

BY-LAWS
of
THE VILLAGE AT RIVERBEND CONDOMINIUM

ARTICLE I

Miscellaneous

1. Application. The management and administration of The Village At Riverbend Condominium shall be regulated and governed by these By-Laws. All present and future Unit Owners of any interest in The Village At Riverbend Condominium including MOUNTAIN RIVER EAST ASSOCIATES and all visitors, tenants, occupants or persons who in any way use any of the facilities of The Village At Riverbend Condominium shall hold such interest, visit, lease, occupy or use said facilities subject to these By-Laws.

The acceptance of a deed, execution of a lease or an act of occupancy or use which relates to any land, buildings or facilities in The Village At Riverbend Condominium shall constitute acceptance by the actor that these By-Laws, and the Declaration of which they are a part are effective and binding upon him, his heirs, successors and assigns.

2. Definitions. Words and terms used herein shall have the meaning ascribed to them in that section of the Declaration which is headed "Definitions" unless the context requires a different meaning.

3. Membership. The membership of the Association shall consist of, and be limited to, Unit Owners of The Village At Riverbend Condominium. In the event a Unit is owned by more than one person, then the membership relating thereto shall be held in the same names and in the same manner as the Unit.

4. Severability. The invalidity of any portion or portions of these By-Laws shall not cause any other portions thereof, or of the Declaration of which it is a part, to be invalid or unenforceable.

5. Construction. These By-Laws shall be interpreted liberally so as to give effect to and to assist and to aid in the implementation of the overall plan for the management and government of The Village At Riverbend Condominium.

6. Amendment. Except as otherwise provided in these By-Laws, the Declaration and the Condominium Act, any provision hereof may be amended by two-thirds (2/3) of the total votes of all members of the Association.

ARTICLE II

Board of Directors

1. Composition. Subject to Section 2 of this Article, the powers and duties of the Association shall vest in a Board of three (3) Directors, all of whom shall be members of the Association, spouses of members or, in the event of a corporate member, a director or officer of a member.

2. Declarant to Perform Functions. Until the Declarant has conveyed Units to which three-fourths (3/4) of the undivided interest in the Common Area appertains or until three (3) years after the recording of the Declaration and Bylaws, whichever shall first occur, the right, duties and functions of the Board of Directors and the Association shall, at Declarant's option, be exercised by the Declarant. The Declarant shall have the option at any prior time to relinquish to the Association responsibility of electing all members of the Board of Directors.

3. Election. At each annual meeting, subject to the provisions of Section 2 of this Article, the members shall elect a Board of Directors for the forthcoming year; provided, however, that the first Board of Directors elected hereunder may be elected at a special meeting duly called, said Board of Directors to serve until the first annual meeting held thereafter. At least thirty (30) days prior to any annual meeting, the Board of Directors shall elect a Nominating Committee of not fewer than three (3) members, and such Nominating Committee shall recommend to the annual meeting one (1) nominee for each position on the Board of Directors to be filled at that particular annual meeting. Nominations for the Board of Directors may also be made from the floor at the annual meeting.

4. Term. Members of the Board of Directors shall hold office for a term of three (3) years, except that at the first annual meeting at which the Board of Directors shall be elected, one shall be elected for a term of one (1) year, one shall be elected for a term of two (2) years, and one for a term of three (3) years. The members of the Board of Directors shall serve until their death, resignation, removal, or until their successors are elected; provided that if any member ceases to qualify for membership in the Association, his membership on the Board of Directors shall therefore terminate.

5. Resignation and Removal. Any member of the Board of Directors may resign at any time by giving written notice to the President and any member may be removed from membership on the Board of Directors by a two-thirds (2/3) vote of the members' total voting power at any annual or special meeting of the Association, notice of the time and subject of which has been mailed to all members as prescribed by law prior to the date thereof. Whenever there shall occur a vacancy on the Board of Directors due to death, resignation, removal or any other cause, the remaining Directors shall elect a successor Director to serve until the next annual meeting of the Association, at which time the said vacancy shall be filled for the unexpired term.

6. Voting.

(a) Each Director shall have one vote, and the Board of Directors shall transact its business by majority vote, provided a quorum is present. A quorum shall consist of a majority of the Directors.

(b) The Board of Directors may act in the absence of a quorum, if all the members not present assent in writing to the action taken by signing a copy of the minutes of the meeting which is then filed with the Secretary.

(c) The Board of Directors may act without a meeting if all the members thereof sign a record of the action taken, which is then filed with the Secretary.

(d) Each Director attending a meeting shall be required to sign the minutes of that meeting.

7. Meetings.

The Board of Directors shall determine the times and places of its regular meetings. The President of the Association or two members of the Board of Directors may call a special meeting. Notices of all regular meetings shall be mailed to each Director at least twenty-one (21) days prior to the date thereof, and notice of all special meetings at least seven (7) days prior to the date thereof. Notice is waived by any Director who attends the meeting or who waives the same in writing.

8. Powers.

The Board of Directors 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 The Village At Riverbend Condominium and the Association (except as otherwise provided by law, the Declaration or these By-Laws), including, without limiting the generality of the foregoing, the power and duty to obtain the following items for the benefit of The Village At Riverbend Condominium the cost of all of which items shall be Common Expenses:

(a) The services of a manager or managing agent, to the extent deemed advisable by the Board of Directors, to whom the Board of Directors may delegate any of its duties not requiring a vote of the Board of Directors, as well as the services of any other professional or other personnel as the Board of Directors may determine to be necessary or proper to the operation of The Village At Riverbend Condominium and the Association whether such personnel are employed directly by the Board of Directors or are furnished by the manager or managing agent.

(b) Maintenance of the Common Area and facilities, including snow removal, landscaping, conservation practices, trash removal, heat, light, maintenance of whirlpools and saunas, and any other services for the Common Areas deemed necessary by the Board of

Directors.

(c) Maintenance of the outside surfaces of all structures necessary to keep each one in good appearance and repair and to insure that the outside of no structure will be maintained or repaired in a fashion that will impair or destroy the integrity or unity of the structure.

(d) Legal and accounting services necessary or proper for the operation of The Village At Riverbend Condominium and the Association or the enforcement of the provisions of the Declaration and By-Laws, the Condominium Act, and the rules and regulations promulgated as herein provided.

(e) Such equipment, tools, appliances, and other personal property for the Common Area as the Board of Directors shall determine are necessary and proper.

(f) Fire and liability insurance as required by the Declaration and Condominium Act, and such other insurance as required by law or as the Board of Directors may determine.

(g) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board of Directors is required to secure or pay for pursuant to the terms of the Declaration or the By-Laws, or which in its opinion shall be necessary or proper for the operation of the Common Area or for the enforcement of the Declaration, provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for a particular Unit the cost thereof shall be specially assessed to the Unit Owner of such Unit, and further provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for the Limited Common Area, the cost thereof shall be specially assessed to the Unit Owner of the Unit with which the Limited Common Area is associated.

(h) Any emergency repairs to any Unit to prevent damage to other parts of The Village At Riverbend Condominium subject to Paragraph 7 of the Declaration.

(i) Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the Common Area or preserve the appearance and value of The Village At Riverbend Condominium and the Owner of said Unit has failed or refused to perform said maintenance or repair within thirty (30) days after written notice of the necessity of said maintenance or repair is delivered by the Board of Directors to said Unit Owner, provided that the Board of Directors shall levy a special assessment against the Unit Owner for the costs of said maintenance

or repair.

(j) A fidelity bond, naming any representative of The Village At Riverbend Condominium who handles or is responsible for the funds of The Village At Riverbend Condominium or the Association and such other persons as may be designated by the Board of Directors, as principals, and the Unit Owners as obligees.

The Board of Directors shall have no power to expend in excess of Two Thousand Dollars (\$2,000.00), for the acquisition of personal property, or for capital improvements without a majority vote of the voting power of the members present and voting at a duly held meeting of the members of the Association, unless such expenditures are for repairs of an emergency nature, in which case a quorum of the Board of Directors, so voting, shall have such authority.

The Board of Directors shall have the exclusive right to contract for all such goods, services and insurance referred to in this Section, which right may be delegated by it.

The Board of Directors may make, amend and repeal rules and regulations governing the use of the Units, Common Area, or Limited Common Area of The Village At Riverbend Condominium as may be necessary, and there shall be no violation of the rules by any person.

9. Indemnification. The officers of the Association and the members of the Board of Directors shall not be liable to any Unit Owner for any act unless such act constitutes willful misconduct, gross negligence or is in willful contravention of the Declaration. The members shall indemnify and hold harmless each officer of the Association and each member of the Board of Directors against liability for any contracts made on behalf of the Association unless fraudulent, made in bad faith or contrary to the provisions of the Declaration.

No officer or Director shall be exempt from or entitled to indemnification against liability for his own tortious conduct against the person or property of another.

10. Records. The Board of Directors shall keep detailed, accurate records in chronological order, of the receipts and expenditures by the Association specifying and itemizing the maintenance and repair expenses and any other expenses incurred. Said records shall be available for examination by the members, or their agents, at convenient times.

11. Audit. Any member may at any reasonable time at his own expense cause an audit or inspection to be made of the books and records of the manager or Board of Directors. The Board of Directors at its discretion and as a Common Expense may obtain an audit of all books and records pertaining to the Association and furnish copies thereof to the members.

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ARTICLE III

Officers

1. Election - Term. The officers shall consist of a President, Vice-President/Treasurer and Secretary. They shall be members of the Association and shall be annually elected by, and may be removed and replaced by, the Board of Directors. The Board of Directors may in its discretion require that officers be subject to fidelity bond coverage in favor of the Association. During the period that the Declarant holds all of the positions of members of the Board of Directors, Declarant, in its discretion, may hold any office of the Association.

2. President. The President shall act as chief executive officer of the Association and shall preside at all meetings of the Association. He shall be a member of the Board of Directors.

3. Vice-President/Treasurer. The Vice-President/Treasurer shall assist the President in the discharge of his duties and shall preside at all meetings in the absence of the President and shall have charge of all funds of the Association and perform such other duties as directed by the Board of Directors. He shall be a member of the Board of Directors. He shall keep and maintain books and records relating to the financial affairs of the Association and shall submit to the Board of Directors a proposed budget for the operation of the Association during the forthcoming year in time for the Board of Directors to review same prior to the annual meeting. He shall, upon appropriate notice, make his books and records available for inspection by any member of the Association. The Board of Directors may delegate such of the Vice-President/Treasurer's powers and duties to the manager or managing agent as it deems advisable.

4. Secretary. The Secretary shall keep a record of all meetings of and actions by the Board of Directors and the Association. He shall keep all records, documents and other papers of the Board of Directors and the Association, and he shall be charged with the responsibility of notifying members of meetings as prescribed by law. He shall be a member of the Board of Directors.

5. Posting of Names of Officers.

Commencing immediately following the first annual meeting, the Board of Directors shall be responsible for the posting of the names of the current members of the Board of Directors and of the other officers of the Association, from time to time, at a prominent location in the Common Area.

ARTICLE IV

Meetings

1. Annual Meeting. Commencing in 1987, subject to the provisions of the Declaration, the Condominium Act and these By-Laws, the annual meeting of the Association shall take place on the Saturday of Labor Day Weekend in each year at 10:00 am, on the Common Area, or at such other time and place (which shall not be more than thirty (30) days before or after said date) as the Board of Directors shall direct. In addition to the election of a member or members of the Board of Directors any other business to be transacted at the annual meeting, the Board of Directors shall present a statement of Common Expenses and assessments for the preceding fiscal year, itemizing receipts and disbursements, and a proposed budget of the estimated Common Expenses and assessments for the then current fiscal year. Within thirty (30) days after the annual meeting, the President shall cause a copy of the minutes thereof to be mailed to each member.

2. Special Meetings. Special meetings of the Association may be called at any time by the President, a majority of the Board of Directors or those members who have one-third of the total voting power of the membership.

3. Notice. Written notice of all meetings as prescribed by the Condominium Act shall be sent by United States mail, return receipt requested, 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; said notice shall state the date, time and place of the meeting, as well as the matters to be considered thereat. Notice shall be sent at least twenty-one (21) days in advance of an annual or regularly scheduled meeting and at least seven (7) days in advance of any other meeting as set forth in New Hampshire RSA 356-B:37.

4. Quorum. A quorum shall be deemed present throughout any meeting of the Association until adjourned if persons entitled to cast twenty-five percent (25%) of the votes are present at the beginning of the meeting. The Association shall conduct its business by majority vote.

In the absence of a quorum, a majority of the persons present may vote to adjourn the meeting to a time not more than thirty (30) and not less than ten (10) days after the date of the original meeting. The President shall cause notices of said adjourned meeting and the reason therefor to be mailed to all members at least seven (7) days before the date thereof. Notices are waived by those who are present in person or by proxy and by anyone who expressly waives notice.

5. Voting.

(a) Each member of the Association shall be entitled to cast a number of votes equal to the ownership percentage attributable to that Unit as set forth in the Declaration.

(b) Votes may not be split in the event a membership is owned by more than one person, but such persons shall agree as to how their vote(s) is to be cast. Ownership shall be determined on the basis of the record title as shown in the Grafton County Registry of Deeds.

(c) The Declarant shall be entitled to vote with respect to each Unit owned by it.

(d) A member may assign his vote(s) to a first mortgagee of record.

(e) An Owner may vote by filing a written proxy, signed by the Owner, with the Board of Directors.

ARTICLE V

Expenses

1. Accounting Period. The fiscal year of the Association shall be the twelve (12) month period ending September 30.

2. Liability for Expenses. All expenses of the Association shall be shared by the members in the proportion that each member's number of votes bears to the total votes of all members.

3. Assessments. On or prior to November 1 of each year the Board of Directors shall estimate the Common Expenses to be required during the twelve (12) month period commencing with the preceding October 1. The Common Expenses shall include any amounts necessary to pay for the items obtained pursuant to Section 8 of Article II hereof, any amounts necessary to make up any deficit for said fiscal year just ended, a reasonable reserve for contingencies and replacements of the Common Area, any amounts required by an excess of repair and restoration costs over insurance proceeds pursuant to Paragraph 2(I) of the Declaration and any other amounts required by the terms of the Declaration, these By-Laws, or the Condominium Act. A proposed budget showing said estimated Common Expenses and assessments shall be submitted to the annual meeting of the Association, and unless changed by a majority of the voting power of the Association, the budget present shall be the budget for the fiscal year, subject to the provisions for additional assessments by the Board of Directors pursuant this Article. Common Expenses shall be assessed to the members as of the following March 31 pursuant to the percentages set forth in the Declaration. Declarant will be liable for the amount of any assessments against completed Units owned by Declarant. If said sum estimated proved inadequate for any reason, including non-payment of any Owner's Assessment, the Board of Directors may at any time levy a further assessment which shall be assessed to the Owners according to the aforementioned percentages, unless otherwise provided herein. Each Owner shall be obligated to pay the assessments made against him to the Board of Directors, and such payments shall be due in equal quarterly installments on or before the first day of

each quarter during the twelve (12) month period commencing with the preceding October 1, or in such other reasonable manner as the Board of Directors shall designate. In the event a Condominium Unit is rendered uninhabitable by fire or other casualty, the Board of Directors, in its discretion, may abate all or a portion of the Common Expenses assessed against the Owner of said Condominium Unit while it remains uninhabitable.

During the period of Declarant's control, the Common Expense budget shall be determined by the Declarant.

Failure of the Board of Directors to determine assessments for a twelve (12) month period in the manner prescribed above shall not be interpreted as a waiver or amendment of these provisions, nor a release of a member of his obligation to pay assessments, but the assessments for the preceding twelve (12) months shall continue, and installments shall be due thereon, until a new assessment is fixed. No member may exempt himself from the liability for assessment by waiving or abandoning his use or enjoyment of the Common Area or facilities or of his Unit.

This Section shall not be amended except upon a vote of seventy-five percent (75%) of the total voting power of the members.

4. Special Assessments. Special assessments made pursuant to Section 3 of this Article, or special assessments made to cover the cost of maintenance and repairs to Units or Common Areas pursuant to the Declaration and these By-Laws, or special assessments made for any lawful purpose shall be due and payable thirty (30) days after a statement therefor is rendered. This Section shall not be amended except upon a votes of seventy-five (75%) of the total votes of the members.

5. Effect of Non-Payment. Each Owner shall pay all Common Expenses assessed against him, and all other expenses for which he is liable under the terms of the Declaration, By-Laws and the Condominium Act, and all expenses so incurred and sums so assessed, but unpaid, shall be secured by a lien as provided in Section 46 of the Condominium Act, and the Declaration.

6. Surplus. Any surplus of Common Expense payments by Owners over the actual expenses (including the reserve for contingencies and replacements) during a fiscal year of the Association, shall be paid into the Common Expense fund for the following fiscal year as part of the reserve for replacements and contingencies for said following fiscal year.

ARTICLE VI

Compliance and Default

Each Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-Laws and any Rules and Regulations adopted by the Board of Directors, 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 By-Laws, and any Rules and Regulations adopted by the Board of Directors, shall be grounds for relief which may include, without limiting the same, an action to recover the sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these By-Laws, 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 fire 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 By-Laws, or any Rules and Regulations adopted by the Board of Directors 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, Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Declaration, these By-Laws and any Rules and Regulations adopted by the Board of Directors 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 any Rules or Regulation adopted by the Board of Directors, 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 ten (10) days, such Owner shall be obligated to pay interest at eighteen percent (18%)

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 Fifteen Dollars (\$15.00) or Six Cents (\$.06) per dollar on any amount so overdue, whichever is greater.

(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 By-Law 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 By-Laws:

(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 the 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

(iii) 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.

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