

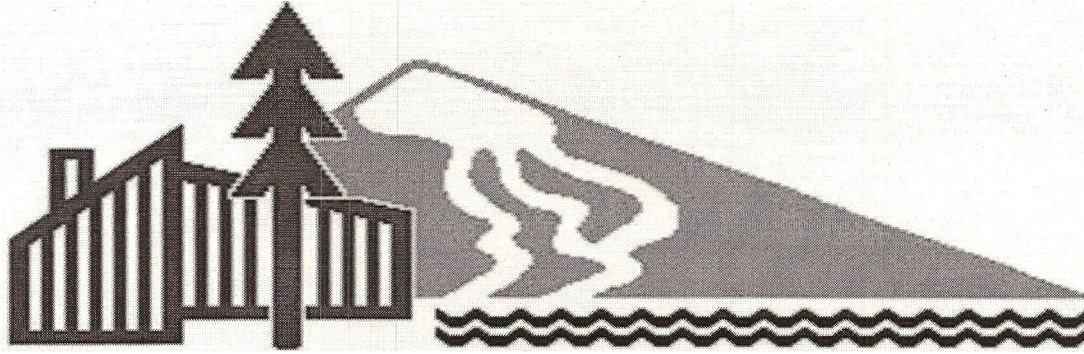
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GRAFTON COUNTY
REGISTRY OF DEEDS



WATERVILLE ESTATES

BYLAWS

Revised as of

1 June 2005

BYLAWS OF WATERVILLE ESTATES ASSOCIATION

ARTICLE I DEFINITION OF TERMS

1. Association - Waterville Estates Association.
2. Articles - Articles of Association of Waterville Estates Association.
3. Restrictions - Waterville Estates Property Restrictions, Easements and Covenants (RECs) recorded at Grafton County Registry of Deeds on August 12, 1969 at Book 1097, Page 163, as revised by the Waterville Estates Revised Property Restrictions, Easements and Covenants recorded at said Registry on April 13, 1972 at Book 1162, Page 252, and as subsequently amended from time to time.
4. Lot - Any residential lot defined as a Homesite or Cluster Homesite or Condominium Site in the Waterville Estates Property Restrictions, Easements and Covenants (RECs).
5. Condominium Unit or Unit - A living unit submitted to the New Hampshire Unit Ownership of Real Property Act or to the New Hampshire Condominium Act, or any successor thereto.
6. Common Property - Those parcels of land, together with any facilities located thereon or interests therein, intended to be devoted to the common use and enjoyment of the Owners as shown on final plans of Waterville Estates last recorded prior to the conveyance of such parcels to the Association.
7. Property - Lots and Units plus the Common Property.
8. Owner - Any person, persons or legal entity who holds title to any Living Site, Living Unit or Condominium Unit, individually, jointly or in common with another holder or holders.
9. Board - Board of Directors of Waterville Estates Association.

ARTICLE II MEMBERSHIP, VOTING RIGHTS AND PROPERTY RIGHTS

Section I. Membership and property Rights.

The membership and property rights of the Association and its members shall be as set forth in the Restrictions, as amended from time to time.

Section 2. Voting Rights (other than election of Directors per Article V, Section 3b).

At any meeting of the Association, each Owner in good standing shall be entitled to cast one vote regardless of the number of Lots (Living Sites), Living Units or Condominium Units owned; provided that the Owner is not delinquent in the payment of any dues assessment or other fees as set forth in the Restrictions. Any Owner may attend and vote at such meeting in person or by proxy (by instrument in writing, signed by the Owner and filed with the Board). Where there is more than one person as Owner of the same Lot or Unit, all such persons shall be members of the Association and any or all such persons may attend any such meeting, but it shall be necessary for said persons to act unanimously in order to cast the one vote to which they are entitled. Where only one such person attends any such meeting, he may vote for himself and as agent for any absent Owner of his Lot or Unit without proxy designation. Where none of such persons attends such meeting, the designation of proxy must be signed by all such persons. In addition to the above proxy provisions, an Owner may assign his right to vote to any first mortgagee of record.

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Section 3. Assessment of Dues.

Each Owner is required to pay annual dues and assessments, the obligation of which dues and assessments is imposed against each Owner of, and becomes a lien upon, the property against which such assessments are made as provided in the Restrictions.

Section 4. Membership Rights.

The membership rights of any person whose interest in their Property is subject to such dues and assessments may be suspended by action of the Board of Directors of the Association during any period when the dues and assessments remain unpaid as provided herein and in the Restrictions. If the Board has adopted rules and regulations governing the use of Common Property, it may, in its discretion, suspend the rights of any member for violation of such rules and regulations for a period not to exceed thirty (30) days for each such violation. Continued violation of such rules or regulations or subsequent instances of such violations may result in additional suspension of such rights.

ARTICLE III BOARD OF DIRECTORS

Section 1. Number of Board Members.

The management and control of the affairs of the Association shall be vested in and exercised by a Board of Directors consisting of nine persons, three elected each year in the manner provided in Article V, below.

Section 2. Term.

Directors shall serve for a term of three (3) years and until their successors are elected and qualified. Newly elected Directors shall be qualified and seated as the last act of official business immediately prior to the adjournment of the Annual Meeting of the Waterville Estates Association.

Section 3. Qualifications.

Any member of the Association who, at the time of the nomination, has paid his or her dues and assessments for all prior Fiscal years and is otherwise in good standing, shall be eligible for the office of Director. In the case of a trust or corporate member, any trustee, officer, director, or stockholder of the corporation shall be eligible to serve as a director. A person may succeed him/herself as a Director.

Section 4. Vacancies.

In the case of death, resignation or removal of a Director, the Board of Directors may appoint by a majority vote a successor Director, as described in Section 3 above, to serve the remainder of the unexpired term.

Section 5. Meetings.

The Annual Meeting of the Board of Directors shall be held immediately following the Annual Meeting of the Waterville Estates Association, unless the Board, by resolution approved by majority, vote to change the date and time of such meeting. Said Board of Directors shall meet at least quarterly in public session including said Annual Meeting. Special meetings of the Board of Directors shall be called upon the written request of two

BYLAWS OF WATERVILLE ESTATES ASSOCIATION

Member's of the Board or at the discretion of the President of the Association and shall be held at the time and place specified in the respective request and call. Written notice of the Annual Meeting of the Board of Directors shall not be required. Written notice of special meetings shall be sent to each member of the Board at least five (5) days prior thereto, unless each Director is informed of such special meeting directly, or unless the Director waives such notice in writing. The date, time and place of all Board meetings shall be posted in the Village Center and on the Waterville Estates Web-site.

Section 6. Powers and Duties.

The Board of Directors shall have the following powers and duties:

- (a) To call special meetings of the Association at its discretion or upon written request of one-fourth (1/4th) of the voting membership, as provided in Article VIII, Section 2 hereof.
- (b) To appoint and remove at pleasure all officers, agents, and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as may be expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or director of the Association in any capacity whatsoever.
- (c) To establish, levy and assess, and collect the dues, assessments or charges referred to in Article II hereof.
- (d) To maintain, alter, repair and otherwise care for the Common Property.
- (e) To adopt and enforce rules and regulations governing the use of the Common Property and the personal conduct of the members and their guests thereon. These rules and regulations shall be posted in the community center building or some other conspicuous place on the Common Property.
- (f) To cause to be kept a complete record of all of its acts and the corporate affairs and to present a statement thereof to the members at the annual meeting of the Association.
- (g) To exercise for the Association all powers, duties and authority vested in or delegated to this Association except those otherwise conferred by these By-Laws, the Articles, and the Restrictions or by law.

ARTICLE IV OFFICERS

Section 1. Designation.

The officers shall be a president, vice president, secretary, treasurer and such other officers as the Board of Directors from time to time shall designate.

Section 2. Election.

Officers shall be elected from the Board of Directors and by a majority of the Board, at the first meeting of the Board of Directors following the annual meeting of the Association.

Section 3. Term.

Officers shall serve for a term of one year, and until their successors shall have been elected and qualified.

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Section 4. President.

The president shall preside at all meetings of the Board of Directors and of the Association, and shall perform such other duties as may be required by the Board of Directors and the Association from time to time.

Section 5. Vice President.

The vice president shall, in the absence of the president, perform the functions of the president as prescribed above.

Section 6. Secretary.

The secretary shall record the votes and keep the minutes of meetings of the Board of Directors and of the Association. He/she shall keep or caused to be kept a record of the names and addresses of the members of the Association as registered with the Association.

Section 7. Treasurer.

The treasurer shall have charge and custody of and be responsible for all funds and securities of the Association: shall receive and give receipts for moneys due and payable to the Association from all sources, and shall deposit such funds in such banks and depositories as determined by the Board of Directors and shall pay the obligations of the Association as instructed by the Directors.

Section 8. Authority.

The Board of Directors may authorize any officer or officers, or employee, in the name of and on behalf of the Association to enter into any contract or execute and deliver any instrument or to sign checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, and such authority may be general or it may be confined to specific instances; and unless specifically authorized by the Board of Directors, no officer or Director, except the treasurer, shall have the power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it financially liable for any purpose or in any amount up to \$1000.00. In the case of any transaction in an amount greater than \$1000.00 a second signature of a member of the Board of Directors is required.

Section 9. Funds.

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the treasurer may select and for the purpose of such deposit the treasurer and other officer and/or officers to whom such power is expressly delegated by the Board of Directors may endorse, sign and deliver checks, drafts and other orders for the payment of money to the order of the Association.

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ARTICLE V ELECTION OF DIRECTORS

Section 1. Nomination of Candidates for the Board of Directors.

Candidates for the Director may be nominated for office either by a Nominations and Election Committee or by petition filed in accordance with this section.

- (a) The Nominations and Election committee shall consist of three persons selected by the President of the Association, and approved by the Board. Candidates for nomination or election to the Board shall not serve on the Committee. The Nominations and Election Committee is responsible for implementation of the election process described herein. Its activities are subject to the approval of the Board of Directors.
- (b) The Nominations and Election Committee shall nominate one or more owner(s) in good standing for each of the Director positions becoming vacant during the upcoming year, and such nominees shall be listed on the ballot as a candidate for Director.
- (c) A Candidate may be nominated by written petition which must be endorsed by no less than five owners. [See Section 2(a) and 3), below] Each nominee by petition shall be listed on the ballot as a candidate for Director.

Section 2. Nomination Schedule, Procedures and Requirements.

- (a) Notice of Election. Each year the Nominations and Election Committee shall caused to be mailed to each owner in good standing notice of: 1) the upcoming annual election; 2) the number of Director seats vacant; and 3) the manner and time by which nominations of candidates may be made by petition.

Section 3. Voting for the Board of Directors.

- (a) Ballots. The Nominations and Election Committee shall cause ballot to be mailed to each Owner of the Association. Each Owner shall receive one ballot notwithstanding the number of Living Sites (Lots) or Living Units owned by said Owner. The ballots shall list the names of all eligible nominees, in order drawn by lot. The ballot will identify those persons nominated by the Nominations and Elections Committee and those nominated by petition. Each owner as specified in (b) below may vote for one person for each vacancy. Each Owner may also vote for candidates whose names do not appear on the ballot by writing in the name(s) of such candidate(s).
- (b) Voting Rights. Each owner shall be entitled to cast one ballot, regardless of the number of Living Sites (Lots) or Living Units owned. Where there is more than one owner of record of the same lot or unit, such owners are entitled to submit only one ballot. The right to vote for members of the Board of Directors is not assignable to others. An owner may not appoint a proxy to act on his pr her behalf on voting for the Board of Directors.
- (c) Implementation. The specific form of the ballot and contents of any transmittal letter or attachment shall be as prescribed by the Nominations and Election Committee. Candidates for election may prepare a statement of qualifications, which will accompany the ballot. Such statement shall not exceed a single standard page. The Committee shall establish a calendar of events for the nomination and election process which facilitates the seating of newly elected directors at the Annual Meeting of the Association, and shall

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be responsible for communicating this information to the membership. The Committee shall adopt procedures to safeguard the ballots and insure the integrity of the vote. All valid ballots returned to the Committee by a date-certain, specified by the Committee, shall be counted, and the results reported to the Board of Directors. The winners shall be the three persons receiving the highest number of votes.

ARTICLE VI INDEMNIFICATION OF OFFICERS

Each Director and Officer of the Association (and their respective heirs, executors and administrators) shall be indemnified by the Association against any cost, expense (including attorney's fees), judgments and liability reasonably incurred by or imposed upon him or her in connection with any action, suit or proceeding to which he or she may be made a party or with which he or she is threatened, by reason of his or her being, or having been, a Director or officer of the Association, except with respect to matters to which he or she shall finally be adjudged in such action, suit or proceeding to be liable for willful misconduct as such Director or officer. In the event of settlement of any such action, suit or proceeding brought or threatened, such indemnification shall be limited to matters covered by the settlement as to which the Association is advised by counsel that such Director or officer is not liable for willful misconduct as a Director or officer. The foregoing right of indemnification shall be in addition to any other rights which any Director or officer may otherwise be entitled.

ARTICLE VII REMOVAL OF OFFICERS AND DIRECTORS

Officers and Directors of the Association may be removed from their respective offices in accordance with the following procedure:

Directors and Officers elected by the Association Owners, including persons elected by Directors to fill vacancies in the Board or in such offices, may be removed from their respective offices for cause by two-thirds (2/3) vote of such Association Owners present at a meeting thereof, specifically called for that purpose.

ARTICLE VIII MEETINGS OF MEMBER

Section 1. Annual Meeting.

The annual meeting of the members shall *be* held at Waterville Estates on the last Sunday of January, at the hour of 11:00 a.m., or at such other date and time as may be designated by written notice of the Board, mailed or delivered to the owners not less than ten (10) days prior to the revised date for the meeting.

Section 2. Special Meetings.

Special meetings of the owners for any purpose may be called at any time by the president, by the majority of the members of the Board of Directors, or upon written request of one-fourth of the entire ownership who are in good standing.

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Section 3. Notice of Meetings.

Notice of the annual meeting and any special meetings shall be given to the Owners by the secretary. Such notice shall be delivered to the owners or sent through the mail, postage thereon fully prepaid to his or her address, appearing on the books of the Association, such delivery or mailing to occur at least ten (10) days prior to such special meeting and such notice to set forth in general the nature of the business to be transacted. No notice of the annual meeting shall be required unless the nature of the business to be transacted, under the terms hereof or of the Restrictions, require such notice. It shall be the sole responsibility of an owner to notify the Association of any change in their mailing address.

Section 4. Quorum.

Unless otherwise provided in these By-Laws, the Articles, the Restrictions or by law, the presence at any meeting, in person, or by proxy, of the owners entitled to cast one-tenth (1/10) of the votes, shall constitute a quorum for any action.

Section 5. Voting.

At all meetings of the Association, each owner may vote in person or by proxy as provided in Section 2 of Article II hereof. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of 1 month, and every proxy shall automatically cease upon the sale by the owner of all of his or her Lots or Units or other interests in the Property.

ARTICLE IX FISCAL YEAR

The fiscal year of the Association shall be in on the first day of January in each year.

ARTICLE X AMENDMENTS

The By-Laws may be altered or amended by a two-thirds (2/3) vote of the owners who are voting in person or by proxy at a meeting, notice of which, including the notice of the proposed amendment or amendments, having been given to the owners of the Association at least ten (10) days prior to the meeting.

I further certify that Elizabeth Ann Verow, is now the President of the Association, that the seal hereto affixed is the seal of the Association, and that the By-laws herein above set forth are still in force and effect.

Witnessed my hand and the seal of said Association the

Elizabeth Ann Verow

29th day of July, 2005.

7/29/05

Date



JUDY L KINNEY, Public
Commission Expires October 22, 2008