulting Owner in an amount not to exceed five percent (5 %) on any amount so overdue.

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

(i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of provisions hereof, and the Board of Directors or Manager shall not thereby be deemed guilty in any manner of trespass;

(ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or

(iv) to suspend or limit the right of the Owner committing the violation to use any part of the Common Area during the continuance of such violation.

2. Lien for Assessments.

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

(b) In any case where an assessment against an owner is payable in installments, upon a default by such Owner in the payment of any single installment, which continues for ten (10) days after written notice of such default has been sent to the Owner, the maturity of the remaining unpaid installments of such assessment may be accelerated, at the option of the Board of Directors, and the then balance owing may be declared due and payable in full by the service of notice to such effect upon the defaulting owner by the Board of Directors or Manager. The Association, in order to perfect such lien shall file before the expiration of six (6) months from the time that the delinquent assessment (or installment, where such assessment is payable in installments) became due and payable, a memorandum in the Registry in form and manner prescribed in said Act.

(c) The lien for assessments shall include interest, late charge, 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 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

RESALE BY OWNER

1. In the event of any resale of a Unit or of any interest therein by any Owner, the prospective Owner shall have the right to obtain from the Association, prior to the contract date of the disposition, the following:

(a) Appropriate statements pursuant to RSA 356-B:46 (VIII) and, if applicable, RSA 356-B:47;

(b) A statement of any capital expenditures and major maintenance expenditures anticipated by the Association within the current or succeeding two (2) fiscal years;

(c) 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 specific project by the Board;

(d) A copy of the income statement and balance sheet of the Association for the last fiscal year for which such statement is available;

(e) A statement of the status of any pending suits or judgments in which the Association is a party defendant;

(f) A statement setting forth what insurance coverage is provided for all Owners by the Association and what additional insurance coverage would normally be secured by each individual Owner; and

(g) A statement that any improvements or alterations made to the Unit, or the Limited Common Area assigned thereto, by the prior owner are not known to be in violation of the condominium instruments.

ARTICLE XIV

COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Compliance. These Bylaws are set forth in compliance with the requirements of the

Condominium Act.

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

3. Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived of any failure to enforce the same (except where a right is dependent upon the notice to be given within a specified period), irrespective of the number of violations or breaches which may occur.

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

5. Gender, etc. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the reverse; and the use of any gender shall be deemed to include all genders.

By: Steven Blum, Manager Steven Doherty, Manager Mark Kalin, Manager

State of New Hampshire
County of Merrimack

On this the _____ day of December, 2002, personally appeared before me, the undersigned officer, the within named, Steven Blum, Steven Doherty, and Mark Kalin who acknowledged him/herself to be all the Managers of Hooksett Development, LLC, a limited liability company, and that being authorized so to do, executed the following on behalf of said company in their capacities as Manager for the purposes therein contained.

Notary Public / Justice of the Peace
_____(Name of Officer)
My Commission Expires _____

MERRIMACK COUNTY RECORDS

Kathi L. Gray CPO, Register